# TAYLOR COUNTY, GEORGIA

## FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED
## JUNE 30, 2019

# TAYLOR COUNTY, GEORGIA

## FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED
## JUNE 30, 2019

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MAULDIN & JENKINS
CPAs & ADVISORS

# INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners**
**of Taylor County, Georgia**
**Butler, Georgia**

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Taylor County Department of Public Health, which represent 6%, 1%, and 41%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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 Taylor County Department of Public Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtaind 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison information for the General Fund and Solid Waste Surcharge 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 requires 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 the County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, as listed in the table of contents, 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 and schedules and the schedules of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Taylor County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 18, 2019

# BASIC FINANCIAL STATEMENTS

# TAYLOR COUNTY, GEORGIA

## STATEMENT OF NET POSITION
## JUNE 30, 2019

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| **ASSETS** | | | |
| Cash and cash equivalents | $ 11,375,488 | $ 35,485 | $ 11,410,973 |
| Investments | - | - | - |
| Receivables, net of allowances: | | | |
| Taxes receivable | 206,170 | - | 206,170 |
| Accounts receivable | 186,207 | 1,097 | 187,304 |
| Due from other governments | 75,735 | - | 75,735 |
| Due from component unit | 105,234 | - | 105,234 |
| Internal Balances | 471 | (471) | - |
| Inventories | 6,488 | - | 6,488 |
| Prepaid items | 170,688 | - | 170,688 |
| Capital assets, nondepreciable | 415,823 | - | 415,823 |
| Capital assets, depreciable, net of accumulated depreciation | 12,045,499 | 659,394 | 12,704,893 |
| Total assets | 24,587,803 | 695,505 | 25,283,308 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Pensions | - | - | - |
| Total deferred outflows of resources | - | - | - |
| **LIABILITIES** | | | |
| Accounts payable | 152,823 | 378 | 153,201 |
| Accrued liabilities | 157,973 | - | 157,973 |
| Due to other governments | 20,215 | - | 20,215 |
| Due to primary government | - | - | - |
| Compensated absences due within one year | 115,541 | - | 115,541 |
| Compensated absences due in more than one year | 28,885 | - | 28,885 |
| Landfill post-closure costs due within one year | 11,000 | - | 11,000 |
| Landfill post-closure costs due in more than one year | 77,000 | - | 77,000 |
| Net OPEB liability | - | - | - |
| Net pension liability | - | - | - |
| Total liabilities | 563,437 | 378 | 563,815 |

| Component Units | | | | |
|---|---|---|---|---|
| Department of Public Health | Development Authority | Recreation Commission | Airport Authority | Building Authority |
| $ 229,145 | $ 908,030 | $ 6,350 | $ 88,544 | $ 69,647 |
| 226,166 | - | - | - | - |
| - | - | - | - | - |
| 13,373 | - | - | 2,550 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | 106,368 | - | 1,181,299 | - |
| 6,159 | 145,624 | - | 3,499,850 | 951,834 |
| 474,843 | 1,160,022 | 6,350 | 4,772,243 | 1,021,481 |
| 103,574 | - | - | - | - |
| 103,574 | - | - | - | - |
| 17,363 | - | 971 | 39,895 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | 75,234 | 30,000 | - |
| 11,638 | - | - | - | - |
| 26,568 | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 115,561 | - | - | - | - |
| 272,520 | - | - | - | - |
| 443,650 | - | 76,205 | 69,895 | - |

**(Continued)**

# TAYLOR COUNTY, GEORGIA

## STATEMENT OF NET POSITION
## JUNE 30, 2019

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Pensions | $ - | $ - | $ - |
| Total deferred inflows of resources | - | - | - |
| **NET POSITION** | | | |
| Net investment in capital assets | 12,461,322 | 659,394 | 13,120,716 |
| Restricted for: | | | |
| Judicial | 36,369 | - | 36,369 |
| Public safety | 221,048 | - | 221,048 |
| Public works | 3,193,315 | - | 3,193,315 |
| Capital projects | 1,672,353 | - | 1,672,353 |
| Other purposes | - | - | - |
| Unrestricted | 6,439,959 | 35,733 | 6,475,692 |
| Total net position | $ 24,024,366 | $ 695,127 | $ 24,719,493 |

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

| Component Units | | | | |
|---|---|---|---|---|
| Department of Public Health | Development Authority | Recreation Commission | Airport Authority | Building Authority |
| $ 86,907 | $ - | $ - | $ - | $ - |
| 86,907 | - | - | - | - |
| 6,159 | 251,992 | - | 4,681,149 | 951,834 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 29,038 | - | - | - | - |
| 12,663 | 908,030 | (69,855) | 21,199 | 69,647 |
| $ 47,860 | $ 1,160,022 | $ (69,855) | $ 4,702,348 | $ 1,021,481 |

# TAYLOR COUNTY, GEORGIA

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

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Primary government:** | | | | |
| Governmental activities: | | | | |
| General government | $ 1,510,880 | $ 235,468 | $ 16,987 | $ - |
| Judicial | 494,671 | 214,232 | - | - |
| Public safety | 1,960,982 | 738,020 | 26,677 | - |
| Public works | 2,432,669 | 1,324,681 | - | 449,470 |
| Health and welfare | 223,287 | 139,541 | 104,383 | - |
| Culture and recreation | 115,881 | - | - | - |
| Housing and development | 430,489 | 10,995 | - | - |
| Interest on long-term debt | 46 | - | - | - |
| Total governmental activities | 7,168,905 | 2,662,937 | 148,047 | 449,470 |
| Business-type activities: | | | | |
| Water and sewer | 38,484 | 14,926 | - | - |
| Total business-type activities | 38,484 | 14,926 | - | - |
| Total primary government | $ 7,207,389 | $ 2,677,863 | $ 148,047 | $ 449,470 |
| **Component units:** | | | | |
| Department of Public Health | $ 312,583 | $ 88,790 | $ 299,632 | $ - |
| Development Authority | 287,647 | - | 261,039 | - |
| Recreation Commission | 158,970 | 50,359 | 85,582 | - |
| Airport Authority | 156,219 | 16,923 | 26,685 | 104,395 |
| Building Authority | 62,230 | 24,819 | - | - |
| Total component units | $ 977,649 | $ 180,891 | $ 672,938 | $ 104,395 |
| General revenues: | | | | |
| Property taxes | | | | |
| Sales taxes | | | | |
| Other taxes | | | | |
| Unrestricted investment earnings | | | | |
| Total general revenues | | | | |
| Change in net position | | | | |
| Net position (deficit), beginning of year | | | | |
| Net position (deficit), end of year | | | | |

