

**HARRIS COUNTY, GEORGIA
FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

Harris County, Georgia
Annual Financial Report
For The Year Ended June 30, 2019

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Independent Auditor's Report

Harris County Board of Commissioners
Harris County, Georgia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The County's 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 Harris County Health Department, which represent 18 percent, 8 percent and 51 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Harris County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County'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 the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance 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 management's discussion and analysis on pages 5 – 16 and other required supplementary information on pages 6 – 64 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 of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary schedules (pages 65 – 127) are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Harris County Board of Commissioners
Harris County, Georgia
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Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 21, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the County's internal control over financial reporting and compliance.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

January 21, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Harris County, Georgia's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities by \$87,964,412 (net position) for the fiscal year reported.
- Total net position are comprised of the following:
 - (1) Net investment in capital assets, of \$66,877,983 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$4,705,737 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$16,380,692 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of \$15,598,684 this year. This compares to the prior year ending fund balance of \$12,892,456 showing an increase of \$2,706,228 during the current year. Unrestricted fund balance of \$10,790,275 at June 30, 2019 shows a \$2,662,568 increase from the prior year.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$10,562,849 or 52.7% of total General Fund expenditures, as compared to 37.9% at June 30, 2018.
- Overall, the County continues to maintain a strong financial position amidst a steady economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available and feasible.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. Business-type activities include water, solid waste and the airport.

The government-wide financial statements are presented on pages 17 & 18 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The County has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The budget to the actual presentation for the general fund is also presented as a basic financial statement.

The basic governmental fund financial statements are presented on pages 19 - 22 of this report.

Individual fund information for nonmajor governmental funds is found in a later section of this report.

The *Proprietary funds* are reported in the fund financial statements and generally report services for which the County charges customers a fee. The County's proprietary funds are classified as enterprise funds. The enterprise funds essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization for water services, the landfill and solid waste pickup and the airport services.

The basic enterprise fund financial statements are presented on pages 23 – 25 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 29 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information relating to funding progress for the County's pension plan.

Supplementary Information

Combining statements for nonmajor governmental funds and budgetary comparison schedules for the nonmajor special revenue and debt service funds can be found in the supplementary information.

Financial Analysis of the County as a Whole

The County's net position at fiscal year-end is \$87,964,412, as compared to \$80,145,925 at June 30, 2018. The following table provides a summary of the County's net position:

Summary of Net Position

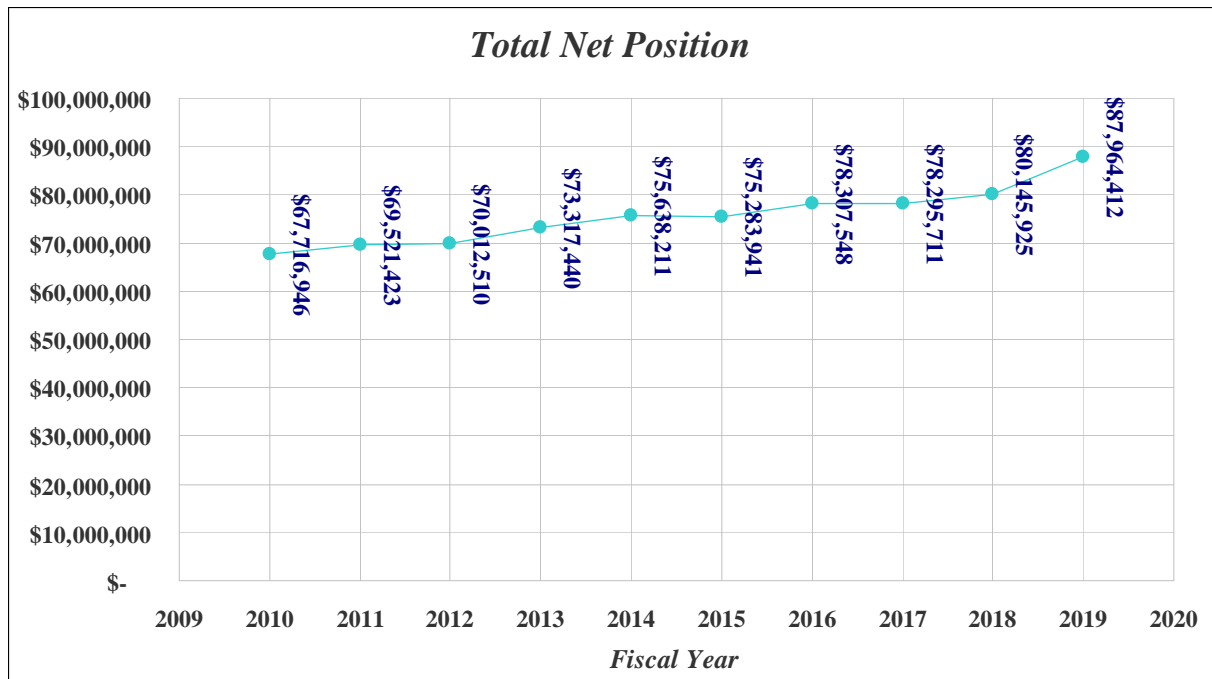
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current assets	\$ 17,929,658	\$ 15,817,772	\$ 9,194,957	\$ 9,600,962	\$ 27,124,615	\$ 25,418,734
Noncurrent assets	50,126,511	50,835,133	31,872,583	31,091,112	81,999,094	81,926,245
Total assets	68,056,169	66,652,905	41,067,540	40,692,074	109,123,709	107,344,979
Deferred outflows	2,746,695	1,476,723	480,335	275,238	3,227,030	1,751,961
Liabilities:						
Current liabilities	2,025,042	2,587,564	1,607,022	1,614,869	3,632,064	4,202,433
Long-term liabilities	11,562,456	15,439,645	8,404,949	8,315,917	19,967,405	23,755,562
Total liabilities	13,587,498	18,027,209	10,011,971	9,930,786	23,599,469	27,957,995
Deferred inflows	676,147	854,692	110,711	138,328	786,858	993,020
Net position:						
Net investment in capital assets	42,959,438	37,770,385	23,918,545	22,912,479	66,877,983	60,682,864
Restricted	4,401,277	4,107,781	304,460	294,814	4,705,737	4,402,595
Unrestricted	9,178,504	7,369,561	7,202,188	7,690,905	16,380,692	15,060,466
Total net position	\$ 56,539,219	\$ 49,247,727	\$ 31,425,193	\$ 30,898,198	\$ 87,964,412	\$ 80,145,925

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 8.9 to 1 as compared to 6.1 to 1 at June 30, 2018. The current ratio for business-type activities is 5.7 to 1 as compared to 5.9 to 1 at June 30, 2018.

The County reported positive balances in net position for both governmental and business-type activities. Net position increased \$7,291,492 or 14.8% for governmental activities, and increased \$526,995 or 1.7% for business-type activities. The County's overall financial position increased during fiscal year 2019 by \$7,818,487.

Note that approximately 76.0% of the governmental activities' net position is tied up in capital. The County uses these capital assets to provide services to its citizens. However, with business type activities, the County has spent approximately 76.1% of its net position on capital.

The following chart reports the total net position balances from June 30, 2010 – 2019.



Since 2010, the total net position has increased \$20,247,466 or 29.9%.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For The Year Ended June 30, 2019

Harris County, Georgia

The following table provides a summary of the County's changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program:						
Charges for services & fines	\$ 5,290,829	\$ 4,960,741	\$ 7,450,518	\$ 7,305,493	\$ 12,741,347	\$ 12,266,234
Operating grants	10,872	40,473			10,872	40,473
Capital grants	6,677,680	2,998,693	1,041,356	51,578	7,719,036	3,050,271
General:						
Taxes	20,533,374	19,973,171			20,533,374	19,973,171
Other	316,831	104,285	120,964	51,560	437,795	155,845
Total revenues	<u>32,829,586</u>	<u>28,077,363</u>	<u>8,612,838</u>	<u>7,408,631</u>	<u>41,442,424</u>	<u>35,485,994</u>
Program Expenses:						
General government	3,921,008	3,705,263	-	-	3,921,008	3,705,263
Judicial	1,567,709	1,516,684	-	-	1,567,709	1,516,684
Public safety	12,676,167	12,633,624	-	-	12,676,167	12,633,624
Public works	5,661,018	5,620,461	-	-	5,661,018	5,620,461
Health and welfare	297,114	278,598	-	-	297,114	278,598
Culture and recreation	1,413,471	1,789,085	-	-	1,413,471	1,789,085
Housing and development	508,753	447,688	-	-	508,753	447,688
Interest	320,255	704,176	-	-	320,255	704,176
Water and sewer	-	-	4,865,590	4,639,071	4,865,590	4,639,071
Solid waste	-	-	1,653,561	1,615,078	1,653,561	1,615,078
Airport	-	-	739,291	686,052	739,291	686,052
Total expenses	<u>26,365,495</u>	<u>26,695,579</u>	<u>7,258,442</u>	<u>6,940,201</u>	<u>33,623,937</u>	<u>33,635,780</u>
Revenues over (under) expenses	6,464,091	1,381,784	1,354,396	468,430	7,818,487	1,850,214
Transfers in (out)	<u>827,401</u>	<u>-</u>	<u>(827,401)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in net position	7,291,492	1,381,784	526,995	468,430	7,818,487	1,850,214
Beginning net position	<u>49,247,727</u>	<u>47,865,943</u>	<u>30,898,198</u>	<u>30,429,768</u>	<u>80,145,925</u>	<u>78,295,711</u>
Ending net position	<u>\$ 56,539,219</u>	<u>\$ 49,247,727</u>	<u>\$ 31,425,193</u>	<u>\$ 30,898,198</u>	<u>\$ 87,964,412</u>	<u>\$ 80,145,925</u>

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes, including vehicle tax, provided 38.6% of the County's total governmental revenues as compared to 44.6% in fiscal year 2018. Sales taxes make up 17.0% of the County's total governmental revenues as compared to 19.1% in fiscal year 2018.

Capital grant and capital contribution type revenue was reported in fiscal year 2019 for the general government (\$5,400,000), public safety (\$23,667), public works (\$818,448), culture and recreation functions (\$91,000) and housing and development (\$344,565), included the following:

General government:

- Mulberry Grove Dev. for sewer infrastructure (\$5,400,000)

Public safety:

- Bulletproof vest program grant (\$14,060)
- Emergency management agency grant (\$9,607)

Public works:

- Georgia LMIG grant for roads (\$816,948)
- GSWCC Watershed Dam (\$1,500)

Culture and Recreation:

- Donations (\$91,000)

Housing and Development:

- Economic development project (\$301,065)
- Rails to trails project (\$43,500)

In total, charges for services and fines for the governmental user charges increased by \$330,088 mostly due to indirect cost allocations setup to charge various departments for internal administrative overhead costs. The County realized increases in real property taxes, local option sales tax and insurance premium tax of \$62,496, \$69,544 and \$128,071 respectively. The County also realized an increase from ambulance fees of \$49,560.

The County's unrestricted interest earnings to support governmental activities increased by \$110,842 due to a reclassification of investments from minimal interest bearing cash accounts to State pooled investment accounts. Also, note that program revenues cover 45.4% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 54.6% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The general government and the public safety functions make up approximately 61.7% of the total governmental activities expenses as compared to 61.2% in fiscal year 2018. Public works totals 22.6% of the total governmental activities expenses as compared to 21.1% in fiscal year 2018.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	%	Net Cost of Services	%
General government	\$ 3,921,008	14.8%	\$ 2,456,319	-17.1%
Judicial	1,567,709	6.0%	(1,564,931)	10.9%
Public safety	12,676,167	48.1%	(8,998,354)	62.5%
Public works	5,661,018	21.5%	(4,675,195)	32.5%
Health and welfare	297,114	1.1%	(285,114)	2.0%
Culture and recreation	1,413,471	5.4%	(1,201,922)	8.4%
Housing and development	508,753	1.9%	203,338	-1.4%
Interest	320,255	1.2%	(320,255)	2.2%
Total	<u>\$ 26,365,495</u>	<u>100.0%</u>	<u>\$ (14,386,114)</u>	<u>100.0%</u>

The public safety function totals 62.5% of the net cost of services and public works totals 32.5% of these costs.

Overall Analysis – For all enterprise funds, total operating revenues increased \$145,025 or 1.9%. Operating expenses increased \$475,917 or 7.2%. In total, the operating income decreased \$330,892 or 48.2%.

The operating income (loss) for each utility was as follows:

	<u>Amount</u>
Water works	\$ 223,416
Solid waste	434,950
Airport	(303,641)

The following includes an analysis of the fiscal year 2019 financial activities for each enterprise.

Water Works - The operating income of \$223,416 in fiscal year 2019 compares to operating income of \$555,992 in fiscal year 2018. The fiscal year 2019 operating revenues of \$4,927,058 were \$47,904 or 1.0% over fiscal year 2018. Operating expenses increased \$380,480 or 8.8% due to costs related to personnel, water purchases from Columbus and materials and depreciation from several on-going water works construction projects.

Solid Waste - The operating income of \$434,950 in fiscal year 2019 compares to operating income of \$473,602 in fiscal year 2018. The fiscal year 2019 operating revenues were relatively flat as compared to fiscal year 2018. Operating expenses increased \$42,198 or 2.6% due mostly to increases to costs related to personnel and increased fuel purchases.

Airport - The operating loss of \$303,641 in fiscal year 2019 compares to an operating loss of \$343,977 in fiscal year 2018. The fiscal year 2019 operating revenues of \$435,650 were \$93,575 or 27.4% over fiscal year 2018 relating to increased fuel sales and reimbursements for property damaged by a tornado. Operating expenses increased \$53,239 or 7.8% mostly due to costs related to repairs and maintenance from the tornado.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$15,598,684 as compared to the 2018 fiscal year amount of \$12,892,456. Of this year-end total, \$10,790,275 is

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Harris County, Georgia

As of and For The Year Ended June 30, 2019

unrestricted indicating availability for continuing County service requirements. Fund balance includes \$4,049,243 restricted for capital projects, \$123,483 restricted for debt service, \$16,110 restricted for unclaimed property and \$212,441 restricted for nonmajor special revenue fund purposes. Fund balance committed to recreation is \$20,933 and fund balance includes assets not available for current expenditure of \$386,199, which is tied up in inventory and prepaid assets.

The total ending fund balances of governmental funds show an increase of \$2,706,228 or an increase of 21.0% over the prior year.

Major Governmental Funds

General Fund - The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased \$2,364,457 in fiscal year 2019 or an increase of 27.4%. In fiscal year 2018, the fund balance increased \$68,951.

Total revenues increased \$1,121,430 or 5.3% from that of fiscal year 2018 due largely to an increase in the property tax digest, the implementation of the indirect cost allocations and the investment earnings strategy.

Total expenditures decreased \$852,866 or 4.1% below the fiscal year 2018 total due mostly to decreased LMIG road maintenance expenditures and interest expense related to refinancing of bonds.

The general government function costs are down \$263,157 or 7.6% under the fiscal year 2018 amount. This amount is related to a partial reallocation of utilities costs from facilities maintenance (electric, water/sewer, etc.) to the proper cost center during fiscal year 2019.

In the judicial function, the total expenditure increased \$34,173 or 2.3%.

The total public safety costs decreased \$69,076 or 0.7% due mostly to a decrease in volunteer fire department equipment spending from the prior year.

Total public works costs decreased \$823,573 due to decreased road paving through LMIG funding versus the prior year as several years of LMIG road paving was expensed in fiscal year 2018.

The expenditures for the remaining functions were slightly increased due to the reallocation of utilities costs out of the general government function during fiscal year 2018.

In fiscal year 2019, the general fund's ending unrestricted fund balance increased by \$2,650,568 above the June 30, 2018 balance due mainly to the increase in the property tax digest, the implementation of the indirect cost allocations, donations toward recreation projects, decreased spending on infrastructure in public works and the investment earnings strategy change. This unrestricted balance of \$10,562,849 is considered adequate. This unrestricted portion represents the equivalent of 52.7% of annual expenditures, as compared to 37.9% last year.

Callaway Debt Service Fund - This fund is used to account for the debt service on a GEFA loan. The Callaway Foundation reimburses the County for the cost of this debt service.

The Proprietary Funds

The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, additional analysis is not necessary.

Budgetary Highlights

The General Fund – During fiscal year 2019, the Board of Commissioners amended the general fund budget.

The total budgeted revenues and other financing sources were amended upward by \$65,520 or < 1.0%. The County recognized \$2,105,635 more than anticipated total revenues, related to real property taxes, motor vehicle ad valorem taxes, local option sales taxes, investment earnings, reimbursement for damaged property and donations.

The total budgeted expenditures, excluding transfers, were amended upward by the same \$65,520.

The total budgeted expenditures and other financing uses came in at \$1,720,463 under the final amended budget for the general fund.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2019, was \$50,092,080 and \$31,872,583 and for June 30, 2018 was \$50,797,870 and \$31,091,112 respectively. The decrease in net investment was \$705,790 or 1.4% for governmental activities and was an increase of \$781,471 or 2.5% for business-type activities. See Note 3-E for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity.

Capital Assets						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Non-depreciable assets:						
Land	\$ 15,077,803	\$ 15,077,803	\$ 726,701	\$ 693,751	\$ 15,804,504	\$ 15,771,554
Construction in progress	820,703	308,989	7,199,650	5,817,035	8,020,353	6,126,024
Total non-depreciable assets:	15,898,506	15,386,792	7,926,351	6,510,786	23,824,857	21,897,578
Depreciable assets:						
Buildings and improvements	26,259,951	25,950,394	7,021,806	6,507,058	33,281,757	32,457,452
Machinery and equipment	24,361,393	23,780,827	7,379,331	7,366,312	31,740,724	31,147,139
Water system and water lines	-	-	28,826,097	28,764,465	28,826,097	28,764,465
Infrastructure	29,061,161	29,061,161	-	-	29,061,161	29,061,161
Total depreciable assets	79,682,505	78,792,382	43,227,234	42,637,835	122,909,739	121,430,217
Less accumulated depreciation	45,488,931	43,381,304	19,281,002	18,057,509	64,769,933	61,438,813
Book value - depreciable assets	34,193,574	35,411,078	23,946,232	24,580,326	58,139,806	59,991,404
Percentage depreciated	57%	55%	45%	42%	53%	51%
Book value - all assets	\$ 50,092,080	\$ 50,797,870	\$ 31,872,583	\$ 31,091,112	\$ 81,964,663	\$ 81,888,982

At June 30, 2019, the depreciable capital assets for governmental activities were 57% depreciated. This compares to 55% at the June 30, 2018 percentage. Indicating an aging asset inventory, 57% depreciated is a relatively high rate for a Georgia government.

With the County's business type activities, 45% of the asset values were depreciated at June 30, 2019, which compares to 42% at June 30, 2018.

In governmental activities, the primary additions to the machinery and equipment account include two new ambulances and associated equipment at \$426,075, five new sheriff vehicles at a total cost of \$199,754, two new animal control vehicles with associated equipment at \$69,605 and \$160,456 for new vehicles for public works, E911, corrections and community development. The primary addition to buildings and improvements was for a camera system/CCTV upgrade for the county prison at a cost of \$143,896.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For The Year Ended June 30, 2019

Harris County, Georgia

In the business type activities, the additions to the construction in progress are water work's S.R. 219 passing lanes, A.M.R. meter project and the airport's wildlife fencing at a cost of \$434,752, \$443,947 and \$443,546 respectively.

Long-term Debt

At the end of this fiscal year, the County reported \$6,108,142 of outstanding revenue bonds relating to the community center. The water and sewer fund reported \$5,112,270 in revenue bonds relating to water and sewer system improvements.

During the year, the County retired \$5,400,000 related to the payoff of the Mulberry Grove Sewer project bond. The water and sewer fund retired \$497,745 or 9.1% of the beginning outstanding water revenue bonds.

The following schedule reports long-term debt balances for both governmental activities on a comparative basis.

	Outstanding Borrowings						
	Governmental Activities		Business-type Activities		Totals		% Change
	2019	2018	2019	2018	2019	2018	
GEFA loans	\$ 975,451	\$ 1,088,309	\$ 2,832,290	\$ 2,530,042	\$ 3,807,741	\$ 3,618,351	5%
Revenue bonds	6,108,142	11,788,142	5,112,270	5,610,015	11,220,412	17,398,157	-35.51%
Capital leases	49,049	151,034	9,478	38,576	58,527	189,610	-69.13%
Net pension liability	4,772,569	2,844,884	897,278	581,642	5,669,847	3,426,526	65.47%
Postclosure	-	-	187,710	202,350	187,710	202,350	-7%
Compensated absences	337,698	310,601	74,361	72,265	412,059	382,866	8%
Total	\$ 12,242,909	\$ 16,182,970	\$ 9,113,387	\$ 9,034,890	\$ 21,356,296	\$ 25,217,860	-15%

See Note 3-H for additional information about the County's long-term debt.

