

**HARRIS COUNTY, GEORGIA
FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

Harris County, Georgia
Annual Financial Report
For The Year Ended June 30, 2020

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

Management's Responsibility for the Financial Statements

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, 2020, 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 63 – 65 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 combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards (page 39), as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards 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 combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 16, 2021 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

April 16, 2021

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, 2020. 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 \$96,586,524 (net position) for the fiscal year reported.
- Total net position are comprised of the following:
 - (1) Net investment in capital assets, of \$69,309,276 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 \$6,328,709 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$20,948,539 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 \$23,094,676 this year. This compares to the prior year ending fund balance of \$15,598,684 showing an increase of \$7,495,992 during the current year. Unrestricted fund balance of \$16,570,912 at June 30, 2020 shows a \$5,780,637 increase from the prior year.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$16,331,486 or 65.5% of total General Fund 2021 budgeted expenditures, as compared to 52.7% at June 30, 2019.
- Overall, the County continues to maintain a strong financial position amidst an unsteady 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 16 & 17 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 18 - 21 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 22 – 24 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 28 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 \$96,586,524, as compared to \$87,964,412 at June 30, 2019. The following table provides a summary of the County's net position:

Summary of Net Position

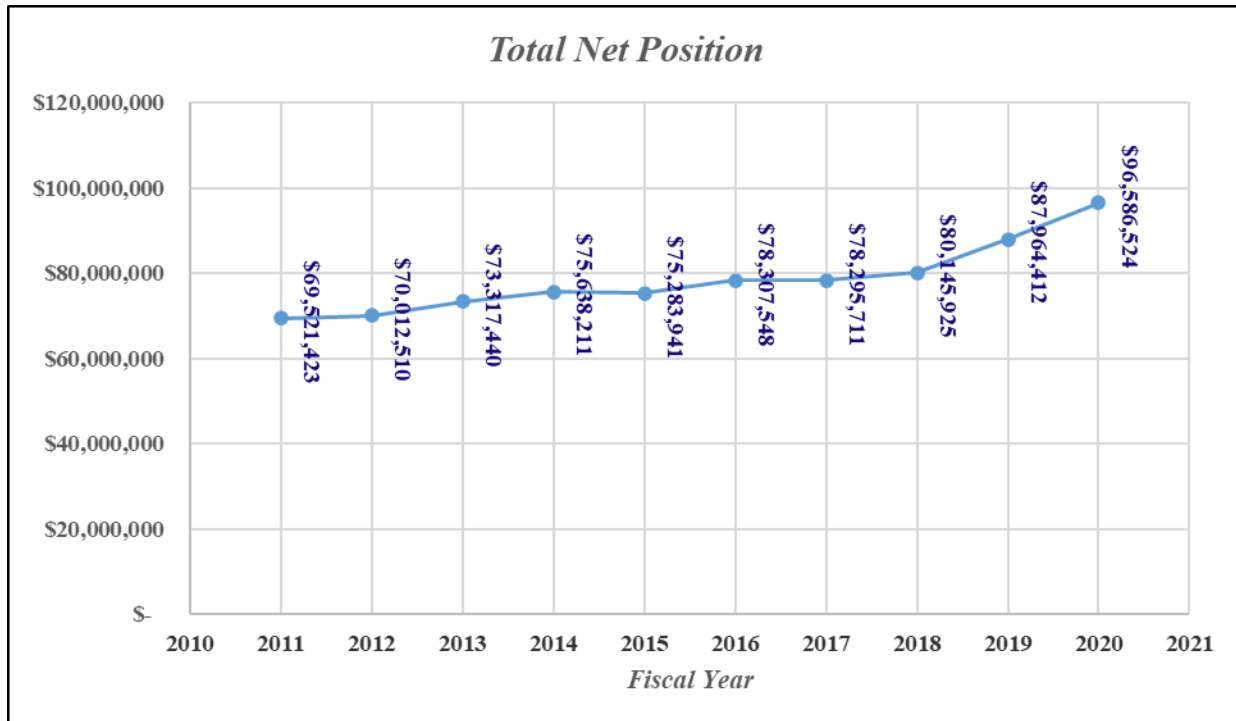
| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|--------------------------------|---------------|---------------------------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Assets: | | | | | | |
| Current assets | \$ 26,220,258 | \$ 17,929,658 | \$ 8,431,966 | \$ 9,194,957 | \$ 34,652,224 | \$ 27,124,615 |
| Noncurrent assets | 50,801,968 | 50,126,511 | 33,212,007 | 31,872,583 | 84,013,975 | 81,999,094 |
| Total assets | 77,022,226 | 68,056,169 | 41,643,973 | 41,067,540 | 118,666,199 | 109,123,709 |
| Deferred outflows | 2,476,028 | 2,746,695 | 430,694 | 480,335 | 2,906,722 | 3,227,030 |
| Liabilities: | | | | | | |
| Current liabilities | 3,360,096 | 2,025,042 | 1,675,361 | 1,607,022 | 5,035,457 | 3,632,064 |
| Long-term liabilities | 9,637,453 | 11,562,456 | 7,829,526 | 8,404,949 | 17,466,979 | 19,967,405 |
| Total liabilities | 12,997,549 | 13,587,498 | 9,504,887 | 10,011,971 | 22,502,436 | 23,599,469 |
| Deferred inflows | 2,134,467 | 676,147 | 349,494 | 110,711 | 2,483,961 | 786,858 |
| Net position: | | | | | | |
| Net investment in capital assets | 43,735,674 | 42,959,438 | 25,573,602 | 23,918,545 | 69,309,276 | 66,877,983 |
| Restricted | 6,016,340 | 4,401,277 | 312,369 | 304,460 | 6,328,709 | 4,705,737 |
| Unrestricted | 14,614,224 | 9,178,504 | 6,334,315 | 7,202,188 | 20,948,539 | 16,380,692 |
| Total net position | \$ 64,366,238 | \$ 56,539,219 | \$ 32,220,286 | \$ 31,425,193 | \$ 96,586,524 | \$ 87,964,412 |

