MITCHELL COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021

MITCHELL COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of Mitchell County, Georgia
Camilla, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Mitchell County, Georgia** (the "County") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Mitchell County Board of Health, which represent 100% of the assets, net position, and revenues of the discretely presented component unit as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. 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 Mitchell County Board of Health, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards")*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, ("MD&A") (pages 5 through 12), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (pages 54 and 55) and the Schedule of County Contributions (pages 56 and 57) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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.

Supplementary 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 accompanying combining and individual fund statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and the schedule of transportation special purpose local option sales tax, as required by O.C.G.A 48-8-269.5, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 fund statements and schedules, the schedules of expenditures of special purpose local option sales tax, and the schedule of transportation special purpose local option sales tax, 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 August 26, 2022, 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 Mitchell County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
August 26, 2022

MITCHELL COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

As Chief Financial Officer of Mitchell County, Georgia (the "County"), I, along with the Board of Commissioners, offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2021. This Management's Discussion and Analysis ("MD&A") is intended to help provide a comprehensive understanding of the financial performance and condition of the County taken as a whole. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the financial statements and the notes to the financial statements.

Fiscal Year 2021 is the seventeenth year the County has prepared its annual report in compliance with the financial reporting model, GASB 34. This reporting model is a combination of both government-wide financial statements and fund financial statements. As such, our basic financial statements contain three components:

1) Government-wide financial statements including the statement of net position and the statement of activities. These statements provide a broad, long-term overview of the County's finances based upon the driving factors of economic resources available.

2) Fund financial statements, including balance sheet and statement of revenues, expenditures and changes in fund balance. These statements focus more on the short-term performance of the County's finances based upon the current financial resources available.

3) Notes to financial statements.

The MD&A will assist the reader by highlighting and summarizing in general terms the basic financial information contained within the annual report.

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

Government-wide financial statements:

- At December 31, 2021, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $44,275,666 (net position).

- The County's $20,439,041 net investment in capital assets and $16,834,165 in unrestricted, leaves the County with $ 7,002,460 in net position restricted for governmental activities.

- The County's total net position increased from $36,353,232 in the prior year to $44,275,666 in the current year, for a total increase of $7,922,434 or 21.8%.

- The County's revenues for fiscal year 2021, totaled $28,526,651. Of this amount, 48% are property tax revenues, 9% are sales tax revenues, 4% are other tax revenues, 14% are charges for services and the remaining 25% are other revenues. This is a 12% increase over fiscal year 2020 revenues.

- The County's total program expenses for fiscal year 2021 totaled $20,604,217. Of this amount, 38% are public safety expenses, 25% are general governmental expenses, 25% are public works expenses and the remaining 12% are other expenses. This is a 1.35% increase over fiscal year 2020 expenses.

- The County's governmental funds recorded total assets of $34,968,647 for the year ended December 31, 2021. This amount is over the total governmental funds liabilities and deferred inflows of resources by $27,122,321 (fund balance).

- Total governmental fund's fund balances for the year ended December 31, 2021, increased by $4,117,841 from the previous year. This increase was a result of a $4,108,266 increase in the General Fund, a $1,374,424 increase in the 2018 – 2023 Sales Tax Fund, a $ 2,121,735 decrease in the American Rescue Plan Act ("ARPA") Fund and a $756,886 increase in Nonmajor Governmental Funds.

- Total governmental fund balance is $27,122,231 with $18,732,375 classified as unassigned.

- Total revenues for the general fund were under budgeted amounts by $50,460, or 0.3%, and total expenditures for the general fund were under budget by $725,100, or 4%.

Overview of the Financial Statements

The reporting model for the government-wide financial statements is designed to provide readers with a broad overview of the County's financial performance over the past year and the resulting condition thereof. The statements resemble those of private sector business by taking on an "economic resource" approach as opposed to a "current resource" approach traditionally found in fund financial statements. Additionally, this MD&A helps highlight and emphasize in plain language the events that have occurred over the past year to bring about the current financial condition of the County. I encourage readers to review all of the basic financial statements, along with the MD&A and supplementary information in order to fully understand the overall financial position of Mitchell County, Georgia.

Reporting on the County as a Whole

The model of financial reporting, which includes the statement of net position and the statement of activities beginning on page 13 helps readers identify whether or not the County as a whole is in better condition as a result of the events that have taken place over the past year. These statements capture all assets and liabilities using the *accrual basis of accounting.* This format of accounting resembles that used by most private-sector companies by recording all of the current year's revenues and expenses regardless of when cash is received or paid.

In the statement of net position and the statement of activities, the County is presented in two distinct activities:

- Governmental Activities – This section reports most of the familiar governmental services: general government, judicial, public safety, public works, health and welfare, recreation, and housing and development. The majority of funding for these programs comes from property taxes, sales tax, charges for services, and fines and forfeitures.

- Business-type Activities – This section reports activities that are financed and operated in a manner similar to private business enterprises where the intent of the governing authority is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing authority has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. For purposes of this paragraph, the term "costs" means expenses, including depreciation.

- Component units – There is one component unit report, the Mitchell County Board of Health. Although this unit is a legally separate entity, it is important because the County has a significant financial interest in this unit.

Reporting on the County's Most Significant Funds

The fund financial statements beginning on page 16 provides a more detailed look at the County's most significant funds – not the County as a whole. While some funds are required by State law, others are established by the Board of Commissioners to help control budgets and financing for specific purposes. The County maintains three categories of funds: Governmental, Proprietary and Fiduciary.

- Governmental Funds – As you might expect, most of the familiar governmental services (general government, judiciary, public safety, public works, health and welfare, recreation, housing and development) are captured and reported in governmental funds. These funds use a method of accounting called the *modified accrual approach*. This method of accounting measures cash and other financial assets that can be readily converted into cash. The governmental funds provide a short-term view of the County's general government operations and services, and help determine the amount of financial resources that are available in the near future to fund County programs. On page 18 is the reconciliation between the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities.

- Proprietary Funds – The County maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer system fund and on internal service funds to account for its Self-Insurance Health Benefit Fund. The accounting method used for these funds is much like that used for a business, the *full accrual* method.

- Fiduciary Funds – These funds are established to report on assets being held by the County for the benefit of parties outside the County. Although these funds are presented in the fund financial statements, they do not appear in the government-wide statements because the resources of these funds are not available to support the programs of Mitchell County Local Government. The accounting method used for these funds is much like that used for proprietary funds, the *full accrual* method.

Mitchell County Government-wide Financial Analysis

The following table presents a summary of the Statement of Net Position for the County as of December 31, 2021 and 2020.

Table 1
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Current and Other Assets	**$ 30,790,327**	$ 23,677,927	**$ 273,628**	$ 119,413	**$ 31,063,955**	$ 23,797,340
Capital Assets	**20,937,478**	19,306,676	**1,838,272**	1,960,691	**22,775,750**	21,267,367
Total Assets	**51,727,805**	42,984,603	**2,111,900**	2,080,104	**53,839,705**	45,064,707
Deferred outflows of resources	**656,767**	974,350	-	-	**656,767**	974,350
Long-term Liabilities	**4,096,453**	4,607,386	**898,148**	938,177	**4,994,601**	5,545,563
Other Liabilities	**4,416,838**	4,594,108	**65,126**	64,180	**4,481,964**	4,658,288
Total Liabilities	**8,513,291**	9,201,494	**963,274**	1,002,357	**9,476,565**	10,203,851
Deferred inflows of resources	**744,241**	389,147	-	-	**744,241**	389,147
Net Position:						
Net Investment in Capital Assets	**19,538,947**	17,537,691	**900,094**	983,374	**20,439,041**	18,521,065
Restricted	**7,002,460**	5,325,697	**-**	**-**	**7,002,460**	5,325,697
Unrestricted	**16,585,633**	11,504,924	**248,532**	94,373	**16,834,165**	11,599,297
Total Net Position	**$ 43,127,040**	$ 34,368,312	**$ 1,148,626**	$ 1,077,747	**$ 44,275,666**	$ 35,446,059

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $43,127,040 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (46%) reflects its investment in capital assets (e.g., land, building, 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.

An additional portion of the County's net position (16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is $16,834,165.

The following table summarizes the changes in net position for the primary government for the fiscal years ended December 31, 2021 and 2020:

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	**2021**	2020	**2021**	2020
Revenues						
Program revenues:						
Charges for services	**$ 3,443,830**	$ 3,544,743	**$ 514,122**	$ 719,756	**$ 3,957,952**	$ 4,264,499
Operating grants	**5,306,877**	1,243,800	**-**	-	**5,306,877**	1,243,800
Capital grants	**1,848,082**	699,488	**-**	394,046	**1,848,082**	1,093,534
General revenue:						
Property taxes	**13,579,910**	15,255,105	**-**	-	**13,579,910**	15,255,105
Sales taxes	**2,681,575**	2,506,348	**-**	-	**2,681,575**	2,506,348
Insurance premium taxes	**988,968**	951,390	**-**	-	**988,968**	951,390
Other taxes	**94,100**	170,566	**-**	-	**94,100**	170,566
Unrestricted investment earnings	**25,217**	68,952	**-**	-	**25,217**	68,952
Bond income	**43,970**	-	**-**	-	**43,970**	-
Total revenues	**28,012,529**	24,440,392	**514,122**	1,113,802	**28,526,651**	25,554,194
Program expenses:						
General government	**5,140,919**	4,236,081	**-**	-	**5,140,919**	4,236,081
Judicial	**586,074**	1,178,425	**-**	-	**586,074**	1,178,425
Public safety	**7,860,118**	8,054,287	**-**	-	**7,860,118**	8,054,287
Public works	**5,222,209**	5,065,178	**-**	-	**5,222,209**	5,065,178
Health and welfare	**425,307**	429,484	**-**	-	**425,307**	429,484
Culture and recreation	**386,976**	335,169	**-**	-	**386,976**	335,169
Conservation and development	**479,191**	491,429	**-**	-	**479,191**	491,429
Economic development	**-**	95,769	**-**	-	**-**	95,769
Interest on long-term debt	**60,180**	-	**-**	-	**60,180**	-
Water	**-**	-	**443,243**	443,800	**443,243**	443,800
Total expenses	**20,160,974**	19,885,822	**443,243**	443,800	**20,604,217**	20,329,622
Excess revenues over expenses	**7,851,555**	4,554,570	**70,879**	670,002	**7,922,434**	5,224,572
Transfers	**-**	588,377	**-**	(588,377)	**-**	-
Change in net position	**7,851,555**	5,142,947	**70,879**	81,625	**7,922,434**	5,224,572
Net position - beginning of year	**35,275,485**	29,225,365	**1,077,747**	996,122	**36,353,232**	30,221,487
Net position - end of year	**$ 43,127,040**	$ 34,368,312	**$ 1,148,626**	$ 1,077,747	**$ 44,275,666**	$ 35,446,059

Note: Amounts presented above for 2020 do not reflect the impact of the prior period adjustments as discussed in Note 16.