Economic Conditions Affecting the County

Harris County in General

Harris County is located in the west-central portion of the State of Georgia 80 miles southwest of Atlanta, the state capital, 70 miles southwest of Atlanta's Hartsfield-Jackson International Airport, and 24 miles north of Columbus on the I-185 and I-85 interstate corridors. The county shares a western boundary with the state of Alabama. The county is primarily rural and has a tourism component consisting of Callaway Gardens Resort, a private 2,500 acre resort with a lodge and spa, hotel, conference centers, cottages, villas, golf courses, and garden type amenities such as walking trails, biking trails, lakes, and many paid events throughout the year. The county is also home to the 9,049 acre F. D. Roosevelt State Park with amenities including lakes, walking trails, cottages, campsites, and horse stables. Lake Harding, a recreational lake, is also located in the county. The county has five incorporated municipalities consisting of Pine Mountain, Waverly Hall, Shiloh, a portion of West Point, and Hamilton, the county seat.

The county's current population according to the U.S. Census Bureau is 34,475 as of July 2018 and has increased 7.7 % since April 2010. The county's land area is 464 square miles with a population density of 69 residents per square mile. Approximately 94% of the population resides in the unincorporated area of the county. The county's per capita income is currently \$32,373 as compared to the state at \$28,015.

Other county facts according to the U.S. Census Bureau Quick Facts include the county has 14,344 housing units with a median home value of \$200,200. In addition, 89.1% of the county's residents over 25 years of age have a high school diploma as compared to the state at 86.3% and 27.4% of the county's residents over 25 years of age have a Bachelor's degree as compared to the state at 30%.

Harris County is a rural community but provides a full complement of public services including the following:

- Animal control and shelter
- Voter registration and county and city elections
- Judicial and court services
- Parks & recreation services
- Community development services including zoning, building permits, building inspections, and code enforcement.
- 911 and emergency management services
- Emergency medical services
- Law enforcement, jail, and prison services
- Road, bridge, and right-of-way maintenance
- Tax assessments and collections
- Airport services
- Solid waste collection, transportation, and disposal
- Water treatment and distribution

In addition, the county provides financial assistance to numerous agencies that perform public services for the county including but not limited to:

- Fire protection services through volunteer fire departments
- Public, environment, and mental health services
- Family and children services
- Senior citizens services
- Library services
- Economic development services

Harris County Local Financial Condition

The overall Harris County economy continues to be relatively stable and is experiencing slight improvements as compared to previous years. The construction of single-family homes continues to increase. During FY 2016-17, 166 single-family home permits were issued and during FY 2017-18, 220 single-family home permits were issued, an increase of 32.5%. During FY 2018-19, 232 single-family home permits were issued, an increase of 5.5% from the previous year.

Solid waste tonnage collections have also increased. During FY 2016-17, 13,349 tons of solid waste were collected and during FY 2017-18, 14,049 tons of solid waste were collected, an increase of 5.2%. During FY 2018-19, 15,014 tons of solid waste were collected, an increase of 6.8% from the previous year.

The county's local unemployment rate continues to fall. The county's unemployment rate was 5.2% during July 2016, 4.6% during July 2017, 3.6% during July 2018, and 3.4% during July 2019. During the same time periods, the state experienced approximately the same unemployment rate decreases.

The county's total tax digest values generally declined from 2009 to 2016 when it bottomed out in 2016 at \$1,223,323,808. During 2017, the tax digest increased to \$1,273,766,678, an increase of 4.1%. During 2018, the tax digest increased further to \$1,299,620,271, an increase of 2.0% from the previous fiscal year.

The county increased its millage rate for the first time since 2008 from 6.14 mills to 8.64 mills in 2017 to generate about \$3.47 million in additional property tax revenue. The millage rate remained virtually the same during 2018 at 8.63 mills but increased to 9.38 during 2019 to generate about \$1.3 million in additional property tax revenue to fund county operations.

The total taxes levied also saw a general decline from 2009 to 2016 when it bottomed out in 2016 at \$7,463,561. Due to a millage rate increase in 2017, total taxes levied increased to \$10,938,674 in 2017, an increase of 46.5%. During 2018, the total taxes levied increased slightly to \$11,148,455 without a millage rate increase, an increase of 1.9% from the previous fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**Harris County, Georgia*****As of and For The Year Ended June 30, 2019***

Local Option Sales Tax (LOST) collections are slightly increasing each year and remaining steady at about \$1,800,000 to \$1,900,000 per year. Special Purpose Local Option Sales Tax (SPLOST) collections are also slightly increasing each year and remaining steady at about \$2,500,000 per year. The transportation SPLOST (TSPLOST) collections are also slightly increasing each year and remaining steady at about \$960,000 to \$1,000,000 per year. TSPLOST collections will end December 31, 2022 and there is ongoing discussion to renew this regional tax for an additional ten years. The sales tax collections are indicative of a rural economy with minimal commercial and retail establishments.

The Harris County Development Authority continues to recruit new businesses and industrial prospects by showcasing the county's accessible location, moderate climate, skilled workforce, availability of land and utilities in the Northwest Harris Business Park and Hamilton Business Park, and offering business incentives. Daesol Materials, a Kia automobile supplier, completed their new industrial facility recently and are already looking to expand.

During the audit period of July 1, 2018 to June 30, 2019, the county has embarked and completed many public projects including improvements to many county facilities and infrastructure, replaced county rolling stock, completed an update to its Comprehensive Master Plan as required by state law, increased the hotel/motel tax from 3% to 5% to generate additional funds to further market the county for tourism purposes, recovered from a major tornado that struck the county during March 2019, and began Phase I of the long awaited Rails to Trails project funded mostly by grant funds.

Lastly, the county voters approved a SPLOST renewal during May 2018 to continue the one cent sales tax for an additional six years to raise \$15.3M. The new SPLOST went into effect on April 1, 2019 and will continue until March 31, 2025. The voter approved projects include public safety vehicles and equipment, community center debt payments, renovations to the historic courthouse, old library, and community development building, economic development and broadband, public works facility, road and bridge improvements, rails to trails project, and many city projects.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Officer at 706-628-4958 or stop by the County Courthouse Annex in Hamilton, Georgia, 31811.

Harris County, Georgia
Statement of Net Position
June 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	\$ 5,374,632	\$ 1,357,604	\$ 6,732,236	\$ 1,240,727
Restricted cash	98,923	763,732	862,655	-
Investments	8,184,446	7,527,216	15,711,662	-
Receivables:				
Accounts	90,707	574,867	665,574	-
Interest	304	1,663	1,967	-
Property taxes	550,799	-	550,799	-
TAVT	173,384	-	173,384	-
Sales taxes	529,000	-	529,000	-
Intergovernmental	187,696	158,058	345,754	21,042
Notes	924,993	-	924,993	-
Interfund	1,415,423	(1,415,423)	-	-
Inventory	196,020	187,139	383,159	-
Prepaid items	203,331	40,101	243,432	-
Total Current Assets	17,929,658	9,194,957	27,124,615	1,261,769
Non-current Assets				
Notes receivable (net of current portion)	34,431	-	34,431	-
Capital assets (Note 3E)				
Nondepreciable	15,898,506	7,926,351	23,824,857	1,232,033
Depreciable, net	34,193,574	23,946,232	58,139,806	4,321,724
Total Non-current Assets	50,126,511	31,872,583	81,999,094	5,553,757
Total Assets	68,056,169	41,067,540	109,123,709	6,815,526
Deferred Outflows of Resources (Note 3-F)	2,746,695	480,335	3,227,030	122,446
Total Assets and Deferred Outflows of Resources	70,802,864	41,547,875	112,350,739	6,937,972
Liabilities				
Current Liabilities				
Accounts payable	521,463	342,703	864,166	-
Retainage payable	82,330	-	82,330	-
Accrued expenses payable	687,285	78,799	766,084	26,895
Accrued interest payable	53,511	9,877	63,388	21,830
Customer deposits payable	-	467,205	467,205	-
Compensated absences payable	270,158	59,489	329,647	2,627
Closure and postclosure care liability	-	22,772	22,772	-
GEFA loan payable	116,246	111,699	227,945	-
Revenue bonds payable	245,000	505,000	750,000	-
Capital lease payable	49,049	9,478	58,527	-
Total Current Liabilities	2,025,042	1,607,022	3,632,064	51,352
Long-Term Liabilities (Note 3H) (net of current portion)				
Compensated absences payable	67,540	14,872	82,412	23,646
Closure and postclosure care liability	-	164,938	164,938	-
Net pension liability	4,772,569	897,278	5,669,847	540,767
GEFA loan payable	859,205	2,720,591	3,579,796	-
Revenue bonds payable	5,863,142	4,607,270	10,470,412	-
Total Long-Term Liabilities	11,562,456	8,404,949	19,967,405	564,413
Deferred Inflows of Resources (Note 3-F)	676,147	110,711	786,858	258,544
Total Liabilities and Deferred Inflows of Resources	14,263,645	10,122,682	24,386,327	874,309
Net Position				
Net investment in capital assets (Note 3J)	42,959,438	23,918,545	66,877,983	5,553,757
Restricted for:				
Capital projects	4,065,353	-	4,065,353	-
Debt service	123,483	304,460	427,943	-
Specific health program	-	-	-	504,729
Public safety	162,988	-	162,988	-
Law library	49,453	-	49,453	-
Unrestricted (deficit)	9,178,504	7,202,188	16,380,692	5,177
Total Net Position	\$ 56,539,219	\$ 31,425,193	\$ 87,964,412	\$ 6,063,663

See accompanying notes to the basic financial statements

Statement of Activities
For the Year Ended June 30, 2019

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Units
	Expenses	Charges for Services and Fines	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-type Activities	Total		
Primary Government									
Governmental Activities									
General government	\$ 3,921,008	\$ 971,642	\$ 5,685	\$ 5,400,000	\$ 2,456,319	\$ -	\$ 2,456,319	\$ -	
Judicial	1,567,709	2,778	-	-	(1,564,931)	-	(1,564,931)	-	
Public safety	12,676,167	3,648,959	5,187	23,667	(8,998,354)	-	(8,998,354)	-	
Public works	5,661,018	167,375	-	818,448	(4,675,195)	-	(4,675,195)	-	
Health and welfare	297,114	12,000	-	-	(285,114)	-	(285,114)	-	
Culture and recreation	1,413,471	120,549	-	91,000	(1,201,922)	-	(1,201,922)	-	
Housing and development	508,753	367,526	-	344,565	203,338	-	203,338	-	
Interest	320,255	-	-	-	(320,255)	-	(320,255)	-	
Total Governmental Activities	26,365,495	5,290,829	10,872	6,677,680	(14,386,114)	-	(14,386,114)	-	
Business-type Activities									
Water works	4,865,590	4,927,058	-	-	-	61,468	61,468	-	
Solid waste	1,653,561	2,087,810	-	-	-	434,249	434,249	-	
Airport	739,291	435,650	-	1,041,356	-	737,715	737,715	-	
Total Business-type Activities	7,258,442	7,450,518	-	1,041,356	-	1,233,432	1,233,432	-	
Total Primary Government	\$ 33,623,937	\$ 12,741,347	\$ 10,872	\$ 7,719,036	(14,386,114)	1,233,432	(13,152,682)	-	
Component Units									
Department of Public Health	434,133	281,873	475,394	-	-	-	-	323,134	
Development Authority	152,563	-	-	705,335	-	-	-	552,772	
Total - Component Units	\$ 586,696	\$ 281,873	\$ 475,394	\$ 705,335	-	-	-	875,906	
General Revenues									
Property taxes levied for general government purposes					12,759,221	-	12,759,221	-	
Sales taxes					5,594,612	-	5,594,612	-	
Insurance premium tax					1,787,445	-	1,787,445	-	
Other taxes					392,096	-	392,096	-	
Unrestricted investment earnings					158,829	120,964	279,793	-	
Miscellaneous					158,002	-	158,002	10,053	
Transfers					827,401	(827,401)	-	-	
Total General Revenues					21,677,606	(706,437)	20,971,169	10,053	
Change in Net Position					7,291,492	526,995	7,818,487	885,959	
Net Position Beginning of Year					49,247,727	30,898,198	80,145,925	5,177,704	
Net Position End of Year					\$ 56,539,219	\$ 31,425,193	\$ 87,964,412	\$ 6,063,663	

See accompanying notes to the basic financial statements

Harris County, Georgia
Balance Sheet
Governmental Funds
June 30, 2019
(With Comparative Totals at June 30, 2018)

	2019				2018
	General	Callaway Debt Service	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,536,269	\$ 12,564	\$ 3,825,799	\$ 5,374,632	\$ 6,920,322
Investments	7,265,704	-	918,742	8,184,446	\$ 5,247,343
Restricted cash	-	-	98,923	98,923	226,720
Receivables:					
Accounts	-	\$ 11,996	78,711	90,707	124,196
Property taxes	550,799	-	-	550,799	183,280
TAVT	173,384	-	-	173,384	178,983
Sales taxes	185,626	-	343,374	529,000	471,294
Interest	-	-	304	304	590
Intergovernmental	178,107	-	9,589	187,696	118,558
Notes	-	956,323	3,101	959,424	1,072,698
Interfund	1,746,751	-	177,401	1,924,152	1,386,117
Component units	-	-	-	-	15
Inventory	196,020	-	-	196,020	187,597
Prepaid items	190,179	-	13,152	203,331	227,651
Total Assets	\$ 12,022,839	\$ 980,883	\$ 5,469,096	\$ 18,472,818	\$ 16,345,364
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 254,636	\$ -	\$ 266,828	\$ 521,464	\$ 922,289
Accrued expenditures payable	664,109	-	23,176	687,285	654,864
Retainage payable	-	-	82,330	82,330	103,137
Interfund payable	-	-	508,729	508,729	598,049
Unearned revenue	-	956,323	-	956,323	1,069,748
Total Liabilities	918,745	956,323	881,063	2,756,131	3,348,087
Deferred Inflows of Resources	118,003	-	-	118,003	104,821
Total Liabilities and Deferred Inflows of Resources	1,036,748	956,323	881,063	2,874,134	3,452,908
Fund Balances					
Nonspendable	386,199	-	-	386,199	402,065
Restricted	16,110	24,560	4,360,607	4,401,277	4,055,396
Committed	20,933	-	-	20,933	307,288
Assigned	427,477	-	227,426	654,903	742,559
Unassigned	10,135,372	-	-	10,135,372	7,385,148
Total Fund Balances	10,986,091	24,560	4,588,033	15,598,684	12,892,456
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 12,022,839	\$ 980,883	\$ 5,469,096	\$ 18,472,818	\$ 16,345,364

See accompanying notes to the basic financial statements

Harris County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Government-wide Statement of Net Position
June 30, 2019

Total Governmental Fund Balances	\$	15,598,684
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.

Cost of capital assets	\$ 95,581,011	
Less accumulated depreciation	<u>(45,488,931)</u>	50,092,080

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Property taxes		118,003
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Long-term note receivable not available to pay current expenditures.		956,323
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Deferred outflows and inflows for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.		2,070,549
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Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but eliminated on the government-wide statement of net position.

Interfund receivables	\$ (508,729)	
Interfund payables	<u>508,729</u>	-

Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position.

Revenue bonds payable	\$ (6,108,142)	
GEFA loan payable	(975,451)	
Capital leases payable	(49,049)	
Net pension liability payable	(4,772,569)	
Accrued interest payable	(53,511)	
Compensated absences payable	<u>(337,698)</u>	<u>(12,296,420)</u>

Net Position of Governmental Activities	\$	<u>56,539,219</u>
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See accompanying notes to the basic financial statements

Harris County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019
(With Comparative Totals For the Year Ended June 30, 2018)

	2019				2018
	General	Callaway Debt Service	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 16,794,855	\$ -	\$ 3,745,746	\$ 20,540,601	\$ 19,876,584
Intergovernmental	850,302	-	344,565	1,194,867	2,247,581
Licenses and permits	359,326	-	-	359,326	305,982
Charges for services	3,251,598	113,424	718,077	4,083,099	3,535,574
Interest	-	30,533	122,869	153,402	252,617
Fines and forfeitures	822,040	-	90,838	912,878	922,253
Investment earnings	140,217	-	18,612	158,829	47,987
Contributions and donations	93,685	-	-	93,685	842,513
Miscellaneous	126,152	-	-	126,152	59,759
Total Revenues	22,438,175	143,957	5,040,707	27,622,839	28,090,850
Expenditures					
Current:					
General government	3,190,288	-	-	3,190,288	3,453,445
Judicial	1,539,158	-	30,625	1,569,783	1,516,284
Public safety	10,214,420	-	1,085,000	11,299,420	11,511,761
Public works	2,780,722	-	-	2,780,722	3,604,295
Health and welfare	296,819	-	295	297,114	278,598
Culture and recreation	1,445,995	-	-	1,445,995	1,071,921
Housing and development	457,503	-	74,423	531,926	447,533
Intergovernmental	-	-	859,824	859,824	885,176
Capital Outlay	-	-	2,923,628	2,923,628	8,114,217
Debt Service:					
Principal retirement	101,985	112,858	280,000	494,843	568,493
Interest and fiscal charges	3,512	31,099	347,351	381,962	622,493
Trustee Fee	-	-	3,625	3,625	3,625
Total Expenditures	20,030,402	143,957	5,604,771	25,779,130	32,077,841
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,407,773	-	(564,064)	1,843,709	(3,986,991)
Other Financing Sources (Uses)					
Proceeds from the sale of capital assets	35,118	-	-	35,118	-
Transfers in	654,854	-	910,689	1,565,543	1,723,774
Transfers out	(733,288)	-	(4,854)	(738,142)	(1,723,774)
Total Other Financing Sources (Uses)	(43,316)	-	905,835	862,519	-
Net Change in Fund Balances	2,364,457	-	341,771	2,706,228	(3,986,991)
Fund Balances Beginning of Year	8,621,634	24,560	4,246,262	12,892,456	16,879,447
Fund Balances End of Year	\$ 10,986,091	\$ 24,560	\$ 4,588,033	\$ 15,598,684	\$ 12,892,456

See accompanying notes to the basic financial statements

Harris County, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Government-wide Statement of Activities
For the Year Ended June 30, 2019

Net Changes In Fund Balances - Total Governmental Funds	\$ 2,706,228
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Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.

Depreciation expense	\$ (2,582,224)	
Capital outlay	1,896,843	(685,381)

Capital assets disposed are not reported at the fund financial reporting level but are reported on the government-wide financial reporting level.	(20,409)
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Pension expense is reported on the government-wide statement of activities but not reported at the fund financial reporting level)	(434,062)
--	-----------

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.

Property taxes:		
Deferred @ 6/30/19	\$ 118,003	
Deferred @ 6/30/18	(104,821)	13,182

Receipt of principal on long-term receivable is a revenue in the governmental funds, but reduces long-term receivables in the Statement of Net Position.	(221,144)
--	-----------

Transfers between governmental funds are reported in the governmental funds operating statement but are eliminated on the government-wide statement of activities:

Transfers in	\$ (738,142)	
Transfers out	738,142	-

The amortization of the bond discount and debt issuance costs are reported in the government-wide statement of activities, but does not require the use of financial resources and therefore is not reported as expenditures in governmental funds.	65,332
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Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	5,894,843
--	-----------

Compensated absences 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.

