TALIAFERRO COUNTY, GEORGIA

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

TALIAFERRO COUNTY, GEORGIA

TABLE OF CONTENTS
JUNE 30, 2020

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 & Major Special Revenue Fund 12-15

Statement of Fiduciary Assets and Liabilities 16

Notes to the Financial Statements 17-36

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds 37
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Funds 39-43

TALIAFERRO COUNTY, GEORGIA

TABLE OF CONTENTS
JUNE 30, 2020
(CONTINUED)

Page

Schedule of Projects Constructed with Special Sales Tax Proceeds 44

Agency Funds:

Combining Statement of Changes in Assets and Liabilities 45-48

Component Unit – Taliaferro County Development Authority:

Balance Sheet 49
Reconciliation of the Balance Sheet of the Component Unit to the Statement of Net Position 50
Statement of Revenues, Expenditures and Changes in Fund Balance of the Component Unit 51
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Component Unit to the Statement of Activities 52
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Harrison Poultry Feed Mill & Hatchery OneGeorgia EDGE Grant 53

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* 54-55

Schedule of Findings and Responses 56-67

Schedule of Prior Year Findings 68-69

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, 2020, 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 16 percent, 0 percent, and 72 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.

1503 Bass Road ■ Post Office Box 6315 ■ Macon, Georgia 31208-6315

Phone 478-742-3313 ■ Facsimile 478-742-0316 ■ www.clhp.com

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, 2020, 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 September 17, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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
September 17, 2021

FINANCIAL STATEMENTS

TALIAFERRO COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government	Component Units	
	Governmental Activities	Health Department	Development Authority
ASSETS			
Cash and cash equivalents	$ 4,833,261	$ 195,397	$ 652,432
Receivables, net of allowance			
Taxes	168,880	-	-
Accounts	31,100	13,117	-
Note	1,044	-	-
Due from other governments	99,162	-	-
Prepaid items	84,308	-	-
Nondepreciable assets	2,119,740	-	509,837
Depreciable assets, net	7,970,615	-	6,959
Proportionate share of collective net SEAD-OPEB asset	-	13,621	-
Total Assets	15,308,110	222,135	1,169,228
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related			
to pensions	-	41,984	-
to OPEBs	-	23,123	-
Total deferred outflows of resources	-	65,107	-

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

TALIAFERRO COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2020
(CONTINUED)

	Primary Government	Component Units	
	Governmental Activities	Health Department	Development Authority
LIABILITIES			
Accounts payable	866,633	3,374	-
Accrued salaries and benefits	32,115	-	-
Due to other governments	-	8,914	-
Noncurrent liabilities:			
Due within one year			
Compensated absences	46,151	-	-
Landfill postclosure cost	7,424	-	-
Due in more than one year			
Compensated absences	5,746	16,408	-
Landfill postclosure cost	412,449	-	-
Net pension liability	-	151,444	-
Net OPEB liability	-	42,863	-
Total Liabilities	1,370,518	223,003	-
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related			
to pensions	-	4,806	-
to OPEBs	-	57,233	-
Total deferred inflows of resources	-	62,039	-
NET POSITION			
Investment in capital assets	10,090,355	-	516,796
Restricted for			
Transportation	374,535	-	-
Road improvements	395,663	-	-
Capital outlay	346,756	-	-
Drug awareness	77,294	-	-
Law enforcement	47,732	-	-
Housing and development	9,601	-	-
Health and welfare programs	11,587	48,240	-
Unrestricted (Deficit)	2,584,069	(46,040)	652,432
Total Net Position	$ 13,937,592	$ 2,200	$ 1,169,228

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, 2020

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	$ 1,173,673	$ 2,515	$ 2,664	$ -
Public safety	1,472,507	618,305	46,099	-
Public works	868,842	42,431	197,921	300,000
Judicial	315,418	-	-	-
Health and welfare	270,863	14,481	150,601	-
Culture and recreation	28,883	74	-	-
Housing and development	90,871	-	70,544	-
Total governmental activities	4,221,057	677,806	467,829	300,000
Total Primary Government	$ 4,221,057	$ 677,806	$ 467,829	$ 300,000
Component Units:				
Health Department	$ 227,191	$ 28,896	$ 213,953	$ -
Development Authority	111,446	-	10,000	78,729
Total Component Units	$ 338,637	$ 28,896	$ 223,953	$ 78,729
General Revenues				
Property tax				
Sales tax				
Other tax				
Interest revenue				
Miscellaneous				
Insurance recoveries				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of Year (Deficit)				
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, 2020
(CONTINUED)

Primary Government	Component Units	
	Net (Expense) Revenue and Changes in Net Position	
Governmental Activities	Health Department	Development Authority
$ (1,168,494)		
(808,103)		
(328,490)		
(315,418)		
(105,781)		
(28,809)		
(20,327)		
(2,775,422)		
(2,775,422)		
	$ 15,658	$ -
	-	(22,717)
	15,658	(22,717)
1,217,502	-	-
673,544	-	-
193,856	-	-
6,326	375	5,571
17,295	-	225
47,733	-	-
2,156,256	375	5,796
(619,166)	16,033	(16,921)
14,556,758	(13,833)	1,186,149
$ 13,937,592	$ 2,200	$ 1,169,228