Total revenues for governmental activities exceed total expenses by $7,851,555. By review of Table 2, it is apparent that the bulk of revenues supporting governmental activities are attributable to property taxes, $13,579,910, or 48%, and charges for services $3,957,952, or 14%.

Additionally, Table 2 illustrates the bulk of governmental activities expense being reported within the program of public safety, reporting expenses of $7,860,118, or 38%, with the second largest expense attributable to public works with expenses of $5,222,209, or 25%.

Governmental Activities

The current reporting model provides users with an understanding of how governmental activities are fully supported. Table 3 will help illustrate how these programs fall short of supporting themselves and must, therefore, rely on general revenues such as property tax, sales tax, fines and grants. The table lists the total cost of each program, and the final net cost (total cost less revenues generated by the program).

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021	2020	**2021**	2020
General government	**$ 5,140,919**	$ 4,236,081	**$ 817,601**	$ 4,097,469
Judicial	**586,074**	1,178,425	**427,751**	996,456
Public safety	**7,860,118**	8,054,287	**4,585,559**	4,893,059
Public works	**5,222,209**	5,065,178	**4,312,951**	3,963,294
Health and welfare	**425,307**	429,484	**425,307**	429,484
Culture and recreation	**386,976**	335,169	**323,207**	312,635
Conservation and development	**479,191**	491,429	**(1,390,371)**	(390,375)
Interest on long-term debt	**60,180**	95,769	**60,180**	95,769
Totals	**$ 20,160,974**	$ 19,885,822	**$ 9,562,185**	$ 14,397,791

As noted in the above table, governmental programs fell $9,562,185 short of supporting themselves through direct revenues attributable to those programs. As a result, citizens support these programs through payment of property taxes, sales taxes and other taxes.

The County's Major Governmental Funds

At the end of fiscal year 2021, the County reported its governmental funds (as presented in the balance sheet on page 16) having a combined fund balance of $27,122,231. This balance increased by $4,117,841 from the prior year's balance. The statement of revenues, expenditures and changes in fund balances presented on page 17 reports a fund balance of $20,922,021 in the general fund, ($2,121,735) was reported for the ARPA Fund, $4,374,232 was reported for 2018 – 2023 Sales Tax Fund and $3,947,713 for nonmajor governmental funds.

Revenues for the general fund totaled $17,709,965, or approximately 68% of total governmental revenues, reported in the statement of revenues, expenditures and changes in fund balance presented on page 17. Of this amount, $13,885,198 (75%) was collected through property taxes, with the second largest source of revenues reported in the line item of charges for services, $1,393,040 (8%).

Expenditures for the general fund totaled $17,522,950 (not including other financing uses). Revenues exceeded expenditures by $187,015.

General Fund Budgetary Highlights

Total revenues in the general fund were under final budgeted amounts by $50,460, or 0.3%. This final result is a combination of both positive and negative variances as reported on the General Fund Budgetary Comparison Statement presented on pages 19 and 20.

General fund expenditures (not including other financing uses) for the year ended December 31, 2021, were under budget by $725,100, or 4%.

Capital Asset and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to $22,775,750 (net of accumulated depreciation). This is an increase of $1,508,383 from last year. The increase is the result of capital outlay exceeding depreciation in the current year. Table 4 is summary data of capital assets.

Table 4
Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities	Business-type Activities	Total
Land	$ 3,411,045	$ 81,920	$ 3,492,965
Construction in progress	702,453	-	702,453
Buildings	3,085,207	144,099	3,229,306
Infrastructure	9,443,069	1,612,253	11,055,322
Vehicles and equipment	4,295,704	-	4,295,704
Totals	$ 20,937,478	$ 1,838,272	$ 22,775,750

It should be noted that the majority of the capital assets in the County have been obtained through the use of Special Purpose Local Option Sales Tax ("SPLOST"). More detail on the County's capital assets can be found in Note 6, pages 40 and 41 of the notes to the financial statements.

At year-end, the County had a total of $8,174,433 in outstanding long-term liabilities which includes $3,204,920 in closure and post-closure care costs for the Mitchell County Landfill and the balance being notes payable, bonds payable, financed purchases, compensated absences, and the net pension liability. More information regarding the County's long-term debt can be found in Note 7, pages 42 – 44 in the notes to the financial statements.

Other Economic Factors

At the direction of the Board of Commissioners, the County has positioned itself to build sufficient reserves for short-term operating costs, thereby reducing the need for an operating line of credit. This saves the County interest expense. The County has also taken advantage of governmental lease-purchase agreements for its large equipment needs. These agreements allow for the guaranteed repurchase of the equipment by the vendor and provides the County with newer equipment that reduces overall repairs, maintenance and operating costs.

To help improve the community, provide job opportunities and expand the tax base, the Board of Commissioners funds the Mitchell County Development Authority.

Contacting the County's Financial Management

This Annual Financial Report is designed to help citizens, taxpayers, customers, investors, and creditors evaluate the overall condition of Mitchell County, Georgia and the operations thereof. Additional details can be requested by mail at the following address: Mitchell County Board of Commissioners, 26 N. Court Avenue, Camilla, Georgia 31730.

BASIC FINANCIAL STATEMENTS

MITCHELL COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Mitchell County Board of Health
ASSETS				
Cash and cash equivalents	$ 25,078,661	$ 233,964	$ 25,312,625	$ 630,571
Investments	1,250,264	-	1,250,264	-
Taxes receivable	1,812,609	-	1,812,609	-
Accounts receivable, net of allowances	59,094	39,664	98,758	-
Due from other governments	2,586,138	-	2,586,138	141,835
Interest receivable	3,561	-	3,561	-
Capital assets:				
Non-depreciable	4,113,498	81,920	4,195,418	-
Depreciable, net of accumulated depreciation	16,823,980	1,756,352	18,580,332	57,018
Total assets	51,727,805	2,111,900	53,839,705	829,424
DEFERRED OUTFLOWS OF RESOURCES				
Pension differences	656,767	-	656,767	125,127
OPEB differences	-	-	-	75,490
Total deferred outflows of resources	656,767	-	656,767	200,617
LIABILITIES				
Accounts payable	525,795	25,096	550,891	13,743
Accrued liabilities	95,903	-	95,903	-
Claims payable	155,257	-	155,257	-
Due to other governments	15,233	-	15,233	-
Financed purchases due within one year	484,848	-	484,848	-
Financed purchases due in more than one year	747,256	-	747,256	-
Notes payable due within one year	55,476	40,030	95,506	-
Notes payable due in more than one year	110,951	898,148	1,009,099	-
Compensated absences due within one year	133,302	-	133,302	2,892
Compensated absences due in more than one year	33,326	-	33,326	26,032
Closure and post-closure care costs	3,204,920	-	3,204,920	-
Net pension liability	2,951,024	-	2,951,024	515,026
Net OPEB liability	-	-	-	86,886
Total liabilities	8,513,291	963,274	9,476,565	644,579
DEFERRED INFLOWS OF RESOURCES				
Pension differences	744,241	-	744,241	7,305
OPEB differences	-	-	-	166,427
Total deferred inflows of resources	744,241	-	744,241	173,732
NET POSITION				
Net investment in capital assets	19,538,947	900,094	20,439,041	57,018
Restricted for:				
Judicial	27,725	-	27,725	-
Victims witness program	2,804	-	2,804	-
Public safety	1,251,785	-	1,251,785	-
Economic development	1,085,897	-	1,085,897	-
Capital outlay	4,634,249	-	4,634,249	-
Special use	-	-	-	411,176
Unrestricted (deficit)	16,585,633	248,532	16,834,165	(256,464)
Total net position	$ 43,127,040	$ 1,148,626	$ 44,275,666	$ 211,730

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

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	$ 5,140,919	$ 76,686	$ 4,246,632	$ -
Judicial	586,074	-	158,323	-
Public safety	7,860,118	3,242,548	27,466	4,545
Public works	5,222,209	43,427	858,456	7,375
Health and welfare	425,307	-	-	-
Recreation	386,976	63,769	-	-
Conservation and development	479,191	17,400	16,000	1,836,162
Interest on long-term debt	60,180	-	-	-
Total governmental activities	20,160,974	3,443,830	5,306,877	1,848,082
Business-type activities:				
Water and sewer system	443,243	514,122	-	-
Total business-type activities	443,243	514,122	-	-
Total primary government	$ 20,604,217	$ 3,957,952	$ 5,306,877	$ 1,848,082
Component unit				
Mitchell County Board of Health	$ 727,555	$ 423,781	$ 526,667	$ -
Total component unit	$ 727,555	$ 423,781	$ 526,667	$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium tax				
Other taxes				
Unrestricted investment earnings				
Gain from sale of capital 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			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Mitchell County Board of Health
$ (817,601)	$ -	$ (817,601)	$ -
(427,751)	-	(427,751)	-
(4,585,559)	-	(4,585,559)	-
(4,312,951)	-	(4,312,951)	-
(425,307)	-	(425,307)	-
(323,207)	-	(323,207)	-
1,390,371	-	1,390,371	-
(60,180)	-	(60,180)	-
(9,562,185)	-	(9,562,185)	-
-	70,879	70,879	-
-	70,879	70,879	-
(9,562,185)	70,879	(9,491,306)	-
-	-	-	222,893
-	-	-	222,893
13,579,910	-	13,579,910	-
2,681,575	-	2,681,575	-
988,968	-	988,968	-
94,100	-	94,100	-
25,217	-	25,217	-
43,970	-	43,970	-
17,413,740	-	17,413,740	-
7,851,555	70,879	7,922,434	222,893
35,275,485	1,077,747	36,353,232	(11,163)
$ 43,127,040	$ 1,148,626	$ 44,275,666	$ 211,730

