TALIAFERRO COUNTY, GEORGIA

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

TALIAFERRO COUNTY, GEORGIA

TABLE OF CONTENTS
JUNE 30, 2019

Page

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 1-3

FINANCIAL STATEMENTS

Government-wide Financial Statements
- Statement of Net Position 4-5
- Statement of Activities 6-7

Fund Financial Statements
- Balance Sheet – Governmental Funds 8
- Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position 9
- Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 10
- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 11
- Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund 12-14
- Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – TIA Discretionary Projects Fund 15

Fiduciary Funds
- Statement of Fiduciary Assets and Liabilities – Fiduciary Funds 16

Component Units:
- Combining Statement of Net Position 17
- Combining Statement of Activities 18

Notes to the Financial Statements 19-40

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Statements and Schedules
Governmental Funds
- Combining Balance Sheet – Nonmajor Governmental Funds 41
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 42
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Funds 43-48

Schedule of Projects Constructed with Special Sales Tax Proceeds 49

Page

Agency Funds

Combining Statement of Changes in Assets and Liabilities 50

Schedule of Changes in Assets and Liabilities by Departments 51-53

Component Unit – Taliaferro County Development Authority
Balance Sheet 54
Statement of Revenues, Expenditures and Changes in Fund Balance 55

GOVERNMENTAL REPORTS

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* 56-57

Schedule of Findings and Responses 58-70

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Taliaferro County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taliaferro County, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 Taliaferro County Board of Health, which represents 15 percent, 0 percent, and 26 percent, respectively, of the assets, net position, and revenues of the component units of Taliaferro County, Georgia. 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 Taliaferro County Board of Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taliaferro County, Georgia, as of June 30, 2019, and the respective changes in financial position and the budgetary comparison information for the General Fund and the TIA Discretionary Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Taliaferro County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, the Development Authority of Taliaferro County statements, and schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the budgetary comparison schedules, the Development Authority of Taliaferro County statements, and the schedule of projects constructed with special sales tax proceeds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, the Development Authority of Taliaferro County statements, and schedule of projects constructed with special sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2020 on our consideration of Taliaferro 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 the effectiveness of Taliaferro County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Taliaferro County, Georgia's internal control over financial reporting and compliance.

Macon, Georgia
October 12, 2020

FINANCIAL STATEMENTS

TALIAFERRO COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	$ 4,737,348	$ 823,849
Receivables, net of allowance		
Taxes	141,407	-
Accounts	17,801	43,777
Note	1,542	-
Due from other governments	674,204	-
Prepaid items	81,838	-
Nondepreciable assets	2,119,740	509,837
Depreciable assets, net	7,371,771	7,494
Proportionate share of collective net SEAD-OPEB asset	-	11,270
Total Assets	15,145,651	1,396,227
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related		
to pensions	-	38,144
to OPEBs	-	30,521
Total deferred outflows of resources	-	68,665

The notes to the financial statements are an integral part of this statement.

TALIAFERRO COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2019
(CONTINUED)

	Primary Government Governmental Activities	Component Units
LIABILITIES		
Accounts payable	100,613	797
Accrued salaries and benefits	24,365	-
Due to other governments	-	13,002
Noncurrent liabilities:		
Due within one year		
Compensated absences	49,708	-
Landfill postclosure cost	16,795	-
Due in more than one year		
Compensated absences	1,758	15,683
Landfill postclosure cost	395,654	-
Net pension liability	-	138,048
Net OPEB liability	-	82,496
Total Liabilities	588,893	250,026
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related		
to pensions	-	3,428
to OPEBs	-	39,122
Total deferred inflows of resources	-	42,550
NET POSITION		
Investment in capital assets	9,491,511	517,331
Restricted for		
Transportation	876,863	-
Road improvements	501,445	-
Capital outlay	253,590	-
Drug awareness	74,557	-
Law enforcement	45,854	-
Housing and development	9,082	-
Health and welfare programs - PYPI	-	47,404
Unrestricted	3,303,856	607,581
Total Net Position	$ 14,556,758	$ 1,172,316

The notes to the financial statements are an integral part of this statement.

TALIAFERRO COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities				
General government	$ 883,809	$ 2,125	$ 552,443	$ -
Public safety	1,165,705	908,356	12,000	-
Public works	1,021,201	7,750	180,081	-
Judicial	307,447	-	-	-
Health and welfare	266,726	18,501	168,569	-
Culture and recreation	39,674	-	-	-
Housing and development	933,483	-	-	222,828
Interest on long-term debt	1,969	-	-	-
Total governmental activities	4,620,014	936,732	913,093	222,828
Total Primary Government	$ 4,620,014	$ 936,732	$ 913,093	$ 222,828
Component Units:				
Health Department	$ 179,659	$ 27,258	$ 199,824	$ -
Development Authority	1,305	-	634,548	10,194
Total Component Units	$ 180,964	$ 27,258	$ 834,372	$ 10,194
General Revenues				
Property tax				
Sales tax				
Other tax				
Interest revenue				
Gain on sale of capital assets				
Miscellaneous				
Insurance recoveries				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year, restated				
Net Position - End of Year				

The notes to the financial statements are an integral part of this statement

TALIAFERRO COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
	Governmental Activities	Component Units
$	(329,241)	
	(245,349)	
	(833,370)	
	(307,447)	
	(79,656)	
	(39,674)	
	(710,655)	
	(1,969)	
	(2,547,361)	
	(2,547,361)	
		$ 47,423
		643,437
		690,860
	985,492	-
	632,239	-
	189,063	-
	5,760	2,300
	53,594	-
	15,676	402
	85,714	-
	1,967,538	2,702
	(579,823)	693,562
	15,136,581	478,754
$	14,556,758	$ 1,172,316

The notes to the financial statements are an integral part of this statement

TALIAFERRO COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Revenue TIA Discretionary Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,443,705	$ 849,428	$ 444,215	$ 4,737,348
Receivables, net of allowance				
Taxes	141,407	-	-	141,407
Accounts	12,425	-	5,376	17,801
Note	-	-	1,542	1,542
Due from other governments	605,248	28,843	40,113	674,204
Due from other funds	100	-	5,568	5,668
Prepaid items	81,838	-	-	81,838
Total Assets	$ 4,284,723	$ 878,271	$ 496,814	$ 5,659,808
LIABILITIES				
Accounts payable	$ 74,524	$ 18,135	$ 7,954	$ 100,613
Accrued expenses	23,163	-	1,202	24,365
Due to other funds	5,568	100	-	5,668
Total Liabilities	103,255	18,235	9,156	130,646
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	138,660	-	-	138,660
Total Deferred Inflows of Resources	138,660	-	-	138,660
FUND BALANCE				
Nonspendable	81,838	-	1,542	83,380
Restricted	415,239	860,036	486,116	1,761,391
Assigned	800,000	-	-	800,000
Unassigned	2,745,731	-	-	2,745,731
Total Fund Balances	4,042,808	860,036	487,658	5,390,502
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,284,723	$ 878,271	$ 496,814	$ 5,659,808

The notes to the financial statements are an integral part of this statement.

TALIAFERRO COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Governmental Funds	$	5,390,502
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets		15,565,199
Accumulated depreciation		(6,073,688)
Long-term Liabilities		
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:		
Compensated absences		(51,466)
Post-closure cost		(412,449)
Revenues		
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		138,660
Net Position of Governmental Activities	$	14,556,758

The notes to the financial statements are an integral part of this statement.