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

| Net (Expenses) Revenues and Changes in Net Position | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Primary Government | | | Component Units | | | | | |
| Governmental Activities | Business-type Activities | Total | Department of Public Health | Development Authority | Recreation Commission | Airport Authority | Building Authority | |
| $ (1,258,425) | $ - | $ (1,258,425) | $ - | $ - | $ - | $ - | $ - | |
| (280,439) | - | (280,439) | - | - | - | - | - | |
| (1,196,285) | - | (1,196,285) | - | - | - | - | - | |
| (658,518) | - | (658,518) | - | - | - | - | - | |
| 20,637 | - | 20,637 | - | - | - | - | - | |
| (115,881) | - | (115,881) | - | - | - | - | - | |
| (419,494) | - | (419,494) | - | - | - | - | - | |
| (46) | - | (46) | - | - | - | - | - | |
| (3,908,451) | - | (3,908,451) | - | - | - | - | - | |
| - | (23,558) | (23,558) | - | - | - | - | - | |
| - | (23,558) | (23,558) | - | - | - | - | - | |
| (3,908,451) | (23,558) | (3,932,009) | - | - | - | - | - | |
| - | - | - | 75,839 | - | - | - | - | |
| - | - | - | - | (26,608) | - | - | - | |
| - | - | - | - | - | (23,029) | - | - | |
| - | - | - | - | - | - | (8,216) | - | |
| - | - | - | - | - | - | - | (37,411) | |
| - | - | - | 75,839 | (26,608) | (23,029) | (8,216) | (37,411) | |
| 2,018,643 | - | 2,018,643 | - | - | - | - | - | |
| 2,039,754 | - | 2,039,754 | - | - | - | - | - | |
| 1,394,665 | - | 1,394,665 | - | - | - | - | - | |
| 3,836 | - | 3,836 | 113 | - | - | - | - | |
| 5,456,898 | - | 5,456,898 | 113 | - | - | - | - | |
| 1,548,447 | (23,558) | 1,524,889 | 75,952 | (26,608) | (23,029) | (8,216) | (37,411) | |
| 22,475,919 | 718,685 | 23,194,604 | (28,092) | 1,186,630 | (46,826) | 4,710,564 | 1,058,892 | |
| $ 24,024,366 | $ 695,127 | $ 24,719,493 | $ 47,860 | $ 1,160,022 | $ (69,855) | $ 4,702,348 | $ 1,021,481 | |

# TAYLOR COUNTY, GEORGIA

## BALANCE SHEET
## GOVERNMENTAL FUNDS
## JUNE 30, 2019

| | General Fund | Solid Waste Surcharge Fund | Capital Projects T-SPLOST Fund | Capital Projects 2011 SPLOST Fund |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 6,386,505 | $ 1,614,495 | $ 1,441,240 | 533,368 |
| Taxes receivable | 140,960 | - | - | - |
| Accounts receivable | 112,208 | 69,324 | 4,675 | - |
| Due from other governments | 74,426 | - | - | - |
| Due from other funds | 471 | 1,100 | - | - |
| Due from component units | 30,234 | 75,000 | - | - |
| Inventories | 6,488 | - | - | - |
| Prepaid items | 164,188 | 6,500 | - | - |
| Total assets | $ 6,915,480 | $ 1,766,419 | $ 1,445,915 | $ 533,368 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | |
| **LIABILITIES** | | | | |
| Accounts payable | $ 127,339 | $ 12,519 | $ - | $ 1,737 |
| Accrued liabilities | 157,973 | - | - | - |
| Due to other governments | - | - | - | - |
| Due to other funds | 1,100 | - | - | - |
| Total liabilities | 286,412 | 12,519 | - | 1,737 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable revenue - property taxes | 126,476 | - | - | - |
| Total deferred inflows of resources | 126,476 | - | - | - |
| **FUND BALANCES** | | | | |
| Fund balances: | | | | |
| Nonspendable for: | | | | |
| Inventory | 6,488 | - | - | - |
| Prepaid items | 164,188 | 6,500 | - | - |
| Restricted for: | | | | |
| Judicial | - | - | - | - |
| Public safety | - | - | - | - |
| Public works | - | 1,747,400 | 1,445,915 | - |
| Capital projects | - | - | - | 531,631 |
| Committed for: | | | | |
| Public safety | - | - | - | - |
| Unassigned | 6,331,916 | - | - | - |
| Total fund balances | 6,502,592 | 1,753,900 | 1,445,915 | 531,631 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 6,915,480 | $ 1,766,419 | $ 1,445,915 | $ 533,368 |

Amounts reported for governmental activities in the statement of net position are different because:
- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.
- Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net position of governmental activities

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

| Capital Projects 2017 SPLOST Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|
| $ 1,100,327 | $ 299,553 | $ 11,375,488 |
| 65,210 | - | 206,170 |
| - | - | 186,207 |
| - | 1,309 | 75,735 |
| - | - | 1,571 |
| - | - | 105,234 |
| - | - | 6,488 |
| - | - | 170,688 |
| $ 1,165,537 | $ 300,862 | $ 12,127,581 |
| | | |
| $ 4,600 | $ 6,628 | $ 152,823 |
| - | - | 157,973 |
| 20,215 | - | 20,215 |
| - | - | 1,100 |
| 24,815 | 6,628 | 332,111 |
| | | |
| - | - | 126,476 |
| - | - | 126,476 |
| | | |
| - | - | 6,488 |
| - | - | 170,688 |
| | | |
| - | 36,369 | 36,369 |
| - | 221,048 | 221,048 |
| - | - | 3,193,315 |
| 1,140,722 | - | 1,672,353 |
| | | |
| - | 36,817 | 36,817 |
| - | - | 6,331,916 |
| 1,140,722 | 294,234 | 11,668,994 |
| | | |
| $ 1,165,537 | $ 300,862 | |
| | | |
| | | 12,461,322 |
| | | 126,476 |
| | | (232,426) |
| | | $ 24,024,366 |

# TAYLOR COUNTY, GEORGIA

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

| | General Fund | Solid Waste Surcharge Fund | Capital Projects T-SPLOST Fund | Capital Projects 2011 SPLOST Fund |
|---|---|---|---|---|
| **Revenues** | | | | |
| Property taxes | $ 2,006,116 | $ - | $ - | $ - |
| Sales tax | 521,899 | - | 612,404 | - |
| Other taxes | 1,394,665 | - | - | - |
| Licenses and permits | 54,830 | - | - | - |
| Intergovernmental | 572,687 | 7,535 | - | - |
| Fines and forfeitures | 243,509 | - | - | - |
| Charges for services | 1,345,511 | 783,355 | - | - |
| Investment income | 3,673 | 146 | 139 | 64 |
| Miscellaneous | 153,442 | 105 | - | - |
| Total revenues | 6,296,332 | 791,141 | 612,543 | 64 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government | 1,009,130 | 107,683 | - | - |
| Judicial | 459,145 | 29,207 | - | - |
| Public safety | 1,783,426 | 31,589 | - | - |
| Public works | 1,593,470 | 61,186 | - | - |
| Health and welfare | 190,756 | - | - | - |
| Culture and recreation | 80,593 | - | - | - |
| Housing and development | 421,937 | 2,442 | - | - |
| Intergovernmental | - | - | - | - |
| Capital outlay | - | - | 456,482 | 280,768 |
| Debt service: | | | | |
| Principal | 10,388 | - | - | - |
| Interest | 46 | - | - | - |
| Total expenditures | 5,548,891 | 232,107 | 456,482 | 280,768 |
| Excess (deficiency) of revenues over (under) expenditures | 747,441 | 559,034 | 156,061 | (280,704) |
| **Other financing sources (uses):** | | | | |
| Transfers in | 200,000 | - | - | - |
| Transfers out | - | (200,000) | - | - |
| Total other financing sources (uses) | 200,000 | (200,000) | - | - |
| Net change in fund balances | 947,441 | 359,034 | 156,061 | (280,704) |
| **Fund balance, beginning of year** | 5,555,151 | 1,394,866 | 1,289,854 | 812,335 |
| **Fund balance, end of year** | $ 6,502,592 | $ 1,753,900 | $ 1,445,915 | $ 531,631 |

