TWIGGS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2019

TWIGGS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2019

Issued by: Ken Fowler, Chairperson of the Board of Commissioners

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Financial Section

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Independent Auditor's Report

To the Honorable Chairman and
Members of the Board of Commissioners
Twiggs County, Georgia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Development Authority of the City of Jeffersonville and Twiggs County, Georgia which represents 23 percent, 26 percent, and 23 percent, respectively, of the assets, fund balances, and revenues of non-major governmental funds. We did not audit the financial statements of Twiggs County Board of Health which represents 100% of the assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the Development Authority of the City of Jeffersonville and Twiggs County, Georgia and Twiggs County Board of Health, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 unit, each major fund, and the aggregate remaining fund information of Twiggs County, Georgia, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison on page 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The County has not presented the Management's Discussion and Analysis. 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 Twiggs County, Georgia's financial statements. The budgetary comparison schedule, combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax, are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparison schedule, combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the budgetary comparison schedule, combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020 on our consideration of Twiggs County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Twiggs County, Georgia's internal control over financial reporting and compliance.

Nichols, Cauley & Associates, LLC

Dublin, Georgia
September 30, 2020

Basic Financial Statements

TWIGGS COUNTY, GEORGIA

EXHIBIT 1

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Health Department
ASSETS				
Cash and cash equivalents	$ 4,630,613	$ 24,572	$ 4,655,185	$ 432,392
Investments	41,467	-	41,467	-
Receivables, net of allowances for uncollectible:				
Taxes	1,381,676	-	1,381,676	-
Accounts	-	2,714	2,714	4,367
Intergovernmental	501,644	-	501,644	-
Other	13,127	-	13,127	-
Internal balances	415,679	(415,679)	-	-
Prepaid expenditures	102,906	-	102,906	-
Capital assets:				
Land and other non-depreciable assets	4,016,109	6,412	4,022,521	-
Other capital assets, net of depreciation	6,155,563	7,372,808	13,528,371	39,348
Total assets	17,258,784	6,990,827	24,249,611	476,107
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	46,320
LIABILITIES				
Accounts payable	382,660	2,699	385,359	3,475
Accrued expenses	205,471	981	206,452	4,067
Customer deposits	1,000	24,023	25,023	-
Long-term obligations:				
Due within one year	471,256	115,942	587,198	-
Due in more than one year	471,990	1,111,571	1,583,561	190,428
Total liabilities	1,532,377	1,255,216	2,787,593	197,970
DEFERRED INFLOWS OF RESOURCES	-	-	-	109,450
NET POSITION				
Net investment in capital assets	9,463,347	6,155,188	15,618,535	39,348
Restriced for:				
Capital projects	1,728,114	-	1,728,114	
Special programs	189,506	-	189,506	
Community development	247,817	-	247,817	
Unrestricted	4,097,623	(419,577)	3,678,046	175,659
Total net position	$ 15,726,407	$ 5,735,611	$21,462,018	$ 215,007

The Accompanying Notes to the Financial Statements are an integral part of this statement

TWIGGS COUNTY, GEORGIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activity	Primary Government: Total	Component Unit: Health Department
Primary Government								
Governmental Activities:								
General government	$ 2,674,287	$ 2,440,703	$ 118,334	$ -	$ (115,250)	$ -	$ (115,250)	$ -
Public safety	4,035,609	170,035	-	-	(3,865,574)	-	(3,865,574)	-
Public works	2,324,627	-	-	66,000	(2,258,627)	-	(2,258,627)	-
Health and welfare	374,628	-	-	-	(374,628)	-	(374,628)	-
Culture and recreation	47,859	-	-	-	(47,859)	-	(47,859)	-
Economic development	225,291	-	-	43,336	(181,955)	-	(181,955)	-
Interest	37,635	-	-	-	(37,635)	-	(37,635)	-
Total governmental activities	9,719,936	2,610,738	118,334	109,336	(6,881,528)	-	(6,881,528)	-
Business-type Activity -								
Water	383,138	143,180	-	9,246	-	(230,712)	(230,712)	-
Total primary government	$ 10,103,074	$ 2,753,918	$ 118,334	$ 118,582	$ (6,881,528)	(230,712)	(7,112,240)	-
Component Unit								
Twiggs County Health Department	$ 254,007	$ 71,595	$ 263,040	$ -	-	-	-	80,628
Total component units	$ 254,007	$ 71,595	$ 263,040	$ -	-	-	-	80,628
General revenues:								
Property taxes					5,348,558	-	5,348,558	-
Local option sales tax					515,705	-	515,705	-
Special purpose local option sales tax					680,851	-	680,851	-
Insurance company premium tax					533,551	-	533,551	-
Other taxes					334,400	-	334,400	-
Unrestricted investment earnings					1,493	-	1,493	1,028
Insurance proceeds					-	-	-	-
Miscellaneous					455,304	-	455,304	-
Transfers					(180,703)	180,703	-	-
Total general revenues and transfers					7,689,159	180,703	7,869,862	1,028
Change in net position					807,631	(50,009)	757,622	81,656
Net position - beginning					14,918,776	5,785,620	20,704,396	133,351
Net position - ending					$ 15,726,407	$ 5,735,611	$ 21,462,018	$ 215,007

The Accompanying Notes to the Financial Statements are an integral part of this statement

TWIGGS COUNTY, GEORGIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	2014 SPLOST	Non - Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$2,458,818	$ 1,438,212	$ 733,583	$ 4,630,613
Investments	-	-	41,467	41,467
Receivables, net of allowances for uncollectibles:				
Taxes	1,381,676	-	-	1,381,676
Intergovernmental	442,786	58,858	-	501,644
Other	-	-	13,127	13,127
Due from other funds	566,971	-	397,311	964,282
Prepaid expenditures	102,906	-	-	102,906
Total assets	$4,953,157	$ 1,497,070	$ 1,185,488	$ 7,635,715
LIABILITIES				
Liabilities:				
Accounts payable	$ 73,738	$ 287,467	$ 21,455	$ 382,660
Accrued expenses	201,422	-	4,049	205,471
Deposits	-	-	1,000	1,000
Due to other funds	397,311	-	151,292	548,603
Total liabilities	672,471	287,467	177,796	1,137,734
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	688,934	-	-	688,934
FUND BALANCES				
Nonspendable:				
Prepaid expenditures	102,906	-	-	102,906
Restricted:				
Capital projects	-	1,209,603	518,511	1,728,114
Special programs	-	-	189,506	189,506
Community development	-		247,817	247,817
Committed for law enforcement activities	-	-	11,675	11,675
Assigned for capital projects	-	-	40,183	40,183
Unassigned	3,488,846	-	-	3,488,846
Total fund balances	3,591,752	1,209,603	1,007,692	5,809,047
Total liabilities, deferred inflows of resources and fund balances	$4,953,157	$ 1,497,070	$ 1,185,488	$ 7,635,715

The Accompanying Notes to the Financial Statements are an integral part of this statement

TWIGGS COUNTY, GEORGIA

EXHIBIT 4

RECONCILIATION OF NET POSITION –
GOVERNMENTAL FUNDS IN THE STATEMENT OF NET POSITION
TO TOTAL FUND BALANCE – GOVERNMENTAL FUNDS ON THE BALANCE SHEET
DECEMBER 31, 2019