TALIAFERRO COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue TIA Discretionary Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 1,569,094	$ 353,945	$ 154,106	$ 2,077,145
License and permits	2,125	-	-	2,125
Intergovernmental revenue	913,117	-	249,944	1,163,061
Charges for services	20,345	-	27,527	47,872
Fines and forfeitures	858,118	-	28,617	886,735
Interest income	5,692	-	132	5,824
Other revenues	15,526	-	150	15,676
Total Revenues	3,384,017	353,945	460,476	4,198,438
Expenditures:				
Current				
General government	864,296	-	-	864,296
Judicial	307,447	-	-	307,447
Public safety	1,360,029	-	70,519	1,430,548
Public works	645,548	142,618	34,857	823,023
Health and welfare	191,241	-	51,466	242,707
Culture and recreation	31,828	-	-	31,828
Housing and development	710,655	-	222,828	933,483
Debt service				
Principal	20,454	85,255	-	105,709
Interest and other charges	1,287	682	-	1,969
Capital Outlay	-	455,097	-	455,097
Total Expenditures	4,132,785	683,652	379,670	5,196,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	(748,768)	(329,707)	80,806	(997,669)
Other Financing Sources (Uses):				
Insurance proceeds	85,714	-	-	85,714
Sale of capital assets	53,594	-	-	53,594
Transfers from other funds	-	-	49,990	49,990
Transfers to other funds	(49,990)	-	-	(49,990)
Total other financing sources (uses)	89,318	-	49,990	139,308
Net change in fund balances	(659,450)	(329,707)	130,796	(858,361)
Fund Balance, beginning of year, restated	4,702,258	1,189,743	356,862	6,248,863
Fund Balance, end of year	$ 4,042,808	$ 860,036	$ 487,658	$ 5,390,502

The notes to the financial statements are an integral part of this statement.

TALIAFERRO COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	$ (858,361)
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	
Total capital outlays	906,322
Total depreciations	(430,346)
The net effect of various miscellaneous transactions involving capital assets (i.e. donations, annexing) is to increase net position	(7,759)
Long-term Debt	
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:	
Compensated absences	11,046
Capital leases	105,709
Post-closure costs	(8,879)
Revenues	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(297,555)
Change in Net Position of Governmental Activities	$ (579,823)

The notes to the financial statements are an integral part of this statement.

TALIAFERRO COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes				
Property taxes	$ 1,625,409	$ 1,253,865	$ 1,255,843	$ 1,978
Sales tax	72,000	102,904	124,188	21,284
Motor vehicle taxes	-	72,062	68,731	(3,331)
Insurance premium taxes	54,000	67,269	67,269	-
Alcoholic beverage taxes	2,500	3,868	3,868	-
Recording intangibles	2,500	3,442	3,314	(128)
Real estate transfer	6,000	3,869	3,842	(27)
Penalties and interest	-	12,605	13,003	398
Other taxes	10,000	28,945	29,036	91
Licenses and permits	900	2,125	2,125	-
Intergovernmental revenues	91,000	465,395	913,117	447,722
Charges for services	22,220	20,345	20,345	-
Fines and forfeitures	515,700	879,485	858,118	(21,367)
Investment earnings	-	4,939	5,692	753
Miscellaneous	1,400	18,096	15,526	(2,570)
Total Revenues	2,403,629	2,939,214	3,384,017	444,803
Expenditures:				
Current:				
General government				
General administration	100,500	118,170	134,463	(16,293)
Board of commissioners	397,500	686,498	470,236	216,262
Tax commissioner	89,852	84,864	92,612	(7,748)
Tax assessor	73,843	75,669	77,471	(1,802)
Tax equalization	3,700	4,222	4,222	-
County attorney	7,000	3,941	3,941	-
Voter registrar	53,500	39,952	42,851	(2,899)
Elections	13,450	1,384	1,384	-
Public buildings	53,872	34,678	37,116	(2,438)
Total general government	793,217	1,049,378	864,296	185,082

The notes to the financial statements are an integral part of this statement

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Judicial				
Superior court	101,419	104,067	112,840	(8,773)
Probate court	152,982	163,116	184,473	(21,357)
Magistrate court	10,000	8,480	8,480	-
Public defender	2,600	1,654	1,654	-
Total judicial	267,001	277,317	307,447	(30,130)
Public safety				
Sheriff's office	727,150	918,744	989,904	(71,160)
Jail	126,595	71,982	76,747	(4,765)
Emergency management agency	3,800	10,601	10,739	(138)
Fire departments	50,000	69,721	70,000	(279)
Ambulance service	36,000	36,000	36,000	-
E911	221,255	138,291	162,865	(24,574)
Coroner	9,500	13,637	13,774	(137)
Total public safety	1,174,300	1,258,976	1,360,029	(101,053)
Public works				
Highways and streets	262,000	346,761	367,848	(21,087)
Solid waste and recycling	125,550	269,269	277,700	(8,431)
Total public works	387,550	616,030	645,548	(29,518)
Health and welfare				
Senior center	49,600	70,408	73,858	(3,450)
Department of Family and Children Services	1,860	1,839	1,839	-
Family Connection/Collaborative	33,050	86,652	51,380	35,272
Enterprise community	3,684	12,482	12,537	(55)
Board of Health	36,503	23,877	39,628	(15,751)
Community Center	5,208	4,493	4,493	-
Adult literacy	8,200	7,506	7,506	-
Total health and welfare	138,105	207,257	191,241	16,016

The notes to the financial statements are an integral part of this statement

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Culture and recreation				
Library	16,450	17,670	17,670	-
Recreation	3,812	14,158	14,158	-
Total culture and recreation	20,262	31,828	31,828	-
Housing and development				
Forestry	11,308	-	-	-
Planning and zoning	1,395	335	349	(14)
Development Authority	10,000	634,548	634,548	-
Workforce investment	27,000	137,165	75,758	61,407
Total housing and development	49,703	772,048	710,655	61,393
Debt service				
Principal	-	20,454	20,454	-
Interest	-	1,287	1,287	-
Total debt service	-	21,741	21,741	-
Total Expenditures	2,830,138	4,234,575	4,132,785	101,790
Excess of Revenue Over (Under) Expenditures	(426,509)	(1,295,361)	(748,768)	(546,593)
Other Financing Sources (Uses):				
Insurance proceeds	5,000	85,714	85,714	-
Sale of capital assets	-	63,379	53,594	(9,785)
Transfer to other funds	-	(23,938)	(49,990)	(26,052)
Total Other Financing Sources (Uses)	5,000	125,155	89,318	(35,837)
Net change in fund balance	(421,509)	(1,170,206)	(659,450)	510,756
Fund balance, beginning of year, restated	4,970,767	4,970,767	4,702,258	268,509
Fund balance, end of year	$ 4,549,258	$ 3,800,561	$ 4,042,808	$ 779,265

The notes to the financial statements are an integral part of this statement

TALIAFERRO COUNTY, GEORGIA

TIA DISCRETIONARY PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes				
Sales tax	$ 310,000	$ 345,850	$ 353,945	$ 8,095
Total Revenues	310,000	345,850	353,945	8,095
Expenditures:				
Current				
Public safety	200,000	127,484	142,618	(15,134)
Debt service				
Principal	-	85,255	85,255	-
Interest	-	682	682	-
Capital outlay	-	455,097	455,097	-
Total Expenditures	200,000	668,518	683,652	(15,134)
Net change in fund balance	110,000	(322,668)	(329,707)	(7,039)
Fund balance, beginning of year, restated	1,189,743	1,189,743	1,189,743	-
Fund balance, end of year	$ 1,299,743	$ 867,075	$ 860,036	$ (7,039)

The notes to the financial statements are an integral part of this statement

TALIAFERRO COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 199,541
Total Assets	$ 199,541
LIABILITIES	
Funds held in custodial accounts	$ 1,891
Funds held in escrow	18,892
Due to others	178,758
Total Liabilities	$ 199,541

The notes to the financial statements are an integral part of this statement

TALIAFERRO COUNTY, GEORGIA
COMBINING STATEMENTS OF NET POSITION
COMPONENT UNITS
JUNE 30, 2019

	June 30 Taliaferro County Health Department	June 30 Development Authority of Taliaferro County	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 155,031	$ 668,818	$ 823,849
Receivables			
Accounts	43,777	-	43,777
Non-current Assets			
Capital Assets			
Nondepreciable	-	509,837	509,837
Depreciable capital assets, net	-	7,494	7,494
Proportionate share of collective net			-
SEAD-OPEB asset	11,270	-	11,270
Total Assets	210,078	1,186,149	1,396,227
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related			
to pension contributions	38,144	-	38,144
to state OPEB contributions	29,819	-	29,819
SEAD-OPEB contributions	702	-	702
Total Deferred Outflows of Resources	68,665	-	68,665
LIABILITIES			
Current Liabilities			
Accounts payable	797	-	797
Due to Georgia Department of Public Health	13,002	-	13,002
Long-term Liabilities			
Compensated absences	15,683	-	15,683
Bonds payable	-	-	-
Proportionate share of collective net pension liability	138,048	-	138,048
Proportionate share of collective net state OPEB liability	82,496	-	82,496
Total Liabilities	250,026	-	250,026
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related			
to pensions	3,428	-	3,428
to state OPEB fund	36,391	-	36,391
to SEAD-OPEB fund	2,731	-	2,731
Total Deferred Inflows of Resources	42,550	-	42,550
NET POSITION			
Net investment in capital assets	-	517,331	517,331
Restricted for:			
Health and welfare programs - PYPI	47,404	-	47,404
Unrestricted (Deficit)	(61,237)	668,818	607,581
Total Net Position (Deficit)	$ (13,833)	$ 1,186,149	$ 1,172,316

See accompanying notes to the basic financial statements.