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 7.8 to 1 as compared to 8.9 to 1 at June 30, 2019. The current ratio for business-type activities is 5.0 to 1 as compared to 5.7 to 1 at June 30, 2019.

The County reported positive balances in net position for both governmental and business-type activities. Net position increased \$7,827,019 or 13.8% for governmental activities, and increased \$795,093 or 2.5% for business-type activities. The County's overall financial position increased during fiscal year 2019 by \$8,622,112.

Note that approximately 67.9% 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 79.4% of its net position on capital.

The following chart reports the total net position balances from June 30, 2011 – 2020.



Since 2011, the total net position has increased \$27,065,101 or 38.9%.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For The Year Ended June 30, 2020

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 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program: | | | | | | |
| Charges for services & fines | \$ 5,291,908 | \$ 5,290,829 | \$ 7,615,056 | \$ 7,450,518 | \$ 12,906,964 | \$ 12,741,347 |
| Operating grants | 1,139,944 | 10,872 | | | 1,139,944 | 10,872 |
| Capital grants | 2,271,142 | 6,677,680 | 843,888 | 1,041,356 | 3,115,030 | 7,719,036 |
| General: | | | | | | |
| Taxes | 23,794,319 | 20,533,374 | | | 23,794,319 | 20,533,374 |
| Other | 193,709 | 316,831 | 94,086 | 120,964 | 287,795 | 437,795 |
| Total revenues | 32,691,022 | 32,829,586 | 8,553,030 | 8,612,838 | 41,244,052 | 41,442,424 |
| Program Expenses: | | | | | | |
| General government | 3,435,172 | 3,921,008 | - | - | 3,435,172 | 3,921,008 |
| Judicial | 1,542,358 | 1,567,709 | - | - | 1,542,358 | 1,567,709 |
| Public safety | 12,745,720 | 12,676,167 | - | - | 12,745,720 | 12,676,167 |
| Public works | 4,332,834 | 5,661,018 | - | - | 4,332,834 | 5,661,018 |
| Health and welfare | 440,342 | 297,114 | - | - | 440,342 | 297,114 |
| Culture and recreation | 1,752,309 | 1,413,471 | - | - | 1,752,309 | 1,413,471 |
| Housing and development | 686,248 | 508,753 | - | - | 686,248 | 508,753 |
| Interest | 203,442 | 320,255 | - | - | 203,442 | 320,255 |
| Water and sewer | - | - | 5,071,309 | 4,865,590 | 5,071,309 | 4,865,590 |
| Solid waste | - | - | 1,786,830 | 1,653,561 | 1,786,830 | 1,653,561 |
| Airport | - | - | 625,376 | 739,291 | 625,376 | 739,291 |
| Total expenses | 25,138,425 | 26,365,495 | 7,483,515 | 7,258,442 | 32,621,940 | 33,623,937 |
| Revenues over (under) expenses | 7,552,597 | 6,464,091 | 1,069,515 | 1,354,396 | 8,622,112 | 7,818,487 |
| Transfers in (out) | 274,422 | 827,401 | (274,422) | (827,401) | - | - |
| Net changes in net position | 7,827,019 | 7,291,492 | 795,093 | 526,995 | 8,622,112 | 7,818,487 |
| Beginning net position | 56,539,219 | 49,247,727 | 31,425,193 | 30,898,198 | 87,964,412 | 80,145,925 |
| Ending net position | \$ 64,366,238 | \$ 56,539,219 | \$ 32,220,286 | \$ 31,425,193 | \$ 96,586,524 | \$ 87,964,412 |

