MURRAY COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2019

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MURRAY COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2019

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Independent Auditor's Report

Honorable Commissioner
Murray County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Murray County, Georgia, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Murray County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Murray County Health Department. 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 Murray County Health Department, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Murray County, Georgia, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 13 and 60 through 63, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Murray County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with 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 April 17, 2020, on our consideration of Murray County, Georgia'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 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 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 Murray County, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
April 17, 2020

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Murray County Commissioner's Office

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Murray County management is proud to present this narrative discussion and analysis of Murray County's financial performance, making available an overview of the activities for the fiscal year ended December 31, 2019. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Murray County. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous fiscal year.

Financial Highlights

- Murray County's assets exceeded its liabilities at December 31, 2019 by $47,148,485 (*net position*). Of this amount, $6,754,102 is reported as unrestricted net position. This is an increase of $469,505 from the previous fiscal year for unrestricted. Total net position decreased by $1,117,562 from the previous fiscal year as the result of operations.

- As of December 31, 2019, Murray County's governmental funds reported combined ending fund balances of $11,358,541. Approximately 72% of this total amount, or $8,174,534, is reported as unassigned and available for spending at the County's discretion. Approximately 24%, or $2,720,572, is restricted for capital outlay. Information about Murray County's policy on fund balance can be found in Note 2R in the *Notes to the Financial Statements* beginning on page 36.

More detailed information regarding these activities and funds begins on page 8.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Murray County's basic financial statements. Murray County's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the County as a Whole)

The focus of the government-wide financial statements is on the overall financial position and activities of Murray County and is designed to provide a broad overview of the County's financial activities in a manner similar to a private business enterprise.

The County's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about Murray County using the accrual basis of accounting, which is similar to the accounting used by non-public businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the ***Statement of Net Position*** (pages 14-15) is to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. While the purpose of County Government is not to accumulate net position, as this amount increases it can indicate the strength of the County's financial position as a whole. When this amount decreases it can indicate a weakening of the County's financial position.

The ***Statement of Activities*** (page 16) presents the revenues and expenses of the County. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the County and identifies the extent to which each function of the County draws from general revenues or is self-financing through user fees, special revenues, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide Murray County into two types of activities:

- ***Governmental activities*** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as: real property, sales, insurance premium and intangible finance most of these services.

- ***Discretely Presented Component Units*** – A component unit is a legally separate organization for which the elected officials of the County are financially accountable. The Murray County Health Department and Murray County Recreation Commission, although legally separate, function for all practical purposes as departments of Murray County, and therefore have been included as an integral part of the primary government.

The County's government-wide financial statements are presented on pages 14-16.

Fund Financial Statements (Reporting the County's Major Funds)
The focus of fund financial statements is directed at specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 64. The County's funds are divided into two broad categories: governmental and fiduciary. They use different prescribed accounting methodologies.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the short-term view of the County's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash.

  Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By so doing, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

  Murray County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, 2013 SPLOST Capital Projects Fund, and 2019 SPLOST Capital Projects Fund, which are considered major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 64-65 of this report.

  Murray County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been included for the General Fund to show the final result of actual revenues and expenditures as compared to the initial projections.

  The County's basic governmental fund financial statements are presented on pages 17-22 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs and services. The accounting used for fiduciary funds is similar to that used for proprietary funds. Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements. The fiduciary fund financial statements are presented on pages 23-24.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-59 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's defined benefit pension plan. The required supplementary information can be found on pages 60-63 of this report.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 18 and 20) which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statements but as deferred inflows of resources on the fund statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the County's Financial Position and Operations

The County's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 14-16):

Murray County
Net Position
December 31, 2019 and 2018

	Governmental Activities	
	2019	**2018**
Current assets	$ 14,656,322	$ 11,708,993
Capital assets	37,761,839	39,293,083
Total assets	52,418,161	51,002,076
Deferred outflows of resources	1,231,215	1,231,215
Current liabilities	2,832,044	1,236,649
Noncurrent liabilities	5,313,234	2,416,316
Total liabilities	8,145,278	3,652,965
Deferred inflows of resources	0	314,279
Net position:		
Net investment in capital assets	37,501,559	39,265,950
Restricted	2,892,824	2,715,500
Unrestricted	6,754,102	6,284,597
Total net position	$ 47,148,485	$ 48,266,047

Net position may serve over time as a useful indicator of a government's financial position. Assets for Murray County exceeded liabilities by $47,148,485 at the close of the current year. Approximately 80% of Murray County's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This is down 1% from 81% at the end of the prior year. The County uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in 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. Restricted net position comprises 6%. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position comprises the remaining 14% of net position.

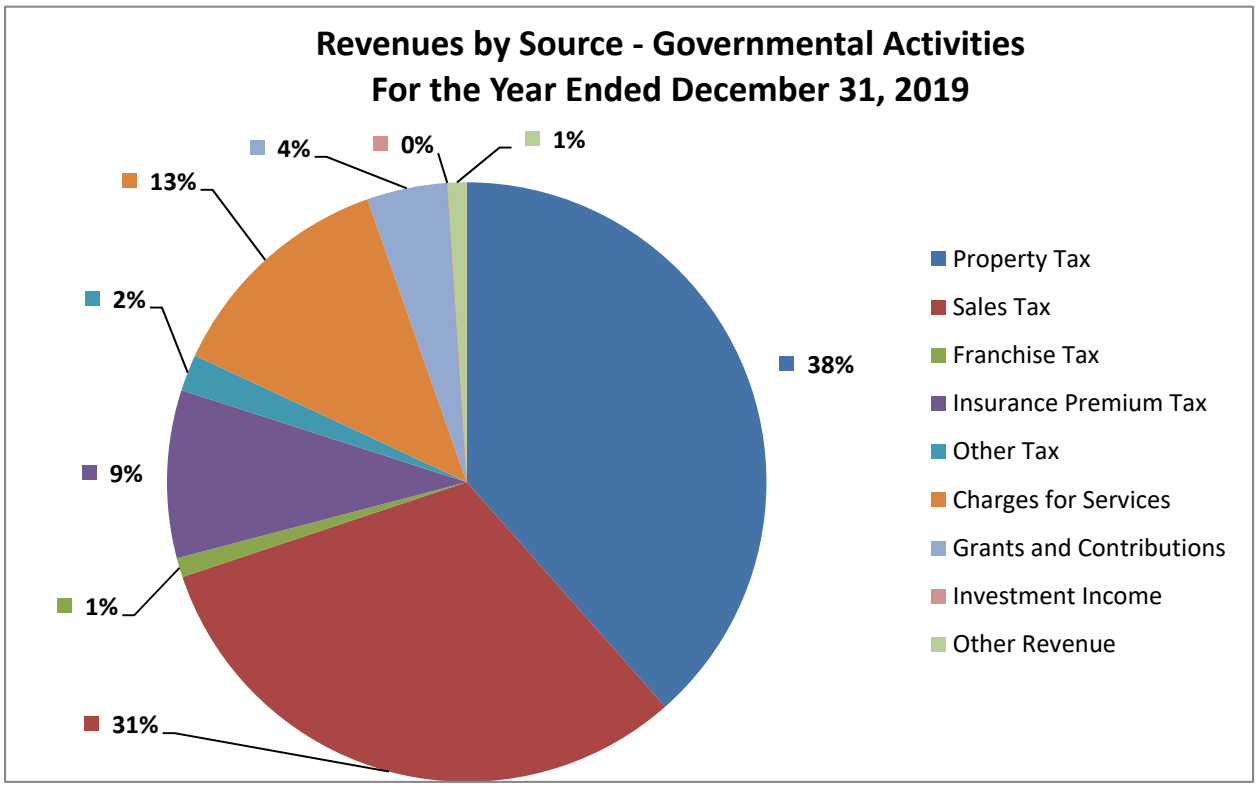
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Murray County's net position changed during the fiscal year.

Murray County
Changes in Net Position
For the Years Ended December 31, 2019 and 2018