TALIAFERRO COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2019

	June 30 Taliaferro County Health Department	June 30 Development Authority of Taliaferro County	Total
EXPENSES			
Health and welfare	$ 179,659	$ -	$ 179,659
Housing and development	-	1,305	1,305
Total Expenses	179,659	1,305	180,964
REVENUES			
Program revenues			
Charges for services	27,258	-	27,258
Operating grants and contributions	199,824	634,548	834,372
Capital grants and contributions	-	10,194	10,194
Total Program Revenues	227,082	644,742	871,824
Net Program (Expense)	47,423	643,437	690,860
General Revenues:			
Interest earnings	231	2,069	2,300
Miscellaneous	-	402	402
Total General Revenues	231	2,471	2,702
Change in Net Position	47,654	645,908	693,562
Net Position (Deficit), Beginning of Year, restated	(61,487)	540,241	478,754
Net Position (Deficit), End of Year	$ (13,833)	$ 1,186,149	$ 1,172,316

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

Taliaferro County was established under the provisions of an Act of the General Assembly of Georgia in 1825. Taliaferro County was named for Revolutionary War hero and U.S. Congressman Benjamin Taliaferro. The County's name is pronounced as if it were "Oliver" proceeded by a "T". The County operates under a county commissioner form of government, and provides the following services as authorized by state law, general administrative services, public safety, roads and bridges, courts and health and welfare.

The accounting policies of Taliaferro County, Georgia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the County's more significant policies applied in the preparation of the accompanying financial statements.

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Taliaferro County (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61 "The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34," the County's relationships with other governments and agencies have been examined. The financial statements of each component unit have been included as a discretely presented component unit. The component unit columns in the combined financial statements include the financial data for the Development Authority of Taliaferro County, as of June 30, 2019 and the Taliaferro County Health Department, as of June 30, 2019. The financial information for the component units is reported in columns separate from the County's financial information to emphasize that it is legally separate from the County.

Development Authority of Taliaferro County

The Authority exists for the purpose of promoting and developing for the public good and general welfare, industry, and trace, trade commerce and employment opportunity in the County. The County makes all appointments to the Board. The County provides significant operating subsidies to the Authority. The Authority does not issue separate financial statements.

Taliaferro County Health Department

The governing board of the Health Department consists of members appointed by the County Commissioners. The County, by virtue of its appointments, controls a majority of the governing body positions. The Board submits all operating budgets to the County each year. The County provides significant funding to the Board, based upon the approved budgets. The Board operates on a fiscal year ending June 30th.

Complete financial statements of the individual component unit can be obtained from the Taliaferro County Health Department.

Taliaferro County Health Department
55 Alexander Street
Crawfordville, Georgia 30631

A joint venture has the following characteristics:

- It is a legal entity that results from a contractual agreement
- It is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control
- Participants retain an ongoing financial interest or an ongoing financial responsibility

Under Georgia law, the County, in conjunction with other cities and counties in the Central Savannah River District, is a member of the CSRC Regional Commission (CSEARC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Central Savannah River Area Rural Commission
2123 Wrightsboro Road
Augusta, Georgia 30914

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1)

charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered

susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

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

TIA Discretionary Projects Fund – This special revenue fund is used to account for the receipts and disbursements of transportation projects funded by the 25% local government portion of the Transportation Investment Act (TIA) discretionary proceeds.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Agency Funds – Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an

established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables, have been reduced to their estimated net realizable value, and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

F. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, when purchased.

G. Prepaid Items

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

H. Capital Assets

Capital assets, which include property, plant; equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items acquired subsequent to January 1, 2003) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Building	40 years
Heavy Equipment	7 years
Infrastructure	50 years
Vehicles	5-7 years

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Deferred Inflows / Outflows 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 or periods and so will not be recognized as an outflow of resources (expense / expenditures) until then.

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 government has one type of deferred inflows, which arises 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 property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

L. Net Position Flow Assumption

Sometimes the government 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 and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

M. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board. The Board approves committed resources through a motion and vote during the voting session of Council meetings.
- Assigned – amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board has authorized the County Clerk to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The County does not have a formal minimum fund balance policy. The following is a summary of the fund balance classifications as of June 30, 2019:

Fund Balances	General Fund	TIA Discretionary Projects Fund	Nonmajor Governmental	Total
Nonspendable:				
Prepaids	$ 81,838	$ -	$ -	$ 81,838
Notes receivable	-	-	1,542	1,542
Restricted for:				
Transportation	-	860,036	16,827	876,863
Road improvements	415,239	-	86,206	501,445
Capital outlay	-	-	253,590	253,590
Drug awareness	-	-	74,557	74,557
Law enforcement	-	-	45,854	45,854
Housing and development	-	-	9,082	9,082
Assigned for:				
Fund balance appropriation	800,000	-	-	800,000
Unassigned	2,745,731	-	-	2,745,731
Total fund balances	$ 4,042,808	$ 860,036	$ 487,658	$ 5,390,502

N. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The County purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage's for each of the past three fiscal years. The County had no significant reduction in insurance coverage from coverage in the prior year.

The County has joined together with other municipalities in the state as part of the ACCG Group Self Insurance Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings, which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. For the year ending June 30, 2019, the County's total contribution was $32,725 for the Workers Compensation Fund.

The County is a member of the ACCG Interlocal Risk Management Agency (ACCG-IRMA). This agency functions as a risk sharing arrangement among Georgia County governments and is administered by the Association of County Commissioners of

more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses. Each member pays an annual contribution established by the Board of ACCG-IRMA. For the period July 1, 2018 – June 30, 2019, the County's total contribution was $64,475 ACCG-IRMA may develop and issue such self-insurance coverage descriptions, as it deems necessary. The current coverage provides a $3,000,000 general liability limit with a $1,000 per occurrence deductible.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the Government in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budget Process

The annual budget document is the financial plan for the operation of Taliaferro County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County.

The County prepares a separately issued budget report. An annual operating budget is prepared for the General Fund, TIA Discretionary Projects Fund, E-911 Fund, and Section 5311 Transportation Fund. Prior to year end the Clerk of the County Commissioners submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Taliaferro County. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting before the year to which it applies. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same. The legal level of control is at the department level.

Formal budgetary integration is employed as a management control device during the year. The budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue funds are subject to budgetary control on an individual fund basis. Budgets are prepared for the Capital Projects Funds on a project basis, which usually covers two or more fiscal years. Budgeted amounts are as originally adopted, or as amended by the Board of

Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments are not material in relation to the original appropriations.

B. Excess of Expenditures Over Appropriations

The County had expenditures in excess of appropriations for the following funds:

General Fund:	
General government	
General administration	$ 16,293
Tax commissioner	7,748
Tax assessor	1,802
Voter registrar	2,899
Public buildings	2,438
Judicial	
Superior court	8,773
Probate court	21,357
Public safety	
Sheriff's office	71,160
Jail	4,765
Emergency management agency	138
Fire departments	279
E911	24,574
Coroner	137
Public works	
Highways and streets	21,087
Solid waste and recycling	8,431
Health and welfare	
Senior center	3,450
Enterprise community	55
Board of Health	15,751
Housing and development	
Planning and zoning	14
Transfer to other funds	26,052
Special Revenue Funds:	
TIA Discretionary Projects Fund	
Public works	15,134
E-911 Fund	
Public safety	33,427
Section 5311 Transportation Fund	
Health and welfare	6,282

C. **Funds not Budgeted**

The County did not adopt a budget for the following Special Revenue Funds, the Confiscated Asset Fund, Drug Abuse Fund, and EIP Revolving Loan Fund.