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

| Capital Projects 2017 SPLOST Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|
| $ - | $ - | $ 2,006,116 |
| 905,451 | - | 2,039,754 |
| - | - | 1,394,665 |
| - | - | 54,830 |
| - | - | 580,222 |
| - | 79,875 | 323,384 |
| - | 19,402 | 2,148,268 |
| - | 17 | 4,039 |
| - | - | 153,547 |
| 905,451 | 99,294 | 8,704,825 |
| | | |
| - | - | 1,116,813 |
| - | 5,474 | 493,826 |
| - | 56,865 | 1,871,880 |
| - | - | 1,654,656 |
| - | - | 190,756 |
| - | - | 80,593 |
| - | - | 424,379 |
| 280,960 | - | 280,960 |
| 32,675 | - | 769,925 |
| | | |
| - | - | 10,388 |
| - | - | 46 |
| 313,635 | 62,339 | 6,894,222 |
| | | |
| 591,816 | 36,955 | 1,810,603 |
| | | |
| - | - | 200,000 |
| - | - | (200,000) |
| | | |
| - | - | - |
| 591,816 | 36,955 | 1,810,603 |
| | | |
| 548,906 | 257,279 | 9,858,391 |
| | | |
| $ 1,140,722 | $ 294,234 | $ 11,668,994 |

# TAYLOR COUNTY, GEORGIA

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

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net change in fund balances - total governmental funds | $ | 1,810,603 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. | | (304,996) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 12,527 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | 25,089 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | 5,224 |
| Changes in net position - governmental activities | $ | 1,548,447 |

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

# TAYLOR COUNTY, GEORGIA

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

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Property taxes | $ 1,968,283 | $ 2,082,795 | $ 2,006,116 | $ (76,679) |
| Sales tax | 490,000 | 505,000 | 521,899 | 16,899 |
| Other taxes | 879,266 | 1,244,754 | 1,394,665 | 149,911 |
| Licenses and permits | 43,700 | 48,700 | 54,830 | 6,130 |
| Intergovernmental | 505,000 | 535,000 | 572,687 | 37,687 |
| Fines and forfeitures | 221,000 | 221,000 | 243,509 | 22,509 |
| Charges for services | 1,208,546 | 1,253,546 | 1,345,511 | 91,965 |
| Investment income | 2,400 | 2,400 | 3,673 | 1,273 |
| Miscellaneous | 114,200 | 114,200 | 153,442 | 39,242 |
| Total revenues | 5,432,395 | 6,007,395 | 6,296,332 | 288,937 |
| **Expenditures:** | | | | |
| **Current:** | | | | |
| **General government:** | | | | |
| Governing body | 615,209 | 667,324 | 342,628 | 324,696 |
| General administration | 120,200 | 120,200 | 108,531 | 11,669 |
| Tax commissioner | 177,684 | 177,684 | 170,089 | 7,595 |
| Tax assessor | 120,751 | 125,000 | 121,824 | 3,176 |
| Registrar | 81,648 | 81,648 | 70,613 | 11,035 |
| Records management | 5,400 | 5,400 | - | 5,400 |
| Buildings and plant | 191,672 | 225,000 | 195,201 | 29,799 |
| Board of equalization | 3,185 | 3,185 | 244 | 2,941 |
| Total general government | 1,315,749 | 1,405,441 | 1,009,130 | 396,311 |
| **Judicial:** | | | | |
| Superior court | 304,223 | 304,223 | 263,908 | 40,315 |
| Probate court | 190,444 | 190,444 | 179,289 | 11,155 |
| Public defender | 15,948 | 15,948 | 15,948 | - |
| Total judicial | 510,615 | 510,615 | 459,145 | 51,470 |
| **Public safety:** | | | | |
| Sheriff | 720,718 | 750,718 | 708,631 | 42,087 |
| Jail | 588,232 | 600,232 | 553,521 | 46,711 |
| Ambulances | 401,668 | 401,902 | 372,550 | 29,352 |
| Emergency management | 21,912 | 50,000 | 24,570 | 25,430 |
| Fire | 68,694 | 100,000 | 73,168 | 26,832 |
| Coroner | 18,700 | 18,700 | 7,833 | 10,867 |
| Emergency communication | 43,153 | 43,153 | 43,153 | - |
| Total public safety | 1,863,077 | 1,964,705 | 1,783,426 | 181,279 |
| **Public works:** | | | | |
| Roads and bridges | 1,302,577 | 1,648,446 | 1,362,281 | 286,165 |
| Garage | 29,465 | 29,465 | 8,954 | 20,511 |
| Landfill | 213,112 | 230,000 | 222,235 | 7,765 |
| Total public works | 1,545,154 | 1,907,911 | 1,593,470 | 314,441 |

**(Continued)**

# TAYLOR COUNTY, GEORGIA

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

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Expenditures (continued):** | | | | |
| **Current (continued):** | | | | |
| **Health and welfare:** | | | | |
| Health department | $ 120,115 | $ 122,115 | $ 120,823 | $ 1,292 |
| Family and children services | 30,585 | 30,585 | 29,489 | 1,096 |
| Mental retardation | 10,616 | 10,616 | 10,616 | - |
| Council on aging | 27,948 | 29,079 | 27,567 | 1,512 |
| Neighborhood service center | 3,000 | 3,000 | 2,261 | 739 |
| Total health and welfare | 192,264 | 195,395 | 190,756 | 4,639 |
| **Culture and recreation:** | | | | |
| Parks | 46,974 | 60,000 | 55,814 | 4,186 |
| Libraries | 24,779 | 24,779 | 24,779 | - |
| Total culture and recreation | 71,753 | 84,779 | 80,593 | 4,186 |
| **Housing and development:** | | | | |
| County agent | 50,907 | 50,907 | 50,170 | 737 |
| Planning and zoning | 61,176 | 61,176 | 56,324 | 4,852 |
| Transit | 226,195 | 226,195 | 218,424 | 7,771 |
| Airport | 10,000 | 10,237 | 10,237 | - |
| Forestry | 24,042 | 24,042 | 24,042 | - |
| Soil conservation | 36,082 | 36,750 | 36,750 | - |
| Industrial development authority | 62,912 | 62,912 | 25,990 | 36,922 |
| Total housing and development | 471,314 | 472,219 | 421,937 | 50,282 |
| **Debt service** | | | | |
| Principal | 10,388 | 10,388 | 10,388 | - |
| Interest | 46 | 46 | 46 | - |
| Total debt service | 10,434 | 10,434 | 10,434 | - |
| Total expenditures | 5,980,360 | 6,551,499 | 5,548,891 | 1,002,608 |
| Excess (deficiency) of revenues over (under) expenditures | (547,965) | (544,104) | 747,441 | 1,291,545 |
| **Other financing sources:** | | | | |
| Transfers in | 548,199 | 548,199 | 200,000 | (348,199) |
| Total other financing sources | 548,199 | 548,199 | 200,000 | (348,199) |
| Net change in fund balance | 234 | 4,095 | 947,441 | 943,346 |
| **Fund balance, beginning of year** | 5,555,151 | 5,555,151 | 5,555,151 | - |
| **Fund balance, end of year** | $ 5,555,385 | $ 5,559,246 | $ 6,502,592 | $ 943,346 |