Liability @ 6/30/19	\$ (337,698)	
Liability @ 6/30/18	310,601	(27,097)

Change In Net Position of Governmental Activities	\$ 7,291,492
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See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Net Position
June 30, 2019

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 657,165	\$ 700,439	\$ -	\$ 1,357,604
Restricted cash	763,732	-	-	763,732
Investments	2,502,771	5,024,445	-	7,527,216
Receivables:				
Accounts	528,239	46,628	-	574,867
Interest	1,663	-	-	1,663
Intergovernmental	-	-	158,058	158,058
Prepaid items	31,297	8,066	738	40,101
Inventories	147,800	-	39,339	187,139
Total Current Assets	4,632,667	5,779,578	198,135	10,610,380
Capital Assets				
Nondepreciable	6,649,034	199,250	1,078,067	7,926,351
Depreciable, net	15,522,869	765,782	7,657,581	23,946,232
Total Capital Assets	22,171,903	965,032	8,735,648	31,872,583
Deferred Outflows of Resources (Note 3-D)	367,396	99,494	13,445	480,335
Total Assets and Deferred Outflows of Resources	27,171,966	6,844,104	8,947,228	42,963,298
Liabilities				
Current Liabilities:				
Accounts payable	43,815	43,340	255,548	342,703
Accrued expenses payable	59,074	17,302	2,423	78,799
Accrued interest payable	9,877	-	-	9,877
Customer deposits payable	467,205	-	-	467,205
Interfund payable	17,299	191,107	1,207,017	1,415,423
Compensated absences payable	45,840	13,649	-	59,489
Closure and postclosure care payable	-	22,772	-	22,772
Revenue bonds payable	505,000	-	-	505,000
GEFA loans payable	111,699	-	-	111,699
Capital leases payable	-	9,478	-	9,478
Total Current Liabilities	1,259,809	297,648	1,464,988	3,022,445
Long-term Liabilities (Net of current portion):				
Compensated absences payable	11,460	3,412	-	14,872
Closure and postclosure care payable	-	164,938	-	164,938
Revenue bonds payable	4,607,270	-	-	4,607,270
GEFA loans payable	2,720,591	-	-	2,720,591
Net pension liability	629,290	244,459	23,529	897,278
Total Long-term Liabilities:	7,968,611	412,809	23,529	8,404,949
Total Liabilities	9,228,420	710,457	1,488,517	11,427,394
Deferred Inflows of Resources (Note 3-D)	77,663	29,114	3,934	110,711
Total Liabilities and Deferred Inflows of Resources	9,306,083	739,571	1,492,451	11,538,105
Net Position				
Net investment in capital assets	14,227,343	955,554	8,735,648	23,918,545
Restricted	304,460	-	-	304,460
Unrestricted	3,334,080	5,148,979	(1,280,871)	7,202,188
Total Net Position	\$ 17,865,883	\$ 6,104,533	\$ 7,454,777	\$ 31,425,193

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2019

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Operating Revenues				
Charges for services	\$ 4,927,058	\$ 2,081,623	\$ 435,650	\$ 7,444,331
Intergovernmental revenue	-	2,987	-	2,987
Other Financing Sources	-	3,200	-	3,200
Total Operating Revenues	4,927,058	2,087,810	435,650	7,450,518
Operating Expenses				
Personal services	1,779,865	607,112	64,969	2,451,946
Purchased services	1,408,958	223,219	110,731	1,742,908
Purchased services - tipping fees	-	381,626	-	381,626
Cost of sales	-	-	246,675	246,675
Materials and supplies	701,315	152,388	23,611	877,314
Depreciation	813,504	288,515	293,305	1,395,324
Total Operating Expenses	4,703,642	1,652,860	739,291	7,095,793
Operating Income (Loss)	223,416	434,950	(303,641)	354,725
Non-operating Revenue (Expenses)				
Investment earnings	9,925	111,039	-	120,964
Interest and fiscal charges	(161,948)	(701)	-	(162,649)
Total Non-operating Revenue (Expenses)	(152,023)	110,338	-	(41,685)
Income (Loss) Before Capital Contributions and Transfers In	71,393	545,288	(303,641)	313,040
Capital Contributions	-	-	1,041,356	1,041,356
Transfers Out	(150,000)	(677,401)	-	(827,401)
Change in Net Position	(78,607)	(132,113)	737,715	526,995
Net Position Beginning of Year	17,944,490	6,236,646	6,717,062	30,898,198
Net Position End of Year	\$ 17,865,883	\$ 6,104,533	\$ 7,454,777	\$ 31,425,193

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2019

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash received from customers	\$ 4,868,704	\$ 2,081,623	\$ 403,406	\$ 7,353,733
Cash payments for personal services	(1,775,698)	(690,115)	(66,445)	(2,532,258)
Cash payments for goods and services	(2,110,077)	(652,631)	(320,732)	(3,083,440)
Net Cash Provided by (Used in) Operating Activities	982,929	738,877	16,229	1,738,035
Cash Flows from Noncapital Financing Activities				
Accounts receivable	-	-	10,091	10,091
Intergovernmental receivable	-	-	(158,058)	(158,058)
Interfund payable	19,399	(211,194)	141,749	(50,046)
Net Cash Flows from Noncapital Financing Activities	19,399	(211,194)	(6,218)	(198,013)
Cash Flows from Capital and Related Financing Activities				
Principal paid on GEFA loans	(110,147)	-	-	(110,147)
Principal paid on revenue bonds	(485,000)	-	-	(485,000)
Interest paid on capital debt	(240,058)	(29,098)	-	(269,156)
Interest paid on notes	-	(701)	-	(701)
Acquisition of capital assets	(696,674)	(38,856)	(610,519)	(1,346,049)
Capital grants	-	-	600,508	600,508
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,531,879)	(68,655)	(10,011)	(1,610,545)
Cash Flows from Investing Activities				
Investment earnings	9,252	112,347	-	121,599
Net Increase (Decrease) in Cash and Cash Equivalents	(520,299)	571,375	-	51,076
Cash and Cash Equivalents Beginning of Year	4,443,967	5,153,509	-	9,597,476
Cash and Cash Equivalents End of Year	\$ 3,923,668	\$ 5,724,884	\$ -	\$ 9,648,552
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 223,416	\$ 434,950	\$ (303,641)	\$ 354,725
Adjustments:				
Depreciation	813,504	\$ 288,515	293,305	1,395,324
(Increase) Decrease in Assets:				
Accounts receivable	(67,930)	(907)	-	(68,837)
Prepaid items	3,794	1,522	(254)	5,062
Inventories	44,127	-	(3,294)	40,833
Increase (Decrease) in Liabilities:				
Accounts payable	(47,725)	8,050	46,553	6,878
Retainage payable	-	-	(14,862)	(14,862)
Accrued expenses payable	2,111	1,108	(102)	3,117
Customer deposits payable	9,576	-	-	9,576
Compensated absences payable	2,056	1,516	(1,476)	2,096
Other	-	4,123	-	4,123
Net Cash Provided by (Used in) Operating Activities	\$ 982,929	\$ 738,877	\$ 16,229	\$ 1,738,035

Harris County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Fiduciary Funds - Agency Funds
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 1,378,258	\$ 1,411,293
Due from others	<u>320,850</u>	<u>319,452</u>
Total Assets	<u><u>\$ 1,699,108</u></u>	<u><u>\$ 1,730,745</u></u>
Liabilities		
Due to others	<u><u>\$ 1,699,108</u></u>	<u><u>\$ 1,730,745</u></u>

See accompanying notes to the basic financial statements

Harris County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2019

	Department of Public Health	Development Authority	Total
Assets			
Current:			
Cash and cash equivalents	\$ 1,145,852	\$ 94,875	\$ 1,240,727
Receivables:			
Intergovernmental	21,042	-	21,042
Total Current	1,166,894	94,875	1,261,769
Noncurrent :			
Capital assets:			
Nondepreciable capital assets	-	1,232,033	1,232,033
Depreciable capital assets, net	29,674	4,292,050	4,321,724
Total Noncurrent	29,674	5,524,083	5,553,757
Total Assets	1,196,568	5,618,958	6,815,526
Deferred Outflows of Resources	122,446	-	122,446
Total Assets and Deferred Outflows of Resources	1,319,014	5,618,958	6,937,972
Liabilities			
Current Liabilities:			
Compensated absences payable	2,627	-	2,627
Intergovernmental payable	26,895	-	26,895
Accrued interest payable	-	21,830	21,830
Total Current Liabilities:	29,522	21,830	51,352
Long-term Liabilities: (net of current portion)			
Compensated absences payable	23,646	-	23,646
Net OPEB liability	178,791	-	178,791
Net pension liability	361,976	-	361,976
Total Liabilities	593,935	-	564,413
Deferred Inflows of Resources	258,544	-	258,544
Total Liabilities and Deferred Inflows of Resources	852,479	21,830	874,309
Net Position			
Net investment in capital assets	29,674	5,524,083	5,553,757
Restricted for:			
Specific health program	504,729	-	504,729
Unrestricted (deficit)	(67,868)	73,045	5,177
Total Net Position	\$ 466,535	\$ 5,597,128	\$ 6,063,663

See accompanying notes to the basic financial statements

Harris County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2019

	Department of Public Health	Development Authority	Total
Expenses			
Health and welfare	\$ 434,133	\$ -	\$ 434,133
Community development	-	3,094	3,094
Economic development	-	149,469	149,469
Total Expenses	434,133	152,563	586,696
Revenues			
Program revenues:			
Charges for services	281,873	-	281,873
Operating grants and contributions	475,394	-	475,394
Total Program Revenues	757,267	-	757,267
Net Program Revenue (Expense)	323,134	(152,563)	170,571
General Revenues			
Miscellaneous	-	10,053	10,053
Total General Revenues	-	10,053	10,053
Capital Contributions	-	705,335	705,335
Change in Net Position	323,134	562,825	885,959
Net Position Beginning of Year	143,401	5,034,303	5,177,704
Net Position End of Year	\$ 466,535	\$ 5,597,128	\$ 6,063,663

See accompanying notes to the basic financial statements

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Harris County, Georgia (the County) is a political subdivision of the State of Georgia and was formed in 1825. The County operates under a Commission-Manager form of government and is governed by a five member elected board of county commissioners, elected from single-member districts. The Board's powers are vested by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge and Clerk of the Superior Court. The County's major services include general government, courts, public safety, public works, health and welfare, culture and recreation and housing and development.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the constitutionally elected officers.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

The following is a brief description of the blended component unit:

Harris County Public Improvement Authority (the HCPIA) – The governing board is appointed by the Harris County Board of Commissioners. The main purpose of the HCPIA is to provide basic infrastructure and recreational facilities, improvements and services to the citizens of the County in order to promote the growth and development of the County and the general welfare of the citizens. The HCPIA is reported as a capital project fund. The HCPIA does not issue separate financial statements.

Brief descriptions of the discretely presented component units follow:

Harris County Health Department (the Health Department) – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department's Board consists of seven members, four of these members are appointed by the County Commission.

Although the County does not have the authority to approve or modify the Health Department's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Health Department. The Health Department is reported on a June 30, 2019 fiscal year. Complete financial statements for the Health Department may be obtained from its administrative office at 210 Forest Hill Drive, Hamilton, Georgia 31811 or by calling 706-628-5375.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

A County Board of Health should be reported as a discretely presented component unit in the county's financial statements because the entity is legally separate, the primary government appoints a voting majority of the entity's board, the primary government is able to impose its will on the entity, the entity does not provide services entirely or almost entirely to the primary government, and in most cases, the entity and the primary government do not have boards that are substantively the same.

Harris County Development Authority (the "Authority") is responsible for promoting industrial and commercial development within Harris County. The Authority is considered a component unit of the primary government based on the aforementioned criteria. Specifically, a voting majority of the Authority is appointed by the Board, and it can impose its will on the Authority. There are no separately issued financial statements available for the Authority.

The County has partnered with the Authority with the development of the Northwest Harris Business Park (the "Business Park"). The County purchased land for the Business Park during 2005 and 2007. Pursuant to an intergovernmental agreement between the County and the Authority, once a business moves into the Business Park, subject to certain stipulations, the County will transfer the land to the Authority for development and subsequent sale of the property with proceeds being remitted to the County.

The Authority has continued construction on the Progress Parkway project. The purpose of this project is to construct a road in the Business Park. Construction began during the fiscal year ended June 30, 2009. During the following years, the Authority has continued construction of the road with funding provided by the County's 2009 and 2014 SPLOST funds, grant funding and existing Authority funds. Funding provided by the County and grant funding is shown as a capital contribution to the Authority in the government-wide financial statements. Costs of the road are included in the Authority's capital asset listing as land improvements at June 30, 2019.

Related Organizations – The following are related organizations for which the County appoints one or more of the Board of Directors but they do not meet any other of the reporting entity criteria:

- Harris County Board of Education
- Harris County Board of Family and Children's Service
- The Cattlemen's Association

Joint Ventures – The County participates in the following joint venture.

River Valley Regional Commission (RVRC) - The County, in conjunction with sixteen counties and thirty-five municipalities in the west central Georgia area are members of the RVRC. Membership in an RVRC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RVRC. Each county and municipality in the state is required by law to pay minimum annual dues to the RVRC. The RVRC Board membership includes the chief elected official of each county and the chief elected official of each municipality. Separately issued financial statements are available at the RVRC's administrative office, 710 Front Avenue, Suite A, Columbus, GA 31901.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RVRCs as "public agencies and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RVRC beyond its resources (O.C.G.A. 50-8-39.1).

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary funds are not presented in the government-wide financial statements.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of net position presents the financial position of the governmental activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental funds are reported in separate columns.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

Callaway Debt Service Fund – This fund is used to service a Georgia Environmental Facilities Authority loan from the Clean Water State Revolving Fund for Land Conservation, whose proceeds were used to finance the acquisition of a land conservation easement.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary Funds – The proprietary funds reporting focus is on the determination of operating income, changes in net position, financial position and cash flows. All three of the proprietary funds are classified as enterprise funds.

The County reports the following major enterprise funds:

Water Works. This fund accounts for the operation and maintenance of the County's water distribution system.

Solid Waste. This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

Airport. This fund accounts for the operation, maintenance, and development of the County's Airport.

Fiduciary Funds – Fiduciary fund reporting focuses on assets and liabilities. The County's fiduciary funds are agency funds for use primarily by the County's constitutional officers comprised of the Tax Commissioner, Clerk of Superior Court, Sheriff, Probate Court and Magistrate Court.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary fund uses the accrual basis of accounting at both reporting levels. Fiduciary funds are reported on the accrual basis at the fund reporting level. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-D). Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, franchise taxes, charges for services, federal and state grants and investment earnings.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On both the government-fund financial statements and the government-wide financial statements, revenues are deferred for:

- Grants and entitlements received before the eligibility requirements are met (e.g., cash advances).

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. Time deposits are classified as cash and cash equivalent without regard to maturity date.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net position.

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when used (i.e., the consumption method). At year-end, fund balance is classified as nonexpendable for a like amount of inventory on hand since it is not available for general appropriation.

The inventory consists primarily of vehicle parts and fuel.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as nonexpendable since it is not available for general appropriation.

1-E-6 Restricted Assets

Certain items are classified as restricted in the general fund because their use is legally restricted to a specific use, some of which is deposited with bank trust funds.

1-E-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. The County's infrastructure has been reported retroactively in 2007. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Depreciation is computed using the straight-line method over the following useful lives using these capitalization thresholds:

Asset Class	Governmental Activities Estimated Lives	Capitalization Threshold
Primary Government:		
Buildings and improvements	40 Years	\$5,000
Machinery and equipment	3 - 20 Years	\$5,000
Infrastructure	20 - 30 Years	\$100,000
Machinery and equipment	5 - 7 Years	\$5,000

At the inception of capital leases at the governmental fund reporting level, expenditures and an “other financing source” of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only “when due.”

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Notes are recognized as a liability in the governmental fund financial statements when due.

The County operates a landfill in the Solid Waste fund and a wastewater treatment facility in the Water Works fund but has not evaluated the financial impact of post-closure costs related to the wastewater treatment facility.

1-E-10 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.”

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance - Fund balances may be 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 Board of Commissioners or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Board of Commissioners through a motion. The fund balance must result from a specific revenue stream committed for a specific purpose. Only the Board of County Commissioners may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the Board of County Commissioners' intent to be used for specific purposes, but are neither restricted nor committed. By motion, only the Board of County Commissioners can authorize an assignment of fund balances. Also, any of the fund balance reported at year-end that is included in the subsequent year's budget is reported as assigned.
- **Unassigned** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund.

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the County has established a flow assumption policy. It is the County's policy to use restricted – net position first before using unrestricted – net position.

Fund Balance Flow Assumptions – It is the County's policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position - Net position represent the difference between assets and liabilities. The net invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment amount also is adjusted by any bond issuance deferral amounts. Net position 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. All other net position is reported as unrestricted.

1-E-11 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise and internal service funds. For the County, these revenues are charges for services for water works, waste collection and airport services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. Nonoperating revenues are investment earnings, the gain on the disposition of capital assets and operating grants. Nonoperating expenses include the loss on the disposition of capital assets and interest expense.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-12 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between funds reported in the governmental activities column are eliminated.

1-E-13 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-14 Comparative Data

Comparative total data for the prior year has been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The County adopts an annual operating budget for all governmental funds except the capital projects funds, which have an adopted project budget. The budget resolution reflects the total of each department's appropriation in each fund.

Budgets are adopted on a basis consistent with GAAP with the exception of the capital projects funds, which have project length budgets, rather than annual budgets. For management purposes, the County adopts annual budgets for its enterprise fund.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of County Commissioners. The Board of County Commissioners also must approve budget transfers within departments.

The original 2019 budget was amended during the year. Most unexpended annual appropriations lapse at year-end. However, encumbered appropriations may be carried forward automatically (i.e., no County Commission action is required), to resolve unusual situations or hardships caused by this policy (i.e., for large equipment orders not received by June 30). Departments desiring the carryover of appropriations shall make their request in writing to the County Manager for approval.

2-B. Excess of Expenditures over Appropriations

No department overspent for the final amended 2019 annual budget.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds

3-A. Deposits

Deposits – The County’s cash and investment policy limits deposits to demand and money market accounts, and time deposits at local banks. The County’s deposits shall be secured by Federal Deposit Insurance Corporation (FDIC) coverage and/or bank pledges. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held, less the FDIC insurance.

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the County’s deposits may not be recovered.

As of June 30, 2019, all of the County’s deposits were covered, either by FDIC coverage or collateralized with securities held by the County’s agent in the County’s name.

Also, the Harris County Health Department’s deposits were covered either by FDIC coverage or were entirely insured or collateralized with securities held by the component unit’s agent in the component unit’s name.

Primary government cash and cash equivalents reconciliation:

	<u>Cash and Cash Equivalents</u>
Primary Government - Fund Reporting Level:	
Governmental Funds - Balance Sheet	\$ 5,374,632
Governmental Funds - Balance Sheet - Restricted	98,923
Proprietary Fund Type Statement of Net Position	1,357,604
Proprietary Fund Type Statement of Net Position - Restricted	763,732
Statement of Fiduciary Assets and Liabilities	<u>1,378,258</u>
 Total	 <u><u>\$ 8,973,149</u></u>

3-B. Receivables

Receivables at June 30, 2019, consisted of taxes, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

Allowance for Uncollectibles - The allowances for uncollectibles are as follows:

	<u>2019</u>	<u>2018</u>
• Water works fund	\$25,758	\$22,182

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Note Receivables:

Note Receivable - Callaway Foundation - During the year ended June 30, 2009, the County, through an agreement, acquired a land conservation easement from the “*Ida Cason Callaway Foundation*” (the “Foundation”). In order to fund the acquisition, the Georgia Environmental Finance Authority (“GEFA”), provided a \$2,000,000 land conservation grant and a \$2,000,000 loan from the Clean Water State Revolving Fund for Land Conservation (see Note 3-H).

Under the agreement between the County and the Foundation, the Foundation is repaying the loan as follows:

Year	Principal	Interest	Total
2020	116,841	27,115	143,956
2021	120,457	23,500	143,957
2022	124,092	19,865	143,957
2023	127,866	16,091	143,957
2024	131,740	12,217	143,957
2025 - 2027	335,327	12,697	348,024
	<u>\$ 956,323</u>	<u>\$ 111,485</u>	<u>\$ 1,067,808</u>

Note Receivable - Hotel/Motel Tax – The County entered into an agreement on May 17, 2018 for a note receivable for delinquent hotel/motel taxes owed by a local public lodging establishment in the amount of \$56,801.63. The agreement provides for 36 monthly installment payments of \$1,702.40 with interest accruing on the principal balance of the note at the rate of 5.0% per annum starting on June 5, 2018 and continuing until the maturity date of May 5, 2021.

Under the agreement between the County and the establishment, the establishment is repaying the note as follows:

Year	Principal	Interest	Total
2020	18,997	1,432	20,429
2021	18,266	460	18,726
	<u>\$ 37,263</u>	<u>\$ 1,892</u>	<u>\$ 39,155</u>

3-C. Restricted Assets

Restricted assets reported in the governmental funds are comprised of the following:

PIA fund – construction and debt service	98,923
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3-D. Property Taxes

The Board of Commissioners levy property taxes by or about September of each year. Property taxes attach as an enforceable lien on property as of January 1. The property taxes were levied on August 15, 2018. Property taxes were billed on September 30, 2018 and are due upon receipt, however, the due date was December 20, 2018 and became delinquent on December 21, 2018.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. The County also collects vehicle and mobile home taxes for the cities located in the County and the State of Georgia. Collection of the County's taxes and for the other governmental agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an agency fund.