NOTE 3 – DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The County's bank balances of deposits as of June 30, 2019 are entirely insured or collateralized with securities held by the County's agent in the County's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

At June 30, 2019, the carrying amount of deposits for the Development Authority of Taliaferro County, a discretely presented component unit, was $668,818, and the bank balance was $668,818. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2019, the carrying amount of deposits for the Taliaferro County Health Department, a discretely presented component unit. All of the bank balance was covered by federal depository insurance or by collateral held.

NOTE 4 – PROPERTY TAXES

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

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The Taliaferro County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes are due based upon the birthday of the owner. The 2018 property taxes were mailed (levied) as of August 21st with a due date of November 15th.

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

The tax billing cycle for 2018 is as follows:

Assessment Date	January 1, 2018
Levy Date	August 20, 2018
Due Date and Collection Date	November 15, 2018
Tax Execution Date/Lien Date	November 16, 2018

NOTE 5 – OTHER RECEIVABLES

Receivables at June 30, 2019, consist of the following:

	General Fund	Nonmajor Governmental	Total
Receivables:			
Taxes	$ 227,620	$ -	$ 227,620
Accounts	12,425	5,376	17,801
Other	-	1,542	1,542
Gross Receivables	240,045	6,918	246,963
Less: Allowance for uncollectibles	(86,213)	-	(86,213)
Net Total Receivables	$ 153,832	$ 6,918	$ 160,750

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2019, are as follows:

	Federal	State	Other	Total
Fund:				
General Fund	$ 564,611	$ 33,136	$ 7,501	$ 605,248
TIA Discretionary Projects Fund	-	-	28,843	28,843
Nonmajor funds	1,831	38,282	-	40,113
Total	$ 566,442	$ 71,418	$ 36,344	$ 674,204

The amounts due from other government are primarily for grant funds.

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2019, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Fund	$ 100
Nonmajor Governmental Fund	General Fund	5,568
Total		$ 5,668

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

Interfund transfers:

Transfers out:	Transfers In:	Amount
General Fund	Nonmajor Funds	$ 49,990

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

NOTE 8 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, was as follows:

Primary Government

	Restated Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 2,119,740	$ -	$ -	$ 2,119,740
Total capital assets, not being depreciated	2,119,740	-	-	2,119,740
Capital assets being depreciated:				
Infrastructure	7,771,463	13,118	-	7,784,581
Buildings	3,432,075	39,700	(21,424)	3,450,351
Machinery and equipment	614,761	709,876	(248,000)	1,076,637
Vehicles	990,262	143,628	-	1,133,890
Total capital assets being depreciated	12,808,561	906,322	(269,424)	13,445,459
Less accumulated depreciation for:				
Infrastructure	2,940,536	155,692	-	3,096,228
Buildings	1,735,723	86,527	(13,665)	1,808,585
Machinery and Equipment	441,194	110,550	(248,000)	303,744
Vehicles	787,554	77,577	-	865,131
Total accumulated depreciation	5,905,007	430,346	(261,665)	6,073,688
Total capital assets, being depreciated, net	6,903,554	475,976	(7,759)	7,371,771
Governmental activities capital assets, net	$ 9,023,294	$ 475,976	$ (7,759)	$ 9,491,511

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

Governmental activities:	
General government	$ 50,334
Public safety	94,728
Public works	253,419
Health and welfare	24,019
Culture and recreation	7,846
Total depreciation expense - governmental activities	$ 430,346

Discretely Presented Component Units

The Health Department does not report any capital assets in accordance with its capitalization threshold of $5,000. Additionally, the County owns the Health Department's building.

Activity for the Development Authority of Taliaferro County for the fiscal year ended June 30, 2019 was as follows:

Development Authority	Beginning Balance	Increase	Decrease	Ending Balance
Component Unit activities:				
Capital assets, not being depreciated:				
Land	$ 507,137	$ 2,700	$ -	$ 509,837
Total capital assets not being depreciated	507,137	2,700	-	509,837
Capital assets, not being depreciated:				
Buildings	$ -	$ 7,762	$ -	$ 7,762
Total capital assets not being depreciated	-	7,762	-	7,762
Less accumulated depreciation for:				
Buildings	-	268	-	268
Total accumulated depreciation	-	268	-	268
Total capital assets, being depreciated, net	-	7,494	-	7,494
Component Unit activities capital assets, net	$ 507,137	$ 10,194	$ -	$ 517,331

NOTE 9 – COMMITMENTS

Landfill Post-closure Care Costs

In 1995, the County closed its landfill site. State regulations require the County to perform certain maintenance and monitoring functions for thirty years after closure, Under GASB 18, the County is required to disclose the estimated maintenance and monitoring cost of $412,449. The required plan for closure of the landfill was adopted by the County and approved by the State of Georgia. Estimates were outlined in the plan and updated in 2015. These costs are subject to change due to inflation or deflation, technology or applicable laws and regulations. The County is not required to commit current financial resources to guarantee future maintenance and monitoring activities.

NOTE 10 – LONG-TERM DEBT

Changes in Long-term Liability

Primary Government

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 105,709	$ -	$ 105,709	$ -	$ -
Compensated absences	62,512	38,662	49,708	51,466	49,708
Landfill post-closure	403,570	8,879	-	412,449	16,795
Governmental activity Long-term liabilities	$ 571,791	$ 47,541	$ 155,417	$ 463,915	$ 66,503

For the governmental activities, capital leases are generally liquidated by the General and SPLOST funds. Compensated absences and landfill postclosure costs are generally liquidated by the General fund.

Capital Leases

During fiscal year 2015, the County entered into a capital lease with BB&T in the amount of $189,849 to finance the purchase of a hydraulic excavator. The lease has an interest rate of 1.96% and is due in quarterly installments of $9,706 with a maturity date of 8/12/2020. This lease was paid off in October 2018.

During fiscal year 2015, the County entered into a capital lease with Kansas State Bank in the amount of $37,418 to finance the purchase of two mobile LPR camera systems. The lease has an interest rate of 6.29% and is due in annual installments of $10,870 with maturity date of March 1, 2019. This lease was paid off in February 2019.

During fiscal year 2016, the County entered into a capital lease with Kansas State Bank in the amount of $37,418 to finance the purchase of two mobile LPR camera systems. The lease has an interest rate of 6.29% and is due in annual installments of $10,870 with maturity date of March 1, 2019. This lease was paid off in June 2019.

Discretely Presented Component Units

Activity for the Taliaferro County Health Department for the fiscal year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net pension liability	$ 136,786	$ 1,262	$ -	$ 138,048	$ -
Net state OPEB liability	126,300	-	43,804	82,496	-
Compensated absences	17,726	2,715	4,758	15,683	-
Total Health Department	$ 280,812	$ 3,977	$ 48,562	$ 236,227	$ -

NOTE 11 – EMPLOYEE RETIREMENT PLANS

A. Defined Contribution Plan

The County has established the Taliaferro County 401(a) Defined Contribution Plan through adoption of the ACCG 401(a) Defined Contribution Program, effective January 1, 2019. As of June 30, 2019, there were 11 participants in the plan. Plan members are allowed to make voluntary contributions to the plan. The county is not required to make contributions to the plan, but can make voluntary contributions to the plan. The plan was established to provide benefits at retirement to Taliaferro County employees. The County matches up to 2%, if the employee contributions 2% to the Taliaferro County Deferred Compensation 457 Plan. Total contributions for the year ended June 30, 2019 were $47,236 by the employees and $45,714 by the employer. The County has delegated certain administrative responsibilities to ACCG, or its designee. Plan provisions are established and may be amended by the Board of Commissioners.

B. Deferred Compensation Plan

The County offers employees the Taliaferro County Deferred Compensation Plan created in accordance with Internal Revenue Code 457. An independent third party plan administrator administers the plan. As a result, the assets and liabilities are not recorded in the County's financial statements. All contributions to this plan are voluntary employee contributions.

NOTE 12 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS

A. Employees' Retirement System

The County's Tax Commissioner is eligible to participate in the Employees' Retirement System (ERS), a voluntary pension system. The County makes no contributions to this plan. Pursuant to O.C.G.A. 47-2-292(a) the Department of Revenue receives an annual appropriation from the Georgia General Assembly to be used to fund the employer

contributions for local County Tax Commissioners. The plan is administered by the Employees' Retirement System who issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs. This plan is considered immaterial to Taliaferro County's financial statements.