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 46.7% of the County's total governmental revenues as compared to 38.6% in fiscal year 2019. Sales taxes make up 18.8% of the County's total governmental revenues as compared to 17.0% in fiscal year 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For The Year Ended June 30, 2020

Harris County, Georgia

Operating contribution type revenue was reported in fiscal year 2020 for public safety:

Public safety:

- CARES Act (\$1,082,017)
- Other (\$10,337)

Capital grant and capital contribution type revenue was reported in fiscal year 2020 for public safety (\$80,026), public works (\$1,275,999) and culture and recreation functions (\$915,117), included the following:

Public safety:

- FEMA Hurricane Irma relief grant (\$70,419)
- Emergency management agency grant (\$9,607)

Public works:

- Georgia LMIG grant for roads (\$838,499)
- GSWCC Watershed Dam (\$1,500)
- Donated Land (\$436,000)

Culture and Recreation:

- Donations (\$103,666)
- Transportation Enhancement Grant – Rails to Trails (\$512,473)
- Land Water Conservation Fund Grant – Rails to Trails (\$100,000)
- Recreational Trails Program Grant – Rails to Trails (\$198,978)

In total, charges for services and fines for the governmental user charges increased by \$1,079. The County realized increases in real property taxes, local option sales tax and insurance premium tax of \$1,317,318, \$211,094 and \$127,574 respectively.

The County's unrestricted interest earnings to support governmental activities decreased by \$40,173 due to a drop in interest rates related to the COVID-19 pandemic. Also, note that program revenues cover 34.6% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues funded 65.4% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The general government and the public safety functions make up approximately 64.4% of the total governmental activities expenses as compared to 61.7% in fiscal year 2019. Public works totals 17.2% of the total governmental activities expenses as compared to 22.6% in fiscal year 2019.

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

| | <u>Total Cost of Services</u> | <u>%</u> | <u>Net Cost of Services</u> | <u>%</u> |
|-------------------------|-----------------------------------|---------------|---------------------------------|---------------|
| General government | \$ 3,435,172 | 13.7% | \$ (2,463,960) | 15.0% |
| Judicial | 1,542,358 | 6.1% | (1,541,013) | 9.4% |
| Public safety | 12,745,720 | 50.7% | (7,892,729) | 48.0% |
| Public works | 4,332,834 | 17.2% | (2,850,009) | 17.4% |
| Health and welfare | 440,342 | 1.8% | (392,114) | 2.4% |
| Culture and recreation | 1,752,309 | 7.0% | (759,349) | 4.6% |
| Housing and development | 686,248 | 2.7% | (332,815) | 2.0% |
| Interest | 203,442 | 0.8% | (203,442) | 1.2% |
| Total | <u>\$ 25,138,425</u> | <u>100.0%</u> | <u>\$ (16,435,431)</u> | <u>100.0%</u> |

The public safety function totals 48.0% of the net cost of services and public works totals 17.4% of these costs.

Overall Analysis – For all enterprise funds, total operating revenues increased \$164,538 or 2.2%. Operating expenses increased \$244,406 or 3.4%. In total, the operating income decreased \$79,868 or 22.5%.

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

| | <u>Amount</u> |
|-------------|---------------|
| Water works | \$ 252,615 |
| Solid waste | 391,628 |
| Airport | (369,386) |

The following includes an analysis of the fiscal year 2020 financial activities for each enterprise.

Water Works - The operating income of \$252,615 in fiscal year 2020 compares to operating income of \$223,416 in fiscal year 2019. The fiscal year 2020 operating revenues of \$5,180,671 were \$253,613 or 5.1% over fiscal year 2019. Operating expenses increased \$224,414 or 4.8% due to costs related to water purchases from Columbus and materials and depreciation from several on-going water works construction projects.

Solid Waste - The operating income of \$391,628 in fiscal year 2020 compares to operating income of \$434,950 in fiscal year 2019. The fiscal year 2020 operating revenues of \$2,178,395 were \$90,585 or 4.3% over fiscal year 2019. Operating expenses increased \$133,907 or 8.1% due mostly to increases to costs related to personnel, contract labor and increased tipping fees expenses.