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

# TAYLOR COUNTY, GEORGIA

## SOLID WASTE SURCHARGE FUND
## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## BUDGET AND ACTUAL
## FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Intergovernmental | $ 40,000 | $ 40,000 | $ 7,535 | $ (32,465) |
| Charges for services | 800,000 | 800,000 | 783,355 | (16,645) |
| Investment income | 200 | 200 | 146 | (54) |
| Miscellaneous income | 9,800 | 9,800 | 105 | (9,695) |
| Total revenues | 850,000 | 850,000 | 791,141 | (58,859) |
| **Expenditures:** | | | | |
| **Current:** | | | | |
| General government | 268,000 | 268,000 | 107,683 | 160,317 |
| Judicial | 51,500 | 51,500 | 29,207 | 22,293 |
| Public safety | 161,000 | 161,000 | 31,589 | 129,411 |
| Public works | 139,250 | 139,250 | 61,186 | 78,064 |
| Health and welfare | 500 | 500 | - | 500 |
| Housing and development | 3,750 | 3,750 | 2,442 | 1,308 |
| Total expenditures | 624,000 | 624,000 | 232,107 | 391,893 |
| Excess of revenues over expenditures | 226,000 | 226,000 | 559,034 | 333,034 |
| **Other financing uses:** | | | | |
| Transfers out | (200,000) | (200,000) | (200,000) | - |
| Total other financing uses | (200,000) | (200,000) | (200,000) | - |
| Net change in fund balance | 26,000 | 26,000 | 359,034 | 333,034 |
| **Fund balance, beginning of year** | 1,394,866 | 1,394,866 | 1,394,866 | - |
| **Fund balance, end of year** | $ 1,420,866 | $ 1,420,866 | $ 1,753,900 | $ 333,034 |

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

# TAYLOR COUNTY, GEORGIA

## STATEMENT OF NET POSITION
## PROPRIETARY FUNDS
## JUNE 30, 2019

| | Major Enterprise Fund Water and Sewer Fund |
|---|---|
| **ASSETS** | |
| Current assets: | |
| Cash | $ 35,485 |
| Accounts receivable, net of allowance | 1,097 |
| Total current assets | 36,582 |
| Capital assets: | |
| Capital assets, depreciable, net of accumulated depreciation | 659,394 |
| Total assets | 695,976 |
| **LIABILITIES** | |
| Current liabilities: | |
| Accounts payable | 378 |
| Due to other funds | 471 |
| Total current liabilities | 849 |
| **NET POSITION** | |
| Investment in capital assets | 659,394 |
| Unrestricted | 35,733 |
| Total net position | $ 695,127 |

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

# TAYLOR COUNTY, GEORGIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
## PROPRIETARY FUNDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Major Enterprise Fund Water and Sewer Fund |
|---|---|
| **Operating revenues:** | |
| Charges for services: | |
| Water and sewer sales | $ 14,926 |
| Total operating revenues | 14,926 |
| **Operating expenses:** | |
| Repairs and maintenance | 2,246 |
| Utilities | 3,831 |
| Dues and supplies | 6,513 |
| Depreciation | 25,894 |
| Total operating expenses | 38,484 |
| Change in net position | (23,558) |
| **Net position, beginning of year** | 718,685 |
| **Net position, end of year** | $ 695,127 |

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

# TAYLOR COUNTY, GEORGIA

## STATEMENT OF CASH FLOWS
## PROPRIETARY FUNDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | Major Enterprise Fund Water and Sewer Fund |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Receipts from customers | $ 15,536 |
| Payments to suppliers and service providers | (12,590) |
| Net cash provided by operating activities | 2,946 |
| Net increase in cash and cash equivalents | 2,946 |
| **Cash and cash equivalents:** | |
| Beginning of year | 32,539 |
| End of year | $ 35,485 |
| **Reconciliation of operating loss to net cash provided by operating activities:** | |
| Operating loss | $ (23,558) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation | 25,894 |
| Decrease in accounts receivable | 610 |
| Net cash provided by operating activities | $ 2,946 |

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

# TAYLOR COUNTY, GEORGIA

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

| | Agency Funds |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $ 236,217 |
| Taxes receivable | 308,149 |
| Total assets | $ 544,366 |
| **LIABILITIES** | |
| Due to others | $ 236,217 |
| Uncollected taxes | 308,149 |
| Total liabilities | $ 544,366 |

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### A. Reporting Entity

The County is governed by an elected five-member Board of Commissioners. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the County (the "Primary Government") and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61, the financial statements of the component units are discretely presented in the financial statements.

The Taylor County Airport Authority (the "Airport Authority") was established as a legally separate entity in 1994 and given the power to acquire, construct, equip, maintain, operate, own, and improve airports and landing fields for the use of aircraft and related buildings and equipment. The five members of the Airport Authority are appointed by the Board of Commissioners.

The Taylor County Recreation Commission (the "Commission") was established as a legally separate entity in 1946. The Commission is governed by a six-member board composed of two members from the County and two from the City of Reynolds and the City of Butler. The County approves the budget of the Commission, and carries out its day-to-day operations.

The Taylor County Building Authority (the "Building Auhority") was established as a legally separate entity in 1995 and is responsible for the operations of the Taylor County Multi-Purpose Facility. The five members of the Building Authority are appointed by the Board of Commissioners.

The Taylor County Department of Public Health (the "Health Department") is governed by a seven-member board, of which four members are appointed by the governing authority of the County. The County approves the required local match portion of the budget requested by the Health Department which is administered by the appointed Board of the Health Department. The Health Department's financial statements have been presented separately and can be obtained by writing to the Taylor County Department of Public Health, P.O. Box 158, Butler, Georgia 31006.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### A. Reporting Entity (Continued)

The Taylor County Development Authority (the "Development Authority") was established as a legally separate entity in 1984. The seven members of the Development Authority are appointed by the Board of Commissioners.

The Development Authority, the Airport Authority, the Recreation Commission and the Building Authority are audited along with the primary government financial statements in accordance with GASB Statement No. 14. However, separate financial statements are not prepared.

### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. The agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the County's financial activity.