Fund balance - total governmental funds	$ 5,809,047
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.	10,171,672
Other long - term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	688,934
Some long - term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(171,739)
Landfill postclosure costs	(63,182)
Capital leases payable	(602,142)
Bonds payable	(106,183)
Net position of governmental activities	$15,726,407

The Accompanying Notes to the Financial Statements are an integral part of this statement

TWIGGS COUNTY, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	2014 SPLOST	Non - Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 6,702,744	$ 680,851	$ -	$ 7,383,595
Licenses and permits	74,476	-	-	74,476
Intergovernmental	118,334	-	109,336	227,670
Charges for services	1,515,328	-	223,304	1,738,632
Fines and forfeitures	611,194	-	186,436	797,630
Investment income	-	561	932	1,493
Other revenues	384,488	-	70,816	455,304
Total revenues	9,406,564	681,412	590,824	10,678,800
EXPENDITURES				
Current:				
General government	2,516,900	-	24,490	2,541,390
Public safety	3,730,174	-	428,630	4,158,804
Public works	1,042,400	568,338	478,694	2,089,432
Health and welfare	371,536	-	-	371,536
Culture and recreation	35,125	-	-	35,125
Economic development	70,089	-	125,266	195,355
Debt Service:				
Principal payments	57,054	88,319	298,659	444,032
Interest payments	11,975	11,418	14,242	37,635
Capital outlay	-	6,289	105,172	111,461
Intergovernmental payments	-	66,827	-	66,827
Total expenditures	7,835,253	741,191	1,475,153	10,051,597
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,571,311	(59,779)	(884,329)	627,203
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	616,128	616,128
Transfer out	(781,430)	-	(15,401)	(796,831)
Total other financing sources (uses)	(781,430)	-	600,727	(180,703)
NET CHANGES IN FUND BALANCE	789,881	(59,779)	(283,602)	446,500
FUND BALANCES, BEGINNING	2,801,871	1,269,382	1,291,294	5,362,547
FUND BALANCES, ENDING	$ 3,591,752	$ 1,209,603	$ 1,007,692	$ 5,809,047

The Accompanying Notes to the Financial Statements are an integral part of this statement

TWIGGS COUNTY, GEORGIA

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Net change in fund balances - Total Governmental Funds	$ 446,500
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Position as follows -	
Capital outlay	738,616
Depreciation expenses on governmental capital assets are included in the governmental activities column in the Statement of Activities but are not shown in the governmental funds	(610,119)
The book value of capital assets sold are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement.	(43,860)
The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net position- capital leases.	(200,725)
Revenues in the statement of activities that do not provide financial resources are not reported as revenues in the funds. The amount of deferred revenues recognized as revenue in the statement of activities changed as follows -	
Property taxes	29,470
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:	
Bonds payable	298,659
Capital leases	145,373
Compensated absences	3,717
Change in net position of governmental activities	$ 807,631

The Accompanying Notes to the Financial Statements are an integral part of this statement

TWIGGS COUNTY, GEORGIA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2019

	Enterprise Water Fund
ASSETS	
Current Assets:	
Cash	$ 24,572
Accounts receivable, net of allowance	2,714
Due from other funds	1,125
Total current assets	28,411
Capital Assets:	
Land	6,412
Distribution system	9,049,440
Total	9,055,852
Less - accumulated depreciation	(1,676,632)
Total capital assets	7,379,220
Total assets	7,407,631
LIABILITIES	
Current Liabilities:	
Accounts payable	2,699
Current portion of long-term debt	112,461
Due to other funds	416,804
Accrued expenses	981
Customer deposits	24,023
Compensated absences payable	3,481
Total current liabilities	560,449
Noncurrent Liability:	
Note payable - non-current portion	1,111,571
Total liabilities	1,672,020
NET POSITION	
Net investment in capital assets	6,155,188
Unrestricted	(419,577)
Total net position	$ 5,735,611

The Accompanying Notes to the Financial Statements are an integral part of this statement

TWIGGS COUNTY, GEORGIA

EXHIBIT 8

STATEMENT OF CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019

	Enterprise Water Fund
OPERATING REVENUE	
Water and sewer sales	$ 143,180
OPERATING EXPENSES	
Salaries	37,776
Payroll taxes	2,017
Utilities	14,492
Professional fees	15,985
Dues and subscriptions	210
Repairs and maintenance	97,321
Travel and training	885
Miscellaneous expense	19,062
Depreciation expense	181,301
Total operating expenses	369,049
OPERATING LOSS	(225,869)
NON-OPERATING REVENUE (EXPENSES)	
Intergovernmental revenue	9,246
Interest expense	(14,089)
Total non-operating revenue (expense)	(4,843)
Loss before transfers and contributions	(230,712)
TRANSFERS AND CONTRIBUTIONS	
Transfer in	180,703
Total transfers and contributions	180,703
Change in Net Position	(50,009)
TOTAL NET POSITION, BEGINNING	5,785,620
TOTAL NET POSITION, ENDING	$ 5,735,611

The Accompanying Notes to the Financial Statements are an integral part of this statement

TWIGGS COUNTY, GEORGIA

EXHIBIT 9

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019

	Enterprise Water Fund
OPERATING ACTIVITIES	
Receipts from customers	$ 146,080
Payments to others	(27,248)
Payments to suppliers	(128,386)
Payments to employees	(38,393)
Net cash used in operating activities	(47,947)
NONCAPITAL FINANCING ACTIVITIES	
Transfers in	180,703
Net cash provided by non-capital financing activities	189,949
CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on capital debt	(116,988)
Interest payments on capital debt	(14,089)
Net cash used in capital and related financing activities	(131,077)
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,925
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,647
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 24,572
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	$ (225,869)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	181,301
Net change in assets and liabilities attributable to operations:	
Accounts receivable	2,900
Accounts payable	2,699
Accrued expenses	199
Customer deposits	(9,246)
Compensated absences payable	69
Net cash used in operating activities	$ (47,947)

The Accompanying Notes to the Financial Statements are an integral part of this statement

TWIGGS COUNTY, GEORGIA

EXHIBIT 10

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2019

	Agency Funds
ASSET	
Cash	$ 242,435
LIABILITY	
Other liabilities	$ 242,435

The Accompanying Notes to the Financial Statements are an integral part of this statement

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Twiggs County, Georgia (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to Government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the County are described below.

Reporting Entity

The County is a local municipality governed by an elected five-member board of commissioners. As required by generally accepted accounting principles, these financial statements present the Government and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Currently, the County has one blended component unit. The component unit column in the government-wide financial statements (see note below for description) includes the financial data of the County's one discretely presented component unit. The discretely presented component unit is reported in a separate column to emphasize it is legally separate from the County.

Component Units and Related Entities

Blended Component Unit

Development Authority of the City of Jeffersonville and Twiggs County, Georgia – The Development Authority of the City of Jeffersonville and Twiggs County, Georgia's (the Authority) purpose is to promote trade, commerce, industry, and employment opportunities in the County. The Authority is a legally separate corporation governed by a seven member Board of Directors, four of which are appointed by the Twiggs County Board of Commissioners. In 2005, the Authority issued bonds in the amount of $2,287,000 for the Industrial Park Project. As part of the issuance, the County entered into an intergovernmental agreement with the Authority, whereby the County will make quarterly payments sufficient to meet debt service requirements through 2020. The County's commitment to making the payments meets the criteria for inclusion as financial burden so the financial statements of the Authority have been included as a blended component unit for the fiscal year 2019.