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

TALIAFERRO COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Special Revenue TIA Discretionary Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 3,211,597	$ 997,452	$ 624,212	$ 4,833,261
Receivables, net of allowance				
Taxes	168,880	-	-	168,880
Accounts	26,381	-	4,719	31,100
Note	-	-	1,044	1,044
Due from other governments	44,846	32,809	21,507	99,162
Due from other funds	100	-	-	100
Prepaid items	84,308	-	-	84,308
Total Assets	$ 3,536,112	$ 1,030,261	$ 651,482	$ 5,217,855
LIABILITIES				
Accounts & retainage payable	$ 199,203	$ 661,043	$ 6,387	$ 866,633
Accrued expenses	31,160	-	955	32,115
Due to other funds	-	100	-	100
Total Liabilities	230,363	661,143	7,342	898,848
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	156,309	-	-	156,309
Total Deferred Inflows of Resources	156,309	-	-	156,309
FUND BALANCE				
Nonspendable	84,308	-	1,044	85,352
Restricted	249,309	369,118	644,741	1,263,168
Assigned	800,000	-	-	800,000
Unassigned (Deficit)	2,015,823	-	(1,645)	2,014,178
Total Fund Balances	3,149,440	369,118	644,140	4,162,698
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,536,112	$ 1,030,261	$ 651,482	$ 5,217,855

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, 2020

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

Total Fund Balances - Governmental Funds	$	4,162,698
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets		16,581,230
Accumulated depreciation		(6,490,875)
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		(51,897)
Post-closure cost		(419,873)
Revenues		
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		156,309
Net Position of Governmental Activities	$	13,937,592

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, 2020

	General Fund	Special Revenue TIA Discretionary Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 1,531,379	$ 355,915	$ 179,959	$ 2,067,253
Intergovernmental revenue	737,759	-	29,872	767,631
Charges for services	56,690	-	30,726	87,416
Fines and forfeitures	586,660	-	3,730	590,390
Interest income	6,305	-	219	6,524
Other revenues	9,415	-	7,880	17,295
Total Revenues	2,928,208	355,915	252,386	3,536,509
Expenditures:				
Current				
General government	1,115,915	-	-	1,115,915
Judicial	315,418	-	-	315,418
Public safety	1,337,588	-	75,784	1,413,372
Public works	698,086	164,352	15,256	877,694
Health and welfare	186,696	-	60,148	246,844
Culture and recreation	69,451	-	-	69,451
Housing and development	90,871	-	-	90,871
Capital Outlay	-	682,481	-	682,481
Total Expenditures	3,814,025	846,833	151,188	4,812,046
Excess (Deficiency) of Revenues Over (Under) Expenditures	(885,817)	(490,918)	101,198	(1,275,537)
Other Financing Sources (Uses):				
Insurance proceeds	47,733	-	-	47,733
Transfers from other funds	-	-	55,284	55,284
Transfers to other funds	(55,284)	-	-	(55,284)
Total other financing sources (uses)	(7,551)	-	55,284	47,733
Net change in fund balances	(893,368)	(490,918)	156,482	(1,227,804)
Fund Balance, beginning of year	4,042,808	860,036	487,658	5,390,502
Fund Balance, end of year	$ 3,149,440	$ 369,118	$ 644,140	$ 4,162,698

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, 2020

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

Net Change in Fund Balances - Total Governmental Funds	$ (1,227,804)
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	1,016,031
Total depreciations	(417,187)
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	(431)
Post-closure costs	(7,424)
Revenues	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	17,649
Change in Net Position of Governmental Activities	$ (619,166)

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, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes				
Property taxes	$ 1,851,186	$ 1,776,518	$ 1,199,853	$ (576,665)
Sales tax	72,000	143,698	137,670	(6,028)
Motor vehicle taxes	-	68,302	70,208	1,906
Insurance premium taxes	60,000	72,094	72,094	-
Alcoholic beverage taxes	3,000	4,275	4,275	-
Recording intangibles	2,500	4,388	4,626	238
Real estate transfer	6,000	24,604	4,159	(20,445)
Penalties and interest	-	8,196	7,715	(481)
Other taxes	20,000	33,572	30,779	(2,793)
Intergovernmental revenues	151,900	999,824	737,759	(262,065)
Charges for services	24,100	56,690	56,690	-
Fines and forfeitures	516,200	584,316	586,660	2,344
Investment earnings	-	5,581	6,305	724
Miscellaneous	350	9,515	9,415	(100)
Total Revenues	2,707,236	3,791,573	2,928,208	(863,365)
Expenditures:				
Current:				
General government				
General administration	122,275	130,738	140,033	(9,295)
Board of commissioners	408,500	974,360	715,586	258,774
Tax commissioner	90,334	82,640	90,155	(7,515)
Tax assessor	78,343	71,924	73,546	(1,622)
Tax equalization	3,700	2,611	2,611	-
County attorney	6,000	3,941	3,941	-
Voter registrar	53,500	43,492	46,005	(2,513)
Elections	9,800	5,453	5,453	-
Public buildings	52,000	36,604	38,585	(1,981)
Total general government	824,452	1,351,763	1,115,915	235,848

