TAYLOR COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

TAYLOR COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

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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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Taylor County Department of Public Health, which represent 6%, 2%, and 34%, 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 obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2020, 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'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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, 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 23, 2020, 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 23, 2020

BASIC FINANCIAL STATEMENTS

TAYLOR COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 13,840,089	$ 38,274	$ 13,878,363
Receivables, net of allowances:			
Taxes receivable	303,839	-	303,839
Accounts receivable	265,115	208	265,323
Due from other governments	116,388	-	116,388
Due from component units	196,034	-	196,034
Internal balances	471	(471)	-
Inventories	2,978	-	2,978
Prepaid items	186,072	-	186,072
Capital assets, nondepreciable	389,348	-	389,348
Capital assets, depreciable, net of accumulated depreciation	12,457,613	633,500	13,091,113
Total assets	27,757,947	671,511	28,429,458
DEFERRED OUTFLOWS OF RESOURCES			
Pension and OPEB plans	-	-	-
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable	197,313	378	197,691
Accrued liabilities	106,807	-	106,807
Due to other governments	30,357	-	30,357
Due to primary government	-	-	-
Capital leases due within one year	49,544	-	49,544
Capital leases due in more than one year	200,828	-	200,828
Compensated absences due within one year	110,578	-	110,578
Compensated absences due in more than one year	27,644	-	27,644
Landfill post-closure costs due within one year	11,000	-	11,000
Landfill post-closure costs due in more than one year	66,000	-	66,000
Net OPEB liability	-	-	-
Net pension liability	-	-	-
Total liabilities	800,071	378	800,449

Component Units				
Department of Public Health	Development Authority	Recreation Commission	Airport Authority	Building Authority
$ 502,037	$ 986,408	$ 3,884	$ 102,842	$ 75,887
-	-	-	-	-
19,103	-	-	450	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	257,606	-	1,465,895	-
5,522	140,305	-	3,541,748	911,877
526,662	1,384,319	3,884	5,110,935	987,764
100,407	-	-	-	-
100,407	-	-	-	-
16,872	-	1,790	69,336	-
-	-	-	-	-
-	-	-	-	-
-	-	91,034	105,000	-
-	-	-	-	-
-	-	-	-	-
8,542	-	-	-	-
15,474	-	-	-	-
-	-	-	-	-
-	-	-	-	-
33,890	-	-	-	-
276,808	-	-	-	-
351,586	-	92,824	174,336	-

(Continued)

TAYLOR COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Pension and OPEB plans	$ -	$ -	$ -
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	12,596,589	633,500	13,230,089
Restricted for:			
Judicial	39,146	-	39,146
Public safety	241,739	-	241,739
Public works	4,043,666	-	4,043,666
Capital projects	1,737,068	-	1,737,068
Other purposes	-	-	-
Unrestricted	8,299,668	37,633	8,337,301
Total net position	$ 26,957,876	$ 671,133	$ 27,629,009

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
$ 109,791	$ -	$ -	$ -	$ -
109,791	-	-	-	-
5,522	397,911	-	5,007,643	911,877
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
25,543	-	-	-	-
134,627	986,408	(88,940)	(71,044)	75,887
$ 165,692	$ 1,384,319	$ (88,940)	$ 4,936,599	$ 987,764