Airport - The operating loss of \$369,386 in fiscal year 2020 compares to an operating loss of \$303,641 in fiscal year 2019. The fiscal year 2020 operating revenues of \$255,990 were \$179,660 or 41.2% under fiscal year 2019 relating to decreased fuel sales and reimbursements for property damaged by a tornado during fiscal year 2019. Operating expenses decreased \$113,915 or 15.4% mostly due to reduced fuel for resale purchases and repairs from a tornado during fiscal year 2019.

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 \$23,094,676 as compared to the 2019 fiscal year amount of \$15,598,684. Of this year-end total, \$16,570,912 is

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For The Year Ended June 30, 2020

Harris County, Georgia

unrestricted indicating availability for continuing County service requirements. Fund balance includes \$5,864,251 restricted for capital projects, \$24,560 restricted for debt service, \$16,110 restricted for unclaimed property and \$111,419 restricted for nonmajor special revenue fund purposes. Fund balance includes assets not available for current expenditure of \$507,424, which is tied up in inventory and prepaid assets.

The total ending fund balances of governmental funds show an increase of \$7,495,992 or an increase of 48.0% 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 \$5,868,929 in fiscal year 2020 or an increase of 53.4%. In fiscal year 2019, the fund balance increased \$2,364,457.

Total revenues increased \$2,855,450 or 12.7% from that of fiscal year 2019 due largely to an increase in the property tax digest.

Total expenditures decreased \$1,142,328 or 5.7% below the fiscal year 2019 total due mostly to a portion of public safety salaries and benefits being covered by CARES Act funding.

The general government function costs are down \$255,086 or 8.0% under the fiscal year 2019 amount. This amount is related to a reallocation of utilities costs from facilities maintenance (electric, water/sewer, etc.) to the proper cost center during fiscal year 2019/2020.

In the judicial function, the total expenditure remained almost unchanged.

The total public safety costs decreased \$950,810 or 9.3% due mostly to a portion of public safety salaries and benefits being covered by CARES Act funding.

Total public works costs increased \$12,666 or 0.5% due mostly to animal control adding a new position during fiscal year 2020.

The housing and development function costs are up \$113,593 or 24.8% above the prior year due to community development hiring a professional company to update and modernize the county's land use and development codes.

In fiscal year 2020, the general fund's ending unrestricted fund balance increased by \$5,768,637 above the June 30, 2019 balance due mainly to the increase in the property tax digest, a large increase in motor vehicle-TAVT revenues, CARES Act funding and deferred spending on infrastructure in public works. This unrestricted balance of \$16,331,486 is considered adequate. This unrestricted portion represents the equivalent of 65.5% of 2021 budgeted expenditures, as compared to 52.7% 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 2020, the Board of Commissioners amended the general fund budget.

The total budgeted revenues and other financing sources were amended upward by \$100,855 or < 1.0%. The County recognized \$2,127,718 more than anticipated total revenues and other financing sources, related to real property taxes, motor vehicle ad valorem taxes, local option sales taxes and investment earnings.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For The Year Ended June 30, 2020

Harris County, Georgia

The total budgeted expenditures, excluding transfers, were amended upward by the same \$100,855.

The total budgeted expenditures and other financing uses came in at \$3,741,407 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, 2020, was \$50,786,961 and \$33,212,007 and for June 30, 2019, was \$50,092,080 and \$31,872,583 respectively. The increase in net investment was \$694,881 or 1.4% for governmental activities and was an increase of \$1,339,424 or 4.2% 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 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Non-depreciable assets: | | | | | | |
| Land | \$ 15,513,803 | \$ 15,077,803 | \$ 726,701 | \$ 726,701 | \$ 16,240,504 | \$ 15,804,504 |
| Construction in progress | 924,363 | 820,703 | 1,681,383 | 7,199,650 | 2,605,746 | 8,020,353 |
| Total non-depreciable assets: | 16,438,166 | 15,898,506 | 2,408,084 | 7,926,351 | 18,846,250 | 23,824,857 |
| Depreciable assets: | | | | | | |
| Buildings and improvements | 27,503,270 | 26,259,951 | 7,135,136 | 7,021,806 | 34,638,406 | 33,281,757 |
| Machinery and equipment | 24,752,127 | 24,361,393 | 7,555,520 | 7,379,331 | 32,307,647 | 31,740,724 |
| Water system and water lines | - | - | 36,629,897 | 28,826,097 | 36,629,897 | 28,826,097 |
| Infrastructure | 29,540,758 | 29,061,161 | - | - | 29,540,758 | 29,061,161 |
| Total depreciable assets | 81,796,155 | 79,682,505 | 51,320,553 | 43,227,234 | 133,116,708 | 122,909,739 |
| Less accumulated depreciation | 47,447,360 | 45,488,931 | 20,516,630 | 19,281,002 | 67,963,990 | 64,769,933 |
| Book value - depreciable assets | 34,348,795 | 34,193,574 | 30,803,923 | 23,946,232 | 65,152,718 | 58,139,806 |
| Percentage depreciated | 58% | 57% | 40% | 45% | 51% | 53% |
| Book value - all assets | \$ 50,786,961 | \$ 50,092,080 | \$ 33,212,007 | \$ 31,872,583 | \$ 83,998,968 | \$ 81,964,663 |