FUND FINANCIAL STATEMENTS

MITCHELL COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	2018-2023 Sales Tax Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 15,304,554	$ 4,229,608	$ 2,124,896	$ 3,328,128	$ 24,987,186
Investments	979,018	-	-	271,246	1,250,264
Taxes receivables	1,714,210	-	-	98,399	1,812,609
Accounts receivables, net of allowances	59,094	-	-	-	59,094
Due from other governments	-	241,386	2,123,316	221,436	2,586,138
Interest receivable	3,561	-	-	-	3,561
Due from other funds	4,047,412	-	-	222,383	4,269,795
Total assets	$ 22,107,849	$ 4,470,994	$ 4,248,212	$ 4,141,592	$ 34,968,647
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 327,525	$ 96,762	$ -	$ 101,508	$ 525,795
Accrued liabilities	95,903	-	-	-	95,903
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	4,246,631	23,164	4,269,795
Due to other governments	-	-	-	15,233	15,233
Total liabilities	423,428	96,762	4,246,631	139,905	4,906,726
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	762,400	-	-	53,974	816,374
Unavailable revenue - grants	-	-	2,123,316	-	2,123,316
Total deferred inflow of resources	762,400	-	2,123,316	53,974	2,939,690
FUND BALANCES					
Restricted for:					
Judicial	-	-	-	27,725	27,725
Victims witness program	2,804	-	-	-	2,804
Public safety	-	-	-	1,251,785	1,251,785
Economic development	-	-	-	1,085,897	1,085,897
Capital outlay	65,107	4,374,232		194,910	4,634,249
Committed for:					
Public safety	-	-	-	658,627	658,627
Housing and development	-	-	-	728,769	728,769
Unassigned (deficit)	20,854,110	-	(2,121,735)	-	18,732,375
Total fund balances (deficit)	20,922,021	4,374,232	(2,121,735)	3,947,713	27,122,231
Total liabilities, deferred inflows of resources, and fund balances	$ 22,107,849	$ 4,470,994	$ 4,248,212	$ 4,141,592	

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 governmental funds.	20,937,478
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	2,939,690
Deferred outflows of resources and deferred inflows of resources related to the County's pension plan are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	(87,474)
Internal service funds are used by management to charge the costs of risk management to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities.	(63,782)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(4,770,079)
The net pension liability is not due and payable in the current period and, therefore, is not reported in governmental funds.	(2,951,024)
Net position of governmental activities	$ 43,127,040

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	2018-2023 Sales Tax Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 13,264,768	$ -	$ -	$ 620,430	$ 13,885,198
Sales taxes	35,282	2,646,293	-	-	2,681,575
Insurance premium taxes	988,968	-	-	-	988,968
Other taxes	94,100	-	-	-	94,100
Licenses and permits	122,786	-	-	-	122,786
Intergovernmental	1,064,604	-	2,123,316	1,836,162	5,024,082
Charges for services	1,393,040	-	-	1,081,944	2,474,984
Fines and forfeitures	597,967	-	-	100,523	698,490
Interest income	18,280	3,453	1,600	9,445	32,778
Other revenues	130,170	-	-	17,400	147,570
Total revenues	17,709,965	2,649,746	2,124,916	3,665,904	26,150,531
Expenditures					
Current:					
General government	4,047,779	-	20	-	4,047,799
Judicial	1,279,583	-	-	5,483	1,285,066
Public safety	5,415,021	-	-	1,646,764	7,061,785
Public works	4,334,414	-	-	16,000	4,350,414
Health and welfare	425,307	-	-	-	425,307
Culture and recreation	379,583	-	-	-	379,583
Conservation and development	328,433	-	-	-	328,433
Economic development	14,724	-	-	120,412	135,136
Intergovernmental	-	1,134,834	-	752,159	1,886,993
Capital outlay	-	140,488	-	665,190	805,678
Debt service:					
Principal	1,244,999	-	-	120,455	1,365,454
Interest	53,107	-	-	7,073	60,180
Total expenditures	17,522,950	1,275,322	20	3,333,536	22,131,828
Excess of revenues over expenditures	187,015	1,374,424	2,124,896	332,368	4,018,703
Other financing sources (uses)					
Sale of capital assets	99,138	-	-	-	99,138
Transfers in	4,096,248	-	-	496,518	4,592,766
Transfers out	(274,135)	-	(4,246,631)	(72,000)	(4,592,766)
Total other financing sources (uses)	3,921,251	-	(4,246,631)	424,518	99,138
Net change in fund balances	4,108,266	1,374,424	(2,121,735)	756,886	4,117,841
Fund balances, beginning of year, as restated	16,813,755	2,999,808	-	3,190,827	23,004,390
Fund balances (deficit), end of year	$ 20,922,021	$ 4,374,232	$ (2,121,735)	$ 3,947,713	$ 27,122,231

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

MITCHELL COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

Amounts reported in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	4,117,841
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 exceeds depreciation in the current period.		1,635,946
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes		(305,288)
Grants		2,123,316
The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, donations) is to decrease net position.		(5,144)
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.		1,327,451
The internal service fund is used by management to charge the cost of employee health insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.		45,651
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.		(1,088,218)
Change in net position - governmental activities	$	7,851,555

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Property taxes	$ 12,268,900	$ 13,398,925	$ 13,264,768	$ (134,157)
Sales taxes	113,000	113,000	35,282	(77,718)
Insurance premium taxes	950,000	950,000	988,968	38,968
Other taxes	140,000	140,000	94,100	(45,900)
Licenses and permits	66,000	66,000	122,786	56,786
Intergovernmental	907,450	907,450	1,064,604	157,154
Charges for services	1,656,250	1,656,250	1,393,040	(263,210)
Fines and forfeitures	424,000	424,000	597,967	173,967
Interest revenue	50,000	50,000	18,280	(31,720)
Other revenues	54,800	54,800	130,170	75,370
Total revenues	16,630,400	17,760,425	17,709,965	(50,460)
Expenditures				
Current				
General government:				
Board of commissioners	83,550	83,550	52,036	31,514
Board of registrars	157,250	116,250	107,593	8,657
Commissioners office	476,750	514,750	513,689	1,061
General government	2,603,825	1,915,000	1,913,388	1,612
Tax commissioner	270,250	270,250	267,500	2,750
Tax assessor	335,125	345,000	344,480	520
Courthouse/public buildings	86,000	796,000	794,949	1,051
Other services	39,375	55,000	54,144	856
Total general government	4,052,125	4,095,800	4,047,779	48,021
Judicial:				
Superior Court	152,375	110,000	108,573	1,427
Clerk of Superior Court	294,325	294,325	280,827	13,498
Board of equalization	4,500	4,500	1,951	2,549
District attorney	53,900	53,900	53,892	8
State Court	197,825	197,825	192,112	5,713
Magistrate Court	200,950	200,950	198,353	2,597
Probate Court	154,875	154,875	149,464	5,411
Juvenile Court	200,450	200,450	175,080	25,370
Victims assistance	125,300	125,300	119,331	5,969
Total judicial	1,384,500	1,342,125	1,279,583	62,542
Public safety:				
Sheriff	3,319,425	3,319,425	3,196,376	123,049
Corrections	1,895,575	1,895,575	1,519,241	376,334
Probation/community service	153,000	153,000	144,784	8,216
Emergency medical services	414,500	450,000	447,469	2,531
Coroner	46,525	46,525	35,223	11,302
Animal control	52,250	52,250	48,551	3,699
Emergency management agency	30,725	30,725	23,377	7,348
Total public safety	5,912,000	5,947,500	5,415,021	532,479

(Continued)

MITCHELL COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures (Continued)				
Current (Continued)				
Public works:				
Public works	$ 2,896,200	$ 3,450,000	$ 3,409,976	$ 40,024
Landfill	557,150	925,000	924,438	562
Total public works	3,453,350	4,375,000	4,334,414	40,586
Health and welfare:				
Health centers	166,450	166,450	165,307	1,143
Hospital	250,000	250,000	250,000	-
Public welfare	10,000	10,000	10,000	-
Total health and welfare	426,450	426,450	425,307	1,143
Culture and Recreation:				
Library	42,500	42,500	42,500	-
Recreation	365,825	365,825	337,083	28,742
Total culture and recreation	408,325	408,325	379,583	28,742
Conservation and development:				
NRCS - conservation office	35,400	39,000	38,736	264
Extension service	123,925	123,925	122,193	1,732
Planning and zoning	180,425	180,425	167,504	12,921
Total conservation and development	339,750	343,350	328,433	14,917
Economic development:				
Southwest Georgia Regional Commission	16,000	16,000	14,724	1,276
Total economic development	16,000	16,000	14,724	1,276
Debt service:				
Principal	1,097,550	1,240,000	1,244,999	(4,999)
Interest	27,975	53,500	53,107	393
Total debt service	1,125,525	1,293,500	1,298,106	(4,606)
Total expenditures	17,118,025	18,248,050	17,522,950	725,100
Excess (deficiency) of revenues over (under) expenditures	(487,625)	(487,625)	187,015	674,640
Other financing sources (uses)				
Sale of capital assets	5,000	5,000	99,138	94,138
Transfers in	486,900	486,900	4,096,248	3,609,348
Transfers out	(294,150)	(294,150)	(274,135)	20,015
Total other financing sources (uses)	197,750	197,750	3,921,251	3,723,501
Net change in fund balances	(289,875)	(289,875)	4,108,266	4,398,141
Fund balances, beginning of year, as restated	16,813,755	16,813,755	16,813,755	-
Fund balances, end of year	$ 16,523,880	$ 16,523,880	$ 20,922,021	$ 4,398,141