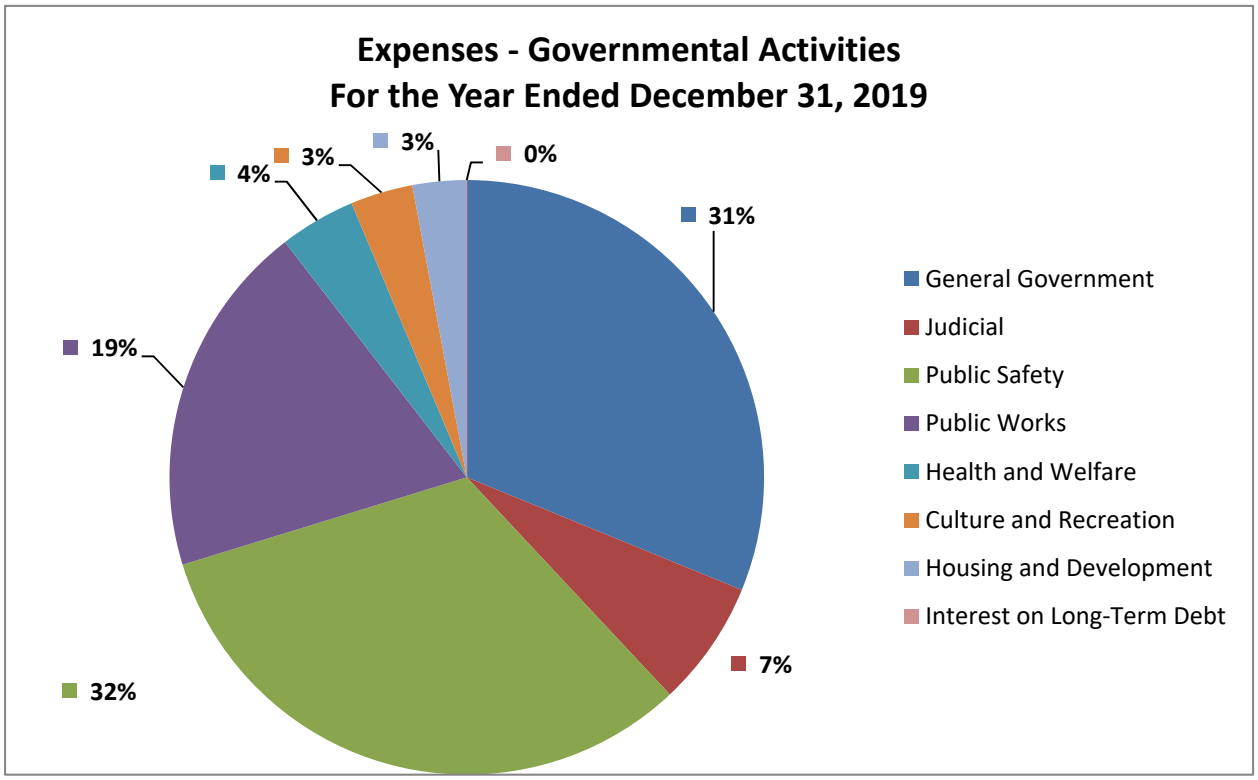
	Governmental Activities	
	2019	**2018**
Revenues		
Program revenues:		
Charges for services	$ 3,334,207	$ 3,144,057
Operating grants and contributions	387,375	391,895
Capital grants and contributions	754,103	665,038
General revenues:		
Property tax	10,112,173	9,996,070
Sales tax	8,244,139	7,961,769
Franchise tax	273,262	278,746
Insurance premium tax	2,379,448	2,219,568
Other taxes	516,447	496,569
Interest and investment earnings	151	157
Gain on sale of capital assets	116,895	0
Other revenues	155,009	158,158
Total revenues	26,273,209	25,312,027
Expenses		
General government	8,542,824	6,433,164
Judicial	1,873,372	1,840,825
Public Safety	8,827,778	8,289,009
Public Works	5,277,915	5,028,336
Health and Welfare	1,134,576	1,680,519
Culture and Recreation	929,942	808,541
Housing and Development	803,568	668,390
Interest on long-term debt	796	1,170
Total expenses	27,390,771	24,749,954
Increase (decrease) in net position	(1,117,562)	562,073
Net position - beginning	48,266,047	47,703,974
Net position - ending	$ 47,148,485	$ 48,266,047

Governmental Activities –

The following chart illustrates revenues of the governmental activities for the current year:



The following chart illustrates the expenses of the governmental activities for the current year:



Financial Analysis of the County's Funds
Murray County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

1) As the County completed the current year, its governmental funds reported a combined ending fund balance of $11,358,541. Of this amount, $8,174,534 (72%) constitutes unassigned fund balance, which is available for appropriation for the general purposes of the funds in accordance with the Murray County policy on fund balance.

The General Fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the General Fund was $8,174,534, while total fund balance reached $8,356,782. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 98% of total fund balance in the General Fund. Unassigned fund balance represents 42% of total General Fund expenditures, while total fund balance represents approximately 43% of that same amount. The County ended the fiscal year realizing an increase in the overall fund balance in the General Fund by $873,470, or approximately 12%. The County increased unassigned fund balance in the General Fund by $841,649. This increase was due in large part to budget performance as noted below. The increase was less than the increase in the prior year due to increased insurance costs in the current year.

At the end of the current year, the 2013 SPLOST Capital Projects Fund had total fund balance of $1,396,378, of which $1,396,378 is restricted for capital outlay. Fund balance of the 2013 SPLOST Capital Projects Fund decreased $1,185,493 during the current year. The cause for the decrease in fund balance was continued spending on capital projects while no longer receiving SPLOST revenues from this referendum.

At the end of the current year, the 2019 SPLOST Capital Projects Fund had total fund balance of $1,327,527, of which $1,324,194 is restricted for capital outlay. Fund balance of the 2019 SPLOST Capital Projects Fund increased $1,327,527 during the current year. The cause for the increase in fund balance was receipts of SPLOST revenues from the current referendum at a faster pace than continued spending on capital projects.

General Fund Budget Highlights
The original budget for the General Fund was amended reflecting grant awards, reimbursements, insurance claims, as well as unanticipated revenues and expenditures. The Commissioner also approved interdepartmental transfers. Overall, General Fund revenues exceeded final amended budget projections by

$218,014, or 1%. General Fund expenditures were below the final amended budget projections by $665,834, or 3%.

The County has not budgeted to use fund balance in the General Fund for use in the next fiscal year. Current General Fund revenues are meeting estimates for 2020 and the General Fund fund balance is expected to remain similar.

Capital Assets and Long-Term Liability Administration

Capital Assets. Murray County has invested $37,761,839 in capital assets (net of accumulated depreciation) compared to $39,293,083 in the previous year. This represents a decrease of 3.9%. Capital assets held by the County at year-end are summarized as follows:

Murray County
Capital Assets (net of accumulated depreciation)
December 31, 2019 and 2018

	Governmental Activities	
	2019	**2018**
Land	$ 3,330,259	$ 3,067,465
Construction in progress	1,011,660	69,745
Land improvements	5,382,617	5,382,617
Infrastructure	120,906,954	120,906,954
Buildings	25,082,100	25,082,100
Machinery and equipment	5,327,854	5,875,477
Office equipment	544,378	544,378
Furniture and fixtures	116,974	116,974
Software	1,351,741	1,327,400
Vehicles	7,384,721	7,392,090
Total	170,439,258	169,765,200
Accumulated Depreciation	(132,677,419)	(130,472,117)
Net Capital Assets	$ 37,761,839	$ 39,293,083

Major capital asset expenditures during the current year for governmental activities included the following:

- Purchase of land for Fire Station #8
- Construction of Fire Station #1
- Construction of Murray South Industrial Park road
- Purchase of eight new vehicles
- Purchase of various machinery and equipment

Additional information on Murray County's capital assets can be found in Note 8 on pages 42-43 of this report.

Long-Term Liabilities. At the end of the current year, Murray County had a total long-term liabilities balance outstanding for governmental activities in the amount of $432,404, as compared to $410,705 at the end of the previous year. This represents an increase for governmental activities of $21,699 during the course of the year due mostly to the increase in compensated absences

Additional information on the County's long-term liabilities can be found in Note 10 on page 45 of this report.

Economic Condition and Outlook

Murray County continues to fair well while still recovering from the weakened economy that we've experienced over the past few years. Several factors were considered during preparation of the budget for 2020, including the following:

- Possible increases or decreases in revenues, particularly property and sales taxes
- Fluctuations in the price of fuel due to market instability.
- Plans for future capital improvements
- Unforeseen natural disasters, such as tornados, storms, etc.
- Capital outlay requirements for vehicles, equipment and program expansions to improve public services to the community

Contacting the County

This financial report is designed to provide County citizens, taxpayers, customers, and creditors with a general overview of Murray County's finances and to demonstrate the County's high level of accountability for the revenue it receives and the services it provides. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Murray County Finance Department
P.O. Box 1129
Chatsworth, Georgia 30705
Telephone: 706-517-1400, Ext. 1367

BASIC FINANCIAL STATEMENTS

MURRAY COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2019

	Primary Government	Component Units	
	Governmental Activities	Murray County Health Department	Murray County Recreation Commission
ASSETS			
Current assets			
Cash and cash equivalents	$ 10,770,936	$ 447,024	$ 3,819
Restricted cash and cash equivalents	325,820	0	0
Receivables (net)			
Accounts	492,703	76,986	0
Intergovernmental	181,393	23,183	0
Taxes	2,704,199	0	0
Inventories	0	480	0
Prepaid items	181,271	0	0
Total current assets	14,656,322	547,673	3,819
Noncurrent assets			
Capital assets			
Non-depreciable	4,341,919	0	0
Depreciable (net)	33,419,920	20,045	0
Net OPEB asset	0	60,119	0
Total noncurrent assets	37,761,839	80,164	0
Total assets	52,418,161	627,837	3,819
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension plans	2,875,602	173,893	0
Deferred outflows of resources - OPEB plans	0	111,061	0
Total deferred outflows of resources	2,875,602	284,954	0
LIABILITIES			
Current liabilities			
Accounts payable	1,432,107	37,791	0
Retainages payable	81,377	0	0
Claims payable	520,782	0	0
Accrued liabilities	149,412	0	0
Funds held in escrow	321,510	0	0
Compensated absences	316,644	13,525	0
Capital lease payable	10,212	0	0
Total current liabilities	2,832,044	51,316	0
Noncurrent liabilities			
Compensated absences	105,548	13,524	0
Net pension liability	4,190,710	711,332	0
Net OPEB liability	0	404,056	0
Landfill closure and post-closure care costs	1,016,976	0	0
Total noncurrent liabilities	5,313,234	1,128,912	0
Total liabilities	8,145,278	1,180,228	0

MURRAY COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2019

	Primary Government	Component Units	
	Governmental Activities	Murray County Health Department	Murray County Recreation Commission
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	$ 0	$ 17,357	$ 0
Deferred inflows of resources - OPEB plans	0	192,535	0
Total deferred inflows of resources	0	209,892	0
NET POSITION			
Net investment in capital assets	37,501,559	20,045	0
Restricted for:			
Law library operations	78,187	0	0
Public safety activities	89,755	0	0
Senior center activities	4,310	0	0
Prior year program income	0	37,420	0
Capital outlay	2,720,572	0	0
Unrestricted	6,754,102	(534,794)	3,819
Total net position	$ 47,148,485	$ (477,329)	$ 3,819

See accompanying notes to the financial statements.