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, 2020
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Judicial				
Superior court	104,566	98,807	106,004	(7,197)
Probate court	176,065	179,075	198,350	(19,275)
Magistrate court	8,000	8,565	8,565	-
Public defender	2,600	2,499	2,499	-
Total judicial	291,231	288,946	315,418	(26,472)
Public safety				
Sheriff's office	765,445	767,682	822,087	(54,405)
Jail	113,300	89,898	85,133	4,765
Emergency management agency	3,800	10,581	10,719	(138)
Fire departments	99,000	127,142	130,240	(3,098)
Ambulance service	78,000	78,000	78,000	-
E911	221,255	172,033	194,842	(22,809)
Coroner	14,900	16,428	16,567	(139)
Total public safety	1,295,700	1,261,764	1,337,588	(75,824)
Public works				
Highways and streets	262,000	560,087	582,273	(22,186)
Solid waste and recycling	121,250	113,853	115,813	(1,960)
Total public works	383,250	673,940	698,086	(24,146)
Health and welfare				
Senior center	37,400	61,791	63,176	(1,385)
Department of Family and Children Services	1,860	1,104	1,104	-
Family Connection/Collaborative	87,000	93,388	59,511	33,877
Enterprise community	4,550	3,722	3,667	55
Board of Health	36,503	49,929	34,178	15,751
Rural health	-	13,278	14,258	(980)
Community Center	6,200	3,178	3,178	-
Adult literacy	8,300	7,624	7,624	-
Total health and welfare	181,813	234,014	186,696	47,318

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, 2020
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Culture and recreation				
Library	16,450	16,575	16,575	-
Recreation	3,812	52,876	52,876	-
Total culture and recreation	20,262	69,451	69,451	-
Housing and development				
Forestry	11,308	11,624	11,624	-
Planning and zoning	1,500	-	-	-
Development Authority	10,000	10,000	10,000	-
Workforce investment	100,000	120,851	69,247	51,604
Total housing and development	122,808	142,475	90,871	51,604
Total Expenditures	3,119,516	4,022,353	3,814,025	208,328
Excess of Revenue Over (Under) Expenditures	(412,280)	(230,780)	(885,817)	(655,037)
Other Financing Sources (Uses):				
Insurance proceeds	5,000	47,733	47,733	-
Transfer to other funds	-	(12,276)	(55,284)	(43,008)
Total Other Financing Sources (Uses)	5,000	35,457	(7,551)	(43,008)
Net change in fund balance	(407,280)	(195,323)	(893,368)	(698,045)
Fund balance, beginning of year	4,042,808	4,042,808	4,042,808	-
Fund balance, end of year	$ 3,635,528	$ 3,847,485	$ 3,149,440	$ (698,045)

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, 2020
(CONTINUED)

	TIA Discetionary Projects Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes				
Sales tax	$ 310,000	$ 354,554	$ 355,915	$ 1,361
Total Revenues	310,000	354,554	355,915	1,361
Expenditures:				
Current				
Public works	300,000	203,924	164,352	39,572
Capital outlay	-	-	682,481	(682,481)
Total Expenditures	300,000	203,924	846,833	(642,909)
Net change in fund balance	10,000	150,630	(490,918)	(641,548)
Fund balance, beginning of year	860,036	860,036	860,036	-
Fund balance, end of year	$ 870,036	$ 1,010,666	$ 369,118	$ (641,548)

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, 2020

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 206,390
Total Assets	$ 206,390
LIABILITIES	
Funds held in custodial accounts	$ 1,891
Funds held in escrow	40,040
Due to others	164,459
Total Liabilities	$ 206,390

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

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, 2020 and the Taliaferro County Health Department, as of June 30, 2020. 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 Board of Health

The governing board of the Taliaferro County Board of Health d/b/a Taliaferro County 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, 2020:

Fund Balances:	General Fund	TIA Discretionary Capital Projects Fund	Nonmajor Governmental Fund	Total
Nonspendable				
Prepaids	$ 84,308	$ -	$ -	$ 84,308
Notes receivable	-	-	1,044	1,044
Restricted for:				
Transportation	-	369,118	5,417	374,535
Road improvements	237,722	-	157,941	395,663
Capital outlay	-	-	346,756	346,756
Drug awareness	-	-	77,294	77,294
Law enforcement	-	-	47,732	47,732
Health and welfare	11,587	-	-	11,587
Housing and development	-	-	9,601	9,601
Assigned for:				
Fund balance appropriation	800,000	-	-	800,000
Unassigned/(deficit)	2,015,823	-	(1,645)	2,014,178
Total fund balances	$ 3,149,440	$ 369,118	$ 644,140	$ 4,162,698

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 coverages 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, 2020, the County's total contribution was $26,733 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

Georgia (ACCG). The purpose of ACCG-IRMA is to establish and administer one or 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, 2019 – June 30, 2020, the County's total contribution was $70,941 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 Commissioners. Individual amendments are not material in relation to the original appropriations.