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
ARPA FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental	$ -	$ 2,123,300	$ 2,123,316	$ 16
Interest revenue	-	-	1,600	1,600
Total revenues	-	2,123,300	2,124,916	1,616
Expenditures				
Current				
General government	-	-	20	(20)
Total expenditures	-	-	20	(20)
Excess (deficiency) of revenues over (under) expenditures	-	2,123,300	2,124,896	1,596
Other financing uses				
Transfers out	-	(2,123,300)	(4,246,631)	(2,123,331)
Total other financing sources (uses)	-	(2,123,300)	(4,246,631)	(2,123,331)
Net change in fund balances	-	-	(2,121,735)	(2,121,735)
Fund balances, beginning of year	-	-	-	-
Fund deficit, end of year	$ -	$ -	$ (2,121,735)	$ (2,121,735)

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Water and Sewer System	Governmental Activities - Internal Service Fund	Totals
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 233,964	$ 91,475	$ 325,439
Accounts receivable	39,664	-	39,664
Total current assets	273,628	91,475	365,103
NON-CURRENT ASSETS			
Capital assets:			
Non-depreciable	81,920	-	81,920
Depreciable, net of accumulated depreciation	1,756,352	-	1,756,352
Total non-current assets	1,838,272	-	1,838,272
Total assets	2,111,900	91,475	2,203,375
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	25,096	-	25,096
Claims payable	-	155,257	155,257
Current portion - notes payable	40,030	-	40,030
Total current liabilities	65,126	155,257	220,383
NON-CURRENT LIABILITIES			
Notes payable, net of current portion	898,148	-	898,148
Total non-current liabilities	898,148	-	898,148
Total liabilities	963,274	155,257	1,118,531
NET POSITION (DEFICIT)			
Net investment in capital assets	900,094	-	900,094
Unrestricted (deficit)	248,532	(63,782)	184,750
Total net position (deficit)	$ 1,148,626	$ (63,782)	$ 1,084,844

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Water and Sewer System	Governmental Activities - Internal Service Fund	Totals
OPERATING REVENUES			
Charges for services	$ 514,122	$ 1,361,543	$ 1,875,665
Total operating revenues	514,122	1,361,543	1,875,665
OPERATING EXPENSES			
Cost of sales and services	113,758	-	113,758
Supplies	185,478	-	185,478
Claims	-	1,315,892	1,315,892
Depreciation	122,419	-	122,419
Total operating expenses	421,655	1,315,892	1,737,547
Operating income	92,467	45,651	138,118
NON-OPERATING EXPENSES			
Interest expense	(21,588)	-	(21,588)
Total non-operating expenses	(21,588)	-	(21,588)
Income before transfers	70,879	45,651	116,530
Change in net position	70,879	45,651	116,530
NET POSITION (DEFICIT), beginning of year	1,077,747	(109,433)	968,314
NET POSITION (DEFICIT), end of year	$ 1,148,626	$ (63,782)	$ 1,084,844

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Water and Sewer System	Governmental Activities - Internal Service Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 513,871	$ 1,361,543	$ 1,875,414
Payments to suppliers	(299,180)	(1,305,422)	(1,604,602)
Net cash provided by operating activities	214,691	56,121	270,812
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on notes payable	(39,139)	-	(39,139)
Interest paid	(21,588)	-	(21,588)
Net cash used for capital and related financing activities	(60,727)	-	(60,727)
Increase in cash and cash equivalents	153,964	56,121	210,085
Cash and cash equivalents:			
Beginning of year	80,000	35,354	115,354
End of year	$ 233,964	$ 91,475	$ 325,439
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 92,467	$ 45,651	$ 138,118
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	122,419	-	122,419
Changes in assets and liabilities:			
Increase in accounts receivable	(251)	-	(251)
Increase in accounts payable	56	-	56
Increase in claims payable	-	10,470	10,470
Net cash provided by operating activities	$ 214,691	$ 56,121	$ 270,812

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2021

ASSETS	Custodial Funds
Cash and cash equivalents	$ 537,559
Taxes receivable	1,724,691
Total assets	2,262,250
LIABILITIES	
Due to others	135,679
Uncollected taxes	1,724,691
Total liabilities	1,860,370
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	401,880
Total net position	$ 401,880

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

MITCHELL COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	Custodial Funds
ADDITIONS	
Taxes	$ 20,060,837
Fines and fees	1,133,761
Other custodial collections	375,425
Total additions	21,570,023
DEDUCTIONS	
Taxes paid to other governments	19,909,545
Other custodial disbursements	1,551,998
Total deductions	21,461,543
Change in fiduciary net position	108,480
NET POSITION, beginning of year, as restated	293,400
NET POSITION, end of year	$ 401,880

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Mitchell County, Georgia, (the "County") operates under a County Commissioner-Administrator form of government and provides the following services to the citizens of Mitchell County: public safety (police and fire), public works, recreation, judicial services, health and welfare services, housing and development, and general administrative services.

In conformity with GAAP, the financial statements of the reporting entity include those of Mitchell County, Georgia (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 relationships with the County.

Discretely Presented Component Unit

The **Mitchell County Board of Health** (the "Health Department") provides health services to the citizens of the County. The Health Department is a legally separate entity. The County Commissioners appoint a voting majority of the Health Department. The County has the ability to impose its will on the Health Department in accordance with the Official Code of Georgia Annotated ("O.C.G.A.") §31-3-14. The fiscal year-end of the component unit is June 30. Complete financial statements of the Mitchell County Health Department may be obtained from its administrative office at 88 W. Oakland Ave., Camilla, Georgia 31730.

Blended Component Unit

The **Mitchell County Development Authority** (the "Development Authority") is responsible for promoting industrial and commercial development within Mitchell County. The Development Authority is responsible for adopting its own annual budget and making its own operating decisions. A majority of the members of the governing board of the Development Authority are appointed by the County Commission. Additionally, the debt of the Development Authority is being repaid by the County. Separate financial statements for the Development Authority were not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of* accounting, as are the proprietary fund and the fiduciary fund financial statements. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, sales taxes, franchise taxes, licenses, investment income, Federal and State grants 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 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 ***2018-2023 Sales Tax Fund*** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax ("SPLOST"). Funds are used for: the retirement of general obligation debt; construction on roads, streets and bridges; public safety projects; and various City projects within Mitchell County.

The **American Rescue Plan Act ("ARPA") Fund** is used for accounting for the financial resources provided and subsequently expended from the American Rescue Plan grant received from the federal government.

The County reports the following major business-type fund:

The ***Water and Sewer System*** is an enterprise fund used to account for the provision of water services to the citizens of Mitchell County. Activities of the fund include water administration, operations, billing and collections.

The County reports the following internal service fund:

The ***Self-Insurance Health Benefit Fund*** is used to account for the self-insured health benefit plan provided for the employees of the County.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted or committed to expenditures for specific purposes.

The ***capital projects funds*** account for revenue sources that are legally restricted or committed to expenditures for specific capital purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***custodial funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

D. Cash and Investments

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.

E. Interfund Receivables/Payables

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., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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 columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Buildings and improvements	20 years
Infrastructure	50 years
Vehicles and equipment	5 – 10 years

G. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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)

H. Compensated Absences

The County's policy is to permit employees to accumulate earned but unused vacation as follows: 240 hours for all departments except, 252 hours for Sheriff's department, and 300 hours for the Correctional Institute employees. All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

I. 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 represents a consumption of fund balance/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 does not have any items that qualify for reporting in this category, other than the items related to the changes in the net pension liability which are discussed below.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of fund balance/net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to the items related to the changes in the net pension liability as discussed below, the County has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and other receivables, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The County also has deferred inflows and 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 or 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 outflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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 Mitchell County, Georgia Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Fund Equity and Net Position

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/deferred outflows of resources and liabilities/deferred inflows of resources 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:

- ***Non-spendable*** – Fund balances are reported as non-spendable 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, 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 voting action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment by passage of a subsequent ordinance.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County Administrator to assign fund balances for particular purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity and Net Position (Continued)

Fund Balance (Continued)

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount 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 (or deficits in fund balances) may be reported in all funds when there are fund deficits after all other spendable forms of fund balance have been exhausted.

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:

- Committed
- Assigned
- Unassigned

Net Position - Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net position invested in capital assets, net of related debt, 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 are available. Restrictions on the government-wide statement of net position represents amount segregated to meet debt covenants and capital projects as restricted by Federal and State laws.

L. Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred inflows of resources, deferred outflow of resources, and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $4,770,079 difference are as follows:

Financed purchases	$ (1,232,104)
Notes payable	(166,427)
Compensated absences	(166,628)
Post-closure care costs	(3,204,920)
Net adjustment to reduce *fund balance - total governmental* to arrive at *net position - governmental activities*	$ (4,770,079)

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 of 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 useful lives and reported as depreciation expense." The details of this $1,635,946 difference are as follows:

Capital outlay	$ 3,099,010
Depreciation expense	(1,463,064)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$ 1,635,946

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

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

Another element of that reconciliation states that "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." The details of this $1,327,451 difference are as follows:

Principal payments - financed borrowings	$	314,978
Principal payments - bonds payable		995,000
Principal payments - notes payable		55,476
Change in post-closure care liability		(38,003)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	1,327,451

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 $1,088,218 difference are as follows:

Change in compensated absences	$	28,990
Change in net pension and related deferred outflows of resources		(1,117,208)
Net adjustment to decrease *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	(1,088,218)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

1. Prior to year-end, the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through approval by the Board of Commissioners.
4. The Board of Commissioners have the authority to amend the budget. An increase in appropriation in any fund for a department, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the Board of Commissioners. Transfers of appropriations in any fund among the various accounts within a department shall require only the approval of the budget officer.
5. Formal budgetary integration is employed as a measurement control device during the year for the General Fund and all Special Revenue Funds. Project-length budgets are adopted for capital projects funds.
6. The budget for the General Fund and the Special Revenue Funds are adopted on a basis consistent with GAAP and are presented in accordance with finance-related legal and contractual provisions.