Discretely Presented Component Unit

Twiggs County Health Department - The Twiggs County Board of Health (the Department) provides various health services for citizens in Twiggs County under a contract with the Georgia Department of Public Health (DPH). Under this contractual agreement, DPH provides certain administrative and other services to the Department in addition to the grant-in-aid funding. These services are funded through other governmental entities or directly by DPH. Based on the contract with DPH, capital assets cannot be disposed of without approval of DPH. In the event the Department were to dissolve, all capital assets would return to DPH or to the donating agency. Substantially all of the Department's capital assets are titled to DPH.

It is the goal of the Twiggs County Board of Health to provide health services for the citizens of Twiggs County within the guidelines established by the Georgia Department of Public Health. The Department is responsible for health programs designed for prevention, early detection, treatment and referral.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The component unit maintains a June 30 fiscal year, and the financial statements as of and for the year ended June 30, 2019, are included in the reporting entity's 2019 financial statements. During the year ended June 30, 2019, the primary source of income for the Department was grant income in the amount of $163,974 received from the Georgia Department of Public Health. Complete financial statements can be obtained at the entity's administrative office.

Twiggs County Health Department
26 Main Street
Jeffersonville, Georgia 31044

Excluded from the reporting entity:

Because it is operated as an agency controlled and/or funded by other government agencies, the Twiggs County Library is not included in the County's reporting entity.

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 primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customer or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Basis of 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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 will be collected 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 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, local option sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

The 2014 Special Local Option Sales Tax (SPLOST) fund accounts for the special purpose local option sales tax funds that are legally restricted to expenditure for particular purposes.

The County reports the following major proprietary fund:

The Water Fund is used to account for the provision of water and sewer services to businesses and residents of the County. All activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operation, financing and related debt services, and billing and collections.

Additionally, the County reports the following fund types:

The Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes.

The Capital Projects Funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

GASB 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and used to account for fixed assets and long-term liabilities that are not reflected on the balance sheet of governmental type funds due to the current financial resources measurement focus that they use.

Governmental activities have been consolidated in the government-wide financial statements. Total governmental funds have been combined with general fixed assets and long term liabilities. The effect of interfund activity has been removed from the government-wide financial statements. Due to/from other funds have been eliminated as well as transfers between funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. 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.

Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments - Cash includes amounts in both interest-bearing and non-interest-bearing demand deposits. State statutes authorize the County to invest in obligations of the U.S. Treasury, obligations of the State of Georgia or any other states, obligations fully insured or guaranteed by the United States government or governmental agency, Local Government Investment Pool, commercial paper, corporate bonds, obligations of other political subdivisions of the State of Georgia and repurchase agreements. Any bank deposit in excess of the total FDIC insured amount must be secured by an equivalent amount of State or U.S. obligations.

   For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

2. Receivables and Payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The current portion of these interfund receivables and payables are classified as "due from other funds" or "due to other funds" in the governmental funds.

   Non-current portions of long-term interfund loans receivable/payable are reported as “advances to other funds” or “advances from other funds”. Advances receivable in the Governmental funds are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation and are not expendable available financial resources.

   Property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to approximately 19 percent of outstanding property taxes at December 31, 2019. Property taxes are levied as of January 1 on property values assessed as of the same date.

3. Prepaid Items - For prepaid expenditures in the government-wide and fund financial statements, the County reports the expenditures during the benefiting period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Capital Assets – Capital assets, which include property, plant equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements.

   The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

   Major outlays for capital assets and improvements are capitalized as projects are constructed. GASB statement 37 prohibits the capitalization of interest on assets constructed for use in governmental activities. However, interest from debt not considered to be general long-term debt may be included as part of the cost of assets constructed for business-type activities. The total interest expense incurred by the County during the current fiscal year was $54,165. None of this amount was included as part of the cost of capital assets under construction in connection with public building construction projects.

   Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years	Capitalization Threshold
Buildings	50	$ 15,000
Buildings Improvements	20	5,000
Machinery and equipment	3 - 10	1,000
Water system lines	30 - 50	1,500
Infrastructure	30	10,000

5. Compensated Absences – Annual leave is awarded as follows:
   - After one (1) year of service – five (5) working days
   - After three (3) years of service – ten (10) working days
   - After eight (8) years of service – fifteen (15) working days
   - After fifteen (15) years of service – twenty (20) working days.

   Funeral leave is available at up to three (3) days for immediate family only. Military leave for military service is allowed but employee shall not be compensated for such absence. Civil leave is allowed with pay for service as a juror, or other duty required by law.

   Sick leave shall be allowed to all eligible employees for employee sickness, disability, or for medical, dental, or eye examination treatment that cannot be scheduled outside of normal working hours. Accrual shall be at the rate of one (1) full day (eight hours) per month, for a total of twelve such days per year. Sick leave can be carried over to a subsequent year at 100% of the total accumulated hours with no limitation. If an employee should retire with the County, the employee's total accrued sick leave may, at the employee's option, be credited to years of service in lieu of receiving 50% cash payment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

6. 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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred.

   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 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.

7. Deferred Outflows/Inflows of Resources - 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 until then. The County has no items that fall under this financial statement element.

   In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports one of these items, unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. 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 the those funds can be spent. Fund balances are classified as follows:

   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 Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 resolution, the Board of Commissioners can authorize a designee to assign fund balance.

Unassigned – Fund balances are reported as unassigned 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.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The County does not have a formal minimum fund balance policy; however, the Board of Commissioners address various targeted reserve positions and the Finance Department calculates targets and actual and reports the results to the Board of Commissioners on an annual basis.

Net Position

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of the assets.

Restricted net position – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of "net investment in capital assets" or "restricted net position."

9. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Liquidity Risk
Liquidity risk is the risk of not having sufficient liquid financial resources to meet obligations when they fall due. The County faces significant risks threatening its ability to generate cash from revenues sufficient to pay operating expenditures and debt service. Some of the County's largest revenue streams, property taxes, sales taxes and grants are especially susceptible during times of major economic downturns and period of low growth.

Compliance Risk
The County and its component units participate in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs prior to and/or including the year ended December 31, 2019 have not been conducted and/or completed. Accordingly, the funds compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the grant requirements will be established at some future date.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, continued

The County is subject to extensive State and Federal supervision and regulation, which are intended primarily for the protection of its citizens and the environment. In addition, the County is subject to changes in Federal and State laws, as well as changes in regulations, governmental policies and laws. The effect of any such potential changes cannot be predicted but could adversely affect the operations, profitability, cash flows, fund balances and liquidity of the County in the future.

The County is also subject to numerous employment laws and regulations. The County contracts with various individuals for services throughout the year. Should it be determined these individuals should be classified as employees at a future date, it could result in significant payroll taxes, penalties and/or interest.

Budgets and Budgetary Accounting

The annual budget is the financial plan for the operation of Twiggs County, Georgia for the ensuing annual period. The budget process provides for a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County. Twiggs County budgets are adopted on a basis generally consistent with GAAP; except that encumbrances are treated as budgeted expenditures in the year the commitment to purchase is incurred. Annual appropriated budgets are adopted for the general fund and the special revenue funds.