At June 30, 2020, the depreciable capital assets for governmental activities were 58% depreciated. This compares to 57% at the June 30, 2019 percentage. Indicating an aging asset inventory, 58% depreciated is a relatively high rate for a Georgia government.

With the County's business type activities, 40% of the asset values were depreciated at June 30, 2020, which compares to 45% at June 30, 2019.

In governmental activities, the primary additions to the machinery and equipment account include six new EMS cardiac monitors totaling \$165,413, seven new sheriff vehicles at a total cost of \$380,269, six new pieces of heavy equipment under capital lease for public works totaling \$403,691, a new tractor with boom cutter for \$101,924 for public works and \$99,238 for new vehicles for public works and the correctional institution. The primary addition to buildings and improvements was for Rails to Trails project – phases I, II and III at a cost of \$1,136,509. Also, land valued at \$436,000 was donated to the county during fiscal year 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For The Year Ended June 30, 2020

Harris County, Georgia

In the business type activities, the capital additions for infrastructure were related to the water work's S.R. 219 water main upgrade, A.M.R. meter project and the Grove sewer line project at a cost of \$1,788,863, \$409,854 and \$5,538,084 respectively.

Long-term Debt

At the end of this fiscal year, the County reported \$5,863,142 of outstanding revenue bonds relating to the community center. The water and sewer fund reported \$4,594,525 in revenue bonds relating to water and sewer system improvements.

During the year, the County retired \$245,000 related to the community center revenue bonds. The water and sewer fund retired \$517,745 of the water revenue bonds.

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

| | Outstanding Borrowings | | | | | | % Change |
|-----------------------|----------------------------|---------------|-----------------------------|--------------|---------------|---------------|-------------|
| | Governmental Activities | | Business-type Activities | | Totals | | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | |
| GEFA loans | \$ 859,205 | \$ 975,451 | \$ 3,043,880 | \$ 2,832,290 | \$ 3,903,085 | \$ 3,807,741 | 3% |
| Revenue bonds | 5,863,142 | 6,108,142 | 4,594,525 | 5,112,270 | 10,457,667 | 11,220,412 | -6.80% |
| Capital leases | 328,940 | 49,049 | - | 9,478 | 328,940 | 58,527 | 462.03% |
| Net pension liability | 3,325,070 | 4,772,569 | 663,398 | 897,278 | 3,988,468 | 5,669,847 | -29.65% |
| Postclosure | - | - | 173,070 | 187,710 | 173,070 | 187,710 | -8% |
| Compensated absences | 367,983 | 337,698 | 80,343 | 74,361 | 448,326 | 412,059 | 9% |
| Total | \$ 10,744,340 | \$ 12,242,909 | \$ 8,555,216 | \$ 9,113,387 | \$ 19,299,556 | \$ 21,356,296 | -10% |

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.

According to the U.S. Census Bureau Quick Facts, the county's current population is 35,236 as of July 2019 and has increased 10.1% since April 2010 as compared to the state's population growth of 9.6%. 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 \$36,273 as compared to the state at \$31,067. The county's median household income is currently \$76,319 as compared to the state at \$58,700. The county's poverty rate is currently 6.5% as compared to the state at 13.3%.

Other county facts according to the U.S. Census Bureau Quick Facts include the county has 14,529 housing units with a median home value of \$217,200. The states' median home value is \$176,000. In addition, 92.2% of the county's residents over 25 years of age have a high school diploma as compared to the state at 87.1% and 31.4% of the county's residents over 25 years of age have a Bachelor's degree as compared to the state at 31.3%.

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 even during the COVID-19 global pandemic. The construction of single-family homes continues to increase. During FY 2016-17, 166 single-family home permits were issued, 220 permits during FY 2017-18 (32.5% increase), 232 permits during FY 2018-19 (5.5% increase), and 236 permits during FY 2019-20 (1.7% increase).