TAYLOR COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 1,649,069	$ 251,608	$ 17,256	$ -
Judicial	504,156	170,274	-	-
Public safety	2,154,552	620,621	14,895	-
Public works	1,453,439	1,808,025	-	493,353
Health and welfare	189,389	121,770	99,032	-
Culture and recreation	215,801	-	-	-
Housing and development	465,157	16,321	-	-
Interest on long-term debt	1,711	-	-	-
Total governmental activities	6,633,274	2,988,619	131,183	493,353
Business-type activities:				
Water and sewer	38,098	14,104	-	-
Total business-type activities	38,098	14,104	-	-
Total primary government	$ 6,671,372	$ 3,002,723	$ 131,183	$ 493,353
Component units:				
Department of Public Health	$ 314,449	$ 130,878	$ 301,290	$ -
Development Authority	66,593	-	290,890	-
Recreation Commission	142,364	34,204	89,075	-
Airport Authority	173,584	18,960	248,804	140,071
Building Authority	58,536	24,819	-	-
Total component units	$ 755,526	$ 208,861	$ 930,059	$ 140,071
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
$ (1,380,205)	$ -	$ (1,380,205)	$ -	$ -	$ -	$ -	$ -
(333,882)	-	(333,882)	-	-	-	-	-
(1,519,036)	-	(1,519,036)	-	-	-	-	-
847,939	-	847,939	-	-	-	-	-
31,413	-	31,413	-	-	-	-	-
(215,801)	-	(215,801)	-	-	-	-	-
(448,836)	-	(448,836)	-	-	-	-	-
(1,711)	-	(1,711)	-	-	-	-	-
(3,020,119)	-	(3,020,119)	-	-	-	-	-
-	(23,994)	(23,994)	-	-	-	-	-
-	(23,994)	(23,994)	-	-	-	-	-
(3,020,119)	(23,994)	(3,044,113)	-	-	-	-	-
-	-	-	117,719	-	-	-	-
-	-	-	-	224,297	-	-	-
-	-	-	-	-	(19,085)	-	-
-	-	-	-	-	-	234,251	-
-	-	-	-	-	-	-	(33,717)
-	-	-	117,719	224,297	(19,085)	234,251	(33,717)
2,267,752	-	2,267,752	-	-	-	-	-
2,090,821	-	2,090,821	-	-	-	-	-
1,593,317	-	1,593,317	-	-	-	-	-
1,739	-	1,739	113	-	-	-	-
5,953,629	-	5,953,629	113	-	-	-	-
2,933,510	(23,994)	2,909,516	117,832	224,297	(19,085)	234,251	(33,717)
24,024,366	695,127	24,719,493	47,860	1,160,022	(69,855)	4,702,348	1,021,481
$ 26,957,876	$ 671,133	$ 27,629,009	$ 165,692	$ 1,384,319	$ (88,940)	$ 4,936,599	$ 987,764

TAYLOR COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Solid Waste Surcharge Fund	Capital Projects T-SPLOST Fund	Capital Projects 2011 SPLOST Fund
ASSETS				
Cash and cash equivalents	$ 8,012,181	$ 2,421,798	$ 1,391,763	$ 143,723
Taxes receivable	205,914	-	-	-
Accounts receivable	143,767	116,673	4,675	-
Due from other governments	115,732	-	-	-
Due from other funds	471	1,100	-	-
Due from component units	46,034	150,000	-	-
Inventories	2,978	-	-	-
Prepaid items	179,572	6,500	-	-
Total assets	$ 8,706,649	$ 2,696,071	$ 1,396,438	$ 143,723
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 132,913	$ 42,342	$ -	$ 14,931
Accrued liabilities	106,807	-	-	-
Due to other governments	-	-	-	-
Due to other funds	1,100	-	-	-
Total liabilities	240,820	42,342	-	14,931
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	186,908	-	-	-
Total deferred inflows of resources	186,908	-	-	-
FUND BALANCES				
Fund balances				
Nonspendable for:				
Inventory	2,978	-	-	-
Prepaid items	179,572	6,500	-	-
Restricted for:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	2,647,229	1,396,437	-
Capital projects	-	-	-	128,792
Committed for:				
Public safety	-	-	-	-
Unassigned	8,096,372	-	-	-
Total fund balances	8,278,922	2,653,729	1,396,437	128,792
Total liabilities, deferred inflows of resources, and fund balances	$ 8,706,650	$ 2,696,071	$ 1,396,437	$ 143,723

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
$ 1,542,938	$ 327,686	$ 13,840,089
97,925	-	303,839
-	-	265,115
-	656	116,388
-	-	1,571
-	-	196,034
-	-	2,978
-	-	186,072
$ 1,640,863	$ 328,342	$ 14,912,086
$ 2,230	$ 4,897	$ 197,313
-	-	106,807
30,357	-	30,357
-	-	1,100
32,587	4,897	335,577
-	-	186,908
-	-	186,908
-	-	2,978
-	-	186,072
-	39,146	39,146
-	241,739	241,739
-	-	4,043,666
1,608,276	-	1,737,068
-	42,560	42,560
-	-	8,096,372
1,608,276	323,445	14,389,601
$ 1,640,863	$ 328,342	
		12,846,961
		186,908
		(465,594)
		$ 26,957,876