All unencumbered appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds.

The Twiggs County budget process usually begins prior to year-end with the department and agency heads submitting their departmental budgets. The County's finance department formulates and remits the budget to the budget committee, which is made up of all members of the Twiggs County Board of Commissioners. The Board of Commissioners conduct budget hearings with all departments and agencies. After review by the Board of Commissioners, a final budget is approved when the budget resolution is adopted.

The County Administrator is delegated by authority to transfer sums within departments. No increase in the departmental budget for the County may be made without the approval of the Board of Commissioners and amendment to the budget. Mid-year budget amendments are presented, where necessary, for adoption by the Board of Commissioners. The general fund is subject to budgetary control on a department basis.

Unencumbered appropriations in the annual operating budget lapse at fiscal year-end while encumbered appropriations are paid from reserved fund balances. When the County's expenditures reach the authorization provided by the operating budget, the Board of Commissioners approves supplemental appropriations.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services are yet to be received.

Compliance With Legal Provisions
Deficit Fund Balances- There are no funds with deficits.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, continued

Excess of Expenditures over Appropriations in Individual Departments:

The following funds/departments had an excess of expenditures over appropriations:

GENERAL FUND	Expenditures	Appropriations	Expenditures Over Appropriations
Administration	$ 819,268	$ 764,474	$ 54,794
Registrars	149,774	140,694	9,080
Emergency Management	208,094	156,783	51,311
Principal Payments	57,054	-	57,054
Transfers out	781,430	78,472	702,958

Budget/GAAP Reconciliation
Prior year encumbrances expended in the current year are not included in the current budget. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund has been prepared on the basis described above. The schedule below reconciles the fund's Excess Revenues and Other Sources Over (Under) Expenditures - GAAP Basis (Exhibit 5) with amounts presented on the Budget Basis (Exhibit 11).

GENERAL FUND:	
Excess Revenue and Other Financial Sources Over (Under) Expenditures and Other Financing Uses:	
Budget Basis	$ 789,881
Add - New encumbrances - current year	-
Deduct - Prior year encumbrances expended	-
Generally Accepted Accounted Principles (GAAP) Basis	$ 789,881

NOTE 3. DETAILED NOTES ON ALL FUNDS

Deposits and Investments
Investments – The County owns two certificates of deposit with 12 month maturities totaling $41,467 as of December 31, 2019.

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Neither the County nor its components units, have a deposit policy for custodial credit risk. As of December 31, 2019, the County did not have a formal investment policy. Additional disclosures with regards to deposits and investments can be located in the Summary of Significant Accounting Policies under the Assets, Liabilities and Equity section.

Property Taxes
State law requires that property taxes be based on assessed value, which is 40% of fair market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be declared and reported on a return for tax purposes by May 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, the Board of Tax Assessors of Twiggs County makes all assessments.

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Upon completion of all assessments and tax returns, the information is turned over to the Twiggs County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. If not, the commissioner may require an across the board percentage adjustment to all real property. The County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes must be paid by the birth date of the owner of the vehicle. Property taxes are usually levied on or around July 15, of each year. Real and personal property taxes are usually due by November 15 and considered delinquent by November 16. Property taxes are attached as an enforceable lien on the day the taxes become delinquent. The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available (collected within 60 days of year-end) as net current assets. In the accompanying financial statements, the portion of the property tax levy for the tax year 2019 collected during the current year has been recognized as revenue.

The County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County.

For the fiscal year ended December 31, 2019, the County abated property taxes of approximately $971,882 under this program.

Property taxes receivable at December 31, 2019, is composed of the following:

Year of Levy:	
2019	$ 1,179,405
2018	235,626
2017	126,606
2016	29,223
2015	22,592
Prior to 2015	47,475
Total	1,640,927
Less - allowance for uncollectible	(259,251)
Net receivable	$ 1,381,676

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Receivables

Primary Government

Receivables at December 31, 2019 for the County's individual major funds and non-major, and fiduciary funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:	General	2014 SPLOST	Nonmajor Governmental Funds	Total Governmental Total
Receivables:				
Taxes	$ 1,640,927	$ -	$ -	$ 1,640,927
Intergovernmental	442,786	58,858	-	501,644
Other	-	-	13,127	13,127
Gross receivables	2,083,713	58,858	13,127	2,155,698
Less: allowance for Uncollectibles	(259,251)	-	-	(259,251)
Net total receivables	$ 1,824,462	$ 58,858	$ 13,127	$ 1,896,447

Business - Type Activities:	Water Fund
Receivables - Accounts	$ 8,159
Gross receivables	8,159
Less: allowance for Uncollectibles	(5,445)
Net total receivables	$ 2,714

Discretely Presented Component Unit

Receivables for the Twiggs County Health Department as of June 30, 2019, are as follows:

	Twiggs County Health Department
Receivables:	
Accounts	$ 4,367
Gross receivables	4,367
Less: allowance for Uncollectibles	-
Net total receivables	$ 4,367

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Capital Assets

Primary Government

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 3,523,586	$ -	$ (43,860)	$ 3,479,726
Land improvements	529,823	6,560	-	536,383
Subtotal	4,053,409	6,560	(43,860)	4,016,109
Other capital assets:				
Infrastructure	778,330	-	-	778,330
Buildings	6,905,623	-	-	6,905,623
Improvements	209,348	29,000	-	238,348
Machinery and equipment	6,830,480	703,056	-	7,533,536
Total other capital assets at historical cost	14,723,781	732,056	-	15,455,837
Less accumulated depreciation:				
Infrastructure	(131,880)	(25,944)	-	(157,824)
Buildings	(3,199,228)	(164,033)	-	(3,363,261)
Improvements	(78,216)	(11,854)	-	(90,070)
Machinery and equipment	(5,280,831)	(408,288)	-	(5,689,119)
Subtotal	(8,690,155)	(610,119)	-	(9,300,274)
Other capital assets, net	6,033,626	121,937	-	6,155,563
Governmental activities capital assets, net	$10,087,035	$ 128,497	$ (43,860)	$10,171,672

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

Governmental activities:	
General government	$ 199,956
Public safety	231,368
Public works	126,322
Health and welfare	3,243
Economic development	36,496
Culture and recreation	12,734
Total governmental activities depreciation expense	$ 610,119

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital asset not being depreciated -				
Land	$ 6,412	$ -	$ -	$ 6,412
Other capital asset -				
Improvements - water system	9,049,440	-	-	9,049,440
Less accumulated depreciation -				
Improvements - water system	(1,495,331)	(181,301)	-	(1,676,632)
Other capital asset, net	7,554,109	(181,301)	-	7,372,808
Business activities capital assets, net	$ 7,560,521	$ (181,301)	$ -	$ 7,379,220

Capital asset activity for the Twiggs County Health Department for the year ended June 30, 2019, was as follows:

Health Department

	Beginning Balance	Increases	Decreases	Ending Balance
Other capital assets:				
Machinery and equipment	$ 129,195	$ 25,420	$ -	$ 154,615
Less accumulated depreciation for -				
Machinery and equipment	(109,638)	(5,629)	-	(115,267)
Other capital assets, net	19,557	19,791	-	39,348
Public Health Center capital assets, net	$ 19,557	$ 19,791	$ -	$ 39,348

Interfund Receivables, Payables, and Transfers

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payables between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables. The composition of interfund balances as of December 31, 2019, is as follows:

	Payable To:			
Payable From:	General Fund	Water Fund	LMIG Fund	Total
Major Fund -				
Water Fund	$ 416,804	$ -	$ -	$ 416,804
General Fund	-	-	397,311	397,311
Nonmajor Fund -				
911 Surcharge	150,167	1,125	-	151,292
Total	$ 566,971	$ 1,125	$ 397,311	$ 965,407

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs.