3-E. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2019, was as follows:

	Balance 7/1/2018	Additions	Deductions	Balance 6/30/2019
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 15,077,803	\$ -	\$ -	\$ 15,077,803
Construction in progress	308,989	655,610	143,896	820,703
Total nondepreciable capital assets	<u>15,386,792</u>	<u>655,610</u>	<u>143,896</u>	<u>15,898,506</u>
Depreciable capital assets:				
Buildings and improvements	25,950,394	309,557	-	26,259,951
Machinery and equipment	23,780,827	1,075,572	495,006	24,361,393
Infrastructure	29,061,161	-	-	29,061,161
Total depreciable capital assets	<u>78,792,382</u>	<u>1,385,129</u>	<u>495,006</u>	<u>79,682,505</u>
Total capital assets	<u>94,179,174</u>	<u>2,040,739</u>	<u>638,902</u>	<u>95,581,011</u>
Accumulated depreciation:				
Buildings	7,460,223	565,249	-	8,025,472
Machinery and equipment	18,292,777	1,169,231	474,597	18,987,411
Infrastructure	17,628,304	847,744	-	18,476,048
Total accumulated depreciation	<u>43,381,304</u>	<u>2,582,224</u>	<u>474,597</u>	<u>45,488,931</u>
Governmental activities capital assets, net	<u>\$ 50,797,870</u>	<u>\$ (541,485)</u>	<u>\$ 164,305</u>	<u>\$ 50,092,080</u>
Governmental activities depreciation expense				
General government		\$ 285,594		
Public safety		892,417		
Public works		1,112,422		
Culture and recreation		<u>291,791</u>		
Total governmental activities depreciation expense		<u>\$ 2,582,224</u>		

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	Balance 7/1/2018	Additions	Deductions	Balance 6/30/2019
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 693,751	\$ 32,950	\$ -	\$ 726,701
Construction in progress	5,817,035	1,947,352	564,737	7,199,650
	<u>6,510,786</u>	<u>1,980,302</u>	<u>564,737</u>	<u>7,926,351</u>
Total nondepreciable capital assets				
	<u>6,510,786</u>	<u>1,980,302</u>	<u>564,737</u>	<u>7,926,351</u>
Depreciable capital assets:				
Buildings and improvements	6,507,058	514,748	-	7,021,806
Machinery and equipment	7,366,312	184,850	171,831	7,379,331
Infrastructure	28,764,465	61,632	-	28,826,097
	<u>42,637,835</u>	<u>761,230</u>	<u>171,831</u>	<u>43,227,234</u>
Total depreciable capital assets				
	<u>42,637,835</u>	<u>761,230</u>	<u>171,831</u>	<u>43,227,234</u>
Total capital assets				
	<u>49,148,621</u>	<u>2,741,532</u>	<u>736,568</u>	<u>51,153,585</u>
Accumulated depreciation:				
Buildings and improvements	646,808	340,624	-	987,432
Machinery and equipment	5,245,758	420,887	171,831	5,494,814
Infrastructure	12,164,943	633,813	-	12,798,756
	<u>18,057,509</u>	<u>1,395,324</u>	<u>171,831</u>	<u>19,281,002</u>
Total accumulated depreciation				
	<u>18,057,509</u>	<u>1,395,324</u>	<u>171,831</u>	<u>19,281,002</u>
Business-type activities capital assets, net				
	<u>\$ 31,091,112</u>	<u>\$ 1,346,208</u>	<u>\$ 564,737</u>	<u>\$ 31,872,583</u>

The depreciation expense for the business-type activities relates to the water works fund, \$813,504, the solid waste fund \$288,515 and the airport fund, \$293,305.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for the development authority component unit for the year ended June 30, 2019, was as follows:

	Balance 7/1/2018	Additions	Deductions	Balance 6/30/2019
Harris County Development Authority				
Nondepreciable capital assets:				
Land	\$ 34,341	\$ -	\$ -	\$ 34,341
Construction in progress	492,357	705,335	-	1,197,692
Total nondepreciable capital assets	526,698	705,335	-	1,232,033
Depreciable capital assets:				
Infrastructure	4,556,084	-	38,112	4,517,972
Total depreciable capital assets	4,556,084	-	38,112	4,517,972
Total capital assets	5,082,782	705,335	38,112	5,750,005
Accumulated depreciation:				
Infrastructure	113,902	112,949	929	225,922
Total accumulated depreciation	113,902	112,949	929	225,922
Development Authority capital assets, net	<u>\$ 4,442,182</u>	<u>\$ 592,386</u>	<u>\$ 37,183</u>	<u>\$ 5,524,083</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Deferred Inflows/Outflows of Resources

Fund Financial Reporting Level - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow 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. This item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes (\$118,003). This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Government-wide Financial Reporting Level - The County also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability and an advance refunding debt transaction that results in a defeasance of debt. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the County to the pension plan before fiscal year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

The following table includes the deferred inflows/outflows of resources at June 30, 2019:

Deferred Outflows of Resources	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Deferred outflows related to pensions	\$ 2,310,669	\$ 378,345	\$ 2,689,014	\$ 76,865
Deferred outflows related to OPEB	-	-	-	45,581
Deferred amounts from refunding of debt	436,026	101,990	538,016	-
Total	\$ 2,746,695	\$ 480,335	\$ 3,227,030	\$ 122,446

Deferred Inflows of Resources	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Deferred inflows related to pensions	\$ 676,147	\$ 110,711	\$ 786,858	\$ 68,730
Deferred inflows related to OPEB	-	-	-	189,814
Total	\$ 676,147	\$ 110,711	\$ 786,858	\$ 258,544

3-G. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2019, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The following table includes the interfund receivables and payables at June 30, 2019:

Payable to:	Nonmajor govern.	Water works	Solid waste	Airport	Total
General	\$ 508,729	\$ 17,299	\$ 13,706	\$ 1,207,017	\$ 1,746,751
Nonmajor govern.	-	-	177,401	-	177,401
Total	\$ 508,729	\$ 17,299	\$ 191,107	\$ 1,207,017	\$ 1,924,152

The County expects to repay all interfund balances within one year.

Interfund Transfers - Interfund transfers for the year ended June 30, 2019, consisted of the following:

	Transfers from				
Transfers to	General	Solid Waste	Water Works	Nonmajor govern.	Total
General	\$ -	\$ 500,000	\$ 150,000	\$ 4,854	654,854
Non-major governmental	733,288	177,401	-	-	910,689
Total	\$ 733,288	\$ 677,401	\$ 150,000	\$ 4,854	\$ 1,565,543

The transfer from the general fund to the non-major governmental was for E-911 supplementation and to the PIA for the debt service payment of the community center debt. The transfers from the solid waste and water works funds to the general fund were to cover budgeted operating expenditures. The transfer from the solid waste fund to the capital projects fund were to cover expenditures related to the Daesol economic development project. The transfer from 2014 SPLOST to the general fund were for Ellerslie Park expenditures. The transfers from the non-major governmental funds to the general fund were from the hotel-motel fund to cover budgeted operating expenditures.

3-H. Long-Term Debt

Governmental Activities | GEFA Loan Payable - The County has one outstanding GEFA loan payable at June 30, 2019.

GEFA Loan Payable – 2009 LC 2006016 – In February 2009, the County borrowed \$2,000,000 at an interest rate of 3% for the acquisition of a conservation easement discussed in Note 3-B. The Loan is payable in 216 monthly principal and interest payments of \$11,996 with a final maturity date of January 1, 2027.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this loan payable as of June 30, 2019 follow:

Year	Principal	Interest	Total
2020	116,246	27,711	143,957
2021	119,867	24,090	143,957
2022	123,472	20,485	143,957
2023	127,227	16,730	143,957
2024	131,077	12,880	143,957
2025 - 2027	357,562	14,454	372,016
	<u>\$ 975,451</u>	<u>\$ 116,350</u>	<u>\$ 1,091,801</u>

Governmental Activities | Bonds Payable - The County has one outstanding bond issue outstanding at June 30, 2019.

Harris County Public Improvements Authority Revenue Refunding Bond Series 2017 – On November 9, 2017, The Harris County Public Improvements Authority (HCPIA) issued \$6,425,000 in general obligation bonds with an average interest rate of 2.09% to advance refund \$5,805,000 of outstanding Series 2010B bonds with interest rates ranging between 1.45% to 6%. As a result, the Series 2010B bonds are considered defeased. Authorization by the Board of Commissioners for the refinancing was completed in order to covert the bonds to general obligation debt for which SPLOST proceeds could be used to pay off the outstanding bond debt. The County increased its total debt by \$620,000, which resulted in an economic loss on refunding of \$481,132.

Payments are due in semiannual installments commencing February 1, 2018 through August 1, 2028. Interest accrues at 2.09%.

Pursuant to the bond resolution, the County is in compliance with certain covenants.

Annual debt service requirements to this bond payable as of June 30, 2019 follow:

Year	Principal	Interest	Total
2020	245,000	125,865	370,865
2021	615,000	116,878	731,878
2022	630,000	103,868	733,868
2023	645,000	90,544	735,544
2024	655,000	76,959	731,959
2025 - 2028	3,354,750	176,529	3,531,279
	<u>\$ 6,144,750</u>	<u>\$ 690,643</u>	<u>\$ 6,835,393</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Harris County Public Improvements Authority Revenue Bonds , Taxable Series 2015 – The Harris County Public Improvements Authority (HCPIA) issued bonds on December 22, 2014 in the amount of \$5,400,000, to fund various projects, which resulted in providing a new County sewer line known as the “*Grove Sewer Project.*” During 2019, the Mulberry Grove Development Company prepaid the bonds in their entirety subsequently releasing the debt associated with the HCPIA (Note 3-B).

Governmental Activities |Capital Leases Payable - The County has six outstanding capital leases payable at June 30, 2019.

Capital Lease Payable #001-726726-000 – Caterpillar Financial Services – Lease #5 - This lease was entered into on December 18, 2014 in the original amount of \$62,578 to purchase a Caterpillar 924K wheel loader at an interest rate of 3.2% with monthly payments (which includes principal and interest) of \$1,130 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$6,258 (cost of \$62,578 less accumulated depreciation of \$56,320).

Annual debt service requirements to this lease payable as of June 30, 2019 follow:

Year	Principal	Interest	Total
2020	6,718	62	6,780
Total	\$ 6,718	\$ 62	\$ 6,780

Capital Lease Payable #001-726726-001 – Caterpillar Financial Services – Lease #6 - This lease was entered into on December 18, 2014 in the original amount of \$102,422 to purchase a Caterpillar 12M3 motor grader at an interest rate of 4% with monthly payments (which includes principal and interest) of \$1,850 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$10,242 (cost of \$102,422 less accumulated depreciation of \$92,180).

Annual debt service requirements to this note payable as of June 30, 2019 follow:

Year	Principal	Interest	Total
2020	10,995	103	11,098
Total	\$ 10,995	\$ 103	\$ 11,098

Capital Lease Payable #001-726726-002 – Caterpillar Financial Services – Lease #7 - This lease was entered into on December 18, 2014 in the original amount of \$102,422 to purchase a Caterpillar 12M3 motor grader at an interest rate of 4% with monthly payments (which includes principal and interest) of \$1,850 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$10,242 (cost of \$102,422 less accumulated depreciation of \$92,180).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this note payable as of June 30, 2019 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	<u>10,995</u>	<u>103</u>	<u>11,098</u>
Total	<u>\$ 10,995</u>	<u>\$ 103</u>	<u>\$ 11,098</u>

Capital Lease Payable #001-726726-003 – Caterpillar Financial Services – Lease #8 - This lease was entered into on December 18, 2014 in the original amount of \$102,422 to purchase a Caterpillar 12M3 motor grader at an interest rate of 4% with monthly payments (which includes principal and interest) of \$1,850 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$10,242 (cost of \$102,422 less accumulated depreciation of \$92,180).

Annual debt service requirements to this note payable as of June 30, 2019 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	<u>10,995</u>	<u>103</u>	<u>11,098</u>
Total	<u>\$ 10,995</u>	<u>\$ 103</u>	<u>\$ 11,098</u>

Capital Lease Payable #001-726726-004 – Caterpillar Financial Services – Lease #9 - This lease was entered into on December 18, 2014 in the original amount of \$50,393 to purchase a Caterpillar D5K2 track type tractor at an interest rate of 3.2% with monthly payments (which includes principal and interest) of \$910 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$5,039 (cost of \$50,393 less accumulated depreciation of \$45,354).

Annual debt service requirements to this note payable as of June 30, 2019 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	<u>3,153</u>	<u>51</u>	<u>3,204</u>
Total	<u>\$ 3,153</u>	<u>\$ 51</u>	<u>\$ 3,204</u>

Capital Lease Payable #001-726726-005 – Caterpillar Financial Services – Lease #10 - This lease was entered into on December 18, 2014 in the original amount of \$75,376 to purchase a Caterpillar 953D track loader at an interest rate of 3.2% with monthly payments (which includes principal and interest) of \$1,361 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$7,538 (cost of \$75,376 less accumulated depreciation of \$67,838).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this note payable as of June 30, 2019 follow:

Year	Principal	Interest	Total
2020	6,193	74	6,267
Total	\$ 6,193	\$ 74	\$ 6,267

Business-type Activities – The County has one outstanding GEFA loan payable for the water works fund.

During the year ended June 30, 2003 the Harris County Water Works (“HCWW”) entered into a contract with GEFA under which it received certain funds made available through the Drinking Water State Revolving Loan Fund. In connection with the contract, the HCWW signed a promissory note in the amount of \$700,000. However, under the terms of the note, the HCWW is only required to repay principal in the amount of \$200,000. The other \$500,000 was reported as grant revenue.

Proceeds were required to be used to reimburse construction costs for specified projects related to the HCWW’s water system. Additionally, the HCWW was required to meet certain covenants related to commencement and completion of construction. On August 14, 2018, the HCWW prepaid \$53,848 to satisfy the note and pay off the loan.

During the year ended June 30, 2014, the Harris County Water Works (“HCWW”) entered into a contract with GEFA under which it received certain funds made available through the Drinking Water State Revolving Loan Fund. In connection with the contract, the HCWW signed a promissory note in the amount of up to \$2,750,000. Total amounts drawn toward the loan liability at project completion were \$2,512,569. Proceeds were required to be used to reimburse construction costs for filter plant flocculation and sedimentation basins related to the HCWW’s water system. Additionally, the HCWW was required to meet certain covenants related to commencement and completion of construction. As of June 30, 2019 the HCWW is in compliance with these covenants. The loan is payable monthly in 240 equal installments commencing March 1, 2018 through February 1, 2038.

Annual debt service requirements to maturity as of June 30, 2019 are as follows:

Year	Principal	Interest	Total
2020	111,699	32,410	144,109
2021	113,273	30,836	144,109
2022	114,869	29,240	144,109
2023	116,488	27,621	144,109
2024	118,129	25,980	144,109
2025-2029	616,086	104,459	720,545
2030-2034	660,730	59,815	720,545
2035-2038	514,772	13,626	528,398
Total	\$ 2,366,046	\$ 323,987	\$ 2,690,033

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

During the year ended June 30, 2016, the Harris County Water Works (“HCWW”) entered into a contract with GEFA under which it received certain funds made available through the Drinking Water State Revolving Loan Fund. In connection with the contract, the HCWW signed a promissory note in the amount of up to \$1,812,000. Proceeds were required to be used to reimburse installation costs for an automatic meter reading (AMR) system and associated appurtenances related to the HCWW’s water system. Additionally, the HCWW was required to meet certain covenants related to commencement and completion of construction. As of June 30, 2019 the HCWW is in compliance with these covenants. The loan bears interest at 0.89% per annum and is payable monthly in 239 equal installments beginning at the earlier of the project completion date or January 1, 2021. The amortization schedule of the loan has not been set as of June 30, 2019, as the project was not complete, but the total amount drawn toward the loan and booked as a liability for the HCWW was \$466,244.

Business-type Activities – The County has one outstanding bond issue payable for the water works fund.

2012A and 2012B Series Tax Exempt Water Revenue Bonds – During the year ended June 30, 2013, the HCPIA issued Tax Exempt Bonds Series 2012A and Taxable Series 2012B (“Series 2012 Bonds”) in the amounts of \$7,500,000 and \$310,000, respectively, on behalf of the HCWW. Proceeds from these bonds were used to refund the outstanding 2002 Series Water and Sewer Revenue Bonds and pay the costs of issuing the Series 2012 Bonds. The 2002 Series Bonds had been used to refund the outstanding Revenue Bonds, Series 1995A, 1995B, 1995C and 1995D; make additions, alterations and improvements to the County’s water system; provide for a debt service reserve; and to pay the costs of issuing and insuring the Series 2002 Bonds.

The 2012 Series Bonds are limited obligations of the HCPIA payable solely from the revenues that are payable to the HCPIA pursuant to a Project Lease Agreement (“PLA”) dated as of September 1, 2012 between the HCPIA and the County. Under the PLA, the County is obligated to make payments to the HCPIA in amounts sufficient to enable the HCPIA to pay the principal of, redemption premium (if any) and interest on the bonds as they become due and payable and, to the extent required, levy a tax on all taxable property located within the boundaries of the County as may be necessary to produce funds sufficient to enable the County to make such payments. All rights of the HCPIA as defined in the PLA provide security for the 2012 Series Bonds. Under provisions of the Bond Resolution, the HCPIA is required to maintain certain restricted accounts including a revenue fund, sinking fund, and rebate fund. The County makes lease payments to the HCPIA from water and sewer revenues generated by the HCWW for payment of the bonds. Therefore, the bonds are accounted for within the Water Works Fund.

Annual principal payments for the Series 2012A Bonds begin December 1, 2013 and continue through December 1, 2027 with interest accruing at 2.0% through 5.0% per annum, payable semiannually. Annual principal payments for the Series 2012B Bonds began December 1, 2012 and continued through December 1, 2013.

The Tax Exempt Series 2012A Bonds maturing on and after December 1, 2019 are subject to redemption prior to maturity on or after December 1, 2018, at the option of the HCPIA, at the direction of the County, in whole or in part at any time at a redemption price of 100% plus accrued interest to the redemption date.

Annual debt service requirements to maturity as of June 30, 2019 are as follows:

Fiscal Year Ending	Principal	Interest	Total
2020	505,000	113,473	618,473
2021	520,000	103,223	623,223
2022	530,000	92,391	622,391
2023	540,000	80,685	620,685
2024	555,000	68,019	623,019
2025-2028	2,355,000	126,846	2,481,846
Total	\$ 5,005,000	\$ 584,637	\$ 5,589,637

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Business-type Activities – The County has one outstanding capital lease payable for the solid waste fund.

Solid Waste Fund – Lease Purchase Agreement Payable – Caterpillar Financial Services Corp. #4 - On November 5, 2014, the County entered into a lease-purchase agreement in the original amount of \$94,644 to purchase a backhoe loader at an interest rate of 3.2% with monthly payments of \$1,709 including interest beginning November 5, 2014. The final payment is due November 5, 2019. The backhoe loader acquired through this agreement is included in the solid waste fund totaling \$32,673 (cost of \$94,644 less accumulated depreciation of \$61,971).

Annual debt service requirements to maturity as of June 30, 2019 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	<u>9,478</u>	<u>67</u>	<u>9,545</u>
	<u>\$ 9,478</u>	<u>\$ 67</u>	<u>\$ 9,545</u>

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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2019:

	Total Outstanding 7/1/2018	Additions	Reductions	Total Outstanding 6/30/2019	Amounts Due in One Year	Long-term Portion
Governmental Activities						
2009 GEFA Loan #LC2006016	\$ 1,088,309	\$ -	\$ 112,858	\$ 975,451	\$ 116,246	\$ 859,205
Harris County Public Improvement Authority 2017 revenue bonds (refi.)	6,424,750	-	280,000	6,144,750	245,000	5,899,750
Net deferred premiums	(36,608)	-	-	(36,608)	-	(36,608)
Harris County Public Improvement Authority 2015 revenue bonds	5,400,000	-	5,400,000	-	-	-
Total bonded debt	12,876,451	-	5,792,858	7,083,593	361,246	6,722,347
2013 Caterpillar capital lease #5	19,835	-	13,117	6,718	6,718	-
2013 Caterpillar capital lease #6	32,463	-	21,468	10,995	10,995	-
2013 Caterpillar capital lease #7	32,463	-	21,468	10,995	10,995	-
2013 Caterpillar capital lease #8	32,463	-	21,468	10,995	10,995	-
2013 Caterpillar capital lease #9	11,818	-	8,665	3,153	3,153	-
2013 Caterpillar capital lease #10	21,992	-	15,799	6,193	6,193	-
Compensated absences	310,601	275,579	248,482	337,698	270,158	67,540
Net pension liability	2,844,884	1,927,685	-	4,772,569	-	4,772,569
Total Governmental Activities Debt	\$ 16,182,970	\$ 2,203,264	\$ 6,143,325	\$ 12,242,909	\$ 680,453	\$ 11,562,456
Business-type Activities						
2003 GEFA Loan #DWSRF-11-013	\$ 53,848	\$ -	\$ 53,848	\$ -	\$ -	\$ -
2014 GEFA Loan #DWSRF-11-013	2,476,194	-	110,147	2,366,047	111,699	2,254,348
2016 GEFA Loan #DWSRF-2016030	-	466,243	-	466,243	-	466,243
Harris County Public Improvement Authority Series 2012A revenue bonds	5,490,000	-	485,000	5,005,000	505,000	4,500,000
Net deferred premiums	120,015	-	12,745	107,270	-	107,270
Total bonded debt	8,140,057	466,243	661,740	7,944,560	616,699	7,327,861
2014 Caterpillar capital lease #2	6,240	-	6,240	-	-	-
2014 Caterpillar capital lease #3	2,967	-	2,967	-	-	-
2015 Caterpillar capital lease #4	29,369	-	19,891	9,478	9,478	-
Landfill postclosure	202,350	-	14,640	187,710	22,772	164,938
Compensated absences	72,265	59,908	57,812	74,361	59,489	14,872
Net pension liability	581,642	315,636	-	897,278	-	897,278
Total Business-type Activities	\$ 9,034,890	\$ 841,787	\$ 763,290	\$ 9,113,387	\$ 708,438	\$ 8,404,949

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

For governmental and business type activities, the public improvement authority retires the outstanding revenue bonds. The Callaway debt service fund retires the governmental GEFA loan outstanding. The business-type activity GEFA loans are retired by the water fund. The governmental capital leases are retired by the general fund and the business-type activity capital leases are retired by the solid waste fund.