MURRAY COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 8,542,824	$ 27,292	$ 20,615	$ 0	$ (8,494,917)
Judicial	1,873,372	302,678	59,156	0	(1,511,538)
Public Safety	8,827,778	2,452,083	11,888	0	(6,363,807)
Public Works	5,277,915	242,321	162,730	739,103	(4,133,761)
Health and Welfare	1,134,576	152,887	129,303	0	(852,386)
Culture and Recreation	929,942	156,946	3,683	0	(769,313)
Housing and Development	803,568	0	0	15,000	(788,568)
Interest on long-term debt	796	0	0	0	(796)
Total primary government	27,390,771	3,334,207	387,375	754,103	(22,915,086)
Component Units					
Murray County Health Department					
Health and Welfare	816,382	301,737	644,945	0	130,300
Murray County Recreation Commission					
Culture and Recreation	7,836	0	7,600	0	(236)
Total component units	824,218	301,737	652,545	0	130,064

	Primary Government: Governmental Activities	Component Units: Murray County Health Department	Component Units: Murray County Recreation Commission
Change in net position			
Net (expense) revenue	$ (22,915,086)	$ 130,300	$ (236)
General revenues			
Taxes			
Property	10,112,173	0	0
Sales	8,244,139	0	0
Franchise	273,262	0	0
Insurance premium	2,379,448	0	0
Other	516,447	0	0
Interest and investment earnings	151	34	0
Gain on sale of capital assets	116,895	0	0
Other	155,009	0	0
Total general revenues	21,797,524	34	0
Change in net position	(1,117,562)	130,334	(236)
Net position - beginning	48,266,047	(607,663)	4,055
Net position - ending	$ 47,148,485	$ (477,329)	$ 3,819

MURRAY COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	General	2013 SPLOST	2019 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 7,696,413	$ 1,555,673	$ 1,351,221	$ 167,629	$ 10,770,936
Restricted cash and cash equivalents	325,820	0	0	0	325,820
Receivables (net)					
Accounts	373,244	0	0	119,459	492,703
Intergovernmental	121,929	0	0	59,464	181,393
Taxes	2,291,009	0	405,634	7,556	2,704,199
Due from other funds	45,977	0	0	3,856	49,833
Prepaid items	177,938	0	3,333	0	181,271
Total assets	$ 11,032,330	$ 1,555,673	$ 1,760,188	$ 357,964	$ 14,706,155
LIABILITIES					
Accounts payable	$ 891,350	$ 77,918	$ 432,661	$ 30,178	$ 1,432,107
Retainages payable	0	81,377	0	0	81,377
Claims payable	520,782	0	0	0	520,782
Accrued liabilities	145,457	0	0	3,955	149,412
Due to other funds	3,856	0	0	45,977	49,833
Funds held in escrow	321,510	0	0	0	321,510
Total liabilities	1,882,955	159,295	432,661	80,110	2,555,021
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	792,593	0	0	0	792,593
FUND BALANCES					
Nonspendable:					
Prepaid items	177,938	0	3,333	0	181,271
Restricted for:					
Law library operations	0	0	0	78,187	78,187
Public safety activities	0	0	0	89,755	89,755
Senior center activities	4,310	0	0	0	4,310
Capital outlay	0	1,396,378	1,324,194	0	2,720,572
Assigned to:					
Emergency 911 system operations	0	0	0	109,912	109,912
Unassigned	8,174,534	0	0	0	8,174,534
Total fund balances	8,356,782	1,396,378	1,327,527	277,854	11,358,541
Total liabilities, deferred inflows of resouces, and fund balances	$ 11,032,330	$ 1,555,673	$ 1,760,188	$ 357,964	$ 14,706,155

MURRAY COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2019

Total fund balance - total governmental funds			$ 11,358,541
Amounts reported for governmental activities in the statement of net position are different because:			
Some assets are not financial resources and therefore are not reported in the funds. These are:			
Capital assets, net of accumulated depreciation			37,761,839
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These are:			
Property taxes			792,593
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds. These are:			
Deferred outflows of resources			2,875,602
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:			
Compensated absences	$	(422,192)	
Net pension liability		(4,190,710)	
Capital lease payable		(10,212)	
Landfill closure and post-closure care costs		(1,016,976)	(5,640,090)
Net position of governmental activities			$ 47,148,485

MURRAY COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2019

	General	2013 SPLOST	2019 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 16,662,092	$ 0	$ 4,476,310	$ 88,090	$ 21,226,492
Licenses and permits	142,768	0	0	0	142,768
Fines, fees and forfeitures	647,966	0	0	101,043	749,009
Charges for services	1,084,403	0	0	740,060	1,824,463
Intergovernmental	1,514,263	0	0	215,348	1,729,611
Interest	0	6,421	19,730	151	26,302
Contributions	3,683	0	0	0	3,683
Other	155,009	0	0	0	155,009
Total revenues	20,210,184	6,421	4,496,040	1,144,692	25,857,337
EXPENDITURES					
Current					
General Government	8,188,725	0	0	0	8,188,725
Judicial	1,630,506	0	0	30,687	1,661,193
Public Safety	6,062,967	0	0	978,939	7,041,906
Public Works	1,984,955	0	0	0	1,984,955
Health and Welfare	443,478	0	0	123,484	566,962
Culture and Recreation	553,543	0	0	0	553,543
Housing and Development	396,162	0	0	132,758	528,920
Capital outlay	0	1,191,914	2,108,974	0	3,300,888
Debt service	0	0	0	10,617	10,617
Intergovernmental	0	0	1,059,539	0	1,059,539
Total expenditures	19,260,336	1,191,914	3,168,513	1,276,485	24,897,248
Excess (deficiency) of revenues over (under) expenditures	949,848	(1,185,493)	1,327,527	(131,793)	960,089
Other financing sources (uses)					
Transfers in	332	0	0	193,605	193,937
Transfers out	(193,605)	0	0	(332)	(193,937)
Sale of capital assets	116,895	0	0	0	116,895
Total other financing sources (uses)	(76,378)	0	0	193,273	116,895
Net change in fund balance	873,470	(1,185,493)	1,327,527	61,480	1,076,984
Fund balances, January 1	7,483,312	2,581,871	0	216,374	10,281,557
Fund balances, December 31	$ 8,356,782	$ 1,396,378	$ 1,327,527	$ 277,854	$ 11,358,541

See accompanying notes to the financial statements.

MURRAY 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, 2019

Net change in fund balances - total governmental funds			$ 1,076,984
Amounts reported for governmental activities in the statement of activities are different because:			
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.			
Capital outlays	$ 1,593,296		
Depreciation	(3,124,540)		(1,531,244)
In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.			
Cost of assets disposed	$ (919,238)		
Related accumulated depreciation	919,238		0
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.			
Pension contributions	$ 497,536		
Cost of benefits earned net of employee contributions	(1,423,236)		(925,700)
The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.			
Debt principal payments			9,821
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue.			298,979
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.			
Compensated absences	$ (31,520)		
Landfill closure and post-closure care costs	(14,882)		(46,402)
Change in net position of governmental activities			$ (1,117,562)

MURRAY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2019

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 15,973,483	$ 16,660,000	$ 16,662,092	$ 2,092
Licenses and permits	116,600	116,600	142,768	26,168
Fines and forfeitures	626,300	626,300	647,966	21,666
Charges for services	992,980	992,980	1,084,403	91,423
Intergovernmental	1,340,952	1,510,000	1,514,263	4,263
Contributions	2,500	2,500	3,683	1,183
Other	83,790	83,790	155,009	71,219
Total revenues	19,136,605	19,992,170	20,210,184	218,014
EXPENDITURES				
Current				
General Government				
County Commissioner	289,300	292,000	291,001	999
Board of Elections	145,515	161,000	160,221	779
General Administration	4,199,602	5,068,000	5,067,088	912
Tax Commissioner	390,320	390,320	385,313	5,007
Tax Assessor	361,055	361,055	344,041	17,014
Board of Equalization	4,700	4,700	1,741	2,959
Risk Management	1,116,000	1,116,000	1,059,710	56,290
General Government Buildings	911,200	911,200	879,610	31,590
Judicial				
Superior Court	223,390	231,000	230,442	558
Clerk of Superior Court	375,200	376,000	375,374	626
District Attorney	374,510	374,510	344,773	29,737
Magistrate Court	276,159	276,159	272,355	3,804
Probate Court	229,892	229,892	228,448	1,444
Juvenile Court	197,536	197,536	179,114	18,422
Public Safety				
Sheriff	2,333,400	2,190,322	2,043,448	146,874
Jail Operations	2,425,400	2,425,400	2,331,777	93,623
Fire Department	1,560,870	1,560,870	1,440,756	120,114
Coroner	37,912	37,912	37,581	331
Animal Control	196,300	196,300	187,345	8,955
Emergency Management Agency	21,550	23,000	22,060	940
Public Works				
Administration	1,737,702	1,737,702	1,718,644	19,058
Solid Waste and Recycling Administration	278,500	278,500	266,311	12,189
Health and Welfare				
Senior Citizen's Center	167,075	167,075	162,555	4,520
Transportation Services	332,950	332,950	280,923	52,027
Culture and Recreation				
Recreation	563,300	563,300	553,543	9,757
Housing and Development				
Agricultural Resources	88,940	88,940	79,549	9,391
Forest Resources	6,867	6,867	6,867	0
Code Enforcement	39,600	39,600	36,484	3,116
Building Inspections	124,800	126,000	125,004	996
Land and Use Development	137,060	137,060	135,806	1,254
Community and Economic Development	25,000	25,000	12,452	12,548
Total expenditures	19,171,605	19,926,170	19,260,336	665,834

MURRAY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2019

	Budget			Variance with
	Original	Final	Actual	Final Budget
Excess (deficiency) of revenues over expenditures	$ (35,000)	$ 66,000	$ 949,848	$ 883,848
Other financing sources (uses)				
Transfers in	0	0	332	332
Transfers out	0	(181,000)	(193,605)	(12,605)
Sale of capital assets	35,000	115,000	116,895	1,895
Total other financing sources (uses)	35,000	(66,000)	(76,378)	(10,378)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	873,470	873,470
Fund balances, January 1	0	0	7,483,312	7,483,312
Fund balances, December 31	$ 0	$ 0	$ 8,356,782	$ 8,356,782

See accompanying notes to the financial statements.