B. Deficit Net Position

The E-911 Fund had a deficit net position of $1,645. The County will closely monitor spending in this fund during future periods.

C. Excess of Expenditures Over Appropriations

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

General Fund:	
General government	
General administration	$ 9,295
Tax commissioner	7,515
Tax assessor	1,622
Voter registrar	2,513
Public buildings	1,981
Judicial	
Superior court	7,197
Probate court	19,275
Public safety	
Sheriff's office	54,405
Emergency management agency	138
Fire departments	3,098
E911	22,809
Coroner	139
Public works	
Highways and streets	22,186
Solid waste and recycling	1,960
Health and welfare	
Senior Center	1,385
Rural health	980
Transfer to other funds	43,008
Special Revenue Funds:	
TIA Discretionary Projects Fund	
Public works	642,909
E-911 Fund	
Public safety	49,749
Section 5311 Transportation Fund	
Health and welfare	2,920

D. 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, 2020, 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.

As of June 30, 2020, the County's carrying amount of deposits was $5,039,651, and the bank balance was $5,085,593.

As of June 30, 2020, the carrying amount of deposits for the Development Authority of Taliaferro County, a discretely presented component unit, was $652,432, and the bank balance was $652,432. The entire bank balance was covered by federal depository insurance or by collateral held.

As of June 30, 2020, the carrying amount of deposits for the Taliaferro County Health Department, a discretely presented component unit, was $195,397. The entire 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 2019 property taxes were mailed (levied) as of September 10th with a due date of November 25th.

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 2019 is as follows:

Assessment Date	January 1, 2019
Levy Date	September 10, 2019
Due Date and Collection Date	November 25, 2019
Tax Execution Date/Lien Date	November 26, 2019

NOTE 5 – OTHER RECEIVABLES

Receivables at June 30, 2020, consist of the following:

	General Fund	Nonmajor Governmental Funds	Total
Receivables:			
Taxes	$ 273,080	$ -	$ 273,080
Accounts	26,381	4,719	31,100
Other	-	1,044	1,044
Gross Receivables	299,461	5,763	305,224
Less: Allowance for uncollectibles	(104,200)	-	(104,200)
Net Total Receivables	$ 195,261	$ 5,763	$ 201,024

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2020, are as follows:

	State	Other	Total
Fund:			
General Fund	$ 30,378	$ 14,468	$ 44,846
TIA Discretionary Projects Fund	32,809	-	32,809
Nonmajor funds	21,507	-	21,507
Total Due from other governments	$ 84,694	$ 14,468	$ 99,162

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

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2020, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	TIA Discretionary Projects Fund	$ 100

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 governmental fund	$ 55,284

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, 2020, was as follows:

Primary Government

	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	7,784,581	927,869	-	8,712,450
Buildings	3,450,351	49,655	-	3,500,006
Machinery and equipment	1,076,637	38,507	-	1,115,144
Vehicles	1,133,890	-	-	1,133,890
Total capital assets being depreciated	13,445,459	1,016,031	-	14,461,490
Less accumulated depreciation for:				
Infrastructure	3,096,228	174,249	-	3,270,477
Buildings	1,808,585	87,500	-	1,896,085
Machinery and Equipment	303,744	77,861	-	381,605
Vehicles	865,131	77,577	-	942,708
Total accumulated depreciation	6,073,688	417,187	-	6,490,875
Total capital assets, being depreciated, net	7,371,771	598,844	-	7,970,615
Governmental activities capital assets, net	$ 9,491,511	$ 598,844	$ -	$ 10,090,355

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

Governmental activities:	
General government	$ 50,334
Public safety	97,211
Public works	236,536
Health and welfare	24,019
Culture and recreation	9,087
Total depreciation expense - governmental activities	$ 417,187

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, 2020, was as follows:

Development Authority	Beginning Balance	Increase	Decrease	Ending Balance
Component Unit activities:				
Capital assets, not being depreciated:				
Land	$ 509,837		$ -	$ 509,837
Total capital assets not being depreciated	509,837	-	-	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	535	-	803
Total accumulated depreciation	268	535	-	803
Total capital assets, being depreciated, net	7,494	(535)	-	6,959
Component Unit activities capital assets, net	$ 517,331	$ (535)	$ -	$ 516,796

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 $419,873. 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, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 51,466	$ 46,582	$ 46,151	$ 51,897	$ 46,151
Landfill post-closure	412,449	7,424	-	419,873	7,424
Governmental activities long-term liabilities	$463,915	$ 54,006	$ 46,151	$ 471,770	$ 53,575

Discretely Presented Component Units

Activity for the Taliaferro County Board of Health for the fiscal year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 15,683	$ 6,536	$ 5,811	$ 16,408	$ -
Net pension liability	138,048	13,396	-	151,444	-
Net state OPEB liability	82,496	-	39,633	42,863	-
Total Governmental activities long-term liabilities	$ 236,227	$ 19,932	$ 45,444	$ 210,715	$ -

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, 2020, there were 20 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, 2020 were $17,239 by the employees and $11,755 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, 2020, 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 fiscal year 2020 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 is still in progress as of fiscal year end, as a result, there are no real property taxes as of June 30, 2020. 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, 2020, 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	$ 628,642

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 September 17, 2021, the date which the financial statements were available to be issued.