The ARPA Fund had an excess of expenditures over budget in the general government department in the amount of $20. The over expenditure was covered by existing revenues. Budgeted amounts are as originally adopted on December 10, 2020, or as amended by the Board of Commissioners.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to assign or commit that portion of the applicable appropriation, is not utilized by the County.

NOTE 4. CASH AND INVESTMENTS

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

At December 31, 2021, the County had the following investments:

Fund	Investments	Maturities	Fair Value
Nonmajor governmental fund	Certificate of deposit	December 29, 2022	$ 271,246
General Fund	Certificate of deposit	January 23, 2023	244,418
General Fund	Certificate of deposit	July 27, 2022	244,723
General Fund	Certificate of deposit	May 31, 2022	244,897
General Fund	Certificate of deposit	January 28, 2022	244,980
Total Investments			$ 1,250,264

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. The County does not have a formal custodial credit risk policy. 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, 2021, all of the deposits maintained by the County were properly insured and collateralized as required by the O.C.G.A §45-8-12(c) and as defined by GASB pronouncements.

NOTE 5. RECEIVABLES

Receivables consisted of the following at December 31, 2021:

	General	2018-2023 Sales Tax Fund	ARPA Fund	Nonmajor Governmental Funds	Water and Sewer System	Total
Receivables:						
Taxes	$ 1,734,641	$ -	$ -	$ 98,399	$ -	$ 1,833,040
Accounts	59,094	-	-	-	39,664	98,758
Interest	3,561	-	-	-	-	3,561
governments						
governments	-	241,386	2,123,316	221,436	-	2,586,138
Gross receivables	1,797,296	241,386	2,123,316	319,835	39,664	4,521,497
Less allowance						
for uncollectibles	(20,431)	-	-	-	-	(20,431)
Net total receivable	$ 1,776,865	$ 241,386	$ 2,123,316	$ 319,835	$ 39,664	$ 4,501,066

Property taxes were levied on October 15, 2021, and payable on or before December 20, 2021. The County bills and collects its own property taxes. Property taxes levied for 2021 are recorded as receivables, net of estimated uncollectible accounts. The net receivables collected during the year ended December 31, 2021, and collected by February 28, 2022, are recognized as revenues in the year ended December 31, 2021. Net receivables estimated to be collected subsequent to February 28, 2022, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are re-evaluated annually. The County may place liens on property once the related tax payments become delinquent.

NOTE 6. CAPITAL ASSETS

The County's capital asset activity for the year ended December 31, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and land improvements	$ 3,461,069	$ -	$ -	$ (50,024)	$ 3,411,045
Construction in progress	-	702,453	-	-	702,453
Total capital assets, not being depreciated	3,461,069	702,453	-	(50,024)	4,113,498
Capital assets, being depreciated:					
Buildings	10,769,356	125,388	-	50,024	10,944,768
Infrastructure	18,271,115	1,624,853	-	-	19,895,968
Vehicles and equipment	15,125,047	646,316	(1,107,299)	-	14,664,064
Total capital assets, being depreciated	44,165,518	2,396,557	(1,107,299)	50,024	45,504,800
Less accumulated depreciation for:					
Buildings	(7,593,675)	(265,886)	-	-	(7,859,561)
Infrastructure	(10,097,319)	(355,580)	-	-	(10,452,899)
Vehicles and equipment	(10,628,917)	(841,598)	1,102,155	-	(10,368,360)
Total accumulated depreciation	(28,319,911)	(1,463,064)	1,102,155	-	(28,680,820)
Total capital assets, being depreciated, net	15,845,607	933,493	(5,144)	50,024	16,823,980
Governmental activities capital assets, net	$ 19,306,676	$ 1,635,946	$ (5,144)	$ -	$ 20,937,478

NOTE 6. CAPITAL ASSETS (CONTINUED)

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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 81,920	$ -	$ -	$ -	$ 81,920
Total capital assets, not being depreciated	81,920	-	-	-	81,920
Capital assets, being depreciated:					
Building and improvements	1,522,823	-	-	-	1,522,823
Infrastructure	2,350,164	-	-	-	2,350,164
Vehicles and equipment	29,983	-	-	-	29,983
Total	3,902,970	-	-	-	3,902,970
Less accumulated depreciation for:					
Building and improvements	(1,349,478)	(29,246)	-	-	(1,378,724)
Infrastructure	(644,738)	(93,173)	-	-	(737,911)
Vehicles and equipment	(29,983)	-	-	-	(29,983)
Total	(2,024,199)	(122,419)	-	-	(2,146,618)
Total capital assets, being depreciated, net	1,878,771	(122,419)	-	-	1,756,352
Business-type activities capital assets, net	$ 1,960,691	$ (122,419)	$ -	$ -	$ 1,838,272

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

Governmental activities:	
General government	$ 47,507
Judicial	8,754
Public safety	781,091
Public works	596,953
Recreation	12,261
Housing and development	16,498
Total depreciation expense - governmental activities	$ 1,463,064
Business-type activities:	
Water and Sewer System Fund	$ 122,419
Total depreciation expense - business-type activities	$ 122,419

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases from direct borrowings	$ 1,547,082	$ -	$ (314,978)	$ 1,232,104	$ 484,848
Notes payable	221,903	-	(55,476)	166,427	55,476
Bonds payable	995,000	-	(995,000)	-	-
Compensated absences	195,618	132,725	(161,715)	166,628	133,302
Landfill post-closure care costs	3,166,917	75,660	(37,657)	3,204,920	-
Net pension liability	2,506,493	2,032,017	(1,587,486)	2,951,024	-
Governmental activities long-term liabilities	$ 8,633,013	$ 2,240,402	$ (3,152,312)	$ 7,721,103	$ 673,626
Business-type activities:					
Notes payable from direct borrowings	$ 977,317	$ -	$ (39,139)	$ 938,178	$ 40,030
Business-type activities long-term liabilities	$ 977,317	$ -	$ (39,139)	$ 938,178	$ 40,030

Included in reductions of financed purchases from direct borrowings is $6,660 related to the termination of one equipment lease during the current year.

For governmental activities, compensated absences are liquidated by the General Fund and E911 Fund. The net pension liability is liquidated by the General Fund.

Notes Payable From Direct Borrowings. On June 12, 2018, the County entered into a contract with the Georgia Environmental Finance Authority (“GEFA”) for a Clean Water State Revolving Loan to provide financing to rehabilitate components of the wastewater treatment plant and the land application system, and related appurtenances. The unpaid principal amount of the note will bear interest at 2.25%, which includes principal forgiveness of up to 40% of the amount of the loan if all funds are drawn, and will be payable monthly until the project is completed. At that time, the note will be finalized and will enter into its repayment phase. As of December 31, 2021, the County had made draws totaling $1,628,863 on this note payable to GEFA, with $651,546 of that amount forgiven.

NOTE 7. LONG-TERM DEBT (CONTINUED)

The County made payments on the note totaling $39,139 during the year ended December 31, 2021.The loan balance as of December 31, 2021 is $938,178. The loan is to be repaid over a 20-year period on a monthly basis beginning January 1, 2021.

The following is a schedule of annual principal and interest payments to maturity for the GEFA loan as of December 31, 2021:

Year ending December 31,	Principal	Interest	Total
2022	$ 40,030	$ 20,698	$ 60,728
2023	40,940	19,788	60,728
2024	41,870	18,857	60,727
2025	42,822	17,905	60,727
2026	43,796	16,932	60,728
2027 – 2031	234,374	69,264	303,638
2032 – 2036	262,254	41,384	303,638
2037 – 2040	232,092	10,724	242,816
	$ 938,178	$ 215,552	$ 1,153,730

On August 12, 2020, the County entered into a contract with John Deere to purchase three ROW tractors with a sales price of $260,583. The amount financed was $221,903, at 0% interest to be paid in four annual installments beginning August 2021. As of December 31, 2021, the balance of the notes payable was $166,428. The following is a schedule of annual principal payments as of December 31, 2021:

Year ending December 31,	Principal
2022	$ 55,476
2023	55,476
2024	55,476
	$ 166,428

Financed Purchases From Direct Borrowings. The County has entered into purchase agreements for financing the acquisition of equipment at various interest rates and maturity dates. Annual principal and interest payments are required until maturity.

The original cost of the County's assets acquired under purchase agreements at December 31, 2021 is $2,320,608 with $700,182 of accumulated depreciation as of year-end. Current year depreciation expense on these assets for the year ended December 31, 2021 was $259,956.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Financed Purchases From Direct Borrowings (Continued). The following is a schedule of future minimum payments as of December 31, 2021:

Year ending December 31,	Principal	Interest	Total
2022	$ 484,848	$ 29,631	$ 514,479
2023	562,357	10,983	573,340
2024	109,025	978	110,003
2025	75,874	-	75,874
	$ 1,232,104	$ 41,592	$ 1,273,696

Landfill Post-closure Care Cost. Mitchell County, Georgia has closed its landfill and placed a final cover on the landfill in accordance with State and Federal laws and regulations. In addition, State and Federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site for 30 years after closure.