Exhibit A-7, continued

MURRAY COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2019

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 1,429,316
Taxes receivable	3,667,900
Total assets	$ 5,097,216
LIABILITIES	
Due to others	$ 3,306,022
NET POSITION	
Unrestricted	$ 1,791,194

See accompanying notes to the financial statements.

MURRAY COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2019

	Custodial Funds
ADDITIONS	
Property taxes collected for other governments	$ 18,005,500
Fines and forfeitures collected for other governments	1,372,072
Receipts from inmates	318,200
Total additions	19,695,772
DEDUCTIONS	
Property taxes distributed to other governments	17,523,097
Fines and forfeitures distributed to other governments	1,376,151
Disbursements for inmate benefits	314,121
Total deductions	19,213,369
Change in net position	482,403
Net position - beginning (original)	0
Prior period adjustments	1,308,791
Net position - beginning (restated)	1,308,791
Net position - ending	$ 1,791,194

1. Description of Government Unit

Murray County, Georgia (the County) is a political subdivision of the State of Georgia and was created by a legislative act in 1832. The County operates under a Commission-Administrator form of government and is governed by an elected sole county commissioner, governed by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge, Juvenile Court Judge, Superior Court Judge and Clerk of the Superior Court. The County's major services include general government, courts, public safety, public works, health and welfare, parks, recreation and culture and planning and community development.

2. Summary of Significant Accounting Policies

A. Description of Government-wide 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 nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. The primary government includes governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Murray County (the primary government) and material component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationship with the County.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of component units have been included either as blended or discretely presented component units.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Discretely Presented Component Units – Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize they are legally separate from the government.

Murray County Health Department – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department's Board consists of seven members, four of these members are appointed by the County Commissioner. Although the County does not have the authority to approve or modify the Health Department's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Health Department. The Health Department is reported on a June 30 fiscal year. Complete financial statements for the Health Department may be obtained from its administrative office at Northwest Health District 1 Unit 1, 111 Bryant Crossing, Suite AA, Dalton, Georgia 30720.

Murray County Recreation Commission – The Recreation Commission manages and maintains park and recreation facilities for the benefit of Murray County citizens. The County Commissioner appoints all of the Commission's board members and the County has a significant financial relationship with the Recreation Commission. Financial information related to the Recreation Commission may be obtained from the Parks and Recreation clerk of Murray County.

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

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

As discussed earlier, the government has two discretely presented component units that are shown in separate columns in the government-wide financial statements.

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

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

General Fund - The general operating fund of the County is used to account for all financial resources except those required to be accounted for in another fund.

2013 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is used to account for the proceeds of a 1 percent special purpose local option sales tax beginning January 1, 2013 for funding various long-term projects.

2019 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is used to account for the proceeds of a 1 percent special purpose local option sales tax beginning January 1, 2019 for funding various long-term projects.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds – accounts for the proceeds of specific revenue sources that are legally or donor restricted to be expended for specified purposes.

Capital Projects Funds – accounts for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Fiduciary Fund Types

Custodial Funds - Custodial funds are fiduciary in nature and do not present results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held either for the County or for others.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting

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

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

The 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 government 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Property taxes, sales taxes, franchise taxes, licenses, and interest 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

F. Revenues and Expenditures/Expenses

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

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information

The applicable statues of the State of Georgia require the County to operate under an annual balanced budget adopted by resolution. The County adopts an annual operating budget for all governmental funds except the capital projects funds, which have an adopted project budget. The budget resolution reflects the total of each department's appropriation in each fund.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or changes between department appropriations within a fund requires approval of the County Commissioner.

The budget is adopted on a basis consistent with generally accepted accounting principles, and on the same basis of accounting used by each fund to which the budget applies. The County Commissioner must also approve budget transfers within departments.

The current year original budget was amended during the year. All unencumbered annual appropriations lapse at year-end. Encumbered appropriations are carried forward to the subsequent year automatically.

H. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, certificates of deposits and deposits with the Georgia Fund I (i.e., the local government investment pool) as well as short-term investments with a maturity date within three months of the date acquired by the County.

Currently, 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. Investments are stated at fair value based on quoted market prices.

2. Summary of Significant Accounting Policies (continued)

H. Cash, Cash Equivalents, and Investments, continued

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government Agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

I. Intergovernmental Receivables

Receivables from state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Certain governmental fund-types had a de minimis amount of expendable supplies on hand at year end. Accordingly, none are shown on the balance sheets at year-end. The County uses the purchase method of accounting for the purchase of materials and supplies or services. These items are charged directly to the expenditure account.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures when consumed rather than when purchased.

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government funds balance sheet.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition value. The County maintains a capitalization threshold of $5,000 and an estimated useful life of two years or more (excluding infrastructure). All infrastructure is capitalized with a cost of $50,000 and an estimated life of two years or more. The County's infrastructure consists of roads and bridges. The County's entire infrastructure has been reported regardless of acquisition date. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

	Useful Life in Years
Land improvements	25-50
Site improvements	50
Infrastructure	15-30
Buildings	25-50
Machinery and equipment	6-15
Office equipment	5
Furniture and fixtures	20
Intangibles - software	5
Vehicles	6-15

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources related to their defined benefit pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to their defined benefit pension plan.

N. Compensated Absences

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

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

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability only if the benefit has matured (is, unused reimbursable leave still outstanding following an employee’s resignation or retirement) and is expected to be liquidated with expendable available financial resources.

2. Summary of Significant Accounting Policies (continued)

O. Net Position Flow Assumption

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

P. Fund Balance Flow Assumption

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

Q. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds

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, liabilities, and deferred inflows of resources under the current financial resources management 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 purpose for which amounts in those funds can be spent.

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported by the County as nonspendable at the end of the current year are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the County Commissioner, the County's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number.

Assigned – includes amounts that are intended to be used by the County for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent can only be expressed by the County Commissioner or their designee. Assigned Fund Balance differs from Committed Fund Balance in that assignments do not require a resolution.

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In addition, any remaining deficits in the County's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned.

S. Net Position

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

T. 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 Murray County Defined Benefit 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.

2. Summary of Significant Accounting Policies (continued)

U. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities under governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance is amortized over the term of the debt. Issuance costs are recognized during the current period.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as any other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

V. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as program revenue.

W. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned. The County has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

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.

Credit Risk

State of Georgia law limits investments to include certificates of deposit, prime bankers' acceptances, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The County has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The County has no formal policy on the amount the County may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

4. Accounts Receivable

Net accounts receivable at the end of the current year consist of the following:

Primary Government:	
Major Funds	
General Fund	$ 373,244
Nonmajor Funds	
Special Revenue Funds	
E-911	119,459
Total primary government	$ 492,703
Component Units	
Murray County Health Department	$ 76,986

5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current year consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 121,929
Nonmajor Funds		
Special Revenue Funds		
Multi-Grant	$ 59,151	
Substance Abuse	313	59,464
Total primary government		$ 181,393
Component Units		
Murray County Health Department		$ 23,183

6. Property Taxes

The County Commissioner levied property taxes on August 27, 2019. Property taxes attach as an enforceable lien on property as of January 1. Property taxes were billed on October 1, 2019 and are due upon receipt. However, the actual due date was December 1, 2019. The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. The County also collects vehicle and mobile home taxes for the cities located in the County and the State of Georgia. Collection of the County's taxes and for the other governmental agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in a custodial fund.

7. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at the end of the current year is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	$ 45,977
Nonmajor Governmental	General	3,856
		$ 49,833

The balances reported as Due to/Due from resulted from timing differences between the dates that transactions are recorded in the accounting system and payments between the funds are made.

A summary of interfund transfers for the current year is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	Nonmajor Governmental	$ 193,605
Nonmajor Governmental	General	332
		$ 193,937

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

8. Capital Assets

Capital asset activity for the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	$ 3,067,465	$ 262,794	$ 0	$ 3,330,259
Construction in progress	69,745	941,915	0	1,011,660
Total non-depreciable assets	3,137,210	1,204,709	0	4,341,919
Depreciable assets				
Land improvements	5,382,617	0	0	5,382,617
Infrastructure	120,906,954	0	0	120,906,954
Buildings	25,082,100	0	0	25,082,100
Machinery and equipment	5,875,477	122,897	(670,520)	5,327,854
Office equipment	544,378	0	0	544,378
Furniture and fixtures	116,974	0	0	116,974
Software	1,327,400	24,341	0	1,351,741
Vehicles	7,392,090	241,349	(248,718)	7,384,721
Total depreciable assets	166,627,990	388,587	(919,238)	166,097,339
Less accumulated depreciation				
Land improvements	(2,289,263)	(215,881)	0	(2,505,144)
Infrastructure	(109,335,608)	(1,193,304)	0	(110,528,912)
Buildings	(7,515,217)	(571,185)	0	(8,086,402)
Machinery and equipment	(4,430,698)	(273,992)	670,520	(4,034,170)
Office equipment	(390,261)	(69,792)	0	(460,053)
Furniture and fixtures	(57,234)	(5,795)	0	(63,029)
Software	(822,130)	(240,464)	0	(1,062,594)
Vehicles	(5,631,706)	(554,127)	248,718	(5,937,115)
Total accumulated depreciation	(130,472,117)	(3,124,540)	919,238	(132,677,419)
Total depreciable assets, net	36,155,873	(2,735,953)	0	33,419,920
Governmental activities capital assets, net	$ 39,293,083	$ (1,531,244)	$ 0	$ 37,761,839