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.

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, 2020

	Special Revenue Funds					Capital Projects Fund	Total
	Confiscated Assets	Drug Abuse Treatment	E-911	Section 5311 Transportation	EIP Revolving Loan	2017 SPLOST	Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	$ 48,198	$ 77,294	$ -	$ -	$ 9,601	$ 489,119	$ 624,212
Receivables, net of allowance							
Accounts	-	-	4,719	-	-	-	4,719
Note	-	-	-	-	1,044	-	1,044
Due from other governments	-	-	-	5,929	-	15,578	21,507
Total Assets	$ 48,198	$ 77,294	$ 4,719	$ 5,929	$ 10,645	$ 504,697	$ 651,482
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 466	$ -	$ 5,921	$ -	$ -	$ -	$ 6,387
Accrued expenses	-	-	443	512	-	-	955
Total Liabilities	466	-	6,364	512	-	-	7,342
Fund Balances:							
Nonspendable	-	-	-	-	1,044	-	1,044
Restricted	47,732	77,294	-	5,417	9,601	504,697	644,741
Unassigned (Deficit)	-	-	(1,645)	-	-	-	(1,645)
Total Fund Balances	47,732	77,294	(1,645)	5,417	10,645	504,697	644,140
Total Liabilities and Fund Balances	$ 48,198	$ 77,294	$ 4,719	$ 5,929	$ 10,645	$ 504,697	$ 651,482

TALIAFERRO COUNTY, GEORGIA

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

	Special Revenue Funds					Capital Projects Fund	Total
Revenues:	Confiscated Assets	Drug Abuse Treatment	E-911	Section 5311 Transportation	EIP Revolving Loan	2017 SPLOST	Nonmajor Governmental Funds
Taxes	$ -	$ -	$ -	$ -	$ -	$ 179,959	$ 179,959
Intergovernmental revenue	-	-	-	29,872	-	-	29,872
Charges for services	-	-	27,915	2,811	-	-	30,726
Fines and forfeitures	-	3,730	-	-	-	-	3,730
Investment earnings	-	-	-	-	21	198	219
Other revenue	7,880	-	-	-	-	-	7,880
Total Revenues	7,880	3,730	27,915	32,683	21	180,157	252,386
Expenditures:							
Current:							
Public safety	1,358	993	73,433	-	-	-	75,784
Public works	-	-	-	-	-	15,256	15,256
Health and welfare	-	-	-	60,148	-	-	60,148
Total Expenditures	1,358	993	73,433	60,148	-	15,256	151,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,522	2,737	(45,518)	(27,465)	21	164,901	101,198
Other Financing Sources (Uses):							
Transfer from other funds	-	-	39,229	16,055	-	-	55,284
Total other financing sources (uses)	-	-	39,229	16,055	-	-	55,284
Net change in fund balances	6,522	2,737	(6,289)	(11,410)	21	164,901	156,482
Fund Balance, beginning of year	41,210	74,557	4,644	16,827	10,624	339,796	487,658
Fund Balance, end of year (Deficit)	$ 47,732	$ 77,294	$ (1,645)	$ 5,417	$ 10,645	$ 504,697	$ 644,140

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, 2020

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Miscellaneous	$ -	$ 7,880	$ 7,880
Total Revenues	-	7,880	7,880
Expenditures:			
Current:			
Public safety	-	1,358	(1,358)
Total Expenditures	-	1,358	(1,358)
Net change in fund balance	-	6,522	6,522
Fund balance, beginning of year	41,210	41,210	-
Fund balance, end of year	$ 41,210	$ 47,732	$ 6,522

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, 2020

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Fines and forfeitures	$ -	$ 3,730	$ 3,730
Total Revenues	-	3,730	3,730
Expenditures:			
Current:			
Public Safety	-	993	(993)
Total Expenditures	-	993	(993)
Net change in fund balance	-	2,737	2,737
Fund Balance - Beginning of Year	74,557	74,557	-
Fund Balance - End of Year	$ 74,557	$ 77,294	$ 2,737