Although the post-closure care costs will be paid when the services are performed, the County reports a liability of $3,204,920 at December 31, 2021. This amount represents the cumulative amount of landfill post-closure cost based on 100% of the capacity of the landfill. The County has no assets restricted for payment of post-closure care cost. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 8. SHORT-TERM DEBT – REVOLVING LINE OF CREDIT

The County has a revolving line of credit to use for financing a variety of public projects, including financing general operations during periods of uneven property and sales tax collections. The County did not use the line of credit during the year ended December 31, 2021.

NOTE 9. CONDUIT DEBT

On December 1, 2018, the Development Authority issued Series 2018 taxable revenue bonds to provide proceeds of which will be used to finance the acquisition, equipping and installation of a solar energy facility to be located in Camilla, Georgia. The bonds are secured by an Indenture of Trust between the Issuer and the Trustee, under the terms of which the Issuers interest in the lease and the rents, revenues and receipts to be derived by the Issuer under the lease will be assigned and pledged to the Trustee as security for the payment of the bonds. The Development Authority is not obligated in any manner for repayment of the bonds. The bonds bear an interest rate of 4.0% with interest payments due on December 1 of each year, and final payment of principal and interest due on December 31, 2035. The outstanding balance as of December 31, 2021 is $170,000,000.

NOTE 9. CONDUIT DEBT (CONTINUED)

On March 1, 2019, the Development Authority issued Series 2019 taxable revenue bonds to finance the acquisition, equipping and installation of a solar energy facility to be located in Camilla, Georgia. The bonds are secured by an Indenture of Trust between the Issuer and the Trustee, under the terms of which the Issuer's interest in the lease and the rents, revenues and receipts to be derived by the Issuer under the lease will be assigned and pledged to the Trustee as security for the payment of the bonds. The Development Authority is not obligated in any manner for repayment of the bonds. The bonds bear an interest rate of 4.0% with interest payments due on March 1 of each year, and final payment of principal and interest due on December 31, 2036. The outstanding balance as of December 31, 2021 is $46,330,500.

On April 1, 2020, the Development Authority issued Series 2020 taxable revenue bonds for the purpose of acquiring one or more multi-megawatt solar photovoltaic electrical generating equipment installations and/or interests therein consisting of the photovoltaic panels, racking systems, inverters, breakers, switches, cabling, power transformers, monitoring and control equipment and systems, energy storage facilities and equipment, equipment and facilities connecting the electrical generation equipment to the designated substation or substations, as well as telecommunications equipment and associated materials and equipment to be installed on a tract of real property located within Mitchell County, Georgia. The Development Authority is not obligated in any manner for repayment of the bonds. The bonds bear an interest rate of 6.0% with interest payments due on July 1 of each year, and final payment of principal and interest due on July 1, 2038. The outstanding balance as of December 31, 2021 is $196,644,557.

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund receivables and payables as of December 31, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 23,164
General Fund	ARPA Fund	4,024,248
Nonmajor Governmental Funds	ARPA Fund	222,383
		$ 4,269,795

The purpose of interfund receivables and payables is to meet temporary cash flow requirements which result in timing differences between receiving and recognizing certain revenues.

NOTE 10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers for the year ended December 31, 2021, consisted of the following amounts:

	Transfer from			
Transfer To	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 4,024,248	$ 72,000	$ 4,096,248
Nonmajor Governmental Funds	274,135	222,383	-	496,518
Total	$ 274,135	$ 4,246,631	$ 72,000	$ 4,592,766

Transfers are used to: 1) move revenues from the fund that 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 11. RETIREMENT PLANS

Defined Benefit Plan

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, the Mitchell County Defined Benefit Plan (the "Plan"), covering substantially all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia ("ACCG"). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Plan benefits are provided for plan participants who were participants in the Plan before January 1, 2004, whereby retirees receive between 1% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for plan participants who were participants in the Plan on or after January 1, 2004, whereby retirees receive 1% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. 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.

NOTE 11. RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (Continued)

The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership

As of January 1, 2021, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	83
Inactive plan members entitled to but not receiving benefits	69
Active plan members	122
	274

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan 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 Commission, 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. No contributions are made by plan participants. For the year ended December 31, 2021, the County's contribution rate was 14.8% of annual payroll. County contributions to the Plan were $456,825 for the year ended December 31, 2021.

Net Pension Liability of the County

The County’s net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2020.

NOTE 11. RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Salary increases	4.00% per year with an aged base scale, including inflation

Mortality rates were based on the Pub-2010 Amount Weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees Table with Scale AA projection to year 2021.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of a February 2019 experience study.

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, 2021, are summarized in the following table:

Asset class	Target Allocation	Range
Fixed income	30 %	25 - 35 %
Large cap equity	30	25 - 35
Mid cap equity	5	2.5 - 10
Small cap equity	5	2.5 - 10
REIT	5	2.5 - 10
International equity	15	10 - 20
Multi cap	5	2.5 - 10
Global allocation	5	2.5 - 10
	100 %	

NOTE 11. RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (Continued)

Net Pension Liability of the County (Continued)

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, 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. As of December 31, 2020, the expected long-term rate of return was 7.00%.

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, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	$ 10,210,350	$ 7,703,857	$ 2,506,493
Changes for the year:			
Service cost	190,262	-	190,262
Interest	697,293	-	697,293
Liability experience (gain)/loss	(53,380)	-	(53,380)
Assumption change	15,987	-	15,987
Plan changes	1,060,826	-	1,060,826
Contributions - employer	-	456,825	(456,825)
Contributions - employee	-	-	-
Net investment income	-	1,077,281	(1,077,281)
Benefit payments, including refunds of employee contributions	(498,063)	(498,063)	-
Administrative expense	-	(31,857)	31,857
Other charges	-	(35,792)	35,792
Net changes	1,412,925	968,394	444,531
Balances at December 31, 2021	$ 11,623,275	$ 8,672,251	$ 2,951,024

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 11. RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (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%, 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%) or 1-percentage-point higher (8%) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
County's net pension liability	$ 4,406,223	$ 2,951,024	$ 1,729,957

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, 2020, and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2021, the County recognized pension expense of $1,610,032. At December 31, 2021, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 707,037
Changes in assumptions	177,316	-
Differences between expected and actual experience of economic/demographic (gains)/losses	22,626	37,204
Contributions subsequent to the measurement date	456,825	-
	$ 656,767	$ 744,241

NOTE 11. RETIREMENT PLANS (CONTINUED)

Defined Benefit Plan (Continued)

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

County contributions subsequent to the measurement date of $456,825 will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other 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 December 31,		
2022	$	(58,193)
2023		(98,529)
2024		(282,817)
2025		(104,760)
Total	$	(544,299)

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the “ACCG” Group Self-Insurance Workers' Compensation Fund and the Interlocal Risk Management Agency Property and Liability Insurance 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 12. RISK MANAGEMENT (CONTINUED)

Settled claims in the past three years have not exceeded the coverages.

The County maintains a self-insured medical benefit plan for their employees. The Plan is accounted for as an internal service fund of the County, is funded according to Plan experience, and serves to reduce overall healthcare costs of the County employees. The County purchases specific and aggregate stop loss insurance coverage to protect itself in unusual circumstances. Claims payable at December 31, 2021, were estimated based on the loss analysis report provided by a third-party administrator and pending specific stop loss reimbursements.

Changes in medical claims payable for the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Unpaid claims, beginning of fiscal year	**$ 144,787**	$ 142,334
Incurred claims and changes in estimates	**1,315,892**	1,311,289
Claim payments	**(1,305,422)**	(1,308,836)
Unpaid claims, end of fiscal year	**$ 155,257**	$ 144,787

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation

The County is involved in a number of legal matters, which either have or could result in litigation. The nature of the lawsuits vary considerably. 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.

Grant Contingencies

The County has received Federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. 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.

NOTE 14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the fourteen-county Georgia region, is a member of the Southwest Georgia Regional Commission ("SGRC") and is required to pay annual dues thereto. During the year ended December 31, 2021, the County paid $14,724 in such dues. Membership in a Regional Commission ("RC") is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of the RC's in Georgia. The SGRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. § 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Southwest Georgia Regional Commission, 30 West Broad Street, Camilla, Georgia 31730.

NOTE 15. DEFICIT NET POSITION AND FUND BALANCE

The Self-Insurance Health Benefit Fund reported deficit net position of $63,782 at December 31, 2021. The Self-Insurance Health Benefit Fund deficit is intended to be eliminated through increased user charges and transfers from the General Fund. The ARPA Fund reported a deficit fund balance of $2,121,735 at December 31, 2021. This deficit is intended to be eliminated in fiscal year 2022 when intergovernmental revenues are received and availability criteria are met.

NOTE 16. PRIOR PERIOD RESTATEMENTS

Custodial Funds Restatement – Sheriff's Office

The County has determined a restatement was required to the beginning net position for the Sheriff's Office as of December 31, 2020, as follows:

	Custodial Fund Sheriff's Office
Net position as previously reported	$ 31,259
Adjustments to beginning net position to reflect corrections of error	
Adjustment to cash balance	79,722
Net position, as restated	$ 110,981

NOTE 16. PRIOR PERIOD RESTATEMENTS (CONTINUED)

Property Tax Restatements

The County has determined a restatement was required to the beginning net position for Governmental Activities, as well as beginning fund balance for the General Fund and Fire District Fund as of December 31, 2020, as follows:

	Governmental Activities
Net position as previously reported	$ 34,368,312
Adjustments to beginning net position to reflect corrections of error	
Adjustment to cash balance	907,173
Net position, as restated	$ 35,275,485

	General Fund
Fund balance as previously reported	$ 16,251,054
Adjustments to beginning net position to reflect corrections of error	
Adjustment to cash balance	562,701
Net position, as restated	$ 16,813,755

	Nonmajor Governmental Funds
	Fire District Fund
Fund balance as previously reported	$ 470,689
Adjustments to beginning net position to reflect corrections of error	
Fire District Fund - Adjustment to cash balance	344,472
Fire District Fund - Adjustment to unavailable revenue	(37,177)
Net position, as restated	$ 777,984

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

Drug Abuse Education 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 restricted for drug abuse treatment and education programs relating to controlled substances and marijuana. (O.C.G.A. §15-21-100).