8. Capital Assets (continued)

Capital asset activity for the discretely presented component units for the respective year ends was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Murray County Health Department				
Depreciable assets				
Office equipment	$ 54,516	$ 0	$ 0	$ 54,516
Computer equipment	18,957	0	0	18,957
Leasehold improvements	23,982	0	0	23,982
Total depreciable assets	97,455	0	0	97,455
Less accumulated depreciation				
Office equipment	(28,779)	(5,827)	0	(34,606)
Computer equipment	(18,957)	0	0	(18,957)
Leasehold improvements	(23,558)	(289)	0	(23,847)
Total accumulated depreciation	(71,294)	(6,116)	0	(77,410)
Total depreciable assets, net	26,161	(6,116)	0	20,045
Murray County Health Department capital assets, net	$ 26,161	$ (6,116)	$ 0	$ 20,045

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 449,179
Judicial	18,047
Public Safety	1,009,278
Public Works	1,373,059
Health and Welfare	17,892
Culture and Recreation	245,957
Housing and Development	11,128
Total depreciation expense for governmental activities	$ 3,124,540
Component units	
Murray County Health Department	$ 6,116

9. Capital Lease Agreements

The County has entered into a lease agreement to finance the acquisition of certain public safety equipment. The terms of the agreement meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The lease bears interest at 3.97% and requires annual payments through 2020. The principal balance of the lease at the end of the current year was $10,212 for the governmental activities. At the end of the current year, the County had $47,305 of equipment (reported as machinery and equipment), with associated accumulated depreciation of $37,844 financed under the capital lease. Depreciation expense for the current year on the leased assets totaled $9,461. The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments at the end of the current year:

Year Ending December 31,	Governmental Activities
2020	$ 10,617
Less amounts representing interest	(405)
Present value of minimum lease payments	$ 10,212

10. Long-Term Liabilities

Changes in Long - Term Liabilities

The following is a summary of changes in long-term liabilities of the County and discretely presented component units for the respective year ends:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	$ 390,672	$ 324,525	$ 293,005	$ 422,192	$ 316,644
Capital leases payable	20,033	0	9,821	10,212	10,212
Totals	$ 410,705	$ 324,525	$ 302,826	$ 432,404	$ 326,856

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Murray County Health Department					
Compensated absences	$ 35,012	$ 9,543	$ 17,506	$ 27,049	$ 13,525

The total interest incurred and charged to expense for the current year was $796 for the governmental activities.

11. Landfill Post-Closure Care Costs

State and Federal laws and regulations require that the County place a final cover on its landfill when officially closed as well as perform certain maintenance and monitoring functions at the landfill site for a period of thirty years after such closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfill capacity used during the year.

11. Landfill Post-Closure Care Costs (continued)

The County owns two landfill sites. Site 1 was operated by the County until 1997 when it reached capacity and stopped accepting waste. Site 2, leased and operated by Santek, is operated on a cell basis; that is, only a portion or cell of the landfill is used at a time. The term of the lease agreement shall be the operational life of the landfill as determined by remaining capacity from time to time, which is based on current waste density and tonnage currently estimated to end in 2119.

The County has met all of its closure obligations for Site 1; therefore, there is no further liability for closure costs. Closure certificates were obtained in late 2003 and early 2004. The post-closure period for this location is estimated to end in 2033. Under the existing lease agreement, Santek shall be responsible for post-closure care during the term of the agreement.

Under the existing lease contract, Santek is also responsible for the construction, maintenance, and closure costs of each cell of Site 2 it operates. Santek shall also be responsible for the post-closure care of those sites while the lease agreement remains in effect. Following the termination of this lease, the County immediately assumes full responsibility for the post-closure costs for the balance of the 30-year period. Based on the use of 15% of the estimated capacity of the landfill, the County has recognized a liability for post-closure costs accrued to date of $1,016,976 and has not recognized related closure costs of $1,407,422 to be provided by Santek under the lease agreement.

The remaining estimated costs of closure and post-closure in the amount of $13,370,249 will be recognized as the remaining capacity is used, with the County responsible for $5,608,495 of such post closure costs, and Santek responsible for the remaining $7,761,754 of closure costs. These amounts are based on what it would cost to perform all closure and post closure care in the current year. Any changes to the lease term as well as additional bonds or letters of credit provided by Santek could change these assumptions. Actual costs may also vary due to inflation or deflation, changes in technology or changes in laws and regulations.

12. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current year:

	Governmental Activities
Cost of capital assets	$ 170,439,258
Accumulated depreciation	(132,677,419)
Book value	37,761,839
Capital-related accounts payable	(168,691)
Retainages payable	(81,377)
Capital leases payable	(10,212)
Net investment in capital assets	$ 37,501,559

13. Retirement Plans

County Defined Benefit Pension Plan

Plan Description. The Murray County Defined Benefit Pension Plan and Trust, (the "Plan"), is affiliated with the Association of County Commissioners of Georgia Defined Benefit Plan (ACCG), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The authority for the Plan, benefits, vesting and contributions are established by the Board of Commissioners. The Plan is administered by the Government Employee Benefits Corporation of Georgia (GEB Corp). GEB Corp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG. The Plan is a defined benefit pension plan that provides retirement, disability and death benefits to Plan members and beneficiaries. All full-time employees, defined as those providing at least 1,000 hours of service to the County per Plan year, are eligible for participation in the Plan. Any eligible employee who has both completed one year of service and has attained the age of 21 may participate in the Plan. The Plan is closed to employees with a commencement date on or after November 1, 2013.

Employees become vested after five years of service to the County. All full-time eligible employees hired prior to November 1, 2013 were participants in the ACCG Plan (Plan) upon employment.

13. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Participant counts as of January 1, 2018 (the most recent actuarial valuation) are as follows:

Retirees, beneficiaries, and disablees currently receiving benefits	79
Terminated participants entitled to but not yet receiving benefits	111
Active employees participating in the plan	127
Total number of participants	317

Benefits Provided. The County sponsors the Plan. The Plan provides retirement, disability, and death benefits to plan participants. The plan assets shall be used only for the payment of benefits to the members of the plan, in accordance with the terms of the plan. All full time employees and employees receiving county supplements participate in the plan. Benefits vest after 5 years. Participants may retire at normal retirement, which is the later of age 65, or 5 years of vesting service. Early retirement eligibility is the later of age 55 or 10 years of vesting service. The benefit formula is as follows:

- 1.25% of average annual compensation times past service (i.e., service prior to January 1, 2006) less the accumulated benefit amount of other Murray County retirement benefits,
- 2.5% of average annual compensation times future service (i.e., service after December 31, 2005),
- 25% of average annual compensation times “buy-back” units at buy back age.

Compensation is defined as the highest five years of base wages during employment with the County.

13. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Contributions. County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. The County's contributions to the Plan for the current year totaled $497,536, or 10.06% of covered payroll. The County Commissioner provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy. The administrative expenses set by contract between the ACCG and GEBCorp are in addition to the state-required annual funding requirement.

The Georgia Constitution enables the governing authority of the County, the County Commissioner, to establish, and amend from time-to-time contribution rates for the County and its Plan participants.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current year, the County reported a net pension liability of $4,190,710. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. For the current year, the County recognized pension expense of $1,423,236. The net pension liability is liquidated by the General Fund.

13. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2017	$ 12,084,648	$ 10,778,304	$ 1,306,344
Changes for the year:			
Service cost	156,494	0	156,494
Interest	854,320	0	854,320
Liability experience (gain) / loss	637,776	0	637,776
Assumption change	1,083,680	0	1,083,680
Employer contributions	0	423,816	(423,816)
Net investment income	0	(486,768)	486,768
Benefit payments	(601,862)	(601,862)	0
Administrative expense	0	(27,420)	27,420
Other changes	0	(61,724)	61,724
Net changes	2,130,408	(753,958)	2,884,366
Balances at December 31, 2018	$ 14,215,056	$ 10,024,346	$ 4,190,710

Plan fiduciary net position as a percentage of the total pension liability	70.52%
Covered payroll	$ 4,622,475
Net pension liability as a percentage of covered payroll	90.66%

At the end of the current year, the County reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
County contributions subsequent to measurement date	$ 497,536	$ 0
Differences between expected and actual experience	734,146	0
Net difference between projected and actual earnings on pension plan investments	722,736	0
Changes of assumptions	921,184	0
Totals	$ 2,875,602	$ 0

13. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The $497,536 of deferred outflows of resources resulting from the County's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31	
2020	$ 1,040,783
2021	756,089
2022	322,289
2023	258,905
Totals	$ 2,378,066

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

Inflation	3.00%
Future salary increases	4.00% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.00%

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table. Disabled rates were derived from the 1985 CIDA Table Class I.

The mortality and economic actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

13. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan's target asset allocation as of December 31, 2018 is summarized in the following table:

	Target Allocation	Range
Fixed Income	30%	25%-35%
Large Cap	30%	25%-35%
Mid Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

13. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

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

	Discount Rate	Net Pension Liability
1% decrease	6.00%	$ 6,010,020
Current discount rate	7.00%	4,190,710
1% increase	8.00%	2,675,223

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia GEBCorp financial report.

County Defined Contribution Plan

The County provides retirement benefits for its employees through a deferred compensation, defined contribution plan with the Association of County Commissioners of Georgia Defined Contribution Plan. The Plan was created under Internal Revenue Code Sections 457 and 401(a). The Plan is administered by the Government Employee Benefits Corporation of Georgia (GEBCORP) as the third party service provider and The Charles Schwab Trust Company serves as the trustee of the trust fund under the Plan. Under the terms of the Plan, participating employees are required to contribute 3% of the employee's salary per year to the 401(a) and the County contributes 3% of the employee's salary per year to the 401(a). Employees can make voluntary contributions to the 457 and the County will match ½% for each 1% voluntarily contributed by employee up to a total County match of 2%.