TAYLOR COUNTY, GEORGIA

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

	General Fund	Solid Waste Surcharge Fund	Capital Projects T-SPLOST Fund	Capital Projects 2011 SPLOST Fund
Revenues				
Property taxes	$ 2,207,320	$ -	$ -	$ -
Sales tax	529,538	-	642,492	-
Other taxes	1,593,317	-	-	-
Licenses and permits	54,130	-	-	-
Intergovernmental	607,087	-	-	-
Fines and forfeitures	165,391	-	-	-
Charges for services	1,224,731	1,322,793	-	-
Investment income	1,519	199	157	36
Miscellaneous	170,241	-	-	-
Total revenues	6,553,274	1,322,992	642,649	36
Expenditures				
Current:				
General government	954,701	102,402	-	-
Judicial	432,727	40,829	-	-
Public safety	1,835,720	49,646	-	-
Public works	1,467,981	25,286	-	-
Health and welfare	189,389	-	-	-
Culture and recreation	86,879	-	-	-
Housing and development	458,208	5,000	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	492,127	402,875
Debt service:				
Principal	12,503	-	-	-
Interest	1,711	-	-	-
Total expenditures	5,439,819	223,163	492,127	402,875
Excess (deficiency) of revenues over (under) expenditures	1,113,455	1,099,829	150,522	(402,839)
Other financing sources (uses)				
Proceeds from capital leases	262,875	-	-	-
Transfers in	400,000	-	-	-
Transfers out	-	(200,000)	(200,000)	-
Total other financing sources (uses)	662,875	(200,000)	(200,000)	-
Net change in fund balances	1,776,330	899,829	(49,478)	(402,839)
Fund balance, beginning of year	6,502,592	1,753,900	1,445,915	531,631
Fund balance, end of year	$ 8,278,922	$ 2,653,729	$ 1,396,437	$ 128,792

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

Capital Projects 2017 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 2,207,320
918,791	-	2,090,821
-	-	1,593,317
-	-	54,130
-	-	607,087
-	49,087	214,478
-	19,502	2,567,026
-	21	1,932
-	-	170,241
918,791	68,610	9,506,352
-	-	1,057,103
-	2,525	476,081
-	36,874	1,922,240
-	-	1,493,267
-	-	189,389
-	-	86,879
-	-	463,208
284,887	-	284,887
166,350	-	1,061,352
-	-	12,503
-	-	1,711
451,237	39,399	7,048,620
467,554	29,211	2,457,732
-	-	262,875
-	-	400,000
-	-	(400,000)
-	-	262,875
467,554	29,211	2,720,607
1,140,722	294,234	11,668,994
$ 1,608,276	$ 323,445	$ 14,389,601

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, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	2,720,607
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		385,639
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		60,432
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.		(239,372)
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.		6,204
Changes in net position - governmental activities	$	2,933,510

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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 1,971,283	$ 1,971,283	$ 2,207,320	$ 236,037
Sales tax	450,000	450,000	529,538	79,538
Other taxes	923,931	923,931	1,593,317	669,386
Licenses and permits	41,700	41,700	54,130	12,430
Intergovernmental	505,000	505,000	607,087	102,087
Fines and forfeitures	241,000	241,000	165,391	(75,609)
Charges for services	1,241,846	1,241,846	1,224,731	(17,115)
Investment income	2,600	2,600	1,519	(1,081)
Miscellaneous	121,304	121,304	170,241	48,937
Total revenues	5,498,664	5,498,664	6,553,274	1,054,610
Expenditures				
Current				
General government:				
Governing body	617,765	375,000	316,187	58,813
General administration	128,100	113,351	71,617	41,734
Tax commissioner	181,004	181,004	168,721	12,283
Tax assessor	125,559	125,559	119,071	6,488
Registrar	82,383	82,383	73,221	9,162
Buildings and plant	202,686	210,000	204,598	5,402
Board of equalization	3,285	3,285	1,286	1,999
Total general government	1,340,782	1,090,582	954,701	135,881
Judicial:				
Superior court	263,906	228,906	222,222	6,684
Probate court	209,982	209,982	194,498	15,484
Public defender	15,949	16,100	16,007	93
Total judicial	489,837	454,988	432,727	22,261
Public safety:				
Sheriff	731,565	731,565	724,089	7,476
Jail	585,591	557,591	547,652	9,939
Ambulances	443,361	443,361	406,547	36,814
Emergency management	26,241	31,741	30,483	1,258
Fire	69,301	75,000	74,252	748
Coroner	17,925	17,925	11,458	6,467
Emergency communication	41,239	41,239	41,239	-
Total public safety	1,915,223	1,898,422	1,835,720	62,702
Public works:				
Roads and bridges	1,316,421	1,287,421	966,491	320,930
Garage	-	1,000	644	356
Landfill	217,817	529,265	500,846	28,419
Total public works	1,534,238	1,817,686	1,467,981	349,705