The compensated absences liabilities are paid by each governmental and enterprise fund where the employee works. The net pension liability is retired from the general fund and each applicable enterprise fund. The solid waste retires the postclosure care liability.

3-I. Pension Plans and Other Retirement Benefits

The Defined Benefit Pension Plan

Plan Description. The Harris County Defined Benefit Pension Plan and Trust, (the “Plan”), is affiliated with the Association of County Commissioners of Georgia Defined Benefit Plan (ACCG), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The authority for the Plan, benefits, vesting and contributions are established by the Board of Commissioners. The Plan is administered by the Government Employee Benefits Corporation of Georgia (GEB Corp). GEB Corp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG. The Plan is a defined benefit pension plan that provides retirement, disability and death benefits to Plan members and beneficiaries.

The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County retains the authority to amend the adoption agreement, which defines the specific operational provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document.

The Plan is divided into two solo plans, Plan A, which is non-contributory and Plan B which is contributory.

Employees become vested after five years of service to the County. All full-time eligible employees hired prior to January 1, 2018 were participants in the ACCG Plan (Plan) upon employment.

Current membership is as follows:

Retirees, beneficiaries, and disablees	
currently receiving benefits	92
Terminated participants entitled to but	
not yet receiving benefits	160
Active employees participating in the plan	257
	<hr/>
Total number of participants	509
	<hr/>

Per the county’s GASB 68 report, the most recent experience study was performed in February 2019.

A copy of the plan’s financial report may be obtained from:

Government Employee Benefits Corporation of Georgia
191 Peachtree Street, Suite 700
Atlanta, Georgia 30303

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Benefits Provided.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to a monthly benefit in the amount of 0.75 percent of average annual compensation up to \$6,600, plus 1.25 percent of average annual compensation over \$6,600, plus \$36 for each year of service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over the highest consecutive five-year period out of the last ten years prior to retirement or termination. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Contributions.

Plan A:

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. Section 47-20 of the Georgia Code sets forth the minimum funding standards for local municipal defined benefit pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

Plan B

The required employee contribution is currently 1.75% of earnings.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

The County's actuarially determined contribution rate for the plan year ended December 31, 2018 was \$841,088, or 8.39% of covered-employee payroll. The County's covered payroll for employees participating in the Plan as of January 1, 2018, (the most recent actuarial valuation date) was \$10,020,638 (based on covered earnings for the preceding year). The County Commissioner provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

The Georgia Constitution enables the governing authority of the County, the County Board of Commissioners, to establish, and amend from time-to-time contribution rates for the County and its Plan participants.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2019, the County reported a net pension liability of \$5,669,847. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. For the year ended June 30, 2019, the County recognized pension expense of \$1,345,955.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2018	<u>\$ 16,966,044</u>	<u>\$ 13,539,518</u>	<u>\$ 3,426,526</u>
Changes for the year:			
Service cost	511,273	-	511,273
Interest	1,230,038	-	1,230,038
Liability experience (Gain)/Loss	(46,330)	-	(46,330)
Assumption change	775,275	-	775,275
Employer contributions	-	841,088	(841,088)
Employee contribution	-	113,249	(113,249)
Net investment income	-	(602,857)	602,857
Benefit payments	(635,967)	(613,720)	(22,247)
Administrative expense	-	(51,934)	51,934
Other changes	<u>-</u>	<u>(94,857)</u>	<u>94,857</u>
Net changes	<u>1,834,289</u>	<u>(409,031)</u>	<u>2,243,320</u>
Balances at June 30, 2019	<u><u>\$ 18,800,333</u></u>	<u><u>\$ 13,130,487</u></u>	<u><u>\$ 5,669,846</u></u>
Plan fiduciary net position as a percentage of the total pension liability		69.84%	
Covered employee payroll		\$ 10,020,638	
Net pension liability as a percentage of covered employee payroll		56.58%	

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,464,095	\$ (565,730)
Net difference between expected and actual experience in the measurement of the total pension liability	168,453	(221,128)
Change of assumption	<u>1,056,466</u>	<u>-</u>
Total	<u><u>\$ 2,689,014</u></u>	<u><u>\$ (786,858)</u></u>

Any deferred outflows of resources resulting from the County's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Year Ending December 31	
2020	613,526
2021	468,736
2022	388,329
2023	431,565
Totals	<u>\$ 1,902,156</u>

Actuarial Assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Future salary increases	4.00% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.00%

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table. Disabled rates were derived from a 1985 CIDA Table Class 1.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 are summarized in the following table:

Benchmark	Asset Allocation	Average 20 Year Return	Weighted 20 Year Return	Average 30 Year Return	Weighted 30 Year Return
S&P 500	30%	7.91%	2.37%	10.22%	3.07%
Barlay's Agg.	30%	5.60%	1.68%	6.56%	1.97%
MSCI EAFE	15%	4.29%	0.64%	5.73%	0.86%
Citi Non US WEBI	5%	4.66%	0.23%	5.98%	0.30%
NAREIT Equity	5%	10.79%	0.54%	10.44%	0.52%
Russell 2000	5%	8.06%	0.40%	9.33%	0.47%
Russell 3000	5%	8.03%	0.40%	10.14%	0.51%
S&P Mid Cap	5%	11.22%	0.56%	11.53%	0.58%
Weighted Return			<u>6.82%</u>		<u>8.28%</u>

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00 percent) or one percentage-point higher (8.00 percent) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.00%	\$ 8,025,642
Current discount rate	7.00%	5,669,846
1% increase	8.00%	3,698,297

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia GEBCorp financial report.

Defined Contribution Plans

Deferred Compensation Plan – The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, which was administered by GEBCorp and VALIC for the year ended June 30, 2019, is available to all full-time employees and all permanent part-time employees at their option and permits participants to defer a portion of their salary until future years. The County retains the authority to amend the adoption agreement and change contribution requirements based on the plan document. At June 30, 2019, there were 284 participants in the plan. The employees are 100 percent vested in their contributions. Plan assets are not available to participants until termination, retirement, death or unforeseeable emergency. For the year ended June 30, 2019, contributions totaled \$305,094.

It is the opinion of the County's management that the County has no fiduciary responsibility for plan assets once they are deposited with the plan administrator. Consequently, under the provisions of GASB standards, plan assets are not reported in the financial statements. These assets totaled \$2,836,855 at June 30, 2019. Investments are participant-directed from a choice of 42 mutual funds. Investments in 4 of the mutual funds represented 5 percent or more of the net assets of the plan as of June 30, 2019.

Defined Contribution Money Purchase Pension Plan – The County offers its employees a defined contribution money purchase pension plan in accordance with Internal Revenue Code Section 401(a). The plan, which is administered by GEBcorp, is available to all full-time employees with six months of service. The County retains the authority to amend the adoption agreement and change contribution requirements based on the plan document.

The County has no fiduciary responsibility for plan assets once they are deposited with the plan administrator. Consequently, under the provisions of GASB standards, plan assets are not reported in the financial statements. These assets totaled \$4,423,626 at June 30, 2019. Investments are participant-directed from a choice of a guaranteed interest account and various mutual funds. Investments in 7 of the mutual funds and the guaranteed interest account each represent 5 percent or more of the net assets of the plan as of June 30, 2019.

Other Plans

In addition to the plan above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Fund Equity

Fund Balances – Fund balances are classified as follows:

- **Nonspendable** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:

Prepaid items	\$ 190,179
Inventories	<u>196,020</u>
Total	<u><u>\$ 386,199</u></u>

- **Restricted** – The following fund balances are legally restricted to specified purposes:

General Fund

Tax Commissioner	<u><u>\$ 16,110</u></u>
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2014 SPLOST

Capital projects	<u><u>\$ 1,916,381</u></u>
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2019 SPLOST

Capital projects	<u><u>\$ 214,777</u></u>
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Callaway Debt Service Fund

Debt service	<u><u>\$ 24,560</u></u>
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Public Improvement Authority Fund

Debt service	<u><u>\$ 98,923</u></u>
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Transportation Investment Act Fund

Capital projects	<u><u>\$ 1,918,085</u></u>
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Nonmajor Special Revenue Funds:

Judicial - law library	49,453
Public safety	<u>162,988</u>

Total Nonmajor Special Revenue Funds:	<u><u>\$ 212,441</u></u>
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- **Committed** – The following fund balance are committed to specified purposes:

General Fund:

Recreation facilities	<u><u>\$ 20,933</u></u>
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- **Assigned** – The following fund balance is assigned to specific purposes:

General Fund:

FY2020 Budgeted Use of Reserves	<u><u>\$ 427,477</u></u>
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Nonmajor Special Revenue Funds

Health and welfare	<u><u>\$ 227,426</u></u>
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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

- **Unassigned** – The following fund balances include the unassigned amounts:

General Fund:

Unassigned	\$ 10,135,372
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Net Investment in Capital Assets

The “net investment in capital assets” reported on the government-wide statement of net position as of June 30, 2019 are as follows:

	Governmental Activities	Business-type Activities
Net investment in capital assets		
Cost of capital assets	\$ 95,581,011	\$ 51,153,585
Less accumulated depreciation	45,488,931	19,281,002
Book value	50,092,080	31,872,583
Less capital related debt	7,132,642	7,954,038
Net investment in capital assets	\$ 42,959,438	\$ 23,918,545

Note 4 - Other Notes

4-A. Risk Management

Interlocal Risk Management Agency - The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the Interlocal Risk Management Agency (IRMA) for property and liability insurance operated by Association County Commissioners of Georgia (ACCG) and the ACCG-Group Self-Insurance Workers' Compensation Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The ACCG administers both risk pools.

As part of these risks pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the 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 governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost 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.

The County has not compiled a record of the claims paid up to the applicable deductible for the prior or current fiscal year. The County is not aware of any claims, which the County is liable for (up to the applicable deductible) which were outstanding and unpaid at June 30, 2019. No provision has been made in the financial statements for the year ended June 30, 2019, for any estimate of potential unpaid claims.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 4 – Other Notes (Continued)

4-B. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was a defendant in several lawsuits at June 30, 2019. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4-C. Tax Abatements

For the year ended June 30, 2019, the County's property tax revenues were reduced by \$280,313 under agreements entered into by the Harris County Development Authority with three businesses under the economic development laws of the State of Georgia. These agreements qualify for disclosure under GASB Statement No. 77, *Tax Abatement Disclosures*. Under the agreements, taxes on real and personal property are reduced by between 50% and 90% based on investments made by the entities to whom the incentives were offered as long as the entities meet certain investment targets.

4-D. Subsequent Events

Cable Franchise Fee:

Increase the Cable Franchise Fee from 2% to 5% - On July 8, 2019, the Board of County Commissioners voted to increase the cable franchise fee from 2% to 5%. An agreement was made with the Georgia Municipal Association (GMA) to handle this process which should go into effect in January 2020.

Water Works:

Design & Engineering to Upgrade Water line (from 6" to 12") to the Grove development - On July 8, 2019, the Board of County Commissioners voted to execute an agreement with Carter & Sloope Engineering for the design and engineering to upgrade the water line in order to provide water to the first phase of the Grove development. The estimated cost of the agreement is \$31,000 and estimated construction costs are \$310,640. The design should be completed in January 2020.

Millage Rate:

Millage Rate Increase – On August 20, 2019, the Board of County Commissioners voted to increase the County's millage rate 0.75 mills, from 8.63 to 9.38. The millage increases will be included on the property tax bills due on December 20, 2019.

Capital Leases:

Capital Lease-Purchase Renewals for Heavy Equipment for Public Works - On September 17, 2019, the Board of County Commissioners voted to approve new lease-purchase agreements. The current lease-purchase agreements with Yancey Caterpillar for six pieces of heavy equipment expire on December 31, 2019. Public Works has requested to trade-in this equipment for six new pieces. The six new pieces will include a track loader, bulldozer, wheel loader, two motor graders and a mini excavator. After factoring in the trade-in of current equipment, the total to be financed is \$419,233 for five years at a fixed rate of 3.85% effective January 1, 2020.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 4 – Other Notes (Continued)

Rails to Trails Project:

Rails to Trails Project Phases II and III - On September 30, 2019, the Board of County Commissioners voted to award the bid for Rails to Trails construction phases II and III to Piedmont Paving at total project cost of \$478,210.57. These phases add approximately 1.5 miles to the existing project and should be completed by August 2020.

4-E. Hotel/Motel Lodging Tax

As of January 1, 2019, the County levies a 5% lodging tax in accordance with O.C.G.A. 48-13-51 and expends 100% of the hotel/motel tax collections to a destination management organization for the purpose of promoting tourism.

A summary of the transactions for the year ended June 30, 2019 follows:

Receipts:	
Lodging tax receipts	<u>\$ 79,277</u>
Disbursements to:	
Harris County Chamber of Commerce	\$ 65,943
Georgia Department of Natural Resources	8,480
Harris County General Fund	<u>4,854</u>
Total tax and investment earnings disbursements	<u>\$ 79,277</u>

Harris County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 15,412,000	\$ 15,412,000	\$ 16,794,855	\$ 1,382,855
Licenses and permits	299,000	299,000	359,326	60,326
Intergovernmental	811,000	811,000	850,302	39,302
Charges for services	3,056,000	3,078,040	3,251,598	173,558
Fines and forfeitures	700,000	700,000	822,040	122,040
Investment earnings	30,000	30,000	140,217	110,217
Contributions and donations	500	500	93,685	93,185
Miscellaneous	2,000	2,000	126,152	124,152
Total Revenues	20,310,500	20,332,540	22,438,175	2,105,635
Expenditures				
Current:				
General government	3,456,676	3,465,156	3,190,288	274,868
Judicial	1,729,560	1,735,560	1,539,158	196,402
Public safety	10,566,260	10,603,300	10,214,420	388,880
Public works	3,320,630	3,264,630	2,780,722	483,908
Health and welfare	282,170	302,170	296,819	5,351
Culture and recreation	1,492,822	1,537,822	1,445,995	91,827
Housing and development	480,564	485,564	457,503	28,061
Debt Service:				
Principal	110,123	110,123	101,985	8,138
Interest	3,588	3,588	3,512	76
Total Expenditures	21,442,393	21,507,913	20,030,402	1,477,511
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,131,893)	(1,175,373)	2,407,773	3,583,146
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	20,000	20,000	35,118	15,118
Transfers in	1,561,000	1,561,000	654,854	(906,146)
Transfers (out)	(976,240)	(976,240)	(733,288)	242,952
Total Other Financing Sources (Uses)	604,760	604,760	(43,316)	(648,076)
Net Change in Fund Balances	\$ (527,133)	\$ (570,613)	2,364,457	\$ 2,935,070
Fund Balances Beginning of Year			8,621,634	
Fund Balances End of Year			\$ 10,986,091	

Harris County, Georgia
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Years
Harris County Defined Benefit Plan
For the Year Ended June 30, 2019
(Unaudited)

	Year End	Year End	Year End	Year End	Year End
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 511,273	\$ 472,022	\$ 468,431	\$ 431,395	\$ 404,205
Interest on total pension liability	1,230,038	1,138,025	1,103,285	968,484	904,146
Assumption Change	775,275	34,623	468,194	471,672	-
Benefit payments, including refunds of employee contributions	(635,967)	(576,085)	(520,658)	(512,189)	(450,504)
Experience (Gain)/Loss	(46,330)	(87,476)	(244,777)	437,973	-
Net change in total pension liability	1,834,289	981,109	1,274,475	1,797,335	857,847
Total pension liability - beginning	16,966,044	15,984,935	14,710,460	12,913,125	12,055,278
Total pension liability - ending (a)	\$ 18,800,333	\$ 16,966,044	\$ 15,984,935	\$ 14,710,460	\$ 12,913,125
Plan fiduciary net position					
Contributions - employer	\$ 841,088	\$ 877,599	\$ 885,586	\$ 829,984	\$ 784,977
Contributions - employee	113,249	108,874	101,818	99,560	94,654
Net investment income	(602,857)	1,812,302	758,734	83,893	645,094
Benefit payments, including refunds of employee contributions	(613,720)	(576,085)	(501,839)	(493,676)	(435,064)
Administrative expense	(51,934)	(47,992)	(50,481)	(46,716)	(43,613)
Other	(94,857)	(119,297)	(69,976)	(109,913)	(81,534)
Net change in total pension liability	(409,031)	2,055,401	1,123,842	363,132	964,514
Plan fiduciary net position - beginning	13,539,518	11,484,117	10,360,275	9,997,143	9,032,629
Plan fiduciary net position - ending (b)	\$ 13,130,487	\$ 13,539,518	\$ 11,484,117	\$ 10,360,275	\$ 9,997,143
Net pension liability (asset) - ending : (a) - (b)	\$ 5,669,846	\$ 3,426,526	\$ 4,500,818	\$ 4,350,185	\$ 2,915,982
Plan's fiduciary net position as a percentage of the total pension liability	69.84%	79.80%	71.84%	70.43%	77.42%
Covered-employee payroll	\$ 10,020,638	\$ 9,634,927	\$ 9,389,612	\$ 9,176,860	\$ 8,802,806
Net pension liability as a percentage of covered-employee payroll	56.58%	35.56%	47.93%	47.40%	33.13%

Note: 2015 was the first year of implementation. Therefore, only five years are shown.

Harris County, Georgia
Required Supplementary Information
Schedule of Contributions
Last Ten Years
Harris County Defined Benefit Plan
June 30, 2019
(Unaudited)

	<u>Year End</u>	<u>Year End</u>	<u>Year End</u>	<u>Year End</u>	<u>Year End</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 841,088	\$ 877,599	\$ 885,586	\$ 829,984	\$ 784,977
Contributions in relation to the actuarially determined contribution	(841,088)	(877,599)	(885,586)	(829,984)	(784,977)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 10,020,638	\$ 9,634,927	\$ 9,389,612	\$ 9,176,860	\$ 8,802,806
Contributions as a percentage of covered-employee payroll	8.39%	9.11%	9.43%	9.04%	8.92%

Note: 2015 was the first year of implementation. Therefore, only five years are shown.