Employee contributions are vested 100% at the time of contribution. Employer contributions vest after five full years of service with the County. Amounts held in the Plan are not available to the employees until termination, retirement, death, or unforeseeable emergency. During the current year, County and employee contributions to the Plan totaled $144,378 and $185,754, respectively.

13. Retirement Plans (continued)

County Defined Contribution Plan, continued

The County has no fiduciary relationship with the plan, and plan assets are not available to the County or its general creditors. The Plan assets are held in trust by the administrator for the exclusive benefit of the participants of the Plan. The County Commissioner provides for the funding policy though a County ordinance and maintains the authority to change the policy. Separate financial statements are not issued for the Plan.

Other County Plans

In addition to the plans above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

Murray County Health Department Retirement Plan

Eligible employees of the Murray County Health Department participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system. During the fiscal year ended June 30, 2019, the Department contributed $105,870. As of June 30, 2019, the Department reported a liability in the amount of $711,332 for its proportionate share (0.017303%) of the net pension liability. The Department recognized pension expense of $99,524 for the fiscal year ended June 30, 2019. Further information regarding the plan can be obtained from Department's annual audit report by contacting Murray County Health Department, 709 Old Dalton Ellijay Road, Chatsworth, Georgia 30705.

14. Other Post-Employment Benefits

Murray County Health Department Component Unit

Eligible employees of the Murray County Health Department are provided OPEB through the State of Georgia OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple-employer defined benefit other post-employment benefit plan. During the fiscal year ended June 30, 2019, the Department contributed $81,788. As of June 30, 2019, the Department reported a net OPEB asset in the amount of $60,119 and net OPEB liability in the amount of $404,056 for its proportionate share (0.022213% for the SEAD-OPEB Fund and 0.015448% for the State of Georgia OPEB Fund) of the net OPEB asset and liability. The Department recognized OPEB expense of ($24,935) for the fiscal year ended June 30, 2019. Further information regarding the plans can be obtained from Department's annual audit report by contacting Murray County Health Department, 709 Old Dalton Ellijay Road, Chatsworth, Georgia 30705.

15. Tax Abatements

Murray County is subject to tax incentives granted by the Development Authority of Murray County. These incentives are negotiated on an individual basis as a reduction of property taxes and have the stated purpose of increasing business activity and employment in the County by allowing localities to abate property taxes for a variety of economic development purposes, including business relocation, retention, and expansion. The incentives may be granted to any business located within or promising to relocate to a local government's geographic area. The County has not made any commitments as part of the agreements other than to reduce taxes. For the current year, Murray County abated property taxes totaling $878,731 under this program, including the following tax abatement agreements:

- 25 to 75% property tax abatements for a local manufacturer investing in personal property for its manufacturing facility in Murray County. The abatements amounted to $23,659.
- 60 to 100% property tax abatements for a local manufacturer investing in personal property and expanding its manufacturing facility in Murray County. The abatements amounted to $560,085.
- 30% property tax abatement for a public utility investing in personal property for its facility in Murray County. The abatement amounted to $294,987.

16. Hotel/Motel Lodging Tax

Pursuant to an ordinance approved on June 27, 2005, the County has levies a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the current year follows:

Lodging Tax Receipts	$	88,090	
Disbursements for trade and tourism	$	76,089	86% of tax receipts

17. Joint Ventures

The County, in conjunction with cities and counties in the thirteen-county northwest Georgia area are members of the Northwest Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The RC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County. The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RC's as "public agencies" and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources (O.C.G.A. 50-8-39.1). Separately issued financial statements are available at the RC’s administrative office.

18. Risk Management

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

18. Risk Management (continued)

The County participated in the Georgia Inter-local Risk Management Agency Property and Liability Insurance and (GIRMA) and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

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 maintains a group health insurance plan through American National that carries a specific employee plan deductible of $55,000 per participant with an additional $40,000 aggregating specific. Claims up to that amount are paid by the County through the Murray County Benefits account, a self-insurance fund. The third party administrator reviews and approves all claims on behalf of the County.

19. Contingencies

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

The County was a defendant in several lawsuits at the end of the current year. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

20. New Accounting Pronouncements

The County implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.* The requirements of this statement are effective for periods beginning after June 15, 2018.

The County implemented GASB Statement No. 84, *Fiduciary Activities,* effective for the County's current year. The requirements of this statement are effective for periods beginning after December 15, 2018.

21. Changes in Beginning Balances

Fiduciary Funds

Tax Commissioner Custodial Fund

A prior period adjustment has been made to adjust beginning net position in the Tax Commissioner Custodial Fund. This adjustment was required due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. This adjustment increased beginning net position by $1,308,791.

22. Subsequent Events

Management has evaluated subsequent events through April 17, 2020, the date the financial statements were available to be issued.

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the County, its performance, and its financial results.

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REQUIRED SUPPLEMENTARY INFORMATION

MURRAY COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS
December 31, 2019
(Unaudited)

	Year End				
	2019	**2018**	**2017**	**2016**	**2015**
Total pension liability					
Service cost	$ 156,494	$ 171,135	$ 161,935	$ 142,240	$ 132,324
Interest	854,320	801,228	757,496	677,632	651,480
Liability experience (gain) / loss	637,776	322,349	226,897	386,181	0
Assumption change	1,083,680	29,402	331,428	318,394	0
Benefit payments, including refunds of employee contributions	(601,862)	(581,751)	(470,828)	(448,351)	(421,888)
Net change in total pension liability	2,130,408	742,363	1,006,928	1,076,096	361,916
Total pension liability - beginning	12,084,648	11,342,285	10,335,357	9,259,261	8,897,345
Total pension liability - ending (a)	$ 14,215,056	$ 12,084,648	$ 11,342,285	$ 10,335,357	$ 9,259,261
Plan fiduciary net position					
Contributions - employer	$ 423,816	$ 443,544	$ 400,299	$ 351,187	$ 364,000
Net investment income	(486,768)	1,495,672	645,752	76,815	634,957
Benefit payments, including refunds of employee contributions	(601,862)	(581,751)	(470,828)	(448,351)	(421,888)
Administrative expense	(27,420)	(26,102)	(29,893)	(25,538)	(23,041)
Other changes	(61,724)	(80,663)	(111,143)	(89,036)	(59,147)
Net change in plan fiduciary net position	(753,958)	1,250,700	434,187	(134,923)	494,881
Plan fiduciary net position - beginning	10,778,304	9,527,604	9,093,417	9,228,340	8,733,459
Plan fiduciary net position - ending (b)	$ 10,024,346	$ 10,778,304	$ 9,527,604	$ 9,093,417	$ 9,228,340
Net pension liability - ending : (a) - (b)	$ 4,190,710	$ 1,306,344	$ 1,814,681	$ 1,241,940	$ 30,921
Plan's fiduciary net position as a percentage of the total pension liability	70.52%	89.19%	84.00%	87.98%	99.67%
Covered payroll	$ 4,622,475	$ 4,798,756	$ 4,835,780	$ 4,493,559	$ 4,231,406
Net pension liability as a percentage of covered payroll	90.66%	27.22%	37.53%	27.64%	0.73%

Note: 2015 was the first year of implementation. Therefore, years prior are not reported.

MURRAY COUNTY, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
December 31, 2019
(Unaudited)

	Year End				
	2019	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	$ 497,536	$ 423,816	$ 436,686	$ 400,299	$ 351,187
Contributions in relation to the actuarially determined contribution	(497,536)	(423,816)	(443,544)	(400,299)	(351,187)
Contribution deficiency (excess)	$ 0	$ 0	$ (6,858)	$ 0	$ 0
Covered payroll	$ 4,946,394	$ 4,622,475	$ 4,798,756	$ 4,835,780	$ 4,493,559
Contributions as a percentage of covered payroll	10.06%	9.17%	9.24%	8.28%	7.82%

Note: 2015 was the first year of implementation. Therefore, years prior are not reported.

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2018, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending December 31, 2020.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry Age Normal

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 15 years

Asset valuation method = Smoothed market value with a 5-year smoothing period

Net investment rate of return = 7.00%

Future salary increases = 4.00% per year with age based scale

Cost of living adjustments = N/A

Normal retirement age = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table. Disabled mortality rates were derived from the 1985 CIDA Table Class I.

3. Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

4. Changes of Assumptions

Due to the significant surplus in the Pre-Retirement Death Pool, the 2018 expense for the pre-retirement death benefit has been reduced to zero.

The mortality improvements for the RP-2000 mortality table are projected to 2018 instead of 2017 with Scale AA.

The investment return assumption was decreased from 7.25% to 7.00%.

The turnover table was changed to the Vaughn Select and Ultimate Table through age 54.

The disability table was changed from the 1977 Social Security Table to the 1985 CIDA Table Class I through age 59.

The salary increase assumption was revised as follows:

The adjustment to the base rate was reduced from 1.5% to 1.0% for participants under age 30 and from 1.0% to 0.5% for participants from ages 30-39.

The base salary scale was changed from 3.0% to 4.0%.

The retirement rates were updated for participants eligible for unreduced early as follows:

Age	Current Assumption	Prior Assumption
50-54	5%	N/A
55-60	20%	10%
61-64	20%	20%
65-69	30%	30%
70	100%	100%

Vested Terminated Participants: 100% at NRD changed to 50% at earliest unreduced date and 50% at NRD.