(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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Current (Continued)				
Health and welfare:				
Health department	$ 121,993	$ 121,993	$ 120,855	$ 1,138
Family and children services	31,235	31,235	28,262	2,973
Mental retardation	10,616	10,616	10,616	-
Council on aging	27,948	29,350	28,089	1,261
Neighborhood service center	3,000	3,000	1,567	1,433
Total health and welfare	194,792	196,194	189,389	6,805
Culture and recreation:				
Parks	46,974	62,974	62,100	874
Libraries	24,779	24,779	24,779	-
Total culture and recreation	71,753	87,753	86,879	874
Housing and development:				
County agent	50,882	50,789	45,938	4,851
Planning and zoning	63,811	63,811	61,303	2,508
Transit	236,943	236,943	216,002	20,941
Airport	10,000	11,000	10,394	606
Forestry	24,042	24,042	24,042	-
Soil conservation	37,896	37,896	37,581	315
Industrial development authority	62,907	63,000	62,948	52
Total housing and development	486,481	487,481	458,208	29,273
Debt service				
Principal	-	-	12,503	(12,503)
Interest	-	-	1,711	(1,711)
Total debt service	-	-	14,214	(14,214)
Total expenditures	6,033,106	6,033,106	5,439,819	593,287
Excess (deficiency) of revenues over (under) expenditures	(534,442)	(534,442)	1,113,455	1,647,897
Other financing sources				
Capital leases	-	-	262,875	262,875
Transfers in	534,442	534,442	400,000	(134,442)
Total other financing sources	534,442	534,442	662,875	128,433
Net change in fund balance	-	-	1,776,330	1,776,330
Fund balance, beginning of year	6,502,592	6,502,592	6,502,592	-
Fund balance, end of year	$ 6,502,592	$ 6,502,592	$ 8,278,922	$ 1,776,330

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, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 1,350,000	$ 1,350,000	$ 1,322,793	$ (27,207)
Investment income	500	500	199	(301)
Total revenues	1,350,500	1,350,500	1,322,992	(27,508)
Expenditures:				
Current:				
General government	440,500	440,500	102,402	338,098
Judicial	119,500	119,500	40,829	78,671
Public safety	253,000	253,000	49,646	203,354
Public works	132,500	132,500	25,286	107,214
Housing and development	5,000	5,000	5,000	-
Total expenditures	950,500	950,500	223,163	727,337
Excess of revenues over expenditures	400,000	400,000	1,099,829	699,829
Other financing uses:				
Transfers out	(400,000)	(400,000)	(200,000)	200,000
Total other financing uses	(400,000)	(400,000)	(200,000)	200,000
Net change in fund balance	-	-	899,829	899,829
Fund balance, beginning of year	1,753,900	1,753,900	1,753,900	-
Fund balance, end of year	$ 1,753,900	$ 1,753,900	$ 2,653,729	$ 899,829

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

TAYLOR COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Major Enterprise Fund Water and Sewer Fund
ASSETS	
Current assets:	
Cash	$ 38,274
Accounts receivable, net of allowance	208
Total current assets	38,482
Capital assets:	
Capital assets, depreciable, net of accumulated depreciation	633,500
Total assets	671,982
LIABILITIES	
Current liabilities:	
Accounts payable	378
Due to other funds	471
Total current liabilities	849
NET POSITION	
Investment in capital assets	633,500
Unrestricted	37,633
Total net position	$ 671,133

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, 2020

	Major Enterprise Fund Water and Sewer Fund
Operating revenues:	
Charges for services:	
Water and sewer sales	$ 14,104
Total operating revenues	14,104
Operating expenses:	
Repairs and maintenance	185
Utilities	4,137
Dues and supplies	7,882
Depreciation	25,894
Total operating expenses	38,098
Change in net position	(23,994)
Net position, beginning of year	695,127
Net position, end of year	$ 671,133