B. Sheriffs' Retirement Fund of Georgia

The County's Sheriff is covered by the Sheriffs' Retirement Fund of Georgia. The County makes no contribution to this plan. Contributions are collected by the County as the agent for this fund through its court systems. This plan is administered by the Georgia Sheriffs' Association (GSA) where separate financial statements may be obtained on their website. This plan is considered immaterial to Taliaferro County's financial statements.

C. Judges of the Probate Courts Retirement Fund of Georgia

The County's Probate Judge is covered by the Judges of the Probate Courts Retirement Fund of Georgia. The County makes no contributions to this plan. The State of Georgia provides nonemployer contributions to the Fund through the collection of court fines and forfeitures. These nonemployer contributions are recognized as revenue by the Fund when collected from the courts. The Judges of the Probate Courts Retirement Fund of Georgia is a component unit of the State of Georgia. This plan is considered immaterial to Taliaferro County's financial statements.

D. Magistrates Retirement Fund of Georgia

The County's Magistrate Judge is covered by the Magistrates Retirement Fund of Georgia. The County makes no contributions to this plan. The State of Georgia provides nonemployer contributions to the Fund through the collection of court filing fees. These nonemployer contributions are recognized as revenue by the Fund when collected from the courts. The Magistrates Retirement Fund of Georgia is a component unit of the State of Georgia. This plan is considered immaterial to Taliaferro County's financial statements.

E. Georgia Firefighters' Pension Fund

The County's Volunteer Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The County makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to Taliaferro County's financial statements.

F. Peace Officers' Annuity and Benefit Fund of Georgia

The County's Sheriff Deputies are covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The County makes no contribution to this plan. Contributions are collected by the County as the agent for this fund through its court systems. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to Taliaferro County's financial statements.

NOTE 13 – CONTINGENT LIABILITIES

A. Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

B. Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the year ended June 30, 2019, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 14 –TAX ABATEMENTS

The County enters into property tax abatement agreements with local businesses under the Georgia Development Authority Law, adopted in 1969, for the purpose of attracting or retaining businesses within the County. The abatements may be granted to any business located within or promising to relocate to the County and meeting the eligibility criteria to "develop and promote trade, commerce, industry and employment opportunities for the public good and general welfare and to promote the general welfare of the state" (OCGA 36-62-9). The Development Authorities Law (O.C.G.A. 36-42-1) provides that the Development Authority of Taliaferro County is created to develop and promote trade, commerce, industry, and employment opportunities for the public good and to promote the general welfare of the County and is authorized by the Development Authority of Taliaferro County to issue its revenue obligations, in accordance with the applicable provisions of the Revenue Bond Law of the State of Georgia (O.C.G.A. 36-82-60), for the purpose of acquiring, constructing and installing any project which includes the acquisition, construction, installation, modification, renovation, or rehabilitation of land, interest in land, buildings, structures, facilities, or other improvements located or to be located within the County.

The County offers a reduction in property taxes through the structure of these financing arrangements. Specifically, the Development Authority of Taliaferro County, a tax exempt public organization created independently from the County, may enter into agreements with

private individuals or entities in order to incentivize these businesses to build, relocate, expand, or renovate in Taliaferro County. These agreements involve a bond issuance and sale-leaseback transaction, whereby the Development Authority takes title to property and leases it back to the company. The company is responsible for making ad valorem tax payments on its leasehold interest. The rental payments for the leasehold offset the debt service on the bonds over a fixed term, so that at the end of the incentive period the bonds are fully retired and the company regains title of the property through an option to purchase. Following completion of construction, the company pays property taxes on its leasehold interest in the project of 10% of the fair market value of the real and/or personal property during the first two year, with a 10% increase in two year increments until the 16th year, then a 10% increase each year until the end of the 20 year period, after which the company takes title back to the property and must then pay taxes on the full fair market value of the property. The company has a smaller property tax obligation through this financing arrangement than it would under outright ownership of the property due to the reduced value of the company's leasehold interest in the property over the designated ramp-up period.

Tax abatement information for FY2019 is included below:

Purpose	Description	Amount of County Taxes Abated during the Fiscal Year	Abatement Ends
Industrial Development	100% real property taxes with PILOT	$ -	2039

Construction began in FY 2019, as a result, there are not real property taxes as of June 30, 2019. The County has not made additional commitments as part of the agreement.

NOTE 15 – CONDUIT DEBT – TALIAFERRO COUNTY (COMPONENT UNIT)

The Authority has issued Taxable Revenue Bonds to provide financial assistance to a private sector entity for the acquisition, construction, and equipping of commercial facilities to promote trade, commerce, industry and employment opportunities within the County to develop the industrial park. The bonds are secured by the property, property improvements, and equipment financed with the bond proceeds and are payable solely from rents, revenues and receipts derived from the lease agreement with the private sector entity. Upon repayment of the bonds, ownership of the acquired property, property improvements, and equipment transfers to the private-sector entity served by the bond issuance. The Authority, the County, the State, or any political subdivision, thereof, is not obligated in any manner for repayment of the bonds. Accordingly, they are not reported as liabilities in the accompanying financial statements. As of June 30, 2019, there was one series of Taxable Revenue Bonds outstanding, as follows:

	Face Amount	Outstanding
Development Authority of Taliaferro County Taxable Industrial Development Revenue Bonds (Harrison Poulty, Inc. Project), Series 2018	$ 85,000,000	$ 85,000,000

NOTE 16 – EVALUATION OF SUBSEQUENT EVENTS

During March 2020, the County modified operations as a result of the COVID-19 pandemic and in the compliance with state and federal recommendations. The extent of the impact of COVID-19 on the County's operation and financial performance will depend on certain developments, including the duration and spread of the outbreak, all of which are uncertain. Accordingly, the extent to which COVID-19 may impact the financial condition or results of operation cannot be determined at this time.

The County has evaluated subsequent events through October 12, 2020 the date which the financial statements were available to be issued.

NOTE 17 – RESTATEMENT OF EQUITY BALANCES

A. Restatement of Fund Balances

The County determined that the beginning balances for FY 2019 needed to be restated in order to correct the reporting of beginning balances for cash, receivables, prepaids, accounts payable, and accrued expenses

Restatement of prior year fund balances as of 6/30/2018, relating to:

	General Fund	TIA Discretionary Projects Fund	Non-major Funds	Total
Fund Balance as of 6/30/2018, as previously reported	$ 4,503,440	$ 1,161,530	$ 340,421	$ 6,005,391
Adjustments to Fund Balance:				
Correction of cash balances	89,817	-	1,100	90,917
Correction of receivable balances	34,562	28,213	16,409	79,184
Correction of prepaids	73,396	-	-	73,396
Correction of accounts payable balances	(13,339)	-	(1,068)	(14,407)
Correction of accrued expenses	14,382	-	-	14,382
Prior period adjustment	198,818	28,213	16,441	243,472
Fund Balance as of 6/30/2018, restated	$ 4,702,258	$ 1,189,743	$ 356,862	$ 6,248,863

B. Restatement of Net Position

The beginning net position was restated to correct cash, receivables, prepaids, capital assets, accounts payable, accrued expenses, and long-term liabilities for the FY 2019 beginning balances.

	Governmental Activities
Net position as of 6/30/2018, as previously stated	$ 16,306,185
Adjustments to net postion:	
Cash balances	90,917
Receivables	79,184
Prepaids	73,396
Capital assets, net of accumulated depreciation	(981,040)
Accounts payable	(14,407)
Accrued expenses	14,382
Long-term liabilities	(432,036)
Total adjustments:	(1,169,604)
Net position as of 6/30/2018, restated	$ 15,136,581

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Confiscated Assets Fund – This fund accounts for confiscated funds restricted for law enforcement expenditures.

Drug Abuse & Treatment Fund – This fund accounts for fines collected as required by State Law for drug abuse treatment and educational purposes.

E911 Fund – This fund accounts for fees collected as required by State Law for E911 operations and maintenance.

Section 5311 Transportation Fund – This fund accounts for grants received from the Department of Transportation for the operation of the 5311 Transportation Program.

EIP Revolving Loan Fund (RLF) – This fund accounts for the issuance and repayment of loans made to customers.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CDBG CHIP Fund – This fund accounts for the Georgia Department of Community Affairs FY 2014 Community HOME Investment Program grant monies received to be used for approve renovation projects.