The County reports the following major governmental funds:

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***Solid Waste Surcharge Fund*** is a special revenue fund used to account for the funds received from the use of the S.R. 137 landfill in accordance with the Official Code of Georgia Annotated ("O.C.G.A.") §12-8-39.

The ***T-SPLOST Fund*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by Transportation Special Purpose Local Option Sales Tax proceeds.

The ***SPLOST 2011 Fund*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by 2011 Special Purpose Local Option Sales Tax proceeds.

The ***SPLOST 2017 Fund*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by 2017 Special Purpose Local Option Sales Tax proceeds.

The County reports the following major proprietary fund:

The ***Water and Sewer Fund*** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***Agency Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. These include the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

### D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund and each special revenue fund. Project length budgets are adopted for the capital projects fund. All annual appropriations lapse at fiscal year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit or assign that portion of the applicable appropriation, is not employed by the County.

### E. Deposits and Investments

For purposes of the statement of cash flows, the Water and Sewer Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments are reported at fair value. At June 30, 2019, the County has no investments.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### F. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

### G. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (“FIFO”) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

### H. 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.

### I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $1,500 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 their acquisition value at the date of donation. In accordance with GASB Statement No. 34, the County has elected not to include infrastructure acquired or constructed prior to July 1, 2003.

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### I. Capital Assets (Continued)

Capital assets of the primary government and component units are depreciated using the straight-line method over the following useful lives:

| Asset Category | Years |
|---|---|
| Land improvements | 15 – 20 |
| Buildings and improvements | 15 – 40 |
| Machinery and equipment | 5 – 10 |
| Infrastructure | 20 – 50 |
| Water system | 40 |

### J. 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 County does not have a policy to pay any amount when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund 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 or retirements.

### K. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### L. Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and No. 65, *Items Previously Reported as Assets and Liabilities*, have established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2019, the County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

### M. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

***Fund Balance –*** Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### M. Fund Equity (Continued)

***Fund Balance (Continued)***

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash) or b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

***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: 1) committed, 2) assigned, and 3) unassigned.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### M. Fund Equity (Continued)

***Flow Assumptions (Continued)***

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

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

### N. Use of Estimates

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

### O. Tax Abatement Agreements

During the year ended June 30, 2017, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues.

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $232,426 difference are as follows:

| | | |
|---|---|---|
| Landfill post-closure costs | $ | (88,000) |
| Compensated absences | | (144,426) |
| Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities* | $ | (232,426) |

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $304,996 difference are as follows:

| | | |
|---|---|---|
| Capital outlay | $ | 415,342 |
| Depreciation expense | | (720,338) |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities* | $ | (304,996) |

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

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

Another element of the reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this $25,089 difference are as follows:

| | | |
|---|---|---|
| Principal repayments: | | |
| Capital leases | $ | 14,089 |
| Landfill post-closure costs | | 11,000 |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities* | $ | 25,089 |

## NOTE 3. LEGAL COMPLIANCE - BUDGETS

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

1. Prior to May 1, the Department Heads submit to the County Manager proposed operating budgets for the fiscal year commencing the following July 1, for the General Fund and each special revenue fund. The operating budget includes proposed expenditures and the means of financing them. The proposed budgets are then submitted to the Board of Commissioners by the County Manager for study.

2. Public hearings are conducted at the courthouse to obtain taxpayer comments.

3. The budget is legally adopted by the Board of Commissioners.

4. Any revisions of the budget must be approved by the Board of Commissioners.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and each special revenue fund.

## NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

6. Budgets for the General Fund and each special revenue fund were adopted on a basis consistent with GAAP.

Budgeted amounts are as originally adopted on June 30, 2018, or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations.

## NOTE 4. DEPOSITS AND INVESTMENTS

**Credit Risk.** State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County had no investments as of June 30, 2019.

**Interest Rate Risk.** The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2019, the deposits maintained by the County at one financial institution were under collateralized by $89,858, as defined by GASB pronouncements and the State of Georgia.

## NOTE 5. RECEIVABLES

Property taxes attach as an enforceable lien on property as of December 20, 2018. Taxes were levied on September 20, 2018, and payable on or before December 20, 2018. The County bills and collects its own property taxes. Property taxes levied for 2018 are recorded as receivables, net of estimated uncollectibles.

The net receivables collected during the year ended June 30, 2019, and expected to be collected by August 31, 2019, are recognized as revenues in the year ended June 30, 2019. Net receivables estimated to be collectible subsequent to August 31, 2019, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

## NOTE 5. RECEIVABLES (CONTINUED)

Receivables consisted of the following at June 30, 2019:

| | General | Solid Waste Surcharge | T-SPLOST | 2017 SPLOST |
|---|---|---|---|---|
| Receivables: | | | | |
| Taxes | $ 183,119 | $ - | $ - | $ 65,210 |
| Accounts | 112,208 | 69,324 | 4,675 | - |
| Due from other governments | 74,426 | - | - | - |
| Gross receivables | 369,753 | 69,324 | 4,675 | 65,210 |
| Less allowance | 42,159 | - | - | - |
| Net total receivables | $ 327,594 | $ 69,324 | $ 4,675 | $ 65,210 |

| | Water and Sewer Fund | Nonmajor Governmental Funds | Total |
|---|---|---|---|
| Receivables: | | | |
| Taxes | $ - | $ - | $ 248,329 |
| Accounts | 1,264 | - | 187,471 |
| Due from other governments | - | 1,309 | 75,735 |
| Gross receivables | 1,264 | 1,309 | 511,535 |
| Less allowance | 167 | - | 42,326 |
| Net total receivables | $ 1,097 | $ 1,309 | $ 469,209 |

## NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 368,946 | $ 20,402 | $ - | $ 389,348 |
| Construction in progress | - | 26,475 | - | 26,475 |
| Total | 368,946 | 46,877 | - | 415,823 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 94,295 | - | - | 94,295 |
| Buildings and improvements | 8,287,193 | 82,330 | - | 8,369,523 |
| Machinery and equipment | 6,669,903 | 280,135 | - | 6,950,038 |
| Infrastructure | 6,261,635 | 6,000 | - | 6,267,635 |
| Total | 21,313,026 | 368,465 | - | 21,681,491 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 93,444 | 212 | - | 93,656 |
| Buildings and improvements | 2,973,374 | 224,891 | - | 3,198,265 |
| Machinery and equipment | 5,021,102 | 369,963 | - | 5,391,065 |
| Infrastructure | 827,734 | 125,272 | - | 953,006 |
| Total | 8,915,654 | 720,338 | - | 9,635,992 |
| Total capital assets, being depreciated, net | 12,397,372 | (351,873) | - | 12,045,499 |
| Governmental activities capital assets, net | $ 12,766,318 | $ (304,996) | $ - | $ 12,461,322 |