A reconciliation of transfers in and transfers out is as follows:

	Transfers In		
Transfers Out	Water Fund	Other nonmajor governmental funds	Total
General Fund	$ 180,703	$ 600,727	$ 781,430
LMIG	-	15,401	15,401
Total	$ 180,703	$ 616,128	$ 796,831

Intergovernmental Receivables
Amounts due from other Governmental entities at December 31, 2019, are as follows:

	State	Other	Total
General Fund	$ 44,820	$ 397,966	$ 442,786
2014 SPLOST	58,858	-	58,858
Total	$ 103,678	$ 397,966	$ 501,644

Short Term Notes Payable
The County uses warrants payable to provide operating funds on a short-term basis throughout the year. Short-term notes payable activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	$ -	$ 800,000	$ 800,000	$ -

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Long - Term Obligations

Primary Government Long – Term Debt Payable

At December 31, 2019, long-term debt consisted of the following:

Payable from Governmental Activities:	Total	Current	Long-term
Bonds Payable -			
Series 2005 Bonds in the original amount of $2,287,000 for the Industrial Park Project, quarterly payments of $52,165 through 2020, interest at 4.37%	$ 106,183	$ 106,183	$ -
Capital Lease Obligations:			
$73,939 to CNH for equipment; interest at 7.10% due in quarterly installments of $11,325 to April 2021	63,926	41,859	22,067
$116,756 to John Deere for equipment; interest at 3.75% due in quarterly installments of $11,222 to July 2022	116,756	41,072	75,684
$134,038 to BB&T for four vehicles; interest at 3.81%; due in annual installments of $36,761 to May 2021	69,623	34,112	35,511
$534,418 to BB&T for two excavators; interest at 2.77%; due in monthly installments of $7,019 to May 2024	351,837	76,291	275,546
Total Capital Leases Obligations	602,142	193,334	408,808
Total Governmental Activity Long-Term Debt	$ 708,325	$ 299,517	$ 408,808

Long-term debt service requirements to maturity for the governmental activities debt are as follows:

Governmental Activities

UPDATE after schedule complete

Year Ending December 31	Bonds Payable Principal	Bonds Payable Interest	Capital Leases Principal	Capital Leases Interest
2020	$ 106,183	$ 4,912	$ 193,334	$ 17,847
2021	-	-	178,442	10,090
2022	-	-	113,250	4,649
2023	-	-	82,238	1,993
2024	-	-	34,878	219
Total	$ 106,183	$ 4,912	$ 602,142	$ 34,798

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Payable from Business - Type Activities:	Total	Current	Long-term
Notes Payable:			
$1,841,471 GEFA note payable; initial interest at 0.0%; due in monthly payments of $7,560. Transferred from General Fund along with related water system improvements on January 1, 2008. Maturity date is August 1, 2028.	$ 786,269	$ 90,724	$ 695,545
$520,000 GEFA note payable; initial interest at 3.03%; due in 239 monthly payments of $2,892 maturing in November 2035.	437,763	21,737	416,026
Total Business - Type Activities Long-Term Debt	$ 1,224,032	$ 112,461	$ 1,111,571

Long-term debt service requirements to maturity for the business - type activities debt are as follows:

Year Ending December 31	Notes Payable Principal	Interest
2020	$ 112,461	$ 12,964
2021	113,128	12,296
2022	113,817	11,608
2023	114,526	10,898
2024	115,258	10,167
2025-2029	467,097	39,054
2030-2034	156,412	17,092
2035	31,333	-
Total	$ 1,224,032	$ 114,079

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Changes in Long-term Obligations

Long-term obligation activity for the year ended December 31, 2019, was as follows:

Long-term obligations:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Governmental Activities						
Bonds payable	$ 404,842	$ -	$ 298,659	$ 106,183	$ 106,183	$ -
Capital leases payable	546,790	200,725	145,373	602,142	193,334	408,808
Compensated absences payable	175,456	-	3,717	171,739	171,739	-
Total Governmental Activities	$ 1,127,088	$ 200,725	$ 447,749	$ 880,064	$ 471,256	$ 408,808

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Business Type Activities						
Notes payable	$ 1,341,020	$ -	$ 116,988	$ 1,224,032	$ 112,461	$ 1,111,571
Compensated absences payable	3,412	69	-	3,481	3,481	-
Total Business Type Activities	$ 1,344,432	$ 69	$ 116,988	$ 1,227,513	$ 115,942	$ 1,111,571

Notes payable, Landfill post closure care costs and compensated absences are generally liquidated by the general fund and are therefore included in the above schedule. Capital lease obligations will be liquidated primarily by special purpose local option sales tax collected and from transfers from the General Fund.

Bonds payable include the Series 2005 Bonds issued to the Twiggs County Development Authority (blended component unit) in the original amount of $2,287,000 for the Industrial Park Project. The Development Authority's source of revenues to pay for the principal and interest of the bonds is an intergovernmental agreement between the Development Authority and the County, whereby the County will make quarterly payments sufficient to meet debt service requirements. Payments of $52,165, including interest of 4.37% are due quarterly through 2020. These payments are treated as transfers between the General Fund and Development Authority General Fund.

Twiggs County Health Department

Long-term obligation activity for the Twiggs County Health Department for the year ended June 30, 2019, was as follows:

Discretely Presented Component Units

Long-term obligation:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Public Health Center						
Compensated absences payable	$ 4,316	$ 20,406	$ 4,873	$ 19,849	$ -	$ 19,849

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Capital Leases

The County has entered into a lease agreement as lessee for financing the acquisition of public works equipment. This lease qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the equipment leased under the capital lease as of December 31, 2019:

	Governmental Activities
Asset -	
Equipment	$ 534,418
Less: Accumulated depreciation	(80,163)
Total	$ 454,255

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2020	$ 84,231
2021	84,231
2022	84,231
2023	84,231
2024	35,096
Less: amount representing interest	(20,183)
Present value of minimum lease payment	$ 351,837

The County has entered into a lease agreement as lessee for financing the acquisition of public works and safety equipment. This lease qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the equipment leased under the capital lease as of December 31, 2019:

	Governmental Activities
Asset -	
Equipment	$ 133,493
Less: Accumulated depreciation	(55,606)
Total	$ 77,887

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2020	$ 36,761
2021	36,761
Less: amount representing interest	(3,899)
Present value of minimum lease payment	$ 69,623

The County has entered into a lease agreement as lessee for financing the acquisition of public works equipment. This lease qualifies as a capital lease for accounting purposes (bargain purchase option at end of lease) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the equipment leased under the capital lease as of December 31, 2019:

	Governmental Activities
Asset -	
Equipment	$ 126,786
Less: Accumulated depreciation	(2,113)
Total	$ 124,673

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2020	$ 44,890
2021	44,890
2022	33,668
Less: amount representing interest	(6,691)
Present value of minimum lease payment	$ 116,756

The County has entered into a lease agreement as lessee for financing the acquisition of public works equipment. This lease qualifies as a capital lease for accounting purposes (bargain purchase option at end of lease) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the equipment leased under the capital lease as of December 31, 2019:

	Governmental Activities
Asset -	
Equipment	$ 73,939
Less: Accumulated depreciation	(3,697)
Total	$ 70,242

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2020	$ 45,300
2021	22,650
Less: amount representing interest	(4,024)
Present value of minimum lease payment	$ 63,926

The depreciation related with the above capital leases has been included in the depreciation expense reported in Note 3 D – Capital Assets.