2017 SPLOST Fund – This fund accounts for the SPLOST monies received to finance SPLOST approved projects.

TALIAFERRO COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds					Capital Projects Fund		Total
	Confiscated Assets	Drug Abuse Treatment	E-911	Section 5311 Transportation	EIP Revolving Loan	CDBG CHIP	2017 SPLOST	Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	$ 41,676	$ 74,557	$ -	$ -	$ 9,082	$ 89	318,811	$ 444,215
Receivables, net of allowance								
Accounts	-	-	5,376	-	-	-	-	5,376
Note	-	-	-	-	1,542	-	-	1,542
Due from other governments	-	-	-	17,297	-	1,831	20,985	40,113
Due from other funds	-	-	-	-	-	5,568	-	5,568
Total Assets	$ 41,676	$ 74,557	$ 5,376	$ 17,297	$ 10,624	$ 7,488	$ 339,796	$ 496,814
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 466	$ -	$ -	$ -	$ -	$ 7,488	$ -	$ 7,954
Accrued expenses	-	-	732	470	-	-	-	1,202
Total Liabilities	466	-	732	470	-	7,488	-	9,156
Fund Balances:								
Nonspendable	-	-	-	-	1,542	-	-	1,542
Restricted	41,210	74,557	4,644	16,827	9,082	-	339,796	486,116
Total Fund Balances	41,210	74,557	4,644	16,827	10,624	-	339,796	487,658
Total Liabilities and Fund Balances	$ 41,676	$ 74,557	$ 5,376	$ 17,297	$ 10,624	$ 7,488	$ 339,796	$ 496,814

TALIAFERRO COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					Capital Projects Fund		Total
Revenues:	Confiscated Assets	Drug Abuse Treatment	E-911	Section 5311 Transportation	EIP Revolving Loan	CDBG CHIP	2017 SPLOST	Nonmajor Governmental Funds
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 154,106	$ 154,106
Intergovernmental revenue	-	-	-	27,116	-	222,828	-	249,944
Charges for services	-	-	21,621	5,906	-	-	-	27,527
Fines and forfeitures	21,852	6,765	-	-	-	-	-	28,617
Investment earnings	-	-	-	-	68	-	64	132
Miscellaneous income	150	-	-	-	-	-	-	150
Total Revenues	22,002	6,765	21,621	33,022	68	222,828	154,170	460,476
Expenditures:								
Current:								
Public safety	16,765	1,706	52,048	-	-	-	-	70,519
Public works	-	-	-	-	-	-	34,857	34,857
Health and welfare	-	-	-	51,466	-	-	-	51,466
Housing and development	-	-	-	-	-	222,828	-	222,828
Total Expenditures	16,765	1,706	52,048	51,466	-	222,828	34,857	379,670
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,237	5,059	(30,427)	(18,444)	68	-	119,313	80,806
Other Financing Sources (Uses):								
Transfer from other funds	-	-	35,071	14,919	-	-	-	49,990
Total other financing sources (uses)	-	-	35,071	14,919	-	-	-	49,990
Net change in fund balances	5,237	5,059	4,644	(3,525)	68	-	119,313	130,796
Fund Balance, beginning of year, restated	35,973	69,498	-	20,352	10,556	-	220,483	356,862
Fund Balance, end of year	$ 41,210	$ 74,557	$ 4,644	$ 16,827	$ 10,624	$ -	$ 339,796	$ 487,658

TALIAFERRO COUNTY, GEORGIA

CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Fines and forfeitures	$ -	$ 21,852	$ 21,852
Miscellaneous	-	150	150
Total Revenues	-	22,002	22,002
Expenditures:			
Current:			
Public safety	-	16,765	(16,765)
Total Expenditures	-	16,765	(16,765)
Net change in fund balance	-	5,237	5,237
Fund balance, beginning of year, restated	35,973	35,973	-
Fund balance, end of year	$ 35,973	$ 41,210	$ 5,237

TALIAFERRO COUNTY, GEORGIA

DRUG ABUSE & TREATMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCALYEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Fines and forfeitures	$ -	$ 6,765	$ 6,765
Total Revenues	-	6,765	6,765
Expenditures:			
Current:			
Public Safety	-	1,706	(1,706)
Total Expenditures	-	1,706	(1,706)
Net change in fund balance	-	5,059	5,059
Fund Balance - Beginning of Year, restated	70,504	69,498	(1,006)
Fund Balance - End of Year	$ 70,504	$ 74,557	$ 4,053

TALIAFERRO COUNTY, GEORGIA

E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Charges for services	$ 6,466	$ 21,621	$ 15,155
Total Revenues	6,466	21,621	15,155
Expenditures:			
Current:			
Public Safety	18,621	52,048	(33,427)
Total Expenditures	18,621	52,048	(33,427)
Excess of Revenue Over (Under) Expenditures	(12,155)	(30,427)	18,272
Other Financing Sources (Uses)			
Transfer from other funds	12,155	35,071	22,916
Total Other Financing Sources (Uses)	12,155	35,071	22,916
Net change in fund balance	-	4,644	4,644
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	$ -	$ 4,644	$ 4,644

TALIAFERRO COUNTY, GEORGIA

SECTION 5311 TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Intergovernmental revenue	$ 31,156	$ 27,116	$ (4,040)
Charges for services	5,906	5,906	-
Total Revenues	37,062	33,022	(4,040)
Expenditures:			
Current:			
Health and welfare	45,184	51,466	(6,282)
Total Expenditures	45,184	51,466	(6,282)
Excess of Revenue Over (Under) Expenditures	-	(18,444)	18,444
Other Financing Sources (Uses)			
Transfer from other funds	11,783	14,919	3,136
Total Other Financing Sources (Uses)	11,783	14,919	3,136
Net change in fund balance	-	(3,525)	(3,525)
Fund Balance - Beginning of Year	20,352	20,352	-
Fund Balance - End of Year	$ 20,352	$ 16,827	$ (3,525)

TALIAFERRO COUNTY, GEORGIA

EIP REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Interest income	$ -	$ 68	$ 68
Total Revenues	-	68	68
Expenditures:			
Current:			
Housing and development	-	-	-
Total Expenditures	-	-	-
Net change in fund balance	-	68	68
Fund Balance - Beginning of Year	10,556	10,556	-
Fund Balance - End of Year	$ 10,556	$ 10,624	$ 68

COMMUNITY HOME INVESTMENT PROGRAM
#2014-927
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Prior Years	Current Year	Total to Date	Project Authorization
Revenue:				
Department of Community Affairs	$ 98,172	$ 222,828	$ 321,000	$ 321,000
Total Revenues	98,172	222,828	321,000	321,000
Expenditures:				
Homeowner Rehabilitation Assistance	98,172	210,373	308,545	308,545
Project Delivery Costs	-	6,455	6,455	6,455
General Administration	-	6,000	6,000	6,000
Total Expenditures	98,172	222,828	321,000	321,000
Net change in fund balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -

TALIAFERRO COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS-2017
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Courthouse Repair, Maintenance, and Renonvation	$ 1,000,000	$ 1,362,728	$ 1,362,728	$ -	$ 1,362,728
Construction, Repair,and Mainenance of Roads, Streets, and Bridges	1,000,000	1,000,000	714,361	34,857	749,218
Totals	$ 2,000,000	$ 2,362,728	$ 2,077,089	$ 34,857	$ 2,111,946

TALIAFERRO COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Restated Balance July 1, 2019	Additions	Deletions	Balance June 30, 2019
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 180,694	$ 1,664,004	$ 1,645,157	$ 199,541
Total Assets	$ 180,694	$ 1,664,004	$ 1,645,157	$ 199,541
Liabilities				
Funds held in custodial accounts	$ 1,846	$ 45	$ -	$ 1,891
Funds held in escrow	34,916	260,313	276,337	18,892
Due to others	143,932	1,403,646	1,368,820	178,758
Total Liabilities	$ 180,694	$ 1,664,004	$ 1,645,157	$ 199,541