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COMBINING STATEMENTS

Nonmajor Governmental Funds

MURRAY COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2019

	Special Revenue						Total Nonmajor Governmental Funds
	Law Library	Confiscated Assets	E-911	Multi-Grant	Substance Abuse	Hotel Motel	
ASSETS							
Cash and cash equivalents	$ 78,187	$ 74,925	$ 0	$ 0	$ 14,517	$ 0	$ 167,629
Receivables							
Accounts	0	0	119,459	0	0	0	119,459
Intergovernmental	0	0	0	59,151	313	0	59,464
Taxes	0	0	0	0	0	7,556	7,556
Due from other funds	0	0	0	0	0	3,856	3,856
Total assets	$ 78,187	$ 74,925	$ 119,459	$ 59,151	$ 14,830	$ 11,412	$ 357,964
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 0	$ 0	$ 5,592	$ 13,174	$ 0	$ 11,412	$ 30,178
Accrued liabilities	0	0	3,955	0	0	0	3,955
Due to other funds	0	0	0	45,977	0	0	45,977
Total liabilities	0	0	9,547	59,151	0	11,412	80,110
Fund balances							
Restricted for:							
Law library operations	78,187	0	0	0	0	0	78,187
Public safety activities	0	74,925	0	0	14,830	0	89,755
Assigned to:							
Emergency 911 system operations	0	0	109,912	0	0	0	109,912
Total fund balances	78,187	74,925	109,912	0	14,830	0	277,854
Total liabilities and fund balances	$ 78,187	$ 74,925	$ 119,459	$ 59,151	$ 14,830	$ 11,412	$ 357,964

MURRAY COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2019

	Special Revenue						Total Nonmajor Governmental Funds
	Law Library	Confiscated Assets	E-911	Multi-Grant	Substance Abuse	Hotel Motel	
REVENUES							
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 88,090	$ 88,090
Fines and forfeitures	12,840	57,494	0	0	30,709	0	101,043
Charges for services	0	0	740,060	0	0	0	740,060
Intergovernmental	0	0	0	215,348	0	0	215,348
Interest	0	151	0	0	0	0	151
Total revenues	12,840	57,645	740,060	215,348	30,709	88,090	1,144,692
EXPENDITURES							
Current							
Judicial	2,372	0	0	28,315	0	0	30,687
Public Safety	0	15,019	899,553	28,973	35,394	0	978,939
Health and Welfare	0	0	0	123,484	0	0	123,484
Housing and Development	0	0	0	45,000	0	87,758	132,758
Debt service	0	10,617	0	0	0	0	10,617
Total expenditures	2,372	25,636	899,553	225,772	35,394	87,758	1,276,485
Excess (deficiency) of revenues over (under) expenditures	10,468	32,009	(159,493)	(10,424)	(4,685)	332	(131,793)
Other financing sources (uses)							
Transfers in	0	0	183,181	10,424	0	0	193,605
Transfers out	0	0	0	0	0	(332)	(332)
Total other financing sources (uses)	0	0	183,181	10,424	0	(332)	193,273
Net change in fund balances	10,468	32,009	23,688	0	(4,685)	0	61,480
Fund balances, January 1	67,719	42,916	86,224	0	19,515	0	216,374
Fund balances, December 31	$ 78,187	$ 74,925	$ 109,912	$ 0	$ 14,830	$ 0	$ 277,854

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Law Library Fund – This fund is used to account for the fines and forfeitures received that are restricted for providing a County Law Library.

Confiscated Assets Fund – This fund is used to account for confiscated seizures that are restricted for law enforcement.

E-911 Fund – This fund is used to account for receipt of fees imposed on land and wireless telephone lines in the County used to offset the operation and personnel costs of providing emergency services.

Multi-Grant Fund – This fund is used to account for grant monies received from various Federal and State agencies and the expenditure of these monies for the purposes intended.

Substance Abuse Fund – This fund is used to account for the fines and fees received restricted for substance abuse treatment and education programs in the County.

Hotel Motel Fund – This fund is used to account for hotel/motel tax collections that are restricted for tourism in the County.

MURRAY COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 10,000	$ 12,840	$ 2,840
Total revenues	10,000	12,840	2,840
EXPENDITURES			
Current			
Judicial			
Materials and supplies	10,000	2,372	7,628
Total expenditures	10,000	2,372	7,628
Excess (deficiency) of revenues over (under) expenditures	0	10,468	10,468
Fund balance, January 1	0	67,719	67,719
Fund balance, December 31	$ 0	$ 78,187	$ 78,187

MURRAY COUNTY, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 66,000	$ 57,494	$ (8,506)
Interest	0	151	151
Total revenues	66,000	57,645	(8,355)
EXPENDITURES			
Current			
Public Safety			
Contract services	66,000	11,975	54,025
Materials and supplies	0	3,044	(3,044)
Debt Service			
Principal	0	9,822	(9,822)
Interest	0	795	(795)
Total expenditures	66,000	25,636	40,364
Excess (deficiency) of revenues over (under) expenditures	0	32,009	32,009
Fund balance, January 1	0	42,916	42,916
Fund balance, December 31	$ 0	$ 74,925	$ 74,925

MURRAY COUNTY, GEORGIA
E-911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 906,450	$ 740,060	$ (166,390)
Total revenues	906,450	740,060	(166,390)
EXPENDITURES			
Current			
Public Safety			
Personal services	726,500	722,494	4,006
Contract services	174,250	172,592	1,658
Materials and supplies	5,700	4,467	1,233
Total expenditures	906,450	899,553	6,897
Excess (deficiency) of revenues over (under) expenditures	0	(159,493)	(159,493)
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	183,181	183,181
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	23,688	23,688
Fund balance, January 1	0	86,224	86,224
Fund balance, December 31	$ 0	$ 109,912	$ 109,912

MURRAY COUNTY, GEORGIA
MULTI-GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 227,000	$ 215,348	$ (11,652)
Total revenues	227,000	215,348	(11,652)
EXPENDITURES			
Current			
Judicial			
Personal services	29,000	28,315	685
Public Safety			
Contract services	0	3,363	(3,363)
Materials and supplies	29,000	12,780	16,220
Capital outlay	0	12,830	(12,830)
Health and Welfare			
Personal services	124,000	98,598	25,402
Contract services	0	24,360	(24,360)
Materials and supplies	0	526	(526)
Housing and Development			
Contract services	45,000	45,000	0
Total expenditures	227,000	225,772	1,228
Excess (deficiency) of revenues over (under) expenditures	0	(10,424)	(10,424)
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	10,424	10,424
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balance, January 1	0	0	0
Fund balance, December 31	$ 0	$ 0	$ 0

MURRAY COUNTY, GEORGIA
SUBSTANCE ABUSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 36,000	$ 30,709	$ (5,291)
Total revenues	36,000	30,709	(5,291)
EXPENDITURES			
Current			
Public Safety			
Personal services	29,000	28,900	100
Contract services	0	500	(500)
Materials and supplies	7,000	5,994	1,006
Total expenditures	36,000	35,394	606
Excess (deficiency) of revenues over (under) expenditures	0	(4,685)	(4,685)
Fund balance, January 1	0	19,515	19,515
Fund balance, December 31	$ 0	$ 14,830	$ 14,830

MURRAY COUNTY, GEORGIA
HOTEL MOTEL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Taxes	$ 88,000	$ 88,090	$ 90
Total revenues	88,000	88,090	90
EXPENDITURES			
Current			
Housing and Development			
Contract services	12,000	11,669	331
Payments to others	76,000	76,089	(89)
Total expenditures	88,000	87,758	242
Excess (deficiency) of revenues over (under) expenditures	0	332	332
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	(332)	(332)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balance, January 1	0	0	0
Fund balance, December 31	$ 0	$ 0	$ 0

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CUSTODIAL FUNDS

These funds are used to account for assets held by the County as a custodian to be expended in accordance with the conditions of its custodial capacity.

Clerk of Superior Court, Probate Court, Juvenile Court and Magistrate Court - These funds account for assets and related liabilities for the collection of court related fees.

Sheriff - This fund accounts for deposits held for incarcerated inmates.

Tax Commissioner - This fund accounts for assets and related liabilities for the collection of taxes and tag and title fees.

MURRAY COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2019

	Tax Commissioner	Clerk of Superior Court	Sheriff	Probate Court	Magistrate Court	Juvenile Court	Totals
ASSETS							
Cash and cash equivalents	$ 361,509	$ 966,669	$ 53,682	$ 23,677	$ 23,272	$ 507	$ 1,429,316
Taxes receivable	3,667,900	0	0	0	0	0	3,667,900
Total assets	4,029,409	966,669	53,682	23,677	23,272	507	5,097,216
LIABILITIES							
Due to others	2,238,215	966,669	53,682	23,677	23,272	507	3,306,022
NET POSITION							
Unrestricted	$ 1,791,194	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,791,194

MURRAY COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2019

	Tax Commissioner	Clerk of Superior Court	Sheriff	Probate Court	Magistrate Court	Juvenile Court	Total Custodial Funds
ADDITIONS							
Property taxes collected for other governments	$ 18,005,500	$ 0	$ 0	$ 0	$ 0	$ 0	$ 18,005,500
Fines and forfeitures collected for other governments	0	908,223	8,347	214,678	235,999	4,825	1,372,072
Receipts from inmates	0	0	318,200	0	0	0	318,200
Total additions	18,005,500	908,223	326,547	214,678	235,999	4,825	19,695,772
DEDUCTIONS							
Property taxes distributed to other governments	17,523,097	0	0	0	0	0	17,523,097
Fines and forfeitures distributed to other governments	0	908,223	12,426	214,678	235,999	4,825	1,376,151
Disbursements for inmate benefits	0	0	314,121	0	0	0	314,121
Total deductions	17,523,097	908,223	326,547	214,678	235,999	4,825	19,213,369
Change in net position	482,403	0	0	0	0	0	482,403
Net position, January 1 (original)	0	0	0	0	0	0	0
Prior period adjustments	1,308,791	0	0	0	0	0	1,308,791
Net position, January 1 (restated)	1,308,791	0	0	0	0	0	1,308,791
Net position, December 31	$ 1,791,194	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,791,194

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OTHER REPORTING SECTION

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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*

Honorable Commissioner
Murray County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Murray County, Georgia, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Murray County, Georgia's basic financial statements and have issued our report thereon dated April 17, 2020. Our report includes a reference to other auditors who audited the financial statements of the Murray County Health Department, as described in our report on Murray County, Georgia'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 were reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described as follows that we consider to be significant deficiencies:

2019-001

Condition: While performing audit procedures for the Law Library, we noted that there is a lack of segregation of duties. The Administrator receipts monies, prepares deposits, writes checks, and prepares the bank reconciliations.