Solid waste tonnage collections also continue to increase. During FY 2016-17, 13,349 tons of solid waste were collected, 14,049 tons during FY 2017-18 (5.2% increase), 15,014 tons during FY 2018-19 (6.9% increase), and 17,649 tons during FY 2019-20 (17.6% increase).

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, 3.5% during July 2018, 3.5% during July 2019, and 5.5% during July 2020. The unemployment rate increase during 2020 was due to the COVID-19 global pandemic. As of January 2021, the county's unemployment rate decreased to 3.4%. During the same time periods, the state experienced approximately the same unemployment rate trends.

The county's total tax digest values generally declined from 2009 to 2015 when it bottomed out in 2015 at \$1,205,667,300. Since that time, tax digest values have been increasing. During 2016, the tax digest increased to \$1,212,516,034 (0.6% increase), \$1,234,147,076 during 2017 (1.8% increase), \$1,257,523,384 during 2018 (1.9% increase), \$1,296,708,956 during 2019 (3.1% increase), and \$1,343,989,948 during 2020 (3.6% increase).

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 \$3.2 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 millage rate remained the same at 9.38 for the 2020 tax year.

The total taxes levied also saw a general decline from 2009 to 2015 when it bottomed out in 2015 at \$7,348,052. Due to a millage rate increase in 2017, total taxes levied increased to \$10,596,360 in 2017, an increase of 44%. During 2018, the total taxes levied increased slightly to \$10,785,159 (1.8% increase) without a millage rate increase. Due to another millage rate increase in 2019, total taxes levied increased to \$12,084,522 (12% increase). During 2020, the total taxes levied increased slightly to \$12,526,856 (3.7% increase) without a millage rate increase.

Local Option Sales Tax (LOST) collections are slightly increasing each year and remaining steady at about \$178,000 per month or \$2,100,000 per year. Special Purpose Local Option Sales Tax (SPLOST) collections are also slightly increasing each year and remaining steady at about \$244,000 per month or \$2,900,000 per year. The transportation SPLOST (TSPLOST) collections are also slightly increasing each year and remaining steady at about \$90,400 per month or \$1,085,000 per year. TSPLOST collections will end December 31, 2022 and there is ongoing discussion to ask the voters to renew this regional sales tax for an additional ten years. That referendum is scheduled during March 2022. The sales tax collection amounts 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 and are already looking to expand.

During the audit period of July 1, 2019 to June 30, 2020, the county embarked and completed many public projects including improvements to county facilities, infrastructure, and technology, replaced county rolling stock, completed Phase I, II, and III of the long awaited Man O' War Railroad Recreation Trail funded mostly by grant funds and TSPLOST funds, completed and fully implemented an employee compensation plan, and began to modernize and update the county's building codes into one unified development code.