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, 2020

	Major Enterprise Fund Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 14,993
Payments to suppliers and service providers	(12,204)
Net cash provided by operating activities	2,789
Net increase in cash and cash equivalents	2,789
Cash and cash equivalents:	
Beginning of year	35,485
End of year	$ 38,274
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (23,994)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	25,894
Decrease in accounts receivable	889
Net cash provided by operating activities	$ 2,789

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

TAYLOR COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2020

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 465,580
Taxes receivable	460,234
Total assets	$ 925,814
LIABILITIES	
Due to others	$ 465,580
Uncollected taxes	460,234
Total liabilities	$ 925,814

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 GAAP, 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 Authority") 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 GAAP. 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, 2020, 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2020, 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 a 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 GAAP 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 $465,594 difference are as follows:

Capital leases payable	$ (250,372)
Landfill post-closure costs	(77,000)
Compensated absences	(138,222)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (465,594)

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 $385,639 difference are as follows:

Capital outlay	$ 1,156,122
Depreciation expense	(770,483)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 385,639

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 $239,372 difference are as follows:

Debt incurred:	
Capital leases	$ (262,875)
Principal repayments:	
Capital leases	12,503
Landfill post-closure costs	11,000
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (239,372)

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, 2019, 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, 2020.

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, 2020, all of the deposits maintained by the County were properly insured and collateralized as required by the O.C.G.A. §45-8-12(c) and as defined by GASB pronouncements.

NOTE 5. RECEIVABLES

Taxes were levied on September 20, 2019 and payable on or before December 20, 2019. The County bills and collects its own property taxes. Property taxes levied for 2019 are recorded as receivables, net of estimated uncollectibles.

The net receivables collected during the year ended June 30, 2020, and expected to be collected by August 31, 2020, are recognized as revenues in the year ended June 30, 2020. Net receivables estimated to be collectible subsequent to August 31, 2020, 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, 2020:

	General	Solid Waste Surcharge	T-SPLOST	2017 SPLOST
Receivables:				
Taxes	$ 268,217	$ -	$ 4,675	$ 97,925
Accounts	143,767	116,673	-	-
Due from other governments	115,732	-	-	-
Gross receivables	527,716	116,673	4,675	97,925
Less allowance	62,303	-	-	-
Net total receivables	$ 465,413	$ 116,673	$ 4,675	$ 97,925

	Water and Sewer Fund	Nonmajor Governmental Funds	Total
Receivables:			
Taxes	$ -	$ -	$ 370,817
Accounts	1,189	-	261,629
Due from other governments	-	656	116,388
Gross receivables	1,189	656	748,834
Less allowance	981	-	63,284
Net total receivables	$ 208	$ 656	$ 685,550

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, is as follows:

Governmental activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 389,348	$ -	$ -	$ -	$ 389,348
Construction in progress	26,475	32,754	-	(59,229)	-
Total	415,823	32,754	-	(59,229)	389,348
Capital assets, being depreciated:					
Land improvements	94,295	-	-	-	94,295
Buildings and improvements	8,369,523	74,190	-	59,229	8,502,942
Machinery and equipment	6,950,038	485,103	-	-	7,435,141
Infrastructure	6,267,635	564,075	-	-	6,831,710
Total	21,681,491	1,123,368	-	59,229	22,864,088
Less accumulated depreciation for:					
Land improvements	93,656	212	-	-	93,868
Buildings and improvements	3,198,265	237,157	-	-	3,435,422
Machinery and equipment	5,391,065	404,676	-	-	5,795,741
Infrastructure	953,006	128,438	-	-	1,081,444
Total	9,635,992	770,483	-	-	10,406,475
Total capital assets, being depreciated, net	12,045,499	352,885	-	59,229	12,457,613
Governmental activities capital assets, net	$ 12,461,322	$ 385,639	$ -	$ -	$ 12,846,961

NOTE 6. CAPITAL ASSETS (CONTINUED)

Business-type activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
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	5,807	520	-	-	6,327
Water system	345,365	25,374	-	-	370,739
Total	351,172	25,894	-	-	377,066
Total capital assets, being depreciated, net	659,394	(25,894)	-	-	633,500
Business-type activities capital assets, net	$ 659,394	$ (25,894)	$ -	$ -	$ 633,500