Harris County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 1,536,269	\$ 2,441,266
Investments	7,265,704	5,027,358
Receivables:		
Accounts		
Property taxes	550,799	183,280
TAVT	173,384	178,983
Sales taxes	185,626	163,667
Intergovernmental	178,107	108,091
Interfund	1,746,751	1,164,165
Development authority	-	15
Inventory	196,020	187,597
Prepaid items	190,179	214,468
	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 12,022,839</u></u>	<u><u>\$ 9,668,890</u></u>
 Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 254,636	\$ 309,367
Accrued expenditures payable	664,109	633,068
	<u> </u>	<u> </u>
Total Liabilities	918,745	942,435
 Deferred Inflows of Resources - Property Taxes	<u>118,003</u>	<u>104,821</u>
 Total Liabilities and Deferred Inflows of Resources	<u>1,036,748</u>	<u>1,047,256</u>
 Fund Balances		
Nonspendable - not in spendable form	386,199	402,065
Restricted	16,110	-
Committed for recreation facilities	20,933	307,288
Assigned	427,477	527,133
Unassigned	10,135,372	7,385,148
	<u> </u>	<u> </u>
Total Fund Balances	<u>10,986,091</u>	<u>8,621,634</u>
 Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u><u>\$ 12,022,839</u></u>	<u><u>\$ 9,668,890</u></u>

Harris County, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2019 and 2018

	2019	2018
Revenues		
Taxes	\$ 16,794,855	\$ 16,316,555
Intergovernmental	850,302	960,571
Licenses and permits	359,326	305,982
Charges for services	3,251,598	2,797,819
Fines and forfeitures	822,040	835,888
Investment earnings	140,217	40,106
Contributions and donations	93,685	65
Miscellaneous	126,152	59,759
Total Revenues	22,438,175	21,316,745
Expenditures		
Current:		
General government	3,190,288	3,453,445
Judicial	1,539,158	1,504,985
Public safety	10,214,420	10,283,496
Public works	2,780,722	3,604,295
Health and welfare	296,819	278,008
Culture and recreation	1,445,995	1,071,921
Housing and development	457,503	403,219
Principal	101,985	98,717
Interest	3,512	185,182
Total Expenditures	20,030,402	20,883,268
(Deficiency) of Revenues (Under) Expenditures	2,407,773	433,477
Other Financing Sources (Uses)		
Proceeds from the sale of capital assets	35,118	-
Transfers in	654,854	679,624
Transfers (out)	(733,288)	(1,044,150)
Other Financing Sources (Uses)	(43,316)	(364,526)
Net Change in Fund Balances	2,364,457	68,951
Fund Balances Beginning of Year	8,621,634	8,552,683
Fund Balances End of Year	\$ 10,986,091	\$ 8,621,634

Harris County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for The Year Ended June 30, 2018)

	2019			Variance With Final Budget	2018
	Original Budget	Final Budget	Actual		Actual
Revenues					
Taxes					
Real property					
Current	\$ 10,000,000	\$ 10,000,000	\$ 10,647,951	\$ 647,951	\$ 10,435,345
Delinquent	75,000	75,000	77,432	2,432	234,716
Timber	33,000	33,000	40,113	7,113	32,939
Personal property					
Motor vehicle tax	140,000	140,000	189,748	49,748	203,521
Motor vehicle title ad valorem tax (TAVT)	900,000	900,000	1,233,988	333,988	1,083,980
Motor vehicle alternate ad valorem tax (AAVT)	10,000	10,000	12,618	2,618	12,775
Mobile home	8,000	8,000	13,373	5,373	13,002
Intangibles	180,000	180,000	206,905	26,905	197,759
Railroad	5,000	5,000	11,067	6,067	7,170
Real estate transfer tax	40,000	40,000	87,606	47,606	61,364
Franchise taxes	50,000	50,000	78,856	28,856	66,966
Local option sales and use tax	1,800,000	1,800,000	1,925,483	125,483	1,855,939
Business taxes					
Alcoholic beverage excise tax	165,000	165,000	176,670	11,670	168,591
Business and occupation tax	53,000	53,000	61,162	8,162	56,519
Financial institutions	18,000	18,000	19,200	1,200	17,852
Insurance premium tax	1,750,000	1,750,000	1,787,445	37,445	1,659,374
Penalties and interest on delinquent taxes					
FIFA	25,000	25,000	34,256	9,256	32,925
Interest and penalties	160,000	160,000	190,982	30,982	175,818
Total Taxes	15,412,000	15,412,000	16,794,855	1,382,855	16,316,555
Licenses and Permits					
Business licenses - alcoholic beverages	47,000	47,000	55,937	8,937	53,318
Non-business licenses and permits					
Building permits	250,000	250,000	287,733	37,733	245,881
Land disturbance permits	500	500	7,522	7,022	3,108
Driveway permits	-	-	5,575	5,575	1,550
Manufactured housing permits	1,500	1,500	2,559	1,059	2,125
Total Licenses and Permits	299,000	299,000	359,326	60,326	305,982
Intergovernmental					
Federal					
BVP Grant-PS	-	-	14,060	14,060	-
EMA-PS	8,500	8,500	9,607	1,107	8,507
State					
LMIG-PW	800,000	800,000	816,948	16,948	918,663
GSWCC Watershed Dam-PW	-	-	1,500	1,500	1,500
EMS-PS	-	-	5,187	5,187	9,401
SORNA-PS	-	-	-	-	20,000
Wellness grant-GG	2,500	2,500	3,000	500	2,500
Total Intergovernmental	811,000	811,000	850,302	39,302	960,571
Totals carried forward	16,522,000	16,522,000	18,004,483	1,482,483	17,583,108

(continued)

Harris County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for The Year Ended June 30, 2018)

(continued)

	2019			2018	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Brought forward	\$ 16,522,000	\$ 16,522,000	\$ 18,004,483	\$ 1,482,483	\$ 17,583,108
Revenues					
Charges for Services					
General government					
Sale of maps	1,000	1,000	130	(870)	1,117
Sale of computer lists	500	500	1,500	1,000	715
Copies and facsimiles	500	500	1,681	1,181	1,260
Election Qualifying Fees	-	-	664	664	-
Returned Check Fees	100	100	121	21	-
Solid Waste Fund Indirect Cost	100,000	100,000	100,000	-	-
County Jail Fund Indirect Cost	71,900	71,900	71,900	-	-
Water Works Fund Indirect Cost	150,000	150,000	150,000	-	-
Commissions on tax collections	575,000	575,000	596,696	21,696	598,682
Judicial					
Superior Court website fees	4,000	4,000	2,778	(1,222)	3,173
Public safety					
Ambulance	775,000	775,000	827,633	52,633	778,073
Corrections - boarding	1,080,000	1,080,000	1,081,820	1,820	1,083,200
Corrections - reimbursements	2,500	2,500	4,062	1,562	7,518
State inmate boarding	15,000	15,000	27,588	12,588	11,913
Federal prison commission	15,000	15,000	12,787	(2,213)	12,384
Telephone - jail	5,000	5,000	9,998	4,998	5,959
Telephone - corrections	25,000	25,000	30,558	5,558	30,163
Sheriff receipts	30,000	30,000	35,475	5,475	37,950
Child support fees	500	500	83	(417)	314
Public works					
DOT crew	39,500	39,500	36,208	(3,292)	39,500
Pipe sales	40,000	40,000	49,643	9,643	38,702
Work crew-City of Manchester	40,000	40,000	45,465	5,465	43,284
Work crew-Talbot County	-	22,040	24,072	2,032	-
Animal control fees	5,000	5,000	11,987	6,987	9,034
Culture and recreation					
Community center	64,500	64,500	120,549	56,049	90,488
Health and welfare					
Mental retardation center	6,000	6,000	-	(6,000)	-
Mental health center	6,000	6,000	-	(6,000)	-
Housing and development					
Zoning fees and appeals	1,000	1,000	1,730	730	1,105
Plat and plan review fees	3,000	3,000	6,470	3,470	3,285
Total Charges for Services	3,056,000	3,078,040	3,251,598	173,558	2,797,819
Fines and Forfeitures					
Superior court	150,000	150,000	210,975	60,975	171,711
Magistrate court	50,000	50,000	46,601	(3,399)	51,488
Probate court	500,000	500,000	564,464	64,464	612,689
Total Fines and Forfeitures	700,000	700,000	822,040	122,040	835,888
Investment Earnings	30,000	30,000	140,217	110,217	40,106
Contributions and Donations	500	500	93,685	93,185	65
Miscellaneous					
Rents and royalties	2,000	2,000	3,268	1,268	3,463
Other					
Sale of surplus property	-	-	-	-	54,246
Election Fees	-	-	-	-	1,850
Reimbursement for damaged property	-	-	121,208	121,208	-
Miscellaneous	-	-	1,676	1,676	200
Total Miscellaneous	2,000	2,000	126,152	124,152	59,759
Total Revenues	20,310,500	20,332,540	22,438,175	2,105,635	21,316,745
Other Financing Sources:					
Proceeds from the sale of capital assets	20,000	20,000	35,118	15,118	-
Use of Reserves	527,133	570,613	-	(570,613)	-
Transfers in					
County Jail	-	-	-	-	664,396
Water Works	150,000	150,000	150,000	-	-
Solid Waste	1,400,000	1,400,000	500,000	(900,000)	-
Hotel/motel taxes	11,000	11,000	4,854	(6,146)	15,228
Total Other Financing Sources	2,108,133	2,151,613	689,972	(1,461,641)	679,624
Total Revenues and Other Financing Sources	\$ 22,418,633	\$ 22,484,153	\$ 23,128,147	\$ 643,994	\$ 21,996,369

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for The Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Expenditures					
General Government					
Voter Registration					
Personal services	\$ 47,814	47,814	\$ 29,744	\$ 18,070	\$ 8,334
Purchased/contracted services	50,500	50,500	48,470	2,030	26,599
Supplies	2,600	2,600	1,888	712	3,765
Total Elections	100,914	100,914	80,102	20,812	38,698
General Administration					
Personal services	489,950	513,430	500,160	13,270	499,674
Purchased/contracted services	260,200	300,200	285,336	14,864	259,477
Supplies	13,000	13,000	12,709	291	12,477
Capital outlay	-	-	-	-	30,278
Total Administration	763,150	826,630	798,205	28,425	801,906
Board of Commissioners					
Personal services	130,665	130,665	101,097	29,568	112,086
Purchased/contracted services	19,800	19,800	21,993	(2,193)	21,211
Supplies	300	300	539	(239)	-
Total Board of Commissioners	150,765	150,765	123,629	27,136	133,297
Board of Equalization					
Purchased/contracted services	6,050	6,050	2,267	3,783	4,410
Supplies	350	350	65	285	-
Total Board of Equalization	6,400	6,400	2,332	4,068	4,410
Information Technology					
Personal services	75,714	75,714	71,471	4,243	61,273
Purchased/contracted services	60,300	60,300	51,243	9,057	18,940
Supplies	57,550	57,550	59,503	(1,953)	32,358
Total Information Technology	193,564	193,564	182,217	11,347	112,571
Tax Commissioner					
Personal services	382,830	382,830	356,824	26,006	367,729
Purchased/contracted services	70,196	70,196	64,213	5,983	62,721
Supplies	21,500	21,500	24,580	(3,080)	10,579
Total Tax Commissioner	474,526	474,526	445,617	28,909	441,029
Tax Assessor					
Personal services	489,443	489,443	459,655	29,788	466,798
Purchased/contracted services	57,250	57,250	44,307	12,943	36,323
Supplies	12,350	12,350	10,878	1,472	8,026
Capital outlay	14,000	14,000	-	14,000	-
Total Tax Assessor	573,043	573,043	514,840	58,203	511,147
Totals carried forward	2,262,362	2,325,842	2,146,942	178,900	2,043,058

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for The Year Ended June 30, 2018)

	2019			2018	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 2,262,362	\$ 2,325,842	\$ 2,146,942	\$ 178,900	\$ 2,043,058
Expenditures					
Buildings and Plant					
Personal services	210,164	210,164	205,739	4,425	200,072
Purchased/contracted services	164,700	164,700	146,539	18,161	587,872
Supplies	410,950	440,950	436,170	4,780	19,346
Total Buildings and Plant	785,814	815,814	788,448	27,366	807,290
Operations					
Personal services	85,000	-	-	-	-
Purchased/contracted services	105,500	105,500	17,157	88,343	360,315
Supplies	18,000	18,000	33,864	(15,864)	70,534
Total Operations	208,500	123,500	51,021	72,479	430,849
Pensions and Insurance					
Property and Casualty	200,000	200,000	203,877	(3,877)	172,248
Total Pensions and Insurance	200,000	200,000	203,877	(3,877)	172,248
Total General Government	3,456,676	3,465,156	3,190,288	274,868	3,453,445
Judicial					
Superior Court					
Personal services	409,127	415,127	407,877	7,250	410,599
Purchased/contracted services	89,915	89,915	86,478	3,437	62,364
Supplies	19,500	19,500	12,876	6,624	14,047
Total Superior Court	518,542	524,542	507,231	17,311	487,010
Probate Court					
Personal services	231,927	231,927	208,478	23,449	211,517
Purchased/contracted services	28,660	28,660	13,473	15,187	10,707
Supplies	19,000	19,000	19,225	(225)	16,793
Total Probate Court	279,587	279,587	241,176	38,411	239,017
Court Services					
Personal services	127,967	127,967	133,863	(5,896)	133,208
Purchased/contracted services	261,550	261,550	234,395	27,155	215,019
Supplies	2,500	2,500	1,801	699	2,034
Total Court Services	392,017	392,017	370,059	21,958	350,261
Magistrate Court					
Personal services	220,646	220,646	210,417	10,229	215,120
Purchased/contracted services	12,100	12,100	7,649	4,451	6,481
Supplies	6,378	6,378	6,462	(84)	8,519
Total Magistrate Court	239,124	239,124	224,528	14,596	230,120
Totals carried forward	4,885,946	4,900,426	4,533,282	367,144	4,759,853

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for The Year Ended June 30, 2018)

	2019			Variance	2018
	Original Budget	Final Budget	Actual	With Final Budget	Actual
Totals brought forward	\$ 4,885,946	\$ 4,900,426	\$ 4,533,282	\$ 367,144	\$ 4,759,853
Expenditures					
Judicial (Continued)					
Assistant District Attorney					
Personal services	280,719	280,719	260,339	20,380	259,475
Purchased/contracted services	9,200	9,200	6,144	3,056	8,865
Supplies	10,371	10,371	10,416	(45)	6,795
District attorney reimbursement	-	-	(80,735)	80,735	(76,558)
Total Assistant District Attorney	300,290	300,290	196,164	104,126	198,577
Total Judicial	1,729,560	1,735,560	1,539,158	196,402	1,504,985
Totals carried forward	5,186,236	5,200,716	4,729,446	471,270	4,958,430

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for The Year Ended June 30, 2018)

	2019			Variance	2018
	Original Budget	Final Budget	Actual	With Final Budget	Actual
Totals brought forward	\$ 5,186,236	\$ 5,200,716	\$ 4,729,446	\$ 471,270	\$ 4,958,430
Expenditures					
Public Safety					
Sheriff					
Personal services	3,031,544	3,041,544	2,896,045	145,499	2,943,549
Purchased/contracted services	131,348	131,348	177,207	(45,859)	171,854
Supplies	282,520	282,520	292,722	(10,202)	299,143
Capital outlay	201,000	201,000	199,754	1,246	192,656
Total Sheriff	3,646,412	3,656,412	3,565,728	90,684	3,607,202
Emergency Medical					
Personal services	2,094,110	2,094,110	2,009,646	84,464	1,997,728
Purchased/contracted services	137,450	137,450	120,927	16,523	132,478
Supplies	111,000	111,000	94,521	16,479	103,278
Capital outlay	50,000	50,000	48,451	1,549	-
Total Emergency Medical	2,392,560	2,392,560	2,273,545	119,015	2,233,484
Jail Operations					
Personal services	1,353,019	1,353,019	1,286,830	66,189	1,298,804
Purchased/contracted services	399,565	399,565	366,722	32,843	393,005
Supplies	69,500	69,500	62,673	6,827	40,062
Capital outlay	7,000	7,000	6,464	536	10,000
Total Jail Operations	1,829,084	1,829,084	1,722,689	106,395	1,741,871
Corrections					
Personal services	1,579,002	1,601,042	1,530,696	70,346	1,475,369
Purchased/contracted services	196,450	196,450	188,235	8,215	428,785
Supplies	348,200	348,200	365,515	(17,315)	90,278
Capital outlay	100,000	100,000	96,370	3,630	139,965
Total Corrections	2,223,652	2,245,692	2,180,816	64,876	2,134,397
Totals carried forward	15,277,944	15,324,464	14,472,224	852,240	14,675,384

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for The Year Ended June 30, 2018)

	2019			Variance	2018
	Original Budget	Final Budget	Actual	With Final Budget	Actual
Totals brought forward	\$ 15,277,944	\$ 15,324,464	\$ 14,472,224	\$ 852,240	\$ 14,675,384
Expenditures					
Public Safety (Continued)					
Coroner					
Personal services	22,520	27,520	22,746	4,774	23,345
Purchased/contracted services	31,498	31,498	28,769	2,729	26,300
Supplies	3,000	3,000	2,779	221	4,919
Total Coroner/Medical Examiner	57,018	62,018	54,294	7,724	54,564
Fire Prevention					
Personal services	43,300	43,300	36,222	7,078	47,217
Purchased/contracted services	90,000	90,000	92,398	(2,398)	249,406
Supplies	5,000	5,000	18,688	(13,688)	4,353
Capital outlay	279,234	279,234	270,040	9,194	211,002
Total Fire Prevention	417,534	417,534	417,348	186	511,978
Total Public Safety	10,566,260	10,603,300	10,214,420	388,880	10,283,496
Public Works					
Road Maintenance					
Personal services	955,189	955,189	829,653	125,536	770,918
Purchased/contracted services	182,477	182,477	196,830	(14,353)	167,760
Supplies	344,200	344,200	323,054	21,146	230,885
Capital outlay	1,317,500	1,231,500	917,965	313,535	1,974,183
Total Road Maintenance	2,799,366	2,713,366	2,267,502	445,864	3,143,746
Animal Control					
Personal services	96,134	96,134	93,111	3,023	93,344
Purchased/contracted services	18,400	28,400	23,965	4,435	11,770
Supplies	19,200	19,200	9,461	9,739	11,374
Capital outlay	64,000	64,000	69,605	(5,605)	-
Total Animal Control	197,734	207,734	196,142	11,592	116,488
Vehicle Maintenance					
Personal services	263,380	273,380	265,863	7,517	262,134
Purchased/contracted services	23,200	23,200	9,597	13,603	16,062
Supplies	36,950	46,950	41,618	5,332	44,514
Capital outlay	-	-	-	-	21,351
Total Vehicle Maintenance	323,530	343,530	317,078	26,452	344,061
Total Public Works	3,320,630	3,264,630	2,780,722	483,908	3,604,295
Totals carried forward	19,073,126	19,068,646	17,724,588	1,344,058	18,846,221

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for The Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 19,073,126	\$ 19,068,646	\$ 17,724,588	\$ 1,344,058	\$ 18,846,221
Expenditures					
Health and Welfare					
Health Department					
Purchased/contracted services	250,000	250,000	250,000	-	250,000
Public Services					
Purchased/contracted services	32,170	52,170	46,819	5,351	28,008
Total Public Services	32,170	52,170	46,819	5,351	28,008
Total Health and Welfare	282,170	302,170	296,819	5,351	278,008
Culture and Recreation					
Culture:					
Libraries	263,868	263,868	263,868	-	237,570
Recreation:					
Personal services	300,154	300,154	269,663	30,491	286,767
Purchased/contracted services	131,375	131,375	125,174	6,201	189,405
Supplies	91,100	91,100	101,502	(10,402)	22,657
Capital outlay	357,888	357,888	292,705	65,183	6,100
Total Recreation	880,517	880,517	789,044	91,473	504,929
Community Center:					
Personal services	141,987	171,987	169,641	2,346	152,400
Purchased/contracted services	62,250	77,250	84,112	(6,862)	145,168
Supplies	122,600	122,600	129,408	(6,808)	31,854
Capital outlay	21,600	21,600	9,922	11,678	-
Total Community Center	348,437	393,437	393,083	354	329,422
Total Culture and Recreation	1,492,822	1,537,822	1,445,995	91,827	1,071,921
Totals carried forward	20,848,118	20,908,638	19,467,402	1,441,236	20,196,150

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for The Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 20,848,118	\$ 20,908,638	\$ 19,467,402	\$ 1,441,236	\$ 20,196,150
Expenditures					
Housing and Development (Continued)					
Community Development					
Personal services	280,960	280,960	286,850	(5,890)	281,793
Purchased/contracted services	45,900	45,900	17,764	28,136	16,909
Supplies	12,800	12,800	12,222	578	10,564
Capital outlay	30,000	30,000	29,638	362	-
Total Community Development	369,660	369,660	346,474	23,186	309,266
Extension Services					
Personal services	95,093	95,093	92,212	2,881	77,762
Purchased/contracted services	13,311	18,311	15,765	2,546	13,738
Supplies	2,500	2,500	3,052	(552)	2,453
Total Extension Services	110,904	115,904	111,029	4,875	93,953
Total Housing and Development	480,564	485,564	457,503	28,061	403,219
Debt Service					
Principal	110,123	110,123	101,985	8,138	98,717
Interest	3,588	3,588	3,512	76	185,182
Total Debt Service	113,711	113,711	105,497	8,214	283,899
Total Expenditures	21,442,393	21,507,913	20,030,402	1,477,511	20,883,268
Other Financing Uses					
Transfers out:					
E-911	550,274	550,274	335,555	214,719	643,704
Capital Projects	-	-	-	-	221,952
Public Improvements Authority	414,977	414,977	397,733	17,244	178,494
Airport	10,989	10,989	-	10,989	-
Total Other Financing Uses	976,240	976,240	733,288	242,952	1,044,150
Total Expenditures and Other Financing Uses	\$ 22,418,633	\$ 22,484,153	\$ 20,763,690	\$ 1,720,463	\$ 21,927,418