## NOTE 6. CAPITAL ASSETS (CONTINUED)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Business-type activities:** | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | $ 7,800 | $ - | $ - | $ 7,800 |
| Water system | 1,002,766 | - | - | 1,002,766 |
| Total | 1,010,566 | - | - | 1,010,566 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 4,246 | 1,561 | - | 5,807 |
| Water system | 321,032 | 24,333 | - | 345,365 |
| Total | 325,278 | 25,894 | - | 351,172 |
| Total capital assets, being depreciated, net | 685,288 | (25,894) | - | 659,394 |
| Business-type activities capital assets, net | $ 685,288 | $ (25,894) | $ - | $ 659,394 |

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

| | |
|---|---|
| Governmental activities | |
| General government | $ 87,786 |
| Judicial | 4,180 |
| Public safety | 263,906 |
| Public works | 293,803 |
| Health and welfare | 32,531 |
| Culture and recreation | 31,859 |
| Housing and development | 6,273 |
| Total depreciation expense - governmental activities | $ 720,338 |
| Business-type activities: | |
| Water and sewer | $ 25,894 |
| Total depreciation expense - business-type activities | $ 25,894 |

## NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Taylor County Development Authority for the fiscal year ended June 30, 2019, is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land | $ 106,368 | $ - | $ - | $ 106,368 |
| Capital assets, being depreciated: | | | | |
| Equipment | 6,889 | - | - | 6,889 |
| Building | 151,302 | - | - | 151,302 |
| Total | 158,191 | - | - | 158,191 |
| Less accumulated depreciation for: | | | | |
| Equipment | 2,041 | 985 | - | 3,026 |
| Building | 6,080 | 3,461 | - | 9,541 |
| Total | 8,121 | 4,446 | - | 12,567 |
| Total capital assets, being depreciated, net | 150,070 | (4,446) | - | 145,624 |
| Capital assets, net | $ 256,438 | $ (4,446) | $ - | $ 251,992 |

Capital asset activity for the Taylor County Airport Authority for the fiscal year ended June 30, 2019, is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land | $ 1,181,299 | $ - | $ - | $ 1,181,299 |
| Construction in progress | 386,706 | - | 386,706 | - |
| Total | 1,568,005 | - | 386,706 | 1,181,299 |
| Capital assets, being depreciated: | | | | |
| Equipment | 7,209 | - | - | 7,209 |
| Buildings | 400,536 | - | - | 400,536 |
| Infrastructure | 3,385,311 | 103,820 | (386,706) | 3,875,837 |
| Total | 3,793,056 | 103,820 | (386,706) | 4,283,582 |
| Less accumulated depreciation for: | | | | |
| Equipment | 7,209 | - | - | 7,209 |
| Buildings | 67,758 | 26,702 | - | 94,460 |
| Infrastructure | 600,153 | 81,910 | - | 682,063 |
| | 675,120 | 108,612 | - | 783,732 |
| Total capital assets, being depreciated, net | 3,117,936 | (4,792) | (386,706) | 3,499,850 |
| Capital assets, net | $ 4,685,941 | $ (4,792) | $ - | $ 4,681,149 |

## NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Taylor County Building Authority for the fiscal year ended June 30, 2019, is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets, being depreciated: | | | | |
| Building | $ 1,558,339 | $ - | $ - | $ 1,558,339 |
| Less accumulated depreciation for: | | | | |
| Building | 566,547 | 39,958 | - | 606,505 |
| Total capital assets, being depreciated, net | 991,792 | (39,958) | - | 951,834 |
| Capital assets, net | $ 991,792 | $ (39,958) | $ - | $ 951,834 |

## NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the primary government for the fiscal year ended June 30, 2019:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Capital leases | $ 14,089 | $ - | $ 14,089 | $ - | $ - |
| Landfill post-closure | 99,000 | - | 11,000 | 88,000 | 11,000 |
| Compensated absences | 149,650 | 90,547 | 95,771 | 144,426 | 115,541 |
| Totals | $ 262,739 | $ 90,547 | $ 120,860 | $ 232,426 | $ 126,541 |

For governmental activities, compensated absences are ordinarily liquidated by the General Fund, while landfill post-closure costs are liquidated by the Solid Waste Surcharge Fund.

**Conduit Debt Obligations – Development Authority.** During the past four fiscal years, the Development Authority has issued seven separate revenue bonds to acquire capital projects consisting of equipment which will be used in solar energy facilities. The issuances total $765,000,000. The acquired equipment will be leased to a third party. The Development Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

## NOTE 8. INTERFUND TRANSACTIONS

As of June 30, 2019, the General Fund had a payable to the Solid Waste Surcharge Fund of $1,100 and the Water and Sewer Fund had a payable to the General Fund of $471.

This balance resulted from the time lag between the dates that payments between funds are made.

The Solid Waste Surcharge Fund transferred $200,000 to the General Fund during the year ended June 30, 2019.

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

## NOTE 9. OPERATING LEASES

The County has two two-year lease agreements for excavators and three five-year leases motor graders all used for public works. For the year ended June 30, 2019, rent expense under these leases totaled $147,969.

Future minimum lease payments for the leases are as follow:

| Year ending June 30, | Amount |
|---|---|
| 2020 | $ 271,639 |
| 2021 | 89,269 |
| Total | $ 360,908 |

## NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

### A. Plan Description

The Taylor County, Georgia Retirement Plan (the “Plan”) is a defined contribution plan which was established and may be amended by the County to provide benefits at retirement to general employees of the County. The plan is administered by Nationwide Life Insurance Company. Plan members are not required to contribute to this plan. The County is required to contribute 5% of annual covered payroll. Plan provisions and contribution requirements are established and may be amended by the Taylor County Board of Commissioners. Total contributions made to the plan by the County during the fiscal year ended June 30, 2019, were $97,438.

## NOTE 10. DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

### B. Significant Accounting Policies

Basis of Accounting: The plan financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due.

Methods Used to Value Investments: Plan investments are reported at fair value. Short-term investments are purchased at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

## NOTE 11. LANDFILL POST-CLOSURE COSTS

Effective July 16, 1990, the Taylor County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate post-closure costs of approximately $88,000 over the remaining eight year period. These costs are based on what it would cost to perform all post-closure care in 2019. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

## NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases commercial insurance to cover property and liability and professional liability claims.

The County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool; to cooperate with the pool’s agents and attorneys; to follow loss reduction procedures established by the fund; and to report as promptly as possible, 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 pool’s agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

## NOTE 12. RISK MANAGEMENT (CONTINUED)

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. 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.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

## NOTE 13. JOINT VENTURE

**River Valley Regional Commission**

Under Georgia law, the County, in conjunction with other cities and counties in the 16-county west central Georgia area, is a member of the River Valley Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended June 30, 2019, the County paid $5,303 in such dues. Membership in an RC is required by O.C.G.A. §50-8-34 which provides for the organizational structure of the RC in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from: River Valley Regional Commission, 228 West Lamar Street, Americus, Georgia 31709.

**Middle Flint Regional E-911 Authority**

The Middle Flint Regional E-911 Authority (the "E-911 Authority") is comprised of eight board members: two appointed by the County and the remaining six appointed by the other representative counties. The County allocated to the E-911 Authority $43,153 during the year to assist with general operating expenses. The County's governing body does not approve the budget nor does it have any oversight of the day-to-day operations of the E-911 Authority. The E-911 Authority was established to provide emergency communications services to Dooly, Macon, Marion, Schley, Sumter, Taylor and Webster counties. Separate financial statements may be obtained from: Middle Flint Regional E-911 Authority, 222 Hayes Avenue, Ellaville, Georgia 31806.