TALIAFERRO COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Restated Balance July 1, 2019	Additions	Deletions	Balance June 30, 2019
Superior Court				
Assets				
Cash and cash equivalents	$ 51,493	$ 54,573	$ 24,427	$ 81,639
Total Assets	$ 51,493	$ 54,573	$ 24,427	$ 81,639
Liabilities				
Funds held in escrow	$ 4,038	$ 9	$ 8	$ 4,039
Due to others	47,455	54,564	24,419	77,600
Total Liabilities	$ 51,493	$ 54,573	$ 24,427	$ 81,639
Magistrate Court				
Assets				
Cash and cash equivalents	$ 1,422	$ 11,337	$ 11,090	$ 1,669
Total Assets	$ 1,422	$ 11,337	$ 11,090	$ 1,669
Liabilities				
Due to others	$ 1,422	$ 11,337	$ 11,090	$ 1,669
Total Liabilities	$ 1,422	$ 11,337	$ 11,090	$ 1,669

TALIAFERRO COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

	Restated Balance July 1, 2019	Additions	Deletions	Balance June 30, 2019
Probate Court				
Assets				
Cash and cash equivalents	$ 32,724	$ 260,349	$ 276,329	$ 16,744
Total Assets	$ 32,724	$ 260,349	$ 276,329	$ 16,744
Liabilities				
Funds held in escrow	$ 30,878	$ 260,304	$ 276,329	$ 14,853
Funds held in custodial accounts	1,846	45	-	1,891
Total Liabilities	$ 32,724	$ 260,349	$ 276,329	$ 16,744
Sheriff's Department				
Assets				
Cash and cash equivalents	$ 29,404	$ 108,173	$ 111,255	$ 26,322
Total Assets	$ 29,404	$ 108,173	$ 111,255	$ 26,322
Liabilities				
Due to others	$ 29,404	$ 108,173	$ 111,255	$ 26,322
Total Liabilities	$ 29,404	$ 108,173	$ 111,255	$ 26,322

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

	Restated Balance July 1, 2019	Additions	Deletions	Balance June 30, 2019
Tax Commissioner's Office				
Assets				
Cash and cash equivalents	$ 65,651	$ 1,229,572	$ 1,222,056	$ 73,167
Total Assets	$ 65,651	$ 1,229,572	$ 1,222,056	$ 73,167
Liabilities				
Due to others	$ 65,651	$ 1,229,572	$ 1,222,056	$ 73,167
Total Liabilities	$ 65,651	$ 1,229,572	$ 1,222,056	$ 73,167

TALIAFERRO COUNTY, GEORGIA

BALANCE SHEET
DEVELOPMENT AUTHORITY
COMPONENT UNIT
JUNE 30, 2019

ASSETS		
Cash and cash equivalents	$	668,818
Total Assets	$	668,818
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$	-
Total Liabilities		-
Fund Balance:		
Assigned		588,056
Unassigned		80,762
Total Fund Balance		668,818
Total Liabilities and Fund Balance	$	668,818

TALIAFERRO COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEVELOPMENT AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

REVENUES		
Intergovernmental revenue	$	634,548
Interest earnings		2,069
Miscellaneous revenues		402
Total Revenues		637,019
EXPENDITURES		
Current		
Economic development		1,305
Total Expenditures		1,305
Net change in fund balance		635,714
Fund Balance, beginning of year		33,104
Fund Balance, end of year	$	668,818

GOVERNMENTAL REPORT

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*

To The Board of Commissioners
of Taliaferro 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Taliaferro County, Georgia (the "County") as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 12, 2020. Our report includes a reference to other auditors who audited the financial statements of Taliaferro County Board of Health, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Taliaferro 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 Taliaferro County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Taliaferro 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.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001, 2019-002, 2019-003, 2019-004, and 2019-005 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Taliaferro County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2019-006 and 2019-007.

Taliaferro County, Georgia's Response to Findings

Taliaferro County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Taliaferro County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Macon, Georgia
October 12, 2020

TALIAFERRO COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

There was not an audit of major federal award programs for the fiscal year ended June 30, 2019 due to the total amount expended being less than $750,000.

Section II – Financial Statement Findings

Findings noted on the 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*:

2019-001 Restatement of Net Position/Fund Balance

CRITERIA
Timely and accurate financial reports are essential in order to perform analysis of the financial condition of the County, review data for accuracy and completeness, monitor compliance with budget appropriations, and to prepare annual financial statements.

CONDITION
In performing audit procedures for the year ended June 30, 2019, we noted that the County did not properly record transactions as of June 30, 2018. Corrections to the beginning balances for FY2019 were required in order to correct the reporting of cash, receivables, prepaids, accounts payables and accrued expenditures/expenses.

CONTEXT
Prior period adjustments were required in the Governmental Activities, General Fund, TIA Discretionary Projects Fund, 2017 SPLOST Fund, Confiscated Assets Fund, Section 5311 Transportation Fund, and EIP Revolving Loan Fund to correct beginning balances for the year ended June 30, 2019 as follows:

- Cash balances were understated by $90,917.
- Receivables were understated by $79,184.
- Prepaids were understated by $73,396.
- Capital assets, net of accumulated depreciation were overstated by $981,040.
- Accounts payable were understated by $14,407.
- Accrued expenses were overstated by $14,382.
- The County did not report compensated absences of $62,512.
- The County did not report capital lease balances of $105,709.
- The landfill post-closure care liability was understated by $263,815.
- The County reported Agency Fund activity in the Confiscated Assets Fund, overstating the fund balance by $24,920.

EFFECT
The County's accounting records contained material errors which were identified and adjusted during the annual audit process.

CAUSE
The County did not properly record transactions in FY 2018.

2019-001 Restatement of Net Position/Fund Balance, continued

RECOMMENDATION
We discussed this matter with the County and determined the necessary adjustments required for the year ended June 30, 2019.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County Clerk will post all fiscal year 2019 audit entries.

2019-002 Accounts Payable/Expenditures or Expenses

CRITERIA
Generally accepted accounting principles require expenditures / expenses to be recognized as soon as a liability is incurred.

CONDITION
Expenditures were not recorded in the proper fiscal period for FY 2019.

CONTEXT
Audit adjustments were required to fairly state and classify expenditures or expenses for the year ended June 30, 2019. The adjustments are summarized as follows:

- Material adjustments were required to in the General Fund of $176,521 to allocate payroll and payroll tax expenditures across various departments in the General Fund and $6,036 to other governmental funds. Corresponding adjustments were required in the E-911 and 5311 Transportation Funds of $6,036.
- An adjustment of $13,316 was required in the General Fund to increase payroll expenditures and accrued expenses.
- A material adjustment of $48,354 was required in the General Fund to increase expenditures and accounts payable.
- An adjustment of $9,785 was required in the General Fund to decrease revenue and decrease debt service expenditures to correct the posting of refund for an overpayment.
- An adjustment of $5,729 was required to decrease payroll expenditures and payroll liabilities.
- A material adjustment of $18,135 was required in the TIA Discretionary Projects fund to increase expenditures and accounts payable.
- A material adjustment of $7,488 was required in the CDBG-CHIP Fund to increase grant expenditures and accounts payable.
- Adjustments were required to correct mispostings in the General Fund and TIA Discretionary Projects Fund.

EFFECT
The County's accounting records contained material errors which were identified and adjusted during the annual audit process.

CAUSE
The County does not have adequate accounting procedures to ensure that expenditures or expenses are recorded and properly classified when a liability is incurred.

RECOMMENDATION
The County should establish procedures to ensure the proper accrual and classification of all liabilities incurred during the fiscal period. The County should also consider providing additional training to personnel.

2019-002 Accounts Payable/Expenditures or Expenses, continued

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County Clerk will implement procedure to ensure the proper accrual and classification of all expenditures incurred during the fiscal period. The County Clerk will also take additional training.

2019-003 Accounts Receivable/Revenue

CRITERIA
Under a modified accrual basis of accounting, amounts are recognized as revenue when earned, only as long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period. Under the accrual basis of accounting, amounts are recognized as revenue when earned.

CONDITION
Various revenue items were not recorded in the proper fiscal period for FY 2019.

CONTEXT
Audit adjustments were required to fairly state and classify revenues for the year ended June 30, 2019.