Criteria: Proper internal controls require adequate segregation of duties.

Cause: The same employee is receipting monies, preparing deposits, writing checks, and preparing the bank reconciliations.

2019-001, continued

Effect: Failure to maintain adequate segregation of duties subjects the assets of the County to greater risk of misappropriation.

Recommendation: To ensure that sufficient internal controls are in place, the Law Library should properly segregate duties.

Management Response: Management has provided a copy of this finding to the appropriate department head and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2019-002

Condition: While performing audit procedures at the Tax Commissioner's office, we noted 9 of 25 (36%) tag and title back-outs were receipted by the same individual who backed-out (voided) the transaction.

Criteria: Proper internal controls require adequate segregation of duties.

Cause: The same employee is receipting monies and voiding transactions.

Effect: Failure to maintain adequate segregation of duties subjects the assets of the County to greater risk of misappropriation.

Recommendation: To ensure that sufficient internal controls are in place, the Tax Commissioner's Office should properly segregate duties.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2019-003

Condition: While performing audit procedures at the Magistrate Court, we noted employees were editing receipts rather than using an approval process for voiding and re-issuing receipts.

Criteria: Proper internal controls require adequate segregation of duties.

Cause: Employees are able to edit receipts in the software.

Effect: Failure to maintain adequate segregation of duties subjects the assets of the County to greater risk of misappropriation.

Recommendation: To ensure that sufficient internal controls are in place, the Magistrate Court should properly segregate duties over the receipt process. The ability to edit receipts in the software should be eliminated. A process should be implemented to require written documented approval for any voided transactions.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2019-004

Condition: While performing audit procedures at the Juvenile Court, we noted that there is a lack of segregation of duties. The two employees receipt monies, prepare deposits, make deposits, and record the deposits.

Criteria: Proper internal controls require adequate segregation of duties.

2019-004, continued

Cause: Two employees are receipting monies, preparing deposits, making deposits, and recording deposits.

Effect: Failure to maintain adequate segregation of duties subjects the assets of the County to greater risk of misappropriation.

Recommendation: To ensure that sufficient internal controls are in place, the Juvenile Court should properly segregate duties.

Management Response: Management concurs with this finding. Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2019-005

Condition: While performing audit procedures at the Juvenile Court, we noted instances where deposits were not made timely. We noted 2 of 10 (20%) receipts tested were held for more than seven days before depositing.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Cause: Juvenile Court staff is not depositing receipts at least once per week.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management concurs with this finding. Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2019-006

Condition: While performing audit procedures at the Juvenile Court, we noted the bank account is not reconciled on a monthly basis.

Criteria: Proper internal controls require that cash accounts be reconciled to the general ledger in a timely manner, usually monthly.

Cause: Juvenile Court staff is not reconciling the bank account monthly.

Effect: Failure to reconcile cash accounts exposes the County to greater risk of loss and may lead to management decisions based on incorrect information.

Recommendation: Bank reconciliations should be completed for all bank accounts on a monthly basis.

Management Response: Management concurs with this finding. Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2019-007

Condition: While performing audit procedures on public works receipts, we noted instances where deposits were not made timely. We noted 12 of 14 (86%) receipts tested were held for more than seven days before depositing.

2019-007, continued

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Cause: Staff is not depositing receipts at least once per week.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management concurs with this finding. Management has advised the department head to implement the recommendation and to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

2019-008

Condition: While performing audit procedures on receipts for alcoholic beverage licenses, we noted instances where deposits were not made timely. We noted 6 of 14 (43%) receipts tested were held for more than seven days before depositing.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Cause: Staff is not depositing receipts at leastonce per week.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management concurs with this finding. Management has advised the department head to implement the recommendation and to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

2019-009

Condition: While performing audit procedures on receipts for building permits, we noted instances where deposits were not made timely. We noted 3 of 40 (7.5%) receipts tested were held for more than seven days before depositing.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Cause: Staff is not depositing receipts at least once per week.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management concurs with this finding. Management has advised the department head to implement the recommendation and to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

2019-010

Condition: While performing audit procedures on building permits, we were unable to recalculate 3 of 40 (7.5%) permits tested using the applicable fee schedule.

2019-010, continued

Criteria: Proper internal controls require calculations to be performed in accordance with the applicable fee schedule.

Cause: Staff is not correctly and consistently calculating building permits in accordance with the applicable fee schedule.

Effect: Failure to calculate building permits in accordance with the applicable fee schedule could lead to material misstatements.

Recommendation: Building permit fees should be correctly and consistently calculated in accordance with the applicable fee schedule.

Management Response: Management concurs with this finding. Management has advised the department head to implement the recommendation and to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

2019-011

Condition: While performing audit procedures on grant revenues, we note the County does not maintain a schedule of grants received.

Criteria: Proper internal controls require management to maintain a schedule of grants. The schedule helps ensure that amounts on the general ledger are properly calculated and accurately reported.

Cause: Staff is not maintaining a schedule of grants.

Effect: Failure to maintain a schedule of grants can lead to financial statements that are materially misstated.

Recommendation: County finance staff should maintain a schedule of grants throughout the year and reconcile it to the general ledger. At a minimum, the schedule should have the grant amount, amounts received, and amounts expended. The schedule should be supported by supporting documentation, such as grant agreements, reimbursement requests, receipts, and invoices.

Management Response: Management concurs with this finding. Management has advised the department head to implement the recommendation and to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

2019-012

Condition: County personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the County relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for governments of similar size and structure to Murray County. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the Finance Department is not trained to perform the daily accounting functions, but that the County has elected as a cost benefit to outsource this expertise to their auditors.

Criteria: Effective internal control requires that the County accept responsibility and understanding of the audited financial report.

Cause: County personnel do not have the necessary training in the application of generally accepted accounting principles and the preparation of financial statements.

2019-012, continued

Effect: Failure to understand the financial statements increases the risk of material misstatements.

Recommendation: County personnel should continue to receive training in the identification and application of generally accepted accounting principles and the preparation of the County's financial statements.

Management Response: Management concurs with this finding. The County has determined that the cost of training County personnel to prepare the financial statements is prohibitive. The governing body and management have determined that personnel should receive training to the extent that is economically feasible and to continue to rely on the technical assistance of the external auditor or other qualified professional when necessary. This action was taken immediately upon receipt of the comment from our auditors.

Compliance and Other Matters

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

Murray County, Georgia's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Murray County, Georgia'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
April 17, 2020

STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

MURRAY COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2019

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST 2013					
Roads and Bridges:					
Infrastructure	$ 8,724,300	$ 8,724,300	$ 4,640,468	$ 49,706	$ 4,690,174
Road construction equipment / vehicles	1,077,000	1,077,000	1,550,955	20,087	1,571,042
Other Projects:					
Fire Department (Spring Place)	810,000	810,000	163,685	642,165	805,850
Emergency Center Fire Department 1	24,100	24,100	4,247	0	4,247
Recreation buildings and equipment	705,000	705,000	1,128,652	0	1,128,652
Hospital equipment and debt reduction	6,232,400	6,232,400	6,152,314	0	6,152,314
Communication / Technical System	842,900	842,900	2,281,061	47,814	2,328,875
Public safety vehicles and equipment	3,381,000	3,381,000	1,968,782	73,882	2,042,664
Economic development projects	200,000	200,000	260,753	299,750	560,503
General buildings and equipment	1,628,300	1,628,300	962,307	58,510	1,020,817
Contractual Payments:					
City of Chatsworth	2,835,000	2,835,000	2,584,035	0	2,584,035
City of Eton	540,000	540,000	492,138	0	492,138
Total	$ 27,000,000	$ 27,000,000	$ 22,189,397	$ 1,191,914	$ 23,381,311

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

MURRAY COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2019

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST 2019					
Roads and Bridges:					
Infrastructure	$ 10,455,304	$ 10,455,304	$ 0	$ 1,125,387	$ 1,125,387
Vehicles and equipment	1,135,000	1,135,000	0	151,883	151,883
Other Projects:					
Fire Station #2	360,000	360,000	0	0	0
Fire Station #7	360,000	360,000	0	0	0
Fire Station #8	360,000	360,000	0	262,973	262,973
Recreation buildings and equipment	416,000	416,000	0	55,494	55,494
Hospital capital projects	5,250,000	5,250,000	0	500,000	500,000
Communication / Technical System	1,107,000	1,107,000	0	32,833	32,833
Public safety vehicles and equipment	2,598,446	2,598,446	0	74,562	74,562
Economic development projects	500,000	500,000	0	200,000	200,000
General buildings and equipment	2,309,500	2,309,500	0	87,085	87,085
Other departments vehicles and equipment	305,000	305,000	0	118,757	118,757
Contractual Payments:					
City of Chatsworth	3,018,750	3,018,750	0	470,013	470,013
City of Eton	575,000	575,000	0	89,526	89,526
Total	$ 28,750,000	$ 28,750,000	$ 0	$ 3,168,513	$ 3,168,513

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

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