Jail Fund is used to account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

Law Library Fund is used to account for the resources received from the various courts of the County and disbursements for the support of a centralized law library.

Community Development Block Grant ("CDBG") Fund is used to account for the activities related to the CDBG.

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

E-911 Fund is used to account for the County's emergency communications operations by providing an open channel between citizens and public safety providers.

Confiscated Assets Fund is used to account for activities related to drug raids.

Mitchell County Development Authority is used to account for the County's activities related to economic and development projects.

Fire District Fund is used to account for funds received from property taxes restricted for expenditures for fire districts.

Revolving Loan Fund is a special revenue fund used to account for the operations of the County's revolving loans. Original funding was provided by the Department of Housing and Urban Development through the State of Georgia Department of Community Affairs.

CAPITAL PROJECTS FUNDS

Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund is a capital project fund used to account for the construction and acquisition of major capital facilities financed by Transportation Special Purpose Local Option Sales Tax proceeds.

2012-2017 Sales Tax Fund is a capital project fund used to account for the proceeds of a 1% Special Purpose Local Option Sales Tax ("SPLOST"). Funds are used for road and drainage projects, public safety projects, economic development projects, and various City projects within the County.

MITCHELL COUNTY, GEORGIA

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

	2021	2020	2019
Total pension liability			
Service cost	**$ 190,262**	$ 158,283	$ 131,421
Interest on total pension liability	**697,293**	647,725	625,863
Differences between expected and actual experience	**(53,380)**	32,751	199,373
Changes of assumptions	**15,987**	447,223	438,117
Plan change	**1,060,826**		
Benefit payments, including refunds of employee contributions	**(498,063)**	(657,669)	(445,334)
Net change in total pension liability	**1,412,925**	628,313	949,440
Total pension liability - beginning	**10,210,350**	9,582,037	8,632,597
Total pension liability - ending (a)	**11,623,275**	10,210,350	9,582,037
Plan fiduciary net position			
Contributions - employer	**456,825**	420,826	335,706
Net investment income	**1,077,281**	1,353,017	(319,721)
Benefit payments, including refunds of employee contributions	**(498,063)**	(657,669)	(399,700)
Administrative expenses	**(31,857)**	(33,586)	(19,907)
Other	**(35,792)**	(48,497)	(81,452)
Net change in plan fiduciary net position	**968,394**	1,034,091	(485,074)
Plan fiduciary net position - beginning	**7,703,857**	6,669,766	7,154,840
Plan fiduciary net position - ending (b)	**8,672,251**	7,703,857	6,669,766
County's net pension liability - ending (a) - (b)	**$ 2,951,024**	$ 2,506,493	$ 2,912,271
Plan fiduciary net position as a percentage of the total pension liability	**74.6%**	75.5%	69.6%
Covered payroll	**$ 3,078,284**	$ 3,102,299	$ 3,017,441
County's net pension liability as a percentage of covered payroll	**95.9%**	80.8%	96.5%

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

2018	2017	2016
$ 113,194	$ 102,448	$ 87,534
577,441	543,144	501,347
160,269	229,437	82,994
17,559	238,652	257,519
(401,153)	(380,638)	(363,530)
467,310	733,043	565,864
8,165,287	7,432,244	6,866,380
8,632,597	8,165,287	7,432,244
350,996	319,771	257,605
985,580	432,042	49,265
(401,153)	(380,638)	(363,530)
(16,588)	(19,494)	(15,969)
(74,912)	(42,376)	(53,580)
843,923	309,305	(126,209)
6,310,917	6,001,612	6,127,821
7,154,840	6,310,917	6,001,612
$ 1,477,757	$ 1,854,370	$ 1,430,632
82.9%	77.3%	80.8%
$ 2,722,310	$ 2,573,180	$ 2,468,845
54.3%	72.1%	57.9%

MITCHELL COUNTY, GEORGIA

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

	2021	2020	2019
Actuarially determined contribution	**$ 456,825**	$ 420,826	$ 335,706
Contributions in relation to the actuarially determined contribution	**456,825**	420,826	335,706
Contribution deficiency (excess)	**$ -**	$ -	$ -
Covered payroll	**$ 3,261,177**	$ 3,078,284	$ 3,102,299
Contributions as a percentage of covered payroll	**14.0%**	13.7%	10.8%

2018	2017	2016
$ 350,996	$ 350,996	$ 319,771
350,996	319,771	257,605
$ -	$ 31,225	$ 62,166
$ 3,017,441	$ 2,722,310	$ 2,573,180
11.6%	11.7%	10.0%

MITCHELL COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Special Revenue Funds					
ASSETS	Drug Abuse Education and Treatment Fund	Jail Fund	Law Library Fund	CDBG Fund	Jail Commissary Fund	E-911 Fund
Cash and cash equivalents	$ 20,168	$ 100,670	$ 27,725	$ -	$ 658,627	$ -
Investments	-	-	-	-	-	-
Taxes receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	135,479
Due from other governments	-	-	-	-	-	-
Total assets	$ 20,168	$ 100,670	$ 27,725	$ -	$ 658,627	$ 135,479
IABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCES						
Restricted for:						
Judicial	-	-	27,725	-	-	-
Public safety	20,168	100,670	-	-	-	135,479
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Committed for:						
Public safety	-	-	-	-	658,627	-
Housing and development	-	-	-	-	-	-
Total fund balances	20,168	100,670	27,725	-	658,627	135,479
Total liabilities, deferred inflows of resources, balances	$ 20,168	$ 100,670	$ 27,725	$ -	$ 658,627	$ 135,479

Special Revenue Funds				Capital Projects		
Confiscated Assets Fund	Mitchell County Development Authority	Fire District Fund	Revolving Loan Fund	TSPLOST Fund	2012-2017 Sales Tax Fund	Totals
$ 27,739	$ 457,523	$ 870,056	$ -	$ 955,477	$ 210,143	$ 3,328,128
-	271,246	-	-	-	-	271,246
-	-	98,399	-	-	-	98,399
-	-	86,904	-	-	-	222,383
-	-	-	-	221,436	-	221,436
$ 27,739	$ 728,769	$ 1,055,359	$ -	$ 1,176,913	$ 210,143	$ 4,141,592
$ -	$ -	$ 10,492	$ -	$ 91,016	$ -	$ 101,508
-	-	23,164	-	-	-	23,164
-	-	-	-	-	15,233	15,233
-	-	33,656	-	91,016	15,233	139,905
-	-	53,974	-	-	-	53,974
-	-	-	-	-	-	27,725
27,739	-	967,729	-	-	-	1,251,785
-	-	-	-	1,085,897	-	1,085,897
-	-	-	-	-	194,910	194,910
-	-	-	-	-	-	658,627
-	728,769	-	-	-	-	728,769
27,739	728,769	967,729	-	1,085,897	194,910	3,947,713
$ 27,739	$ 728,769	$ 1,055,359	$ -	$ 1,176,913	$ 210,143	$ 4,087,618

MITCHELL COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds					
	Drug Abuse Education and Treatment Fund	Jail Fund	Law Library Fund	CDBG Fund	Jail Commissary Fund	E-911 Fund
Revenues						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	16,000	-	-
Charges for services	-	-	-	-	744,135	337,809
Fines and forfeitures	8,115	70,155	13,002	-	-	-
Interest revenue	-	75	17	-	-	277
Other revenues	-	-	-	-	-	-
Total revenues	8,115	70,230	13,019	16,000	744,135	338,086
Expenditures						
Current:						
Judicial	-	-	5,483	-	-	-
Public safety	8,701	-	-	-	734,017	501,511
Public works	-	-	-	16,000	-	-
Housing and development	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	8,701	-	5,483	16,000	734,017	501,511
Excess (deficiency) of revenues over (under) expenditures	(586)	70,230	7,536	-	10,118	(163,425)
Other financing sources						
Transfers in	-	-	-	-	-	298,904
Transfers out	-	(72,000)	-	-	-	-
Total other financing sources	-	(72,000)	-	-	-	298,904
Net change in fund balances	(586)	(1,770)	7,536	-	10,118	135,479
Fund balances, beginning of year, as restated	20,754	102,440	20,189	-	648,509	-
Fund balances, end of year	$ 20,168	$ 100,670	$ 27,725	$ -	$ 658,627	$ 135,479

Special Revenue Funds				Capital Projects		
Confiscated Assets Fund	Mitchell County Development Authority	Fire District Fund	Revolving Loan Fund	TSPLOST Fund	2012-2017 Sales Tax Fund	Totals
$ -	$ -	$ 620,430	$ -	$ -	$ -	$ 620,430
-	-	-	-	1,820,162	-	1,836,162
-	-	-	-	-	-	1,081,944
9,251	-	-	-	-	-	100,523
55	2,389	474	1,627	423	4,108	9,445
-	5,400	12,000	-	-	-	17,400
9,306	7,789	632,904	1,627	1,820,585	4,108	3,665,904
-	-	-	-	-	-	5,483
-	-	402,535	-	-	-	1,646,764
-	-	-	-	-	-	16,000
-	103,518	-	16,894	-	-	120,412
-	-	-	-	734,486	17,673	752,159
-	-	-	-	202	664,988	665,190
-	-	120,455	-	-	-	120,455
-	-	7,073	-	-	-	7,073
-	103,518	530,063	16,894	734,688	682,661	3,333,536
9,306	(95,729)	102,841	(15,267)	1,085,897	(678,553)	332,368
-	110,710	86,904	-	-	-	496,518
-	-	-	-	-	-	(72,000)
-	110,710	86,904	-	-	-	424,518
9,306	14,981	189,745	(15,267)	1,085,897	(678,553)	756,886
18,433	713,788	777,984	15,267	-	873,463	3,190,827
$ 27,739	$ 728,769	$ 967,729	$ -	$ 1,085,897	$ 194,910	$ 3,947,713