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

Governmental activities	
General government	$ 93,326
Judicial	4,180
Public safety	292,584
Public works	309,761
Health and welfare	32,543
Culture and recreation	31,937
Housing and development	6,152
Total depreciation expense - governmental activities	$ 770,483
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, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 106,368	$ 151,238	$ -	$ 257,606
Capital assets, being depreciated:				
Equipment	6,889	-	-	6,889
Building	151,302	-	-	151,302
Total	158,191	-	-	158,191
Less accumulated depreciation for:				
Equipment	3,026	1,439	-	4,465
Building	9,541	3,880	-	13,421
Total	12,567	5,319	-	17,886
Total capital assets, being depreciated, net	145,624	(5,319)	-	140,305
Capital assets, net	$ 251,992	$ 145,919	$ -	$ 397,911

Capital asset activity for the Taylor County Airport Authority for the fiscal year ended June 30, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,181,299	$ -	$ -	$ 1,181,299
Construction in progress	-	284,596	-	284,596
Total	1,181,299	284,596	-	1,465,895
Capital assets, being depreciated:				
Equipment	7,209	-	-	7,209
Buildings	400,536	-	-	400,536
Infrastructure	3,875,837	160,321	-	4,036,158
Total	4,283,582	160,321	-	4,443,903
Less accumulated depreciation for:				
Equipment	7,209	-	-	7,209
Buildings	94,460	26,702	-	121,162
Infrastructure	682,063	91,721	-	773,784
Total	783,732	118,423	-	902,155
Total capital assets, being depreciated, net	3,499,850	41,898	-	3,541,748
Capital assets, net	$ 4,681,149	$ 326,494	$ -	$ 5,007,643

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Taylor County Building Authority for the fiscal year ended June 30, 2020, 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	606,505	39,957	-	646,462
Total capital assets, being depreciated, net	951,834	(39,957)	-	911,877
Capital assets, net	$ 951,834	$ (39,957)	$ -	$ 911,877

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, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases	$ -	$ 262,875	$ 12,503	$ 250,372	$ 49,544
Landfill post-closure	88,000	-	11,000	77,000	11,000
Compensated absences	144,426	103,507	109,711	138,222	110,578
Totals	$ 232,426	$ 366,382	$ 133,214	$ 465,594	$ 171,122

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, 2020, 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 and the TSPLOST Fund transferred $200,000 to the General Fund during the year ended June 30, 2020.

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 four two-year lease agreements for excavators and four five-year lease agreements for motor graders, all used for public works. For the year ended June 30, 2020, rent expense under these leases totaled $180,369. The remaining future minimum lease payments of $132,619 will be paid in 2021.

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, 2020, were $92,781.

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 $77,000 over the remaining seven year period. These costs are based on what it would cost to perform all post-closure care in 2020. 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, 2020, the County paid $5,321 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 $41,239 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, Talbot, 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 not involved in any lawsuits at year-end.

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, 2020, the County abated an estimated $1,597,661 in personal property taxes. These tax abatements during the current year represent 74% 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, 2020

	Special Revenue					
	Jail Fund	Law Library Fund	Special Purpose Drug Fund	Drug Education Fund	Inmate Fund	Totals
ASSETS						
Cash	$ 169,989	$ 39,146	$ 19,266	$ 51,971	$ 47,314	$ 327,686
Due from other governments	656	-	-	-	-	656
Total assets	$ 170,645	$ 39,146	$ 19,266	$ 51,971	$ 47,314	$ 328,342
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ 143	$ 4,754	$ 4,897
Total liabilities	-	-	-	143	4,754	4,897
FUND BALANCES						
Restricted for:						
Judicial	-	39,146	-	-	-	39,146
Public safety	170,645	-	19,266	51,828	-	241,739
Committed for:						
Public safety	-	-	-	-	42,560	42,560
Total fund balances	170,645	39,146	19,266	51,828	42,560	323,445
Total liabilities and fund balances	$ 170,645	$ 39,146	$ 19,266	$ 51,971	$ 47,314	$ 328,342