NOTE 4. RETIREMENT PLAN

Retirement Plan – Deferred Compensation Plan – Twiggs County, Georgia
The County offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, the Twiggs County 457 Deferred Compensation Plan, The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Pursuant to changes in Internal Revenue Code Section 457, the plan has been amended to convert the deferred compensation plan to a trust. The defined contribution pension plan is administered by GEBCorp. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, all income attributable to those amounts, property, or rights are solely the property and rights of the trust, established for the exclusive benefit of the participants and their beneficiaries. The County has no liability for these assets and they are not subject to the claims of the County's general creditors. All contributions to this plan are voluntary employee contributions as well as a 1 percent of base pay contribution by the County for eligible employees. Plan provisions and contribution requirements are established by and may be amended by the County Board of Commissioners. During the year ended December 31, 2019, employee contributions amounted to $71,837. In addition, County contributions to the plan amounted to $6,873 during the year ended December 31, 2019.

NOTE 5. OTHER INFORMATION

Commitments
Reservations of fund balances of Governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Designations of fund balance represent tentative management plans that are subject to change.

Grant Funds
The County participates in numerous grant programs on the federal and state level. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Government expects such amounts, if any, to be immaterial.

NOTE 5. OTHER INFORMATION, continued

Litigation and Allegations

During the course of normal operations of the County, various claims, allegations and lawsuits arise. The County's legal counsel reports various cases pending against the County. Based upon the facts of the cases and the damages claimed, management does not expect potential liabilities as of December 31, 2019 to impair the County's financial position.

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Government carries commercial insurance. The County pays for such claims as they become due. There are no unpaid claims as of December 31, 2019.

The County has joined together with other governments in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Workers' Compensation Self Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the 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.

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

Settled claims in the current year have not exceeded the coverage.

Claims and Judgments - Description

Significant losses experienced by the County are covered by commercial insurance for all risks. For insured risks there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or through prior years.

Conduit Debt

The Development Authority has issued Industrial Revenue bonds to provide assistance to private-sector industry for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the facilities. Neither the City of Jeffersonville nor the County is obligated in any manner for repayment of the bonds. The bonds constitute only limited obligations of the Issuer in that they are payable only from the revenues to be derived under Lease Agreements together with all other rents, revenues and receipts arising out of or in connection with the Issuer's ownership of the Project. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Conduit debt outstanding as of December 31, 2019 was $128,224,841.

NOTE 5. OTHER INFORMATION, continued

Landfill Closure and Post-Closure Care Costs

The County's financial statements have not reflected a direct liability for landfill closure and post-closure care costs prior to December 31, 2005, because the County had operated its landfill through a joint venture. The Twiggs-Wilkinson Landfill Commission, Inc. (the Commission) was incorporated on November 23, 1998 as a Georgia Non-Profit Corporation. The Commission was formed by Twiggs County, Georgia and Wilkinson County, Georgia in a joint landfill agreement that was to be effective for ten years to provide a facility for the disposal of solid waste collected by both counties. A three-member board administered the operations of the Highway 80 Landfill currently in operation as well as post-closure care of the Highway 57 Landfill. The Twiggs County and Wilkinson County Board of Commissioners each appointed one member for two-year terms. The two members appointed by the Counties appointed a third independent member for two-year terms. The creation of the Commission did not divest either Twiggs County or Wilkinson County of the responsibility for the Landfill's operation or financial obligations.

During the year ended 1999, the Commission was notified that the Highway 57 Landfill site had been identified as a hazardous waste site. As such, the Commission was required to comply with prescribed procedures regarding clean-up and additional monitoring. The Landfill Agreement between Twiggs and Wilkinson County stated that any corrective action costs for the Highway 57 Landfill would be the responsibility of Twiggs and Wilkinson County.

State and federal laws and regulations require owners to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the Commission reports a portion of these closure and post-closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Due to the competitive nature of the market which serves landfill monitoring and care and changes in inflation and technology, the estimated post-closure and closure care costs may fluctuate from year to year.

Under a purchase agreement with Wolf Creek Landfill, LLC, the Twiggs-Wilkinson Landfill Commission, Inc., was sold during August 2005. As of September 30, 2005, the Twiggs-Wilkinson Landfill Commission, Inc. was dissolved. As of September 30, 2005, the landfill post-closure care liability for the Highway 57 site was assumed equally by Wilkinson County and Twiggs County. A total of $63,182 remains as a liability for post-closure care in the Governmental Activities Statement of Net Position as of December 31, 2019. The landfill closure and post-closure liability for the Highway 80 site was assumed by Wolf Creek Landfill, LLC. Twiggs County received $271,643 in host fees from the Landfill during the current year.

Joint Venture

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

Middle Georgia Regional Commission
175 Emery Highway, Suite C
Macon, Georgia 31217

Required Supplementary Information Other Than Management's Discussion and Analysis

TWIGGS COUNTY, GEORGIA

EXHIBIT 11

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUE				
Taxes	$ 6,303,543	$ 6,303,543	$ 6,702,744	$ 399,201
Licenses and permits	120,456	120,456	74,476	(45,980)
Intergovernmental	5,450	5,450	118,334	112,884
Charges for services	873,483	873,483	1,515,328	641,845
Fines and forfeitures	743,605	743,605	611,194	(132,411)
Miscellaneous revenues	98,407	221,407	384,488	163,081
Total revenues	8,144,944	8,267,944	9,406,564	1,138,620
EXPENDITURES				
General government	3,059,454	2,552,465	2,516,900	35,565
Public safety	3,684,194	4,131,321	3,730,174	401,147
Public works	1,093,568	1,225,568	1,042,400	183,168
Public health and welfare	343,820	385,182	371,536	13,646
Culture and recreation	47,117	36,617	35,125	1,492
Economic development	321,893	321,893	70,089	251,804
Debt service	17,000	17,000	69,029	(52,029)
Total expenditures	8,567,046	8,670,046	7,835,253	834,793
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(422,102)	(402,102)	1,571,311	1,973,413
Transfers out	(78,472)	(78,472)	(781,430)	(702,958)
Proceeds from sale of capital assets	10,562	10,562	-	(10,562)
Total other financing sources (uses)	(67,910)	(67,910)	(781,430)	(713,520)
NET CHANGES IN FUND BALANCE	(490,012)	(470,012)	789,881	1,259,893
FUND BALANCE, BEGINNING	2,801,871	2,801,871	2,801,871	-
FUND BALANCES, ENDING	$ 2,311,859	$ 2,331,859	$ 3,591,752	$ 1,259,893

Other Supplementary Information

Non - Major Governmental Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

- Sheriff's Commissary – To account for the activities of the inmate canteen operated by the Sheriff's Department.
- 911 Surcharge – To account for the activities of the 911 telephone operations center.
- Jail Fund – To account for activities of the County's jail.
- Law Library – To account for the law library fees included in all fines which are specifically designated for the County's law library.
- DARE Fund – To account for DARE funds that are legally restricted to expenditure for particular purposes.
- Confiscated Assets – To account for the revenues received that are designated for the purpose of enhancing law enforcement or capital outlay.
- Development Authority General Fund – To account for all of the financial activity of the Development Authority, except activity required to be accounted for in another fund.