## NOTE 14. COMMITMENTS AND CONTINGENCIES

### Litigation

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

### Grant Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

## NOTE 15. TAX ABATEMENT AGREEMENTS

State statutes control the creation and operation of Development Authorities under O.C.G.A. §36-62. The PILOT Restriction Act defined in O.C.G.A. §36-80-16 provides an Authority permission to issue revenue bonds for capital projects for private companies and arrange for payments in lieu of taxes so long as each of the local governments that have property tax levying authority in the area in which such capital project is located consents by ordinance or resolution. The County participates in agreements with the Development Authority to provide tax abatements to foster economic development. The agreements provide for the real property and equipment of the projects to be acquired with bond proceeds titled in the name of the Authority applicable, and the Authority leases the projects back to the companies. The Authority pays no property tax on its real or personal property. To compensate local jurisdictions for the taxes that would have otherwise been paid during the term of the leases, the projects provide a PILOT (payment in lieu of tax).

The County entered into property tax abatement agreements with multiple companies related to capital projects consisting of equipment which will be used in solar energy facilities. The County entered into these agreements for the purpose of increasing the property tax base. Under these agreements, the County did not assess personal property taxes during the construction phase of the solar energy facilities. These tax abatement agreements are issued on a case-by-case basis for each project. In return for the abatement, the companies commit to a community investment goal, which range from $25,000,000 to $145,000,000 for the various projects.

During the year ended June 30, 2019, the County abated an estimated $1,892,536 in personal property taxes. These tax abatements during the current year represent 100% of the estimated assessed personal property values.

# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

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

**Law Library Fund** – To account for costs of operating and maintaining the Taylor County Law Library. Financing is provided from a $2 charge added to and collected on all costs in civil and criminal cases.

**Special Purpose Drug Fund** – To account for monies deemed as forfeited property by courts to the County from cases related to illegal drug activity and the disbursement of these funds for drug prevention activities.

**Drug Education Fund** – To account for fines collected as required by state law for drug abuse treatment and educational purposes.

**Inmate Fund** – To account for revenues from telephone commissions at the Sheriff's Office and the disbursement of these funds for items to benefit the inmates.

# TAYLOR COUNTY, GEORGIA

## COMBINING BALANCE SHEET
## NONMAJOR GOVERNMENTAL FUNDS
## JUNE 30, 2019

| | Special Revenue | | | | | |
|---|---|---|---|---|---|---|
| | Jail Fund | Law Library Fund | Special Purpose Drug Fund | Drug Education Fund | Inmate Fund | Totals |
| **ASSETS** | | | | | | |
| Cash | $ 137,062 | $ 36,369 | $ 34,767 | $ 48,321 | $ 43,034 | $ 299,553 |
| Due from other governments | 979 | - | - | 330 | - | 1,309 |
| Total assets | $ 138,041 | $ 36,369 | $ 34,767 | $ 48,651 | $ 43,034 | $ 300,862 |
| **LIABILITIES** | | | | | | |
| Accounts payable | $ - | $ - | $ - | $ 411 | $ 6,217 | $ 6,628 |
| Total liabilities | - | - | - | 411 | 6,217 | 6,628 |
| **FUND BALANCES** | | | | | | |
| Restricted for: | | | | | | |
| Judicial | - | 36,369 | - | - | - | 36,369 |
| Public safety | 138,041 | - | 34,767 | 48,240 | - | 221,048 |
| Committed for: | | | | | | |
| Public safety | - | - | - | - | 36,817 | 36,817 |
| Total fund balances | 138,041 | 36,369 | 34,767 | 48,240 | 36,817 | 294,234 |
| Total liabilities and fund balances | $ 138,041 | $ 36,369 | $ 34,767 | $ 48,651 | $ 43,034 | $ 300,862 |

# TAYLOR COUNTY, GEORGIA

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

| | Special Revenue | | | | | |
|---|---|---|---|---|---|---|
| | Jail Fund | Law Library Fund | Special Purpose Drug Fund | Drug Education Fund | Inmate Fund | Totals |
| **Revenues:** | | | | | | |
| Fines and forfeitures | $ 37,753 | $ 5,406 | $ 28,469 | $ 8,247 | $ - | $ 79,875 |
| Charges for services | - | - | - | - | 19,402 | 19,402 |
| Investment income | 12 | - | - | 5 | - | 17 |
| Total revenues | 37,765 | 5,406 | 28,469 | 8,252 | 19,402 | 99,294 |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| Judicial | - | 5,474 | - | - | - | 5,474 |
| Public safety | 7,704 | - | 24,579 | 6,265 | 18,317 | 56,865 |
| Total expenditures | 7,704 | 5,474 | 24,579 | 6,265 | 18,317 | 62,339 |
| Excess (deficiency) of revenues over (under) expenditures | 30,061 | (68) | 3,890 | 1,987 | 1,085 | 36,955 |
| Net change in fund balances | 30,061 | (68) | 3,890 | 1,987 | 1,085 | 36,955 |
| **Fund balances, beginning of year** | 107,980 | 36,437 | 30,877 | 46,253 | 35,732 | 257,279 |
| **Fund balances, end of year** | $ 138,041 | $ 36,369 | $ 34,767 | $ 48,240 | $ 36,817 | $ 294,234 |

# TAYLOR COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2011 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| Project Description Per SPLOST Referendum | Estimated Cost | | Expenditures | | |
|---|---|---|---|---|---|
| | Original | Current | Prior Years | Current Year | Total |
| Construction of County Courthouse | $ 500,000 | $ 500,000 | $ 226,075 | $ - | $ 226,075 |
| Construction of Recreational Facilities | 150,000 | 150,000 | 69,458 | 3,429 | 72,887 |
| Construction of Public Safety Facilities | 100,000 | 100,000 | 37,635 | - | 37,635 |
| Construction of County Communication Equipment | 100,000 | 100,000 | 11,752 | - | 11,752 |
| Construction of Fire Protection and Rescue Facilities | 650,000 | 650,000 | 194,768 | 229,280 | 424,048 |
| Construction and Repair of Roads, Streets and Bridges | 4,020,000 | 4,020,000 | 2,096,104 | 48,059 | 2,144,163 |
| City of Butler | 1,360,000 | 1,360,000 | 877,484 | - | 877,484 |
| City of Reynolds | 1,120,000 | 1,120,000 | 722,637 | - | 722,637 |
| | $ 8,000,000 | $ 8,000,000 | $ 4,235,913 | $ 280,768 | $ 4,516,681 |