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, 2020

| | Primary Government | | | Component |
|---|----------------------------|-----------------------------|----------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total | Units |
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents (Note 3A) | \$ 2,575,168 | \$ 1,496,502 | \$ 4,071,670 | \$ 1,345,788 |
| Restricted cash | 4,008,965 | 773,067 | 4,782,032 | - |
| Investments | 13,303,519 | 7,063,453 | 20,366,972 | - |
| Receivables: | | | | |
| Accounts | 226,108 | 543,079 | 769,187 | - |
| Interest | 414 | 1,026 | 1,440 | - |
| Property taxes | 684,258 | - | 684,258 | - |
| TAVT | 195,891 | - | 195,891 | - |
| Sales taxes | 566,716 | - | 566,716 | - |
| Intergovernmental | 1,635,466 | - | 1,635,466 | - |
| Notes | 832,573 | - | 832,573 | - |
| Interfund | 1,666,885 | (1,666,885) | - | - |
| Inventory | 161,699 | 190,868 | 352,567 | - |
| Prepaid items | 362,596 | 30,856 | 393,452 | - |
| Total Current Assets | 26,220,258 | 8,431,966 | 34,652,224 | 1,345,788 |
| Non-current Assets | | | | |
| Notes receivable (net of current portion) | 15,007 | - | 15,007 | - |
| Capital assets (Note 3E) | | | | |
| Nondepreciable | 16,438,166 | 2,408,084 | 18,846,250 | 1,082,291 |
| Depreciable, net | 34,348,795 | 30,803,923 | 65,152,718 | 4,628,914 |
| Total Non-current Assets | 50,801,968 | 33,212,007 | 84,013,975 | 5,711,205 |
| Total Assets | 77,022,226 | 41,643,973 | 118,666,199 | 7,056,993 |
| Deferred Outflows of Resources (Note 3-F) | 2,476,028 | 430,694 | 2,906,722 | 150,998 |
| Total Assets and Deferred Outflows of Resources | 79,498,254 | 42,074,667 | 121,572,921 | 7,207,991 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts payable | 1,612,621 | 377,646 | 1,990,267 | 714 |
| Retainage payable | 96,655 | 654 | 97,309 | 69,024 |
| Accrued expenses payable | 484,208 | 89,187 | 573,395 | - |
| Accrued interest payable | 57,217 | 9,035 | 66,252 | 919 |
| Customer deposits payable | 2,508 | 473,150 | 475,658 | - |
| Compensated absences payable | 294,386 | 64,274 | 358,660 | 17,843 |
| Closure and postclosure care liability | - | 28,142 | 28,142 | - |
| GEFA loan payable | 119,867 | 113,273 | 233,140 | - |
| Revenue bonds payable | 615,000 | 520,000 | 1,135,000 | - |
| Capital lease payable | 77,634 | - | 77,634 | - |
| Total Current Liabilities | 3,360,096 | 1,675,361 | 5,035,457 | 88,500 |
| Long-Term Liabilities (Note 3H) (net of current portion) | | | | |
| Compensated absences payable | 73,597 | 16,069 | 89,666 | 31,168 |
| Closure and postclosure care liability | - | 144,928 | 144,928 | - |
| Net OPEB liability | - | - | - | 59,610 |
| Net pension liability | 3,325,070 | 663,397 | 3,988,467 | 312,090 |
| GEFA loan payable | 739,338 | 2,930,607 | 3,669,945 | - |
| Capital leases payable | 251,306 | - | 251,306 | - |
| Revenue bonds payable | 5,248,142 | 4,074,525 | 9,322,667 | - |
| Total Long-Term Liabilities | 9,637,453 | 7,829,526 | 17,466,979 | 402,868 |
| Deferred Inflows of Resources (Note 3-F) | 2,134,467 | 349,494 | 2,483,961 | 260,100 |
| Total Liabilities and Deferred Inflows of Resources | 15,132,016 | 9,854,381 | 24,986,397 | 751,468 |
| Net Position | | | | |
| Net investment in capital assets (Note 3J) | 43,735,674 | 25,573,602 | 69,309,276 | 5,711,205 |
| Restricted for: | | | | |
| Capital projects | 5,864,251 | - | 5,864,251 | - |
| Debt service | 24,560 | 312,369 | 336,929 | - |
| Specific health program | - | - | - | 198,932 |
| Tax Commissioner | 16,110 | - | 16,110 | - |
| Public safety | 53,735 | - | 53,735 | - |
| Law library | 57,684 | - | 57,684 | - |
| Unrestricted (deficit) | 14,614,224 | 6,334,315 | 20,948,539 | 546,386 |
| Total Net Position | \$ 64,366,238 | \$ 32,220,286 | \$ 96,586,524 | \$ 6,456,523 |