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, 2020

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Charges for services	$ 28,599	$ 27,915	$ (684)
Total Revenues	28,599	27,915	(684)
Expenditures:			
Current:			
Public Safety	23,684	73,433	(49,749)
Total Expenditures	23,684	73,433	(49,749)
Excess of Revenue Over (Under) Expenditures	4,915	(45,518)	(50,433)
Other Financing Sources (Uses)			
Transfer from other funds	(4,915)	39,229	44,144
Total Other Financing Sources (Uses)	(4,915)	39,229	44,144
Net change in fund balance	-	(6,289)	(6,289)
Fund Balance - Beginning of Year	4,644	4,644	-
Fund Balance - End of Year (Deficit)	$ 4,644	$ (1,645)	$ (6,289)

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, 2020

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Intergovernmental revenue	$ 37,226	$ 29,872	$ (7,354)
Charges for services	2,811	2,811	-
Total Revenues	40,037	32,683	(7,354)
Expenditures:			
Current:			
Health and welfare	57,228	60,148	(2,920)
Total Expenditures	57,228	60,148	(2,920)
Excess of Revenue Over (Under) Expenditures	(17,191)	(27,465)	(10,274)
Other Financing Sources (Uses)			
Transfer from other funds	17,191	16,055	(1,136)
Total Other Financing Sources (Uses)	17,191	16,055	(1,136)
Net change in fund balance	-	(11,410)	(11,410)
Fund Balance - Beginning of Year	16,827	16,827	-
Fund Balance - End of Year	$ 16,827	$ 5,417	$ (11,410)

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, 2020

	Final Budget	Actual	Variance with Final Budget
Revenue:			
Interest income	$ -	$ 21	$ 21
Total Revenues	-	21	21
Expenditures:			
Current:			
Housing and development	-	-	-
Total Expenditures	-	-	-
Net change in fund balance	-	21	21
Fund Balance - Beginning of Year	10,624	10,624	-
Fund Balance - End of Year	$ 10,624	$ 10,645	$ 21

TALIAFERRO COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS-2017
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	749,218	15,256	764,474
Totals	$ 2,000,000	$ 2,362,728	$ 2,111,946	$ 15,256	$ 2,127,202

TALIAFERRO COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 199,541	$ 1,926,317	$ 1,919,468	$ 206,390
Total Assets	$ 199,541	$ 1,926,317	$ 1,919,468	$ 206,390
Liabilities				
Funds held in custodial accounts	$ 1,891	$ -	$ -	$ 1,891
Funds held in escrow	18,892	211,447	190,299	40,040
Due to others	178,758	1,714,870	1,729,169	164,459
Total Liabilities	$ 199,541	$ 1,926,317	$ 1,919,468	$ 206,390

TALIAFERRO COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Superior Court				
Assets				
Cash and cash equivalents	$ 81,639	$ 26,451	$ 53,343	$ 54,747
Total Assets	$ 81,639	$ 26,451	$ 53,343	$ 54,747
Liabilities				
Funds held in escrow	$ 4,039	$ 8	$ 1,008	$ 3,039
Due to others	77,600	26,443	52,335	51,708
Total Liabilities	$ 81,639	$ 26,451	$ 53,343	$ 54,747
Magistrate Court				
Assets				
Cash and cash equivalents	$ 1,669	$ 4,962	$ 5,214	$ 1,417
Total Assets	$ 1,669	$ 4,962	$ 5,214	$ 1,417
Liabilities				
Due to others	$ 1,669	$ 4,962	$ 5,214	$ 1,417
Total Liabilities	$ 1,669	$ 4,962	$ 5,214	$ 1,417

TALIAFERRO COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Probate Court				
Assets				
Cash and cash equivalents	$ 16,744	$ 211,439	$ 189,291	$ 38,892
Total Assets	$ 16,744	$ 211,439	$ 189,291	$ 38,892
Liabilities				
Funds held in escrow	$ 14,853	$ 211,439	$ 189,291	$ 37,001
Funds held in custodial accounts	1,891	-	-	1,891
Total Liabilities	$ 16,744	$ 211,439	$ 189,291	$ 38,892
Sheriff's Department				
Assets				
Cash and cash equivalents	$ 26,322	$ 22,294	$ 2,311	$ 46,305
Total Assets	$ 26,322	$ 22,294	$ 2,311	$ 46,305
Liabilities				
Due to others	$ 26,322	$ 22,294	$ 2,311	$ 46,305
Total Liabilities	$ 26,322	$ 22,294	$ 2,311	$ 46,305

TALIAFERRO COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(CONTINUED)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Tax Commissioner's Office				
Assets				
Cash and cash equivalents	$ 73,167	$ 1,661,171	$ 1,669,309	$ 65,029
Total Assets	$ 73,167	$ 1,661,171	$ 1,669,309	$ 65,029
Liabilities				
Due to others	$ 73,167	$ 1,661,171	$ 1,669,309	$ 65,029
Total Liabilities	$ 73,167	$ 1,661,171	$ 1,669,309	$ 65,029

TALIAFERRO COUNTY, GEORGIA

BALANCE SHEET
DEVELOPMENT AUTHORITY
COMPONENT UNIT
JUNE 30, 2020

ASSETS		
Cash and cash equivalents	$	652,432
Total Assets	$	652,432
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$	-
Total Liabilities		-
Fund Balance:		
Assigned		593,070
Unassigned		59,362
Total Fund Balance		652,432
Total Liabilities and Fund Balance	$	652,432