Capital Projects Funds are used to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

- 2009 SPLOST – To account for the special purpose local option sales tax funds that are legally restricted for major capital projects.
- LMIG – To account for the LMIG funds received that are legally restricted to expenditure for road repairs and maintenance.
- Public Library Building – To account for the capital outlay and other transactions related to the construction of a new local public library building.
- Development Authority – Industrial Park Fund – To account for industrial park land acquisition and development.

TWIGGS COUNTY, GEORGIA

EXHIBIT 14

COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Total Non - Major Special Revenue Governmental Funds	Total Non - Major Capital Projects Governmental Funds	Total Non - Major Governmental Funds
ASSETS			
Cash and cash equivalents	$ 569,192	$ 164,391	$ 733,583
Investments	41,467	-	41,467
Due from other funds	-	397,311	397,311
Receivables - other	13,127	-	13,127
Total Assets	$ 623,786	$ 561,702	$ 1,185,488
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 18,447	$ 3,008	$ 21,455
Accrued expenses	4,049	-	4,049
Deposits	1,000	-	1,000
Due to other funds	151,292	-	151,292
Total liabilities	174,788	3,008	177,796
Fund Balances:			
Restricted:			
Capital projects	-	518,511	518,511
Special programs	189,506	-	189,506
Community development	247,817	-	247,817
Committed:			
Law enforecement activities	11,675	-	11,675
Assigned:			
Capital projects	-	40,183	40,183
Total fund balances	448,998	558,694	1,007,692
Total liabilities and fund balances	$ 623,786	$ 561,702	$ 1,185,488

TWIGGS COUNTY, GEORGIA

EXHIBIT 15

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON - MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	Total Non - Major Special Revenue Governmental Funds	Total Non - Major Capital Projects Governmental Funds	Total Non - Major Governmental Funds
Revenues:			
Intergovernmental	$ 43,336	$ 66,000	$ 109,336
Charges for services	223,304	-	223,304
Fines and forfeitures	186,436	-	186,436
Investment earnings	932	-	932
Other revenues	70,816	-	70,816
Total revenues	524,824	66,000	590,824
Expenditures:			
Current:			
General government	24,490	-	24,490
Public safety	428,630	-	428,630
Public works	-	478,694	478,694
Economic development	103,266	22,000	125,266
Debt Service:			
Principal payments	298,659	-	298,659
Interest payments	14,242	-	14,242
Capital outlay	105,172	-	105,172
Total expenditures	974,459	500,694	1,475,153
Excess (Deficiency) of Revenues Over (Under) Expenditures	(449,635)	(434,694)	(884,329)
Other Financing Sources (Uses):			
Transfer in	596,928	19,200	616,128
Transfer out	(1,600)	(13,801)	(15,401)
Total Other Financing Sources (Uses	595,328	5,399	600,727
Net Change in Fund Balances	145,693	(429,295)	(283,602)
Fund Balances, Beginning	303,305	987,989	1,291,294
Fund Balances, Ending	$ 448,998	$ 558,694	$ 1,007,692

TWIGGS COUNTY, GEORGIA

EXHIBIT 16

COMBINING BALANCE SHEET
NON - MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	Sheriff's Commissary	911 Surcharge	Jail Fund	Law Library	DARE Fund	Confiscated Assets	Development Authority General Fund	Total Non - Major Special Revenue Governmental Funds
ASSETS								
Cash and cash equivalents	$ 19,084	$ 187,415	$ 40,533	$ 24,454	$ 18,453	$ 26,387	$ 252,866	$ 569,192
Investments	-	-	-	41,467	-	-	-	41,467
Receivables - other	-	12,958	-	169	-	-	-	13,127
Total assets	$ 19,084	$ 200,373	$ 40,533	$ 66,090	$ 18,453	$ 26,387	$ 252,866	$ 623,786
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 7,409	$ 8,960	$ 161	$ 168	$ 1,255	$ 494	$ -	$ 18,447
Accrued expenses	-	-	-	-	-	-	4,049	4,049
Deposits	-	-	-	-	-	-	1,000	1,000
Due to other funds	-	151,292	-	-	-	-	-	151,292
Total liabilities	7,409	160,252	161	168	1,255	494	5,049	174,788
Fund Balances:								
Restricted:								
Special programs	-	40,121	40,372	65,922	17,198	25,893	-	189,506
Community development	-	-	-	-	-	-	247,817	247,817
Committed:								
Law enforecement activities	11,675	-	-	-	-	-	-	11,675
Total fund balances	11,675	40,121	40,372	65,922	17,198	25,893	247,817	448,998
Total liabilities and fund balances	$ 19,084	$ 200,373	$ 40,533	$ 66,090	$ 18,453	$ 26,387	$ 252,866	$ 623,786

TWIGGS COUNTY, GEORGIA

EXHIBIT 17

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON - MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Sheriff's Commissary	911 Surcharge	Jail Fund	Law Library	DARE Fund	Confiscated Assets	Development Authority General Fund	Total Non - Major Special Revenue Governmental Funds
REVENUES								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ 43,336	$ 43,336
Charges for services	-	185,254	-	-	-	-	38,050	223,304
Fines and forfeitures	-	-	67,242	16,401	21,034	81,759	-	186,436
Investment earnings	-	-	-	549	51	-	332	932
Other revenues	3,166	-	-	1,419	-	11,300	54,931	70,816
Total revenues	3,166	185,254	67,242	18,369	21,085	93,059	136,649	524,824
EXPENDITURES								
Current:								
General government	-	-	-	24,490	-	-	-	24,490
Public safety	10,229	307,949	25,025	-	26,005	59,422	-	428,630
Economic development	-	-	-	-	-	-	103,266	103,266
Debt Service:								
Principal payments	-	-	-	-	-	-	298,659	298,659
Interest payments	-	-	-	-	-	-	14,242	14,242
Capital outlay	-	17,638	60,917	-	-	20,057	6,560	105,172
Total expenditures	10,229	325,587	85,942	24,490	26,005	79,479	422,727	974,459
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,063)	(140,333)	(18,700)	(6,121)	(4,920)	13,580	(286,078)	(449,635)
OTHER FINANCING SOURCES (USES)								
Transfer in	-	268,536	-	-	-	-	328,392	596,928
Transfer out	-	-	-	-	-	-	(1,600)	(1,600)
Total other financing sources (uses)	-	268,536	-	-	-	-	326,792	595,328
NET CHANGE IN FUND BALANCE	(7,063)	128,203	(18,700)	(6,121)	(4,920)	13,580	40,714	145,693
FUND BALANCE, BEGINNING	18,738	(88,082)	59,072	72,043	22,118	12,313	207,103	303,305
FUND BALANCE, ENDING	$ 11,675	$ 40,121	$ 40,372	$ 65,922	$ 17,198	$ 25,893	$ 247,817	$ 448,998