General Fund:

- A material adjustment was required to increase property tax receivables by $191,048, to increase the allowance for uncollectible accounts by $86,213, and to decrease current year property tax revenue by $33,825, and to increase unavailable property tax revenue by $138,660.
- Material audit adjustments totaling $95,472 were required to increase revenues due from various Agency Funds.
- Material adjustments of $37,009 were required to record intergovernmental receivables and state grant revenues. Additionally an adjustment of $16,053 was required to record intergovernmental receivables and LOST revenue.
- An adjustment of $12,594 were required to increase the LOST cash account and LOST revenue to record receipts in the correct accounting period.
- A material audit adjustment of $564,611 was required to record intergovernmental receivables and Forest Land Protection grant revenue.
- An adjustment of $9,785 was required in to decrease revenue and decrease debt service expenditures to correct the posting of refund for an overpayment.

TIA Discretionary Fund

- A material adjustment of $33,872 was required to increase cash and sales tax revenue to record receipts in the correct accounting period.
- A material adjustment of $28,843 was required to record intergovernmental receivables and sales tax revenue.

2017 SPLOST Fund

- A material adjustment of $16,355 was required to increase cash and sales tax revenue to record receipts in the correct accounting period.
- A material adjustment of $20,985 was required to record intergovernmental receivables and sales tax revenue.

2019-003 Accounts Receivable/Revenue, continued

Other Funds

- An adjustment of $1,831 was required in the CDBG CHIP Fund to record grants receivable and CDBG grant revenue.
- An adjustment of $5,554 was required in the CDBG CHIP fund to record grant revenue and to increase due from General Fund.
- An adjustment of $4,660 was required in the Confiscated Assets fund to increase cash and proceeds from sale of confiscated property.
- An adjustment of $2,404 was required in the E-911 Fund to increase cash and surcharge revenue to record receipts in the correct accounting period.
- An adjustment of $5,376 was required in the E-911 Fund to record accounts receivables and surcharge revenue.
- A material adjustment of $17,297 was required in the 5311 Transportation Fund to record intergovernmental receivables and grant revenue.

EFFECT
The County's accounting records contained material errors which were identified and adjusted during the annual audit process.

CAUSE
The County did not have controls in place to ensure transactions are being recorded in the correct fiscal year.

RECOMMENDATION
We recommend that the County develop procedures to ensure that revenues are recognized in the correct fiscal year and that transactions are recorded in the correct accounting period in the accounting system.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County Clerk will develop procedures to ensure that revenues are recognized in the correct fiscal year and that transactions are recorded in the correct accounting period.

2019-004 Bank Reconciliation

CRITERIA
An effective system of internal controls includes the timely reconciliation of bank accounts to their general ledger control account and the associated investigation of reconciling items.

CONDITION
Bank reconciliations did not agree to the general ledger.

CONTEXT
- The following audit adjustments were required to increase cash balances and revenue to record receipts in the correct accounting period:
  - General Fund $12,594
  - TIA Discretionary Projects Fund 33,872
  - 2017 SPLOST Fund 16,355
  - E-911 Fund 2,404
- An adjustment of $4,660 was required in the Confiscated Assets fund to increase cash and proceeds from sale of confiscated property to record a deposit in transit.

EFFECT
The County had understated cash balances and revenue.

CAUSE
ACH deposits were dated in the wrong accounting period in the general ledger.

RECOMMENDATION
Management should ensure staff dates ACH deposits as of the date they clear the bank statement.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County Clerk will ensure the date of ACH deposits entered into the accounting system are the same as the date they clear the bank statement.

2019-005 Capital Assets

CRITERIA
Accounting and control procedures should be designed to ensure that capital asset activity is recorded and reported. Capital asset records must be supported by detailed records that include location, department, cost and estimated useful life, depreciation and other detailed supporting documentation.

CONDITION
The County did not have adequate accounting procedures to ensure that capital asset activity and related depreciation were properly recorded in prior years. Infrastructure maintenance and repair projects were improperly capitalized in prior years.

CONTEXT
The following adjustments were required to correct beginning balances on the FY 2019 governmental depreciation schedule:

- Prior to FY 2013 – Buildings totaling an estimated net book value of $67,186 at FY 2018 were not included on the depreciation schedule. Additionally, land with a cost of $71,496 was not included on the depreciation schedule.
- FY 2013 - A road maintenance project with a cost of $243,756 was improperly capitalized. Additionally, a vehicle with a cost of $25,018 was improperly classified as infrastructure.
- FY 2014 – A road maintenance project with a cost of $70,836 was improperly capitalized. Additionally, equipment with a cost of $26,619 was improperly classified as infrastructure.
- FY 2015 – A road maintenance project with a cost of $80,332 and $32,165 in equipment was improperly capitalized. Additionally a vehicle was over-depreciated by $34,708.
- FY 2017 – Road maintenance projects with costs of $584,183 were improperly capitalized. Additionally, equipment with an estimated net book value of $78,401 at FY 2018 was not included on the depreciation schedule.
- FY 2018 - Road maintenance projects with costs of $290,379 were improperly capitalized. Additionally, a road maintenance project with a cost of $15,580 was improperly capitalized, in addition to being classified as equipment. A building with an estimated net book value of $11,902 at FY 2018 was not included on the depreciation schedule.

EFFECT
Infrastructure assets in prior years have been overstated on the depreciation schedule maintained by the predecessor auditor.

CAUSE
The County did not have controls in place to ensure that all capital asset activity was recorded and to ensure that only infrastructure projects meeting capitalization requirements are included in the depreciation schedule.

2019-005 Capital Assets, continued

RECOMMENDATION

The County should consider purchasing an electronic capital asset record-keeping system. We also recommend the County adopt a capitalization policy.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with the finding. The County Clerk will compile files of capital asset activity going forward. The County will also conduct a physical inventory of capital assets.

COMPLIANCE FINDINGS

2019-006 Uniform Chart of Accounts

CRITERIA
OCG 36-81-3 requires that local governments adopt the uniform chart of accounts in their financial reporting system.

CONDITION
The County has not adopted the Uniform Chart of Accounts.

CONTEXT
General ledger accounts were not numbered in accordance with their classification (i.e. current asset, current liability, deferred inflows/outflows, net position, revenues and expenditures). Additionally, all funds are included in the same trial balance. Agency fund accounts were included in the Confiscated Assets Fund.

EFFECT
The accounting system setup increased the difficulty of producing accurate financial reports on a timely basis. Transactions were inadvertently recorded in the incorrect funds.

CAUSE
The County lacked adequate training in governmental financial reporting to properly design and setup the financial reporting system.

RECOMMENDATION
We recommend the County modify its financial reporting system to conform to the required uniform system of accounts.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County Clerk will adopt the uniform chart of accounts and implement it into the County's accounting system.

2019-007 Budgetary Control-Expenditures Exceeding Appropriations (36-81-3)

CRITERIA
In order to comply with the applicable legal requirements regarding budgets, procedures must exist to properly monitor compliance with the State law. Georgia code (36-81-3) requires an annual balanced budget for the General Fund and each special revenue fund.

CONDITION
The expenditures in the County's General Fund exceeded appropriations in various departments. In addition, the County did not adopt a budget for the Confiscated Asset Fund, Drug Abuse Fund, and EIP Revolving Loan Fund.

CONTEXT
Expenditures exceeded appropriations as follows:

General Fund:	
General government	
General administration	$ 16,293
Tax commissioner	7,748
Tax assessor	1,802
Voter registrar	2,899
Public buildings	2,438
Judicial	
Superior court	8,773
Probate court	21,357
Public safety	
Sheriff's office	71,160
Jail	4,765
Emergency management agency	138
Fire departments	279
E911	24,574
Coroner	137
Public works	
Highways and streets	21,087
Solid waste and recycling	8,431
Health and welfare	
Senior center	3,450
Enterprise community	55
Board of Health	15,751
Housing and development	
Planning and zoning	14
Transfer to other funds	26,052

2019-007 Budgetary Control-Expenditures Exceeding Appropriations (36-81-3), continued

Continued,

Special Revenue Funds:

TIA Discretionary Projects Fund	
Public works	$ 15,134
E-911 Fund	
Public safety	33,427
Section 5311 Transportation Fund	
Health and welfare	6,282

EFFECT
The County is not in compliance with State law.

CAUSE
The County failed to properly monitor the status of budgeted expenditures.

RECOMMENDATION
We recommend the County modify its financial reporting system to more closely monitor budgeted expenditures. In addition, the County must adopt future special revenue fund budgets as required by State law.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County will adopt a budget for all required funds. The County will monitor expenditures more closely.