Harris County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 659,993	\$ 3,165,806	\$ 3,825,799
Restricted cash and cash equivalents	-	98,923	98,923
Investments	-	918,742	918,742
Receivables:			
Accounts	76,912	1,799	78,711
Notes	3,101	-	3,101
Interest	304	-	304
Intergovernmental	9,589	-	9,589
Interfund	-	177,401	177,401
Sales taxes	-	343,374	343,374
Prepaid expenses	13,152	-	13,152
Total Assets	<u>\$ 763,051</u>	<u>\$ 4,706,045</u>	<u>\$ 5,469,096</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 32,518	\$ 234,310	\$ 266,828
Retainage payable	-	82,330	82,330
Accrued expenditures payable	23,176	-	23,176
Interfund payable	267,490	241,239	508,729
Total Liabilities	<u>323,184</u>	<u>557,879</u>	<u>881,063</u>
Fund Balances			
Restricted	212,441	4,148,166	4,360,607
Assigned	227,426	-	227,426
Total Fund Balances	<u>439,867</u>	<u>4,148,166</u>	<u>4,588,033</u>
Total Liabilities and Fund Balances	<u>\$ 763,051</u>	<u>\$ 4,706,045</u>	<u>\$ 5,469,096</u>

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 76,617	\$ 3,669,129	\$ 3,745,746
Interest	-	122,869	122,869
Intergovernmental	-	344,565	344,565
Charges for services	718,077	-	718,077
Fines and forfeitures	90,838	-	90,838
Investment earnings	-	18,612	18,612
Total Revenues	885,532	4,155,175	5,040,707
Expenditures			
Current:			
Judicial	30,625	-	30,625
Public safety	1,085,000	-	1,085,000
Health and welfare	295	-	295
Housing and development	74,423	-	74,423
Intergovernmental	-	859,824	859,824
Capital Outlay	-	2,923,628	2,923,628
Debt Service:			
Principal retirement	-	280,000	280,000
Interest and fiscal charges	-	347,351	347,351
Trustee Fee	-	3,625	3,625
Total Expenditures	1,190,343	4,414,428	5,604,771
Excess (Deficiency) of Revenues Over (Under) Expenditures	(304,811)	(259,253)	(564,064)
Other Financing Sources (Uses)			
Transfers in	335,555	575,134	910,689
Transfers out	(4,854)	-	(4,854)
Total Other Financing Sources	330,701	575,134	905,835
Net Change in Fund Balances	25,890	315,881	341,771
Fund Balances Beginning of Year	413,977	3,832,285	4,246,262
Fund Balances End of Year	\$ 439,867	\$ 4,148,166	\$ 4,588,033

Harris County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	Hotel Motel Tax	Emergency 911	Law Library	Mental Health Center	Mental Retardation Center	Drug Abuse Treatment	Jail Fee	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents	\$ 11,257	\$ 220,308	\$ 46,204	\$ 98,319	\$ 129,107	\$ 109,713	\$ 45,085	\$ 659,993
Receivables:								
Accounts	13,518	61,544	-	-	-	364	1,486	76,912
Notes	3,101	-	-	-	-	-	-	3,101
Interest	304	-	-	-	-	-	-	304
Intergovernmental	-	-	3,249	-	-	1,918	4,422	9,589
Prepaid expenses	-	13,152	-	-	-	-	-	13,152
Total Assets	<u>\$ 28,180</u>	<u>\$ 295,004</u>	<u>\$ 49,453</u>	<u>\$ 98,319</u>	<u>\$ 129,107</u>	<u>\$ 111,995</u>	<u>\$ 50,993</u>	<u>\$ 763,051</u>
Total Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ 28,180	\$ 4,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,518
Accrued expenditures payable	-	23,176	-	-	-	-	-	23,176
Interfund payable	-	267,490	-	-	-	-	-	267,490
Total Liabilities	<u>28,180</u>	<u>295,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,184</u>
Fund Balances								
Restricted	-	-	49,453	-	-	111,995	50,993	212,441
Assigned	-	-	-	98,319	129,107	-	-	227,426
Total Fund Balances	<u>-</u>	<u>-</u>	<u>49,453</u>	<u>98,319</u>	<u>129,107</u>	<u>111,995</u>	<u>50,993</u>	<u>439,867</u>
Total Liabilities and Fund Balances	<u>\$ 28,180</u>	<u>\$ 295,004</u>	<u>\$ 49,453</u>	<u>\$ 98,319</u>	<u>\$ 129,107</u>	<u>\$ 111,995</u>	<u>\$ 50,993</u>	<u>\$ 763,051</u>

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2019

	Hotel Motel Tax	E911	Law Library	Mental Health Center	Mental Retardation Center	Drug Abuse Treatment	Jail Fee	Nonmajor Special Revenue Funds
Revenues								
Taxes	\$ 76,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,617
Charges for services	-	677,545	-	6,000	6,000	28,532	-	718,077
Fines and forfeitures	2,660	-	13,615	-	-	-	74,563	90,838
Total Revenues	79,277	677,545	13,615	6,000	6,000	28,532	74,563	885,532
Expenditures								
Current:								
Judicial	-	-	30,625	-	-	-	-	30,625
Public safety	-	1,013,100	-	-	-	-	71,900	1,085,000
Health and Welfare	-	-	-	-	-	295	-	295
Housing and development	74,423	-	-	-	-	-	-	74,423
Total Expenditures	74,423	1,013,100	30,625	-	-	295	71,900	1,190,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,854	(335,555)	(17,010)	6,000	6,000	28,237	2,663	(304,811)
Other Financing Sources (Uses)								
Transfers in	-	335,555	-	-	-	-	-	335,555
Transfers out	(4,854)	-	-	-	-	-	-	(4,854)
Total Other Financing Sources (Uses)	(4,854)	335,555	-	-	-	-	-	330,701
Net Change in Fund Balances	-	-	(17,010)	6,000	6,000	28,237	2,663	25,890
Fund Balances Beginning of Year	-	-	66,463	92,319	123,107	83,758	48,330	413,977
Fund Balances End of Year	\$ -	\$ -	\$ 49,453	\$ 98,319	\$ 129,107	\$ 111,995	\$ 50,993	\$ 439,867

Harris County, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in pooled cash and investments	\$ 11,257	\$ 4,434
Accounts receivable	13,518	13,685
Interest receivable	304	455
Note receivable	<u>3,101</u>	<u>2,950</u>
Total Assets	<u><u>\$ 28,180</u></u>	<u><u>\$ 21,524</u></u>
Liabilities		
Accounts payable	\$ 28,180	\$ 15,538
Interfund payable	<u>-</u>	<u>5,986</u>
Total Liabilities	28,180	21,524
Fund Balances		
Unassigned	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u><u>\$ 28,180</u></u>	<u><u>\$ 21,524</u></u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Hotel/Motel Tax Fund
For the Fiscal Years Ended June 30, 2019 and 2018

	Original Budget	Final Budget	2019	Variance With Final Budget	2018
Revenues					
Hotel/Motel taxes	\$ 47,000	\$ 104,000	\$ 76,617	\$ (27,383)	\$ 58,851
Penalties and Interest	-	-	2,660	2,660	691
Total Revenues	47,000	104,000	79,277	(24,723)	59,542
Expenditures					
Current					
Housing and development	36,000	93,000	74,423	18,577	44,314
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,000	11,000	4,854	(6,146)	15,228
Other Financing Uses					
Transfers out - General Fund	(11,000)	(11,000)	(4,854)	6,146	(15,228)
Net Changes in Fund Balances	-	-	-	-	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			\$ -		\$ -

Harris County, Georgia
E-911 Fund
Comparative Balance Sheets
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 220,308	\$ 497,169
Accounts receivable	61,544	107,139
Prepaid expenses	<u>13,152</u>	<u>13,183</u>
Total Assets	<u><u>\$ 295,004</u></u>	<u><u>\$ 617,491</u></u>
Liabilities		
Accounts payable	\$ 4,338	\$ 3,632
Accrued expenditures	23,176	21,796
Interfund payable	<u>267,490</u>	<u>592,063</u>
Total Liabilities	<u><u>\$ 295,004</u></u>	<u><u>\$ 617,491</u></u>

Harris County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services - landline	130,000	130,000	\$ 93,216	\$ (36,784)	\$ 120,983
Charges for services - cell	420,000	420,000	455,067	35,067	416,319
Charges for services - prepaid	70,000	70,000	129,018	59,018	47,214
Fireworks excise tax	50	50	244	194	44
Interest	1,000	1,000	-	(1,000)	-
Total Revenues	621,050	621,050	677,545	56,495	584,560
Expenditures					
Current:					
Public safety	1,171,324	1,171,324	1,013,100	158,224	1,228,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	(550,274)	(550,274)	(335,555)	214,719	(643,705)
Other Financing Sources					
Transfers in	550,274	550,274	335,555	(214,719)	643,705
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			<u>\$ -</u>		<u>\$ -</u>

Harris County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 46,204	\$ 65,608
Interfund receivables	<u>3,249</u>	<u>855</u>
Total Assets	<u>\$ 49,453</u>	<u>\$ 66,463</u>
Fund Balances		
Restricted for law library	<u>\$ 49,453</u>	<u>\$ 66,463</u>

Harris County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	\$ 8,900	\$ 48,900	\$ 13,615	\$ (35,285)	\$ 10,053
Expenditures					
Current:					
Judicial	8,900	48,900	30,625	18,275	11,299
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(17,010)	<u>\$ (17,010)</u>	(1,246)
Fund Balances Beginning of Year			66,463		67,709
Fund Balances End of Year			<u>\$ 49,453</u>		<u>\$ 66,463</u>

Harris County, Georgia
Mental Health Center Fund
Comparative Balance Sheets
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	<u>\$ 98,319</u>	<u>\$ 92,319</u>
 Fund Balances		
Assigned for building maintenance and insurance	<u>\$ 98,319</u>	<u>\$ 92,319</u>

Harris County, Georgia
Mental Health Center Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	\$ 6,000
Expenditures					
Current:					
Health and welfare	6,000	6,000	-	6,000	-
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	6,000	<u>\$ 6,000</u>	6,000
Fund Balances Beginning of Year			<u>92,319</u>		<u>86,319</u>
Fund Balances End of Year			<u>\$ 98,319</u>		<u>\$ 92,319</u>

Harris County, Georgia
Mental Retardation Center Fund
Comparative Balance Sheets
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	<u>\$ 129,107</u>	<u>\$ 123,107</u>
 Fund Balances		
Assigned for building maintenance and insurance	<u>\$ 129,107</u>	<u>\$ 123,107</u>

Harris County, Georgia
Mental Retardation Center Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	\$ 6,000
Expenditures					
Current:					
Health and welfare	6,000	6,000	-	6,000	-
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	6,000	<u>\$ 6,000</u>	6,000
Fund Balances Beginning of Year			<u>123,107</u>		<u>117,107</u>
Fund Balances End of Year			<u>\$ 129,107</u>		<u>\$ 123,107</u>

Harris County, Georgia
Drug Abuse Fund
Comparative Balance Sheets
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 109,713	\$ 80,098
Receivables:		
Accounts	364	100
Interfund	<u>1,918</u>	<u>3,560</u>
Total Assets	<u><u>\$ 111,995</u></u>	<u><u>\$ 83,758</u></u>
Fund Balances		
Restricted for public safety	<u><u>\$ 111,995</u></u>	<u><u>\$ 83,758</u></u>

Harris County, Georgia
Drug Abuse Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	\$ 25,000	\$ 25,000	\$ 28,532	\$ 3,532	\$ 31,119
Expenditures					
Current:					
Health and welfare	25,000	25,000	295	24,705	590
Capital Outlay	-	-	-	-	20,938
Expenditures	25,000	25,000	295	24,705	21,528
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	28,237	<u>\$ 28,237</u>	9,591
Fund Balances Beginning of Year			83,758		74,167
Fund Balances End of Year			<u>\$ 111,995</u>		<u>\$ 83,758</u>

Harris County, Georgia
Jail Fee Fund
Comparative Balance Sheets
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 45,085	\$ 40,805
Receivables:		
Accounts	1,486	1,473
Interfund	<u>4,422</u>	<u>6,052</u>
Total Assets	<u><u>\$ 50,993</u></u>	<u><u>\$ 48,330</u></u>
Fund Balances		
Restricted for public safety	<u><u>\$ 50,993</u></u>	<u><u>\$ 48,330</u></u>

Harris County, Georgia
Jail Fee Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Court fees	\$ 71,900	\$ 71,900	\$ 74,563	\$ 2,663	\$ 75,621
Expenditures					
Current:					
Public safety	71,900	71,900	71,900	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	2,663	<u>\$ 2,663</u>	75,621
Other Financing Uses					
Transfers out - general fund	-	-	-	-	(664,396)
Fund Balances Beginning of Year			<u>48,330</u>		<u>637,105</u>
Fund Balances End of Year			<u>\$ 50,993</u>		<u>\$ 48,330</u>

Harris County, Georgia
Comparative Balance Sheet
Callaway Debt Service Fund
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in pooled cash and investments	\$ 12,564	\$ 24,560
Accounts receivable	11,996	-
Notes receivable	<u>956,323</u>	<u>1,069,748</u>
Total Assets	<u><u>\$ 980,883</u></u>	<u><u>\$ 1,094,308</u></u>
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ 956,323	\$ 1,069,748
Fund Balances		
Restricted for debt service	<u>24,560</u>	<u>24,560</u>
Total Liabilities and Fund Balances	<u><u>\$ 980,883</u></u>	<u><u>\$ 1,094,308</u></u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Callaway Debt Service Fund
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Revenues		
Charges for services	\$ 113,424	\$ 110,076
Interest	30,533	33,881
Total Revenues	143,957	143,957
Expenditures		
<i>Debt Service</i>		
Principal	112,858	109,526
Interest	31,099	34,431
Total Expenditures	143,957	143,957
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Fund Balances Beginning of Year	24,650	24,650
Fund Balances End of Year	\$ 24,650	\$ 24,650

Harris County, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2019

	2019						
	2004 SPLOST	2014 SPLOST	2019 SPLOST	Capital Projects	Public Improvements Authority	Transportation Investment Act	Total Nonmajor Capital Projects Funds
Assets							
Cash and cash equivalents	\$ -	\$ 1,281,010	\$ 38,494	\$ 17,310	\$ -	\$ 1,828,992	\$ 3,165,806
Restricted cash and cash equivalents	-	-	-	-	98,923	-	98,923
Investments	-	918,742	-	-	-	-	918,742
Receivables:							
Accounts	-	1,799	-	-	-	-	1,799
Sales taxes	-	-	254,281	-	-	89,093	343,374
Interfund	-	-	-	177,401	-	-	177,401
Total Assets	<u>\$ -</u>	<u>\$ 2,201,551</u>	<u>\$ 292,775</u>	<u>\$ 194,711</u>	<u>\$ 98,923</u>	<u>\$ 1,918,085</u>	<u>\$ 4,706,045</u>
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ -	\$ 4,125	\$ 77,998	\$ 152,187	\$ -	\$ -	\$ 234,310
Retainage payable	-	39,806	-	42,524	-	-	82,330
Interfund payable	-	241,239	-	-	-	-	241,239
Total Liabilities	<u>-</u>	<u>285,170</u>	<u>77,998</u>	<u>194,711</u>	<u>-</u>	<u>-</u>	<u>557,879</u>
Fund Balances							
Restricted	-	1,916,381	214,777	-	98,923	1,918,085	4,148,166
Total Fund Balances	<u>-</u>	<u>1,916,381</u>	<u>214,777</u>	<u>-</u>	<u>98,923</u>	<u>1,918,085</u>	<u>4,148,166</u>
Total Liabilities Fund Balances	<u>\$ -</u>	<u>\$ 2,201,551</u>	<u>\$ 292,775</u>	<u>\$ 194,711</u>	<u>\$ 98,923</u>	<u>\$ 1,918,085</u>	<u>\$ 4,706,045</u>

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Funds
For the Year Ended June 30, 2019

	2019						
	2004 SPLOST	2014 SPLOST	2019 SPLOST	Capital Projects	Public Improvements Authority	Transportation Investment Act	Total Nonmajor Capital Projects Funds
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ 344,565	\$ -	\$ -	\$ 344,565
Taxes	-	1,928,235	707,578	-	-	1,033,316	3,669,129
Interest	-	-	-	-	108,000	14,869	122,869
Investment earnings	-	16,178	-	-	2,434	-	18,612
Total Revenues	-	1,944,413	707,578	344,565	110,434	1,048,185	4,155,175
Expenditures							
Current:							
Intergovernmental	-	746,789	113,035	-	-	-	859,824
Capital Outlay	136,673	1,281,237	379,766	521,966	-	603,986	2,923,628
Debt Service:							
Principal retirement	-	-	-	-	280,000	-	280,000
Interest and fiscal charges	-	-	-	-	347,351	-	347,351
Trustee Fee	-	-	-	-	3,625	-	3,625
Total Expenditures	136,673	2,028,026	492,801	521,966	630,976	603,986	4,414,428
Excess (Deficiency) of Revenues Over (Under) Expenditures	(136,673)	(83,613)	214,777	(177,401)	(520,542)	444,199	(259,253)
Other Financing Sources (Uses)							
Transfers in	-	-	-	177,401	397,733	-	575,134
Total Other Financing Sources (Uses)	-	-	-	177,401	397,733	-	575,134
Net Change in Fund Balance	(136,673)	(83,613)	214,777	-	(122,809)	444,199	315,881
Fund Balances Beginning of Year	136,673	1,999,994	-	-	221,732	1,473,886	3,832,285
Fund Balances End of Year	\$ -	\$ 1,916,381	\$ 214,777	\$ -	\$ 98,923	\$ 1,918,085	\$ 4,148,166

Harris County, Georgia
Comparative Balance Sheet
2004 SPLOST Fund
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in pooled cash and investments	<u>\$ -</u>	<u>\$ 136,673</u>
Fund Balances		
Restricted for capital projects	<u>\$ -</u>	<u>\$ 136,673</u>

Harris County, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2004 SPLOST Fund
For the Fiscal Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Expenditures		
Capital Outlay	\$ 136,673	\$ 8,515
Net Changes in Fund Balances	(136,673)	(8,515)
Fund Balances Beginning of Year	<u>136,673</u>	<u>145,188</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ 136,673</u></u>

Harris County, Georgia
Comparative Balance Sheet
2014 SPLOST Fund
June 30, 2019 and 2018

	2019	2018
Assets		
Equity in pooled cash and investments	\$ 1,281,010	\$ 1,658,427
Restricted cash	-	4,988
Investments	918,742	219,985
Receivables:		
Accounts	1,799	1,799
Sales taxes	-	223,894
Interest	-	135
Total Assets	\$ 2,201,551	\$ 2,109,228
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 4,125	\$ 91,986
Retainage payable	39,806	17,248
Interfund payable	241,239	-
Total Liabilities	285,170	109,234
Fund Balances		
Restricted for capital projects	1,916,381	1,999,994
Total Liabilities and Fund Balances	\$ 2,201,551	\$ 2,109,228

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2014 SPLOST Fund
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Revenues		
Sales taxes	\$ 1,928,235	\$ 2,536,820
Investment earnings	16,178	5,434
Total Revenues	1,944,413	2,542,254
Expenditures		
Intergovernmental	746,789	885,176
Capital Outlay	1,281,237	3,294,472
Total Expenditures	2,028,026	4,179,648
Excess of Revenues Over Expenditures	(83,613)	(1,637,394)
Net Changes in Fund Balances	(83,613)	(1,637,394)
Fund Balances Beginning of Year	1,999,994	3,637,388
Fund Balances End of Year	\$ 1,916,381	\$ 1,999,994

Harris County, Georgia
Comparative Balance Sheet
2019 SPLOST Fund
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Equity in pooled cash and investments	\$ 38,494	\$ -
Receivables:		
Sales taxes	<u>254,281</u>	<u>-</u>
Total Assets	<u><u>\$ 292,775</u></u>	<u><u>\$ -</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>\$ 77,998</u>	<u>\$ -</u>
Fund Balances		
Restricted for capital projects	<u>214,777</u>	<u>-</u>
Total Liabilities and Fund Balances	<u><u>\$ 292,775</u></u>	<u><u>\$ -</u></u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2019 SPLOST Fund
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Revenues		
Sales taxes	\$ 707,578	\$ -
Total Revenues	<u>707,578</u>	<u>-</u>
Expenditures		
Intergovernmental	113,035	-
Capital Outlay	<u>379,766</u>	<u>-</u>
Total Expenditures	<u>492,801</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>214,777</u>	<u>-</u>
Net Changes in Fund Balances	214,777	-
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ 214,777</u></u>	<u><u>\$ -</u></u>

Harris County, Georgia
Comparative Balance Sheet
Capital Projects Fund
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 17,310	\$ 273,009
Interfund receivable	177,401	221,952
Total Assets	<u>\$ 194,711</u>	<u>\$ 494,961</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 152,187	\$ 494,961
Retainage payable	42,524	-
Total Liabilities	<u>194,711</u>	<u>494,961</u>
Fund Balances		
Restricted for construction	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 194,711</u>	<u>\$ 494,961</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Capital Projects Fund
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Revenues		
Donations	\$ -	\$ 842,448
Intergovernmental	344,565	1,236,082
Total Revenues	344,565	2,078,530
Expenditures		
<i>Capital Outlay</i>	521,966	3,215,649
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	(177,401)	(1,137,119)
Other Financing Sources (Uses)		
Transfer in/(out)	177,401	221,951
Net Changes in Fund Balances	-	(915,168)
Fund Balances Beginning of Year	-	915,168
Fund Balances End of Year	\$ -	\$ -