TWIGGS COUNTY, GEORGIA

EXHIBIT 18

COMBINING BALANCE SHEET
NON - MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2019

	2009 SPLOST	LMIG	Public Library Building	Development Authority Industrial Park Fund	Total Non - Major Capital Projects Governmental Funds
ASSETS					
Cash and cash equivalents	$ 13,609	$ 95,737	$ 40,183	$ 14,862	$ 164,391
Due from other funds	-	397,311	-	-	397,311
Total assets	$ 13,609	$ 493,048	$ 40,183	$ 14,862	$ 561,702
LIABILITIES					
Accounts payable	$ -	$ 3,008	$ -	$ -	$ 3,008
Total liabilities	-	3,008	-	-	3,008
FUND BALANCE					
Restricted for caital projects	13,609	490,040	-	14,862	518,511
Assigned for capital projects	-	-	40,183	-	40,183
Total fund balances	13,609	490,040	40,183	14,862	558,694
Total liabilities and fund balances	$ 13,609	$ 493,048	$ 40,183	$ 14,862	$ 561,702

TWIGGS COUNTY, GEORGIA

EXHIBIT 19

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON - MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2019

	2009 SPLOST	LMIG	Public Library Building	Development Authority Industrial Park Fund	Total Non - Major Capital Projects Governmental Funds
REVENUES					
Grant revenue	$ -	$ 66,000	$ -	$ -	$ 66,000
Total revenues	-	66,000	-	-	66,000
EXPENDITURES					
Current:					
Public works	-	478,694	-	-	478,694
Economic development	22,000	-	-	-	22,000
Total expenditures	22,000	478,694	-	-	500,694
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,000)	(412,694)	-	-	(434,694)
Other Financing Sources (Uses)					
Transfer in	19,200	-	-	-	19,200
Transfer out	-	-	-	(13,801)	(13,801)
Total Other Financing Sources (Uses)	19,200	-	-	(13,801)	5,399
Net Change in Fund Balances	(2,800)	(412,694)	-	(13,801)	(429,295)
FUND BALANCE, BEGINNING	16,409	902,734	40,183	28,663	987,989
FUND BALANCE, ENDING	$ 13,609	$ 490,040	$ 40,183	$ 14,862	$ 558,694

Agency Funds

TWIGGS COUNTY, GEORGIA

EXHIBIT 20

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2019

	Superior Court	Probate Court	Tax Commissioner	Magistrate Court	Sheriff	Total Agency Funds
ASSET						
Cash	$ 77,955	$ 26,783	$ 64,761	$ 3,132	$ 69,804	$ 242,435
LIABILITY						
Other liabilities	$ 77,955	$ 26,783	$ 64,761	$ 3,132	$ 69,804	$ 242,435

Other Information

TWIGGS COUNTY, GEORGIA

EXHIBIT 21

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
YEAR ENDED DECEMBER 31, 2019

Project Description Per SPLOST Referendum	Estimated Cost Original	Estimated Cost Current	Expenditures Prior Years	Expenditures Current Year	Total
Capital Improvement Program -					
February 5, 2008 referendum:					
Improving Twiggs County roads			$ 1,465,602	$ -	$ 1,465,602
Retirement of road shops debt, and purchase of other road maintaining equipment as required			610,665	-	610,665
Improving the County's water system			18,665	-	18,665
Complete infrastructure and other objectives at County's Industrial Park			1,387,237	22,000	1,409,237
Repair roofs at Courthouse complex			62,166	-	62,166
Recreation and parks			24,245	-	24,245
Total	$ 6,000,000	$ 6,000,000	$ 3,568,580	$ 22,000	$ 3,590,580
November 4, 2015 referendum:					
Distribution to Other Governments			$ 218,750	$ 66,827	$ 285,577
Improving Twiggs County roads			422,322	574,627	996,949
Debt service for road equipment			134,991	99,737	234,728
Total	$ 6,000,000	$ 6,000,000	$ 776,063	$ 741,191	$ 1,517,254

Compliance Information

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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*

Independent Auditor's Report

To the Honorable Chairman and
Members of the Board of Commissioners
Twiggs County, 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 unit, each major fund, and the aggregate remaining fund information of Twiggs County, Georgia as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Twiggs County, Georgia's basic financial statements, and have issued our report thereon dated September 30, 2020. Our report includes a reference to other auditors who audited the financial statements of the Development Authority of The City of Jeffersonville and Twiggs County, Georgia and the Twiggs County Board of Health, as described in our report on Twiggs County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting 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.

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 deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 2019-001, 2019-002, 2019-003, 2019-004.

Compliance and Other Matters

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

We noted certain matters that we have reported to management of Twiggs County, Georgia in a separate letter dated September 30, 2020.

Twiggs County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Nichols, Cauley & Associates, LLC

Dublin, Georgia
September 30, 2020

Finding 2019-001

Material Weakness in Internal Control Over Financial Reporting – Control Environment/ Management Override of Controls

Criteria: Internal Controls should be in place to reduce the risk of material misstatement and fraud. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, segregation of duties and internal audit. Additionally, controls should be in place to mitigate the override of controls by management or board members.

Condition: The County lacks certain internal controls to reduce the risk of material misstatement or misappropriation of assets.

Cause: The County's limited size and staffing resources have resulted in a lack of internal controls adequately designed or implemented.

Effect or Potential Effect: Failure to fully implement adequate internal controls can lead to misappropriation of assets or misstatements that are not detected during the normal course of business.

Recommendation: Management should perform thorough review of the County's internal control processes.

Responsible Official's Response: We concur with the recommendation. The Twiggs County Board of Commissioners will continue to evaluate, develop and implement improved internal controls in order to reduce the risk of misstatement and misappropriation of assets. These controls will include proper segregation of duties between recording, processing and reconciliation of cash and other general ledger accounts in order to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business

Finding 2019-002

Material Weakness in Internal Control Over Financial Reporting – Journal Entry Documentation

Criteria: Internal Control Structure should provide adequate documentation for correcting or adjusting journal entries entered into the accounting system

Condition: During the course of our audit several journal entries were entered into the accounting system that did not have proper source documentation.

Cause: Due to the high turnover of management in the County, proper source documentation has not been accounted for.

Effect: Inaccurate or fraudulent journal entries could be entered into the accounting system.

Recommendation: Policies and procedures should be implemented regarding the posting of entries.

Responsible Official's Response: We concur with the recommendation. This was an oversight and we will strive to implement the necessary procedures to correct this finding in future periods.

Finding 2019-003

Material Weakness in Internal Control Over Financial Reporting – Budgets

Criteria: The County should use fiscal control and accountability.

Condition: In the County's General Fund, actual expenditures exceeded budget appropriations in several departments.

Cause: County's expenditures exceeded appropriations in several different departments.

Effect: Fiscal control and accountability over departmental expenditures may be jeopardized.

Recommendation: The County should monitor the budget and amend it when appropriate.

Responsible Official's Response: The County will continue to review the budget as the budget year progresses to ensure that the budget is amended for changes that occur during the year.