TALIAFERRO COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF THE COMPONENT UNIT TO THE
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Total Fund Balances - component unit	$	652,432
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets		517,599
Accumulated depreciation		(803)
Total net position of component unit	$	1,169,228

TALIAFERRO COUNTY, GEORGIA

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

REVENUES		
Intergovernmental revenue	$	88,729
Interest earnings		5,571
Miscellaneous revenues		225
Total Revenues		94,525
EXPENDITURES		
Current		
Economic development		110,911
Total Expenditures		110,911
Net change in fund balance		(16,386)
Fund Balance, beginning of year		668,818
Fund Balance, end of year	$	652,432

TALIAFERRO COUNTY, GEORGIA

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

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

Net Change in Fund Balances - component unit	$	(16,386)
Capital Assets		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.		
Total depreciation		(535)
Change in net position of component unit	$	(16,921)

TALIAFERRO COUNTY, GEORGIA

HARRISON POULTRY FEED MILL & HATCHERY
ONE GEORGIA EDGE GRANT
#20ge-131-3-4973
COMPONENT UNIT SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Department of Community Affairs	$ -	$ 78,729	$ 78,729	$ 1,000,000
Total Revenues	-	78,729	78,729	1,000,000
EXPENDITURES				
G80-1101-I - Site Preparation	-	-	-	42,662
G80-1401-I - Water	-	16,308	16,308	164,950
G80-1402-I - Sewer	-	-	-	644,417
G80-1415I - Professional Services	-	62,421	62,421	90,225
G80-2101-I - General (other)	-		-	57,746
Total Expenditures	-	78,729	78,729	1,000,000
Net change in fund balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	$ -	$ -	$ -	$ -

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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 17, 2021. 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) as a basis for designing 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.

1503 Bass Road ■ Post Office Box 6315 ■ Macon, Georgia 31208-6315

Phone 478-742-3313 ■ Facsimile 478-742-0316 ■ www.clhp.com

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 2020-001, 2020-002, 2020-003, 2020-004, and 2020-005 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2020-006 and 2020-007.

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
September 17, 2021

TALIAFERRO COUNTY, GEORGIA

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

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, 2020, 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*:

2020-001 General Ledger Maintenance

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
Beginning fund balances did not reconcile with the prior year ending fund balances. In addition, payroll was not properly allocated across departments and funds.

CONTEXT
- Adjustments were required to correct beginning balances for the year ended June 30, 2020, as follows:
  - General Fund – to increase fund balance by $919,535.
  - TIA Discretionary Fund – to increase fund balance by $44,581.
  - 2017 SPLOST Fund – to increase fund balance by $37,339.
  - E-911 Fund – to increase fund balance by $4,644.
  - 5311 Transportation Fund – to increase fund balance by $16,827.
- Material adjustments were required to in the General Fund of $164,728 to allocate payroll and payroll tax expenditures across various departments in the General Fund and $44,118 to other governmental funds. Corresponding adjustments were required in the E-911 and 5311 Transportation Funds of $44,118.
- The Confiscated Assets, Drug Abuse, and EIP RLF funds are maintained in manual check registers.

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 prior year audit entries. The County did not have procedure in place to ensure the proper recording of payroll transactions.

2020-001 General Ledger Maintenance, continued

RECOMMENDATION

We recommend the County implement procedures to ensure all audit entries are properly posted int the system. In addition, we recommend the County make changes to the payroll module in the accounting system so that payroll entries are posted to proper departments and funds. We recommend that all funds be maintained in the County's accounting system.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with the finding. The County has determined that a revamping of the accounting system in regard to recording overtime for payroll to the correct department, as well as a mechanism to record and document audit adjustment entries will be created and applied for the coming year.

2020-002 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 2020.

CONTEXT
Audit adjustments were required to fairly state and classify expenditures or expenses for the year ended June 30, 2020. 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 $18,358 was required in the General Fund to increase payroll expenditures and accrued expenses.
- A material adjustment of $180,838 was required in the General Fund to increase expenditures and accounts and retainage payable.
- A material adjustment of $197,723 was required to decrease LMIG revenue and LMIG expenditures due to a duplicate receipt posting.
- An adjustment of $5,028 was required to decrease payroll expenditures and payroll liabilities.
- Material adjustments of $661,043 were required in the TIA Discretionary Projects fund to increase expenditures and accounts and retainage payable.
- An adjustment of $5,921 was required in the E-911 Fund to increase expenditures and accounts payable.
- Adjustments were required to correct mispostings in the General Fund and 5311 Transportation 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.

2020-002 Accounts Payable/Expenditures or Expenses, continued

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. A closer view as to the recording of invoices due will be implemented. Additionally, accounts payable will be more fully utilized.

2020-003 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 2020.