MITCHELL COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2021

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
2012 REFERENDUM				
Road, Street and Bridge Construction or Improvement	$ 7,187,766	$5,734,973	$ 664,988	$ 6,399,961
Ambulance Purchase	900,000	408,205	-	408,205
Narrow-Banding Projects	245,000	208,900	-	208,900
Desota Trail Library Project	47,222	47,222	-	47,222
Hand Trading Company Project	105,000	94,500	-	94,500
City of Pelham Projects	2,406,357	2,149,461	-	2,149,461
City of Sale City Projects	185,642	138,619	17,673	156,292
City of Camilla Projects	3,300,000	2,935,466	-	2,935,466
City of Baconton Projects	467,592	415,939	-	415,939
City of Meigs Projects	13,413	-	-	-
Totals	$ 14,857,992	$ 12,133,285	$ 682,661	$ 12,815,946

MITCHELL COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2021

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
2018 REFERENDUM				
Road, Street and Bridge Construction or Improvement	$ 5,729,392	$ -	$ 4,000	$ 4,000
Courthouse Annex - Tier 1	800,000	91,640	28,840	120,480
Hand Trading Co. Debt	660,000	416,400	-	416,400
Correctional Institute	100,000	-	-	-
Sheriff's Vehicles and Equipment	480,000	215,079	56,108	271,187
E-911 Equipment	750,000	606,567	51,540	658,107
City of Pelham Projects	2,332,031	1,183,000	417,515	1,600,515
City of Sale City Projects	227,340	99,468	37,423	136,891
City of Camilla Projects	3,206,692	1,449,161	574,113	2,023,274
City of Baconton Projects	547,411	115,517	98,005	213,522
City of Meigs Projects	25,127	11,329	7,778	19,107
Totals	$ 14,857,993	$ 4,188,161	$ 1,275,322	$ 5,463,483

MITCHELL COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2021

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
Road, Street and Bridge Construction or Improvement	$ 8,198,900	$ -	$ 202	$ 202
Intergovernmental Payments:				
City of Pelham Projects	2,466,429	-	262,946	262,946
City of Sale City Projects	233,868	-	34,353	34,353
City of Camilla Projects	3,494,503	-	372,550	372,550
City of Baconton Projects	579,263	-	61,755	61,755
City of Meigs Projects	27,037	-	2,882	2,882
Totals	$ 15,000,000	$ -	$ 734,688	$ 734,688

MITCHELL COUNTY, GEORGIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2021

ASSETS	Clerk of Superior Court	Probate Court	Sheriff's Office	Probation Office
Cash and cash equivalents	$ 192,147	$ 2,718	$ 62,017	$ 23,006
Taxes receivable	-	-	-	-
Total assets	192,147	2,718	62,017	23,006
LIABILITIES				
Due to others	51,448	2,718	1,455	23,006
Uncollected taxes	-	-	-	-
Total liabilities	51,448	2,718	1,455	23,006
NET POSITION				
Restricted:				
Individuals, organizations, and other governments	140,699	-	60,562	-
Total net position	$ 140,699	$ -	$ 60,562	$ -

Jail Inmate	Tax Commissioner	Magistrate Court	Tax Assessor	Criminal Justice Coordinating Council Grant	Totals
$ 504	$ 164,412	$ 43,428	$ 986	$ 48,341	$ 537,559
-	1,724,691	-	-	-	1,724,691
504	1,889,103	43,428	986	48,341	2,262,250
504	13,120	43,428	-	-	135,679
-	1,724,691	-	-	-	1,724,691
504	1,737,811	43,428	-	-	1,860,370
-	151,292	-	986	48,341	401,880
$ -	$ 151,292	$ -	$ 986	$ 48,341	$ 401,880

CUSTODIAL FUNDS

Tax Commissioner – This fund is used to account for all real, personal and intangible taxes collected and forwarded to the County and other government units.

Jail Inmate Fund – This fund accounts for jail inmate funds while in custody, and for the purchase of items from the Jail Commissary and related activities on behalf of inmates and the correctional institution.

Criminal Justice Coordinating Council Grant Fund – This fund collects and distributes the Criminal Justice Coordinating Council grant funds on the behalf of other counties.

The following custodial funds are used to account for fines, fees and other monies collected by the courts and Sheriff's Office and remitted to other parties in accordance with court orders and state law:

Clerk of Superior Court
Probate Court
Sheriff's Office
Probation Office
Magistrate Court
Tax Assessor

MITCHELL COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR YEAR ENDED DECEMBER 31, 2021

	Clerk of Superior Court	Probate Court	Sheriff's Office	Probation Office
ADDITIONS				
Taxes	$ -	$ -	$ -	$ -
Fines and fees	675,857	88,268	39,521	60,993
Other custodial collections	-	-	-	-
Total additions	675,857	88,268	39,521	60,993
DEDUCTIONS				
Taxes paid to other governments	-	-	-	-
Other custodial disbursements	671,757	88,268	89,940	60,993
Total deductions	671,757	88,268	89,940	60,993
Net increase (decrease) in fiduciary net position	4,100	-	(50,419)	-
Net position, beginning of year, as restated	136,599	-	110,981	-
Net position, end of year	$ 140,699	$ -	$ 60,562	$ -

Jail Inmate	Tax Commissioner	Magistrate Court	Tax Assessor	Criminal Justice Coordinating Council Grant	Totals
$ -	$ 20,060,837	$ -	$ -	$ -	$ 20,060,837
-	-	263,944	5,178	-	1,133,761
-	-	-	-	375,425	375,425
-	20,060,837	263,944	5,178	375,425	21,570,023
-	19,909,545	-	-	-	19,909,545
-	-	263,944	5,006	372,090	1,551,998
-	19,909,545	263,944	5,006	372,090	21,461,543
-	151,292	-	172	3,335	108,480
-	-	-	814	45,006	293,400
$ -	$ 151,292	$ -	$ 986	$ 48,341	$ 401,880

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 Mitchell County, Georgia
Camilla, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Mitchell County, Georgia (the "County") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 26, 2022. Our report includes a reference to other auditors who audited the financial statements of the Mitchell 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.

Report on 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2021-002 and 2021-003 to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2021-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

Mitchell County, Georgia's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Mitchell County, Georgia's responses to the findings identified in our audit and 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 the response.

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 County'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
August 26, 2022

MITCHELL COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	X Yes ___ No
Significant deficiencies identified?	X Yes ___ None Reported
Noncompliance material to financial statements noted?	___ Yes X No

Federal Awards

The Uniform Guidance allows for an alternative to the Single Audit (in the form of a compliance attestation engagement) for those governments who meet two criteria: 1) a total Coronavirus State and Local Fiscal Recovery Funds award of $10 million or less, and 2) other expenditures from other programs of less than $750,000 in total. Mitchell County, Georgia meets both criteria and has elected to do a compliance attestation engagement for the year ended December 31, 2021.

MITCHELL COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021-001. Segregation of Duties

Criteria: Internal controls should be in place to 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 between recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the County Administration, Clerk of Court, Probate Court, Magistrate Court, Law Library, Sheriff's Department, and Probation Department.

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

Effect: Failure to properly segregate duties between 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 limited number of individuals in each office available to perform all of the required duties.

Recommendation: The County should consider having checks and balances in place, so that if overlapping duties exist, an appropriate level of review is performed.

Views of Responsible Officials and Planned Corrective Action: We concur with the recommendation. Such segregation of duties will be implemented as soon as economically possible.

MITCHELL COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-002. Proper Recognition of Cash in the Sheriff's Office

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 Sheriff's Office did not record the cash balance for the Bond Account.

Context: A Sheriff's Office employee reported the existence of the Bond Account in early 2022. This account had been in existence for several years. We addressed the matter with the County to determine the appropriate amounts to record as of and for the fiscal year ended December 31, 2020.

Effects: A prior period restatement was required of the County to properly record cash and fund balance at the fund level as of December 31, 2020, as follows:

- Fund Level (Sheriff's Office) – prior period restatement to increase fund balance and cash by $79,723 as of January 1, 2021.

Cause: There was a lack of appropriate controls and segregation of duties at the Sheriff's Office 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 generally accepted accounting principles.

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)

2021-003. Property Tax Revenues – General Fund and Fire District Fund

Criteria: Internal controls should be in place to ensure that all cash receipts and disbursements are recorded in the proper account in the proper period. Additionally, generally accepted accounting principles require taxes receivable not available as of year-end be recorded as a deferred inflows of resources.

Condition: As of December 31, 2020, disbursements in transit from the Tax Commissioner's Office to the General Fund and Fire District Fund were not reflected in revenue. Additionally, amounts not available in the Fire District Fund were not recorded as deferred inflows of resources.

Context: See above condition

Effects: A prior period restatement was required of the County to properly record amounts due from the Tax Commissioner at December 31, 2020 as well as unavailable revenues in the Fire District Fund. Additionally

- An adjustment to prior year net position of governmental activities in the amount of $907,173 was required.
- An adjustment to prior year fund balance of the General Fund in the amount of $562,701 was required.
- An adjustment to prior year fund balance of the Fire District Fund in the amount of $307,925 and an adjustment to unavailable property tax revenue in the amount of $37,177 was required.

Cause: There was a lack of appropriate controls over amounts due from the Tax Commissioner and associated unavailable amounts.

Recommendation: We recommend the County carefully review all property tax accounts to ensure transactions are reported in accordance with generally accepted accounting principles.

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.

MITCHELL COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION III
FEDERAL AWARD FINDINGS AND RESPONSES

Not applicable.

MITCHELL COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 between recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the County Administration, Clerk of Court, Probate Court, Magistrate Court, Law Library, Sheriff's Department, and Probation Department.

Auditee Response/Status: Unresolved – See current year finding 2021-001.