# TAYLOR COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| Project Description Per SPLOST Referendum | Estimated Cost | | Expenditures | | |
|---|---|---|---|---|---|
| | Original | Current | Prior Years | Current Year | Total |
| Construction of County Courthouse | $ 715,000 | $ 715,000 | $ - | $ - | $ - |
| Construction of Recreational Facilities | 600,000 | 600,000 | - | - | - |
| Purchase of Public Safety Equipment | 1,080,000 | 1,080,000 | - | 26,475 | 26,475 |
| Purchase of Fire Equipment | 355,000 | 355,000 | - | 6,200 | 6,200 |
| Construction of Administration Buildings | 150,000 | 150,000 | - | - | - |
| Construction and Repair of Roads, Streets and Bridges | 4,000,000 | 4,000,000 | 669 | - | 669 |
| City of Butler | 1,700,000 | 1,700,000 | 135,402 | 154,197 | 289,599 |
| City of Reynolds | 1,400,000 | 1,400,000 | 111,508 | 126,763 | 238,271 |
| | $ 10,000,000 | $ 10,000,000 | $ 247,579 | $ 313,635 | $ 561,214 |

# AGENCY FUNDS

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

**Clerk of Superior Court** – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Probate Court** – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Magistrate Court** – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Sheriff** – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

# TAYLOR COUNTY, GEORGIA

## COMBINING BALANCE SHEET
## AGENCY FUNDS
## JUNE 30, 2019

| | Tax Commissioner | Clerk of Superior Court | Probate Court | Magistrate Court | Sheriff | Total |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash | $ 116,359 | $ 102,693 | $ 4,648 | 9,167 | $ 3,350 | $ 236,217 |
| Taxes receivable | 308,149 | - | - | - | - | 308,149 |
| Total assets | $ 424,508 | $ 102,693 | $ 4,648 | $ 9,167 | $ 3,350 | $ 544,366 |
| **LIABILITIES** | | | | | | |
| Due to others | $ 116,359 | $ 102,693 | $ 4,648 | $ 9,167 | $ 3,350 | $ 236,217 |
| Uncollected taxes | 308,149 | - | - | - | - | 308,149 |
| Total liabilities | $ 424,508 | $ 102,693 | $ 4,648 | $ 9,167 | $ 3,350 | $ 544,366 |

# COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

**Board of Commissioners**
**of Taylor County, Georgia**
**Butler, Georgia**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Taylor County, Georgia (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 18, 2019. Our report includes a reference to other auditors who audited the financial statements of the Taylor County Department of Public Health, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting on compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2019 – 002 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2019 – 001 to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or another matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2019 – 003.

**Taylor County, Georgia's Responses to Findings**

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

**Purpose of this Report**

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 18, 2019

# TAYLOR COUNTY, GEORGIA

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

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## SECTION I
## SUMMARY OF AUDIT RESULTS

***Financial Statements***

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

***Federal Awards***

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

# TAYLOR COUNTY, GEORGIA

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

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## SECTION II
## FINANCIAL STATEMENT FINDINGS AND RESPONSES

**2019 – 001. Segregation of Duties**

**Condition:** Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County.

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

**Context:** Several instances of overlapping duties were noted during interviews regarding internal control procedures. This was noted in the following offices/departments:

- Finance – The same individual is involved with accounts payable, cash disbursements, and general ledger maintenance. Also, the same individual is involved with payroll, personnel records, and general ledger maintenance.
- Water – The same individual is involved with billing, collection, posting to the general ledger, and maintenance of accounts receivable.
- Clerk of Court – The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process.
- Probate/Magistrate Court – The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process. Also, the same individual is involved with preparing the checks and approving the amounts to be paid.
- Sheriff's Office – The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process. Additionally, no one reviews the bank reconciliations.
- Tax Commissioner – The same individual is involved in with opening the mail and recording the receipts. The same individual is involved with the receipting process and the bank reconciliation process. Also, the same individual is involved with the billing and collection function. Additionally, no one reviews the bank reconciliations.
- Development Authority – The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process. Additionally, no one reviews the bank reconciliations.

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

# TAYLOR COUNTY, GEORGIA

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

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## SECTION II
## FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

**2019 – 001. Segregation of Duties (Continued)**

**Recommendation:** The duties of recording, distribution, and reconciliation of accounts should be segregated among employees. There should also be a process in which an individual reviews the bank reconciliations and documents their approval of them.

**Views of Responsible Officials and Planned Corrective Action:** We concur. The offices are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

**2019–002. Capital Assets**

**Criteria:** Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including capital assets.

**Condition:** The County did not appropriately record all capital asset transactions in the Airport Authority, Building Authority, and the Development Authority during the year ended June 30, 2019.

**Context/Cause:** See above condition.

**Effect:** As of June 30, 2019, audit adjustments were required to increase depreciation expense and accumulated depreciation by:

- $106,613 in the Airport Authority
- $39,957 in the Building Authority
- $4,445 in the Development Authority

**Recommendation:** We recommend the County record all capital asset transactions appropriately as they occur during the year.

**Views of Responsible Officials and Planned Corrective Action:** We concur. We will record all capital asset transactions appropriately as they occur during the year.

# TAYLOR COUNTY, GEORGIA

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

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## SECTION II
## FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

**2019 – 003. Undercollateralization of County Deposits**

**Criteria:** The Official Code of Georgia Annotated ("O.C.G.A.") §45-8-12(c) requires all depositories of public funds to pledge securities of not less than 110% of the uninsured deposited public funds.

**Condition:** For the year ended June 30, 2019, the County's deposits with one financial institutions were not properly collateralized.

**Context:** The financial institution holding the deposits of the County did not pledge sufficient collateral for the County's deposits to comply with state law.

**Effect:** The County's total deposits in excess of depository insurance were not properly collateralized, allowing for the possibility of loss of assets if the financial institution were to become insolvent.

**Cause:** See above context.

**Recommendation:** We recommend the County obtain monthly pledging reports from all financial institutions holding County deposits. Additionally, we recommend the County compare the monthly pledging report to the deposits held by each financial institution to ensure compliance with the 110% collateral pledge requirement of the O.C.G.A.

**Views of Responsible Officials and Planned Corrective Action:** We concur. This collateralization issue will be resolved for fiscal year 2020. We will begin monitoring the pledging of collateral on a regular basis to ensure compliance with state law.

# TAYLOR COUNTY, GEORGIA

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

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## SECTION III
## FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

# TAYLOR COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**2018 – 001. Segregation of Duties**

**Condition:** Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County.

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

**Auditee Response/Status:** Unresolved. See current year finding number 2019 – 001.

**2018 – 002. Capital Assets**

**Criteria:** Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including capital assets.

**Condition:** The County did not appropriately record all capital asset transactions in the Airport Authority and the Development Authority during the year ended June 30, 2018.

**Auditee Response/Status:** Unresolved. See current year finding number 2019 – 002.

**2018 – 003. Undercollateralization of County Deposits**

**Criteria:** The Official Code of Georgia Annotated ("O.C.G.A.") §45-8-12(c) requires all depositories of public funds to pledge securities of not less than 110% of the uninsured deposited public funds.

**Condition:** For the year ended June 30, 2018, the County's deposits with one financial institutions were not properly collateralized.

**Auditee Response/Status:** Unresolved. See current year finding number 2019 – 003.