TAYLOR COUNTY, GEORGIA

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

	Special Revenue					
	Jail Fund	Law Library Fund	Special Purpose Drug Fund	Drug Education Fund	Inmate Fund	Totals
Revenues						
Fines and forfeitures	$ 36,478	$ 5,302	$ 1,888	$ 5,419	$ -	$ 49,087
Charges for services	-	-	-	-	19,502	19,502
Investment income	16	-	-	5	-	21
Total revenues	36,494	5,302	1,888	5,424	19,502	68,610
Expenditures						
Current:						
Judicial	-	2,525	-	-	-	2,525
Public safety	3,890	-	17,389	1,836	13,759	36,874
Total expenditures	3,890	2,525	17,389	1,836	13,759	39,399
Excess (deficiency) of revenues over (under) expenditures	32,604	2,777	(15,501)	3,588	5,743	29,211
Net change in fund balances	32,604	2,777	(15,501)	3,588	5,743	29,211
Fund balances, beginning of year	138,041	36,369	34,767	48,240	36,817	294,234
Fund balances, end of year	$ 170,645	$ 39,146	$ 19,266	$ 51,828	$ 42,560	$ 323,445

TAYLOR COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2011 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	$ 26,000	$ 252,075
Construction of Recreational Facilities	150,000	150,000	72,887	10,309	83,196
Construction of Public Safety Facilities	100,000	100,000	37,635	1,037	38,672
Construction of County Communication Equipment	100,000	100,000	11,752	-	11,752
Construction of Fire Protection and Rescue Facilities	650,000	650,000	424,048	-	424,048
Construction and Repair of Roads, Streets and Bridges	4,020,000	4,020,000	2,144,163	365,529	2,509,692
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	$ 4,516,681	$ 402,875	$ 4,919,556

TAYLOR COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	145,657	172,132
Purchase of Fire Equipment	355,000	355,000	6,200	20,693	26,893
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	289,599	156,179	445,778
City of Reynolds	1,400,000	1,400,000	238,271	128,708	366,979
	$ 10,000,000	$ 10,000,000	$ 561,214	$ 451,237	$ 1,012,451

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, 2020

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
ASSETS						
Cash	$ 327,970	$ 123,043	$ 4,650	$ 6,567	$ 3,350	$ 465,580
Taxes receivable	460,234	-	-	-	-	460,234
Total assets	$ 788,204	$ 123,043	$ 4,650	$ 6,567	$ 3,350	$ 925,814
LIABILITIES						
Due to others	$ 327,970	$ 123,043	$ 4,650	$ 6,567	$ 3,350	$ 465,580
Uncollected taxes	460,234	-	-	-	-	460,234
Total liabilities	$ 788,204	$ 123,043	$ 4,650	$ 6,567	$ 3,350	$ 925,814

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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 23, 2020. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be 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 2020-002, 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 2020-001, 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or another matters that are required to be reported under *Government Auditing Standards*.

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 23, 2020

TAYLOR COUNTY, GEORGIA

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

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?	____ Yes X No

Federal Awards

There was not an audit of major federal programs as of June 30, 2020 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, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020 – 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 is reconciling bank statements.
- 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.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020 – 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.

2020 – 002. Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the receivable and revenue accounts during the year ended June 30, 2020.

Context/Cause: During our testing of revenues and receivables, audit adjustments were required to correct various account balances. These adjustments were due to the inclusion of receivables that should not have been recorded at year-end and additional receivables that should have been recorded.

Effect: Audit adjustments to increase revenue in the amount of $4,522, increase allowance for doubtful accounts in the amount of $20,144, increase deferred tax revenue in the amount of $60,432, and increase accounts receivable in the amount of $85,098 were required to be recorded for the General Fund as of June 30, 2020. Adjustments to increase TAVT (true up) tax revenue and due from tax commissioner were recorded in the amount of $100,212 in the current year. An audit adjustment to increase TSPLOST revenue and accounts receivable in the amount of $58,761 was recorded for the TSPLOST Fund as of June 30, 2020. Additionally, an audit adjustment to decrease revenue in the amount of $889, decrease accounts receivable in the amount of $844, and increase allowance for doubtful accounts in the amount of $44 was recorded in the Potterville Water & Sewer Fund.

Recommendation: We recommend the County record the necessary adjustments to reflect the accounts receivable balances at the conclusion of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur. We will take appropriate measures to ensure all receivables are appropriately recorded at year-end.

TAYLOR COUNTY, GEORGIA

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

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, 2020

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.

Auditee Response/Status: Unresolved. See current year finding number 2020 – 001.

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.

Auditee Response/Status: Resolved.

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, 2019, the County's deposits with one financial institution was not properly collateralized.

Auditee Response/Status: Resolved. Amounts are properly collateralized.