Harris County, Georgia
Comparative Balance Sheet
Public Improvements Authority Fund
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Restricted cash and cash equivalents	<u>\$ 98,923</u>	<u>\$ 221,732</u>
 Fund Balances		
Restricted for debt service	<u>\$ 98,923</u>	<u>\$ 221,732</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Public Improvements Authority Fund
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Revenues		
Intergovernmental	\$ -	\$ 50,928
Interest	108,000	216,000
Investment earnings	2,434	1,507
Total Revenues	110,434	268,435
Expenditures		
Debt Service		
Principal	280,000	360,250
Interest	347,351	402,880
Trustee Fee	3,625	3,625
Total Expenditures	630,976	766,755
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	(520,542)	(498,320)
Other Financing Sources (Uses)		
Transfers in - general fund	397,733	178,494
Total Other Financing Sources (Uses)	397,733	178,494
Net Changes in Fund Balances	(122,809)	(319,826)
Fund Balances Beginning of Year	221,732	541,558
Fund Balances End of Year	\$ 98,923	\$ 221,732

Harris County, Georgia
Comparative Balance Sheet
Transportation Investment Act Fund
June 30, 2019 and 2018

	2019	2018
Assets		
Equity in pooled cash and investments	\$ 1,828,992	\$ 1,482,847
Taxes receivable	89,093	83,733
Total Assets	\$ 1,918,085	\$ 1,566,580
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 6,805
Retainage payable	-	85,889
Total Liabilities	-	92,694
Fund Balances		
Restricted for capital projects	1,918,085	1,473,886
Total Fund Balance	1,918,085	1,473,886
Total Liabilities and Fund Balances	\$ 1,918,085	\$ 1,566,580

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Transportation Investment Act Fund
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	2018
Revenues		
Taxes	\$ 1,033,316	\$ 964,358
Interest	14,869	2,736
Total Revenues	1,048,185	967,094
Expenditures		
Capital Outlay	603,986	289,726
Excess (Deficiency) of Revenues Over (Under) Expenditures	444,199	677,368
Net Changes in Fund Balances	444,199	677,368
Fund Balances Beginning of Year	1,473,886	796,518
Fund Balances End of Year	\$ 1,918,085	\$ 1,473,886

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water Works Fund
June 30, 2019 and 2018

Assets	2019	2018
Current Assets:		
Cash and cash equivalents	\$ 657,165	\$ 1,196,678
Restricted cash	763,732	752,513
Investments	2,502,771	2,494,776
Receivable:		
Accounts (net)	528,239	460,309
Interest	1,663	990
Prepaid items	31,297	35,091
Inventories	147,800	191,927
Total Current Assets	4,632,667	5,132,284
Noncurrent Assets:		
Capital assets:		
Nondepreciable	6,649,034	5,743,625
Depreciable, net	15,522,869	16,157,766
Total Noncurrent Assets	22,171,903	21,901,391
Deferred Outflows of Resources	367,396	225,846
Total Assets and Deferred Outflows of Resources	27,171,966	27,259,521
Liabilities		
Current Liabilities:		
Accounts payable	43,815	91,540
Accrued expenses payable	59,074	56,963
Accrued interest payable	9,877	11,898
Interfund payable	17,299	(2,100)
Customer deposits payable	467,205	457,629
Compensated absences payable	45,840	44,195
Revenue bonds payable	505,000	485,000
GEFA loans payable	111,699	120,403
Total Current Liabilities	1,259,809	1,265,528
Long-term Liabilities (net of current portion):		
Compensated absences payable	11,460	11,049
Revenue bonds payable	4,607,270	5,125,015
GEFA loans payable	2,720,591	2,409,639
Net pension liability	629,290	407,874
Total Long-term Liabilities	7,968,611	7,953,577
Total Liabilities	9,228,420	9,219,105
Deferred Inflows of Resources	77,663	95,926
Total Liabilities and Deferred Inflows of Resources	9,306,083	9,315,031
Net Position		
Net investment in capital assets	14,227,343	13,761,334
Restricted	304,460	294,814
Unrestricted	3,334,080	3,888,342
Total Net Position	\$ 17,865,883	\$ 17,944,490

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	\$ 4,927,058	\$ 4,879,154
Operating Expenses		
Personal services	1,779,865	1,646,384
Purchased services	1,408,958	1,315,644
Materials and supplies	701,315	604,229
Depreciation	813,504	756,905
Total Operating Expenses	4,703,642	4,323,162
Operating Income	223,416	555,992
Non-Operating Revenues (Expenses)		
Investment earnings	9,925	9,935
Interest and fiscal charges	(161,948)	(315,909)
Total Non-Operating Revenues (Expenses)	(152,023)	(305,974)
Income Before Transfers In and Contributions	71,393	250,018
Transfers Out	(150,000)	-
Change in Net Position	(78,607)	250,018
Net Position Beginning of Year	17,944,490	17,694,472
Net Position End of Year	\$ 17,865,883	\$ 17,944,490

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 4,868,704	\$ 4,906,786
Cash payments to employees for services	(1,775,698)	(1,637,540)
Cash payments for goods and services	(2,110,077)	(1,868,950)
Net Cash Provided by (Used in) Operating Activities	982,929	1,400,296
Cash Flows from Noncapital Financing Activities		
Interfund payable	19,399	(43,727)
Net Cash Provided by (Used in) Noncapital Financing Activities	19,399	(43,727)
Cash Flows from Capital and Related Financing Activities		
Principal paid on GEFA loan	(110,147)	(15,694)
Principal paid on revenue bonds	(485,000)	(470,000)
Interest paid on capital debt	(240,058)	(240,058)
Acquisition of capital assets	(696,674)	(459,820)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,531,879)	(1,185,572)
Cash Flows from Investing Activities		
Investment earnings	9,252	9,834
Net Increase (Decrease) in Cash and Cash Equivalents	(520,299)	180,831
Cash and Cash Equivalents Beginning of Year	4,443,967	4,263,136
Cash and Cash Equivalents End of Year	\$ 3,923,668	\$ 4,443,967
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ 657,165	\$ 1,196,678
Restricted	763,732	752,513
Investments	2,502,771	2,494,776
Total Cash and Cash Equivalents	\$ 3,923,668	\$ 4,443,967

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2019 and 2018

(continued)

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 223,416	\$ 555,992
Adjustments:		
Depreciation and amortization	813,504	756,905
(Increase) Decrease in Assets:		
Accounts receivable	(67,930)	16,322
Prepaid items	3,794	(12,712)
Inventories	44,127	(16,773)
Increase (Decrease) in Liabilities:		
Accounts payable	(47,725)	80,408
Accrued expenses payable	2,111	5,558
Customer deposits	9,576	11,310
Compensated absences payable	<u>2,056</u>	<u>3,286</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 982,929</u>	<u>\$ 1,400,296</u>
Non-cash Capital Activities:		
Non-cash contributions from the public improvements authority fund related to the construction of capital assets	<u>\$ -</u>	<u>\$ -</u>

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
June 30, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	\$ 700,439	\$ 768,797
Investments	5,024,445	4,384,712
Receivable:		
Accounts (net)	46,628	45,721
Interest	-	1,308
Prepaid items	8,066	9,588
Total Current Assets	5,779,578	5,210,126
Noncurrent Assets:		
Capital assets:		
Nondepreciable	199,250	199,250
Depreciable, net	765,782	1,015,442
Total Noncurrent Assets	965,032	1,214,692
Total Assets	6,744,610	6,424,818
Deferred Outflows of Resources	99,494	43,377
Total Assets and Deferred Outflows of Resources	6,844,104	6,468,195
Liabilities		
Current Liabilities:		
Accounts payable	43,340	35,290
Accrued expenses payable	17,302	16,194
Interfund payable	191,107	(275,100)
Compensated absences payable	13,649	12,436
Closure and postclosure care payable	22,772	26,660
Capital leases payable	9,478	29,098
Total Current Liabilities	297,648	(155,422)
Long-term Liabilities (net of current portion):		
Compensated absences payable	3,412	3,109
Closure and postclosure care payable	164,938	175,690
Capital leases payable	-	9,478
Net pension liability	244,459	161,456
Total Long-term Liabilities	412,809	349,733
Total Liabilities	710,457	194,311
Deferred Inflows of Resources	29,114	37,238
Total Liabilities and Deferred Inflows of Resources	739,571	231,549
Net Position		
Net investment in capital assets	955,554	1,176,116
Unrestricted	5,148,979	5,060,530
Total Net Position	\$ 6,104,533	\$ 6,236,646

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	\$ 2,081,623	\$ 2,052,709
Intergovernmental revenue	2,987	5,248
Miscellaneous revenue	-	4,357
Other Financing Sources	3,200	21,950
Total Operating Revenues	2,087,810	2,084,264
Operating Expenses		
Personal services	607,112	585,974
Purchased services	223,219	164,039
Purchased services - tipping fees	381,626	432,427
Materials and supplies	152,388	160,799
Depreciation	288,515	267,423
Total Operating Expenses	1,652,860	1,610,662
Operating Income	434,950	473,602
Non-Operating Revenues (Expenses)		
Investment earnings	111,039	41,625
Interest and fiscal charges	(701)	(4,416)
Total Non-Operating Revenues (Expenses)	110,338	37,209
Income Before Transfers In and Contributions	545,288	510,811
Transfers Out	(677,401)	-
Change in Net Position	(132,113)	510,811
Net Position Beginning of Year	6,236,646	5,725,835
Net Position End of Year	\$ 6,104,533	\$ 6,236,646

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 2,081,623	\$ 2,052,709
Cash payments to employees for services	(690,115)	(666,546)
Cash payments for goods and services	<u>(652,631)</u>	<u>(695,386)</u>
Net Cash Provided by (Used in) Operating Activities	<u>738,877</u>	<u>690,777</u>
Cash Flows from Noncapital Financing Activities		
Interfund payable	<u>(211,194)</u>	<u>(1,816,372)</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(211,194)</u>	<u>(1,816,372)</u>
Cash Flows from Capital and Related Financing Activities		
Principal paid on capital leases	(29,098)	(204,456)
Interest paid on notes	(701)	(4,416)
Acquisition of capital assets	<u>(38,856)</u>	<u>(420,109)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(68,655)</u>	<u>(628,981)</u>
Cash Flows from Investing Activities		
Investment earnings	<u>112,347</u>	<u>43,517</u>
Net Increase (Decrease) in Cash and Cash Equivalents	571,375	(1,711,059)
Cash and Cash Equivalents Beginning of Year	<u>5,153,509</u>	<u>6,864,568</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 5,724,884</u></u>	<u><u>\$ 5,153,509</u></u>
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ 700,439	\$ 768,797
Investments	<u>5,024,445</u>	<u>4,384,712</u>
Total Cash and Cash Equivalents	<u><u>\$ 5,724,884</u></u>	<u><u>\$ 5,153,509</u></u>

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2019 and 2018

(continued)

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 434,950	\$ 473,602
Adjustments:		
Depreciation and amortization	288,515	267,423
(Increase) Decrease in Assets:		
Accounts receivable	(907)	(5,588)
Prepaid items	1,522	571
Increase (Decrease) in Liabilities:		
Accounts payable	8,050	(34,181)
Accrued expenses payable	1,108	(182)
Compensated absences payable	1,516	(500)
Other net	4,123	(10,368)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 738,877</u>	<u>\$ 690,777</u>

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Airport Fund
June 30, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Accounts receivable - other	\$ -	\$ 10,091
Intergovernmental receivable	158,058	-
Prepaid items	738	484
Inventories	39,339	36,045
Total Current Assets	198,135	46,620
Noncurrent Assets:		
Capital assets:		
Nondepreciable	1,078,067	567,911
Depreciable, net	7,657,581	7,407,118
Total Noncurrent Assets	8,735,648	7,975,029
Total Assets	8,933,783	8,021,649
Deferred Outflow of Resources	13,445	6,015
Total Assets and Deferred Inflows	8,947,228	8,027,664
Liabilities		
Current Liabilities:		
Accounts payable	255,548	208,995
Retainage payable	-	14,862
Accrued expenses payable	2,423	2,525
Compensated absences payable	-	1,181
Interfund payable	1,207,017	1,065,268
Total Current Liabilities	1,464,988	1,292,831
Long-term Liabilities (Net of current portion)		
Compensated absences payable	-	295
Net pension liability	23,529	12,312
Total Long-term Liabilities	23,529	12,607
Total Liabilities	1,488,517	1,305,438
Deferred Inflows of Resources	3,934	5,164
Total Liabilities and Deferred Inflows of Resources	1,492,451	1,310,602
Net Position		
Investment in capital assets	8,735,648	7,975,029
Unrestricted (deficit)	(1,280,871)	(1,257,967)
Total Net Position	\$ 7,454,777	\$ 6,717,062

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2019 and 2018

	2019	2018
Operating Revenues		
Hanger fees	\$ 102,120	\$ 93,381
Fuel sales	301,286	248,694
Miscellaneous Revenue	32,244	-
Total Operating Revenues	435,650	342,075
Operating Expenses		
Personal services	64,969	81,214
Cost of sales	246,675	234,071
Purchased services	110,731	63,417
Materials and supplies	23,611	22,799
Depreciation	293,305	284,551
Total Operating Expenses	739,291	686,052
Operating Loss Before Contributions and Transfers In	(303,641)	(343,977)
Contributions	1,041,356	51,578
Total Contributions and Transfers In	1,041,356	51,578
Change in Net Position	737,715	(292,399)
Net Position Beginning of Year, as Restated	6,717,062	7,009,461
Net Position End of Year	\$ 7,454,777	\$ 6,717,062

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 403,406	\$ 342,075
Cash payments to employees for services	(66,445)	(82,063)
Cash payments for goods and services	<u>(320,732)</u>	<u>(184,925)</u>
Net Cash Provided by (Used in) Operating Activities	<u>16,229</u>	<u>75,087</u>
Cash Flows from Noncapital Financing Activities		
Accounts receivable	10,091	(10,091)
Intergovernmental receivable	(158,058)	92,675
Interfund payable	<u>141,749</u>	<u>189,638</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(6,218)</u>	<u>272,222</u>
Cash Flows from Capital and Related Financing Activities		
Capital grants	600,508	51,578
Acquisition of capital assets	<u>(610,519)</u>	<u>(398,887)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(10,011)</u>	<u>(347,309)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents Beginning of Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ -	\$ -
Investments	<u>-</u>	<u>-</u>
Total Cash and Cash Equivalents	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2019 and 2018

(continued)

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Loss	\$ (303,641)	\$ (343,977)
Adjustments:		
Depreciation and amortization	293,305	284,551
(Increase) Decrease in Assets:		
Prepaid items	(254)	111
Inventories	(3,294)	(17,793)
Increase (Decrease) in Liabilities:		
Accounts payable	46,553	208,161
Retainage payable	(14,862)	(54,428)
Accrued expenses payable	(102)	497
Compensated absences payable	(1,476)	(849)
Other net	-	(1,186)
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 16,229</u></u>	<u><u>\$ 75,087</u></u>

HARRIS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2019

During fiscal year 2004, the County began collections of a five year special sales tax which expired in March 2009. The County has ceased collection of these funds, and all previously collected funds have been expended.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Cities				
Hamilton	\$ 173,000	\$ 173,000	\$ 0	\$ 173,000
Pine Mountain	436,000	441,249	0	441,249
Shiloh	165,000	162,118	0	162,118
Waverly Hall	276,000	276,000	0	276,000
West Point	276,000	276,000	0	276,000
Parks	600,000	379,252	136,673	515,925
Economic Development	3,500,000	3,500,000	0	3,500,000
Walking Trail	100,000	100,001	0	100,001
Community Center	800,000	800,000	0	800,000
EMS & Fire Services	500,000	451,971	0	451,971
Roads	7,174,000	6,490,184	0	6,490,184
Totals	<u>\$ 14,000,000</u>	<u>\$ 13,049,775</u>	<u>\$ 136,673</u>	<u>\$ 13,186,448</u>

During fiscal year 2014, the County began collections of a five year special sales tax which expired in March 2019. The County has ceased collection of these funds, but previously collected funds are still being expended.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Economic Development	\$ 1,000,000	\$ 793,606	\$ 301,065	\$ 1,094,671
Public Library Construction	500,000	500,000	0	500,000
Recreation	1,000,000	95,792	267,820	363,612
Public Safety	80,000	66,578	0	66,578
Fire	2,701,000	2,600,426	97,647	2,698,073
Water System Improvements	1,000,000	205,915	0	205,915
AgriCenter	500,000	165,363	0	165,363
Roads		0		0
County	2,500,000	356,716	614,705	971,421
Cities				
Hamilton	300,000	219,368	45,195	264,563
Pine Mountain	961,000	705,455	146,345	851,800
Shiloh	370,000	270,930	55,955	326,885
Waverly Hall	2,177,000	1,594,177	329,276	1,923,453
West Point	1,125,000	823,570	170,018	993,588
Debt reduction/public safety/roads/airport	4,786,000	86,429	0	86,429
Totals	<u>\$ 19,000,000</u>	<u>\$ 8,484,325</u>	<u>\$ 2,028,026</u>	<u>\$ 10,512,351</u>

HARRIS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2019

During fiscal year 2019, the County began collections of a six year special sales tax. The fund will continue to collect these taxes to April 2025.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Economic Development	\$ 250,000	\$ 0	\$ 0	\$ 0
Renovations to Courthouse, Old Library & Community Development Building	1,750,000	0	0	0
Public Works Facility	1,200,000	0	0	0
Public Safety	2,730,000	0	379,766	379,766
Rails to Trails Recreation Project	245,900	0	0	0
Fire	1,000,000	0	0	0
Broadband	1,000,000	0	0	0
Roads & Bridges				0
County	982,100	0	0	0
Cities				
Hamilton	565,000	0	26,140	26,140
Pine Mountain	625,000	0	28,965	28,965
Shiloh	300,000	0	14,129	14,129
Waverly Hall	493,000	0	22,607	22,607
West Point	459,000	0	21,194	21,194
Community Center Debt Repayment	3,700,000	0	0	0
Totals	<u>\$ 15,300,000</u>	<u>\$ 0</u>	<u>\$ 492,801</u>	<u>\$ 492,801</u>

The table below reflects the status of the above sales tax projects:

Year began	Authorized amount to be collected	Amount collected to date	Interest collected to date	Expenditures to date	Amount available for future expenditures
2004	<u>\$ 14,000,000</u>	<u>\$ 12,558,478</u>	<u>\$ 627,970</u>	<u>\$ 13,186,448</u>	<u>\$ 0</u>
2014	<u>\$ 19,000,000</u>	<u>\$ 12,347,207</u>	<u>\$ 35,490</u>	<u>\$ 10,512,351</u>	<u>\$ 1,870,346</u>
2019	<u>\$ 15,300,000</u>	<u>\$ 707,578</u>	<u>\$ 0</u>	<u>\$ 492,801</u>	<u>\$ 214,777</u>

Independent Auditor's Report on Internal Control over Financial Reporting
And on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Harris County Board of Commissioners
Harris 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harris County, Georgia (the "County") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 21, 2020. Our report includes a reference to other auditors who audited the financial statements of the Harris County Health Department, as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control over Financial Reporting

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

Our consideration of internal control 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 have not been identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 2019-1 described in the schedule of findings and responses to be a material weakness.

Compliance and Other Matters

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

The County's Response to Findings

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

Purpose of this Report

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

Robinson, Grimes + Company, P.C.

Certified Public Accountants

January 21, 2020

Harris County, Georgia
Schedule of Findings and Responses
For the year ended June 30, 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESSES

2019-1 Limited Segregation of Duties

Condition and Criteria – Limited segregation of duties in certain County offices is presently in place.

Cause – Due to the limited number of employees in the finance department and certain other County offices, there is not adequate segregation of duties as it relates to certain accounting procedures, the financial reporting process and the information technology environments.

Effect – The resulting effect is increased risk of errors and irregularities that could lead to misstatement of the financial statements.

Recommendation –The Board of Commissioners and management should be conscious of this limited segregation of duties and provide for adequate review of all financial information and provide oversight where practical. In addition, steps should be taken to ensure adequate controls are in place over computer hardware and software components to protect and safeguard financial and personnel data.

Response – The County concurs with the auditor’s recommendation and will provide appropriate oversight.

Harris County, Georgia
Schedule of Prior Year Findings
For the year ended June 30, 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESSES

2018-1 Limited Segregation of Duties

Condition and Criteria – Limited segregation of duties in certain County offices is presently in place.

Status – Unresolved: See current year compliance finding 2019-1.