CONTEXT
Audit adjustments were required to fairly state and classify revenues for the year ended June 30, 2020.

General Fund:

- A material adjustment was required to increase property tax receivables by $45,460, the allowance for uncollectible accounts by $17,986, current year property tax revenue by $9,824, and unavailable property tax revenue by $17,648.
- Material adjustments totaling of $71,718 was required to increase revenues due from agency funds.
- Material adjustments of $59,310 were required to record intergovernmental receivables and state grant revenues. Additionally, an adjustment of $11,917 was required to record intergovernmental receivables and LOST revenue.
- A material adjustment of $25,982 was required to increase cash and revenues to record receipts in the correct accounting period.
- A material adjustment of $197,723 was required to decrease LMIG revenue and LMIG expenditures due to a duplicate receipt posting.

TIA Discretionary Fund

- A material adjustment of $31,266 was required to increase cash and sales tax revenue to record receipts in the correct accounting period.
- A material adjustment of $32,809 was required to record intergovernmental receivables and sales tax revenue.

2017 SPLOST Fund

- A material adjustment of $15,308 was required to increase cash and sales tax revenue to record receipts in the correct accounting period.
- A material adjustment of $15,578 was required to record intergovernmental receivables and sales tax revenue.

Other Funds

- An adjustment of $4,719 was required in the E-911 Fund to record accounts receivables and surcharge revenue.
- A material adjustment of $5,929 was required in the 5311 Transportation Fund to record intergovernmental receivables and grant revenue.

2020-003 Accounts Receivable/Revenue, continued

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 current fiscal year and that transactions are recorded to the correct accounting period.

2020-004 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:

o General Fund	$25,892
o TIA Discretionary Projects Fund	31,266
o 2017 SPLOST Fund	15,308
o 5311 Transportation Fund	4,098

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 ACH transactions will be dated as to the actual occurrence rather than at the end of the month when reconciling. All accounts will be created and kept on both the accounting system and the manual system, even those with no or little current activity.

2020-005 Subsidiary Schedules

CRITERIA
Accounting and control procedures should be designed to ensure that capital asset and long-term debt 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. Compensated absences activity must be supported by detailed records that include department, hours earned, and hours used, and pay rates.

CONDITION
The County did not have adequate accounting procedures to ensure that subsidiary schedules are maintained.

CONTEXT
The County did not maintain subsidiary ledgers for capital assets and compensated absences activity during the year.

EFFECT
The County did not have access to timely financial records to use in making management decisions.

CAUSE
The County did not have controls in place to ensure that all capital asset and compensated absences activity is recorded in subsidiary schedules.

RECOMMENDATION
The County should consider purchasing an electronic capital asset record-keeping system and implement procedures to identify capital asset-related activity as a part of its annual close-out process. The County should implement procedures to include preparing a compensated absences schedule as a part of its annual close-out process.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. A new methodology of keeping the capital assets in a current schedule will be devised and implemented. The debt service accounting will be added to the general ledger program and a report designed from the payroll system to show accrued and taken absences will be implemented.

COMPLIANCE FINDINGS

2020-006 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 will bring in a consultant to do away with the walk-over used in the past and convert the accounting system to the Standardized COA.

2020-007 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. Expenditures also exceeded appropriations in the TIA Discretionary Projects, E-911, and Section 5311 Transportation special revenue funds. 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	$ 9,295
Tax commissioner	7,515
Tax assessor	1,622
Voter registrar	2,513
Public buildings	1,981
Judicial	
Superior court	7,197
Probate court	19,275
Public safety	
Sheriff's office	54,405
Emergency management agency	138
Fire departments	3,098
E911	22,809
Coroner	139
Public works	
Highways and streets	22,186
Solid waste and recycling	1,960
Health and welfare	
Senior center	1,385
Rural health	980
Transfer to other funds	43,008

2020-007 Budgetary Control-Expenditures Exceeding Appropriations (36-81-3), continued

Continued,

Special Revenue Funds:	
TIA Discretionary Projects Fund	
Public works	$ 642,909
E-911 Fund	
Public safety	49,749
Section 5311 Transportation Fund	
Health and welfare	2,920

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 prepare budgets for all special revenue funds going forward. Any budgetary amendments will be documented in the commission meetings as opposed to just expenditure approvals.

2019-001 Restatement of Net Position/Fund Balance

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.

UPDATE
Partially resolved, see current year finding 2020-001.

2019-002 Accounts Payable/Expenditures or Expenses

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

UPDATE
Unresolved, see current year finding 2020-002.

2019-003 Accounts Receivable/Revenue

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

UPDATE
Unresolved, see current year finding 2020-003.

2019-004 Bank Reconciliation

CONDITION
Bank reconciliations did not agree to the general ledger.

UPDATE
Unresolved, see current year finding 2020-004.

2019-005 Capital Assets

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.

UPDATE
Resolved.

2019-006 Uniform Chart of Accounts

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

UPDATE
Unresolved, see current year finding 2020-006.

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

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.

UPDATE
Unresolved, see current year finding 2020-007.