See accompanying notes to the basic financial statements

Harris County, Georgia
Statement of Activities
For the Year Ended June 30, 2020

| 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 | \$ 3,435,172 | \$ 923,622 | \$ 47,590 | \$ - | \$ (2,463,960) | \$ - | \$ (2,463,960) | \$ - |
| Judicial | 1,542,358 | 1,345 | - | - | (1,541,013) | - | (1,541,013) | - |
| Public safety | 12,745,720 | 3,680,611 | 1,092,354 | 80,026 | (7,892,729) | - | (7,892,729) | - |
| Public works | 4,332,834 | 206,826 | - | 1,275,999 | (2,850,009) | - | (2,850,009) | - |
| Health and welfare | 440,342 | 48,228 | - | - | (392,114) | - | (392,114) | - |
| Culture and recreation | 1,752,309 | 77,843 | - | 915,117 | (759,349) | - | (759,349) | - |
| Housing and development | 686,248 | 353,433 | - | - | (332,815) | - | (332,815) | - |
| Interest | 203,442 | - | - | - | (203,442) | - | (203,442) | - |
| Total Governmental Activities | 25,138,425 | 5,291,908 | 1,139,944 | 2,271,142 | (16,435,431) | - | (16,435,431) | - |
| Business-type Activities | | | | | | | | |
| Water works | 5,071,309 | 5,180,671 | - | - | - | 109,362 | 109,362 | - |
| Solid waste | 1,786,830 | 2,178,395 | - | - | - | 391,565 | 391,565 | - |
| Airport | 625,376 | 255,990 | - | 843,888 | - | 474,502 | 474,502 | - |
| Total Business-type Activities | 7,483,515 | 7,615,056 | - | 843,888 | - | 975,429 | 975,429 | - |
| Total Primary Government | \$ 32,621,940 | \$ 12,906,964 | \$ 1,139,944 | \$ 3,115,030 | (16,435,431) | 975,429 | (15,460,002) | - |
| Component Units | | | | | | | | |
| Department of Public Health | 529,503 | 355,027 | 478,395 | - | - | - | - | 303,919 |
| Development Authority | 116,845 | - | - | 204,480 | - | - | - | 87,635 |
| Total - Component Units | \$ 646,348 | \$ 355,027 | \$ 478,395 | \$ 204,480 | - | - | - | 391,554 |
| General Revenues | | | | | | | | |
| Property taxes levied for general government purposes | | | | | 15,263,796 | - | 15,263,796 | - |
| Sales taxes | | | | | 6,151,349 | - | 6,151,349 | - |
| Insurance premium tax | | | | | 1,915,019 | - | 1,915,019 | - |
| Other taxes | | | | | 464,155 | - | 464,155 | - |
| Unrestricted investment earnings | | | | | 118,656 | 94,086 | 212,742 | 1,306 |
| Miscellaneous | | | | | 75,053 | - | 75,053 | - |
| Transfers | | | | | 274,422 | (274,422) | - | - |
| Total General Revenues | | | | | 24,262,450 | (180,336) | 24,082,114 | 1,306 |
| Change in Net Position | | | | | 7,827,019 | 795,093 | 8,622,112 | 392,860 |
| Net Position Beginning of Year | | | | | 56,539,219 | 31,425,193 | 87,964,412 | 6,063,663 |
| Net Position End of Year | | | | | \$ 64,366,238 | \$ 32,220,286 | \$ 96,586,524 | \$ 6,456,523 |

See accompanying notes to the basic financial statements

Harris County, Georgia
Balance Sheet
Governmental Funds
June 30, 2020
(With Comparative Totals at June 30, 2019)

| | 2020 | | | | 2019 | |
|--|----------------------|----------------------------------|---------------------------------|---|---|---|
| | General | Callaway Debt Service | CARES Act Grant Fund | Other Governmental Funds | Total Governmental Funds | Total Governmental Funds |
| Assets | | | | | | |
| Cash and cash equivalents | \$ 1,859,588 | \$ 24,560 | \$ - | \$ 691,020 | \$ 2,575,168 | \$ 5,374,632 |
| Investments | 11,770,380 | - | - | 1,533,139 | 13,303,519 | 8,184,446 |
| Restricted cash | - | - | - | 4,008,965 | 4,008,965 | 98,923 |
| Receivables: | | | | | | |
| Accounts | 149,576 | - | - | 76,532 | 226,108 | 90,707 |
| Property taxes | 684,258 | - | - | - | 684,258 | 550,799 |
| TAVT | 195,891 | - | - | - | 195,891 | 173,384 |
| Sales taxes | 197,455 | - | - | 369,261 | 566,716 | 529,000 |
| Interest | - | - | - | 414 | 414 | 304 |
| Intergovernmental | 183,798 | - | 1,082,817 | 368,851 | 1,635,466 | 187,696 |
| Notes | - | 839,482 | - | 8,098 | 847,580 | 959,424 |
| Interfund | 3,124,797 | - | - | 111,650 | 3,236,447 | 1,924,152 |
| Inventory | 161,699 | - | - | - | 161,699 | 196,020 |
| Prepaid items | 345,725 | - | - | 16,871 | 362,596 | 203,331 |
| Total Assets | \$ 18,673,167 | \$ 864,042 | \$ 1,082,817 | \$ 7,184,801 | \$ 27,804,827 | \$ 18,472,818 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 1,159,249 | \$ - | \$ - | \$ 453,372 | \$ 1,612,621 | \$ 521,464 |
| Accrued expenditures payable | 454,620 | - | - | 29,588 | 484,208 | 687,285 |
| Retainage payable | 96,655 | - | - | - | 96,655 | 82,330 |
| Deposit payable | 2,508 | - | - | - | 2,508 | - |
| Interfund payable | - | - | 1,082,817 | 486,745 | 1,569,562 | 508,729 |
| Unearned revenue | - | 839,482 | - | - | 839,482 | 956,323 |
| Total Liabilities | 1,713,032 | 839,482 | 1,082,817 | 969,705 | 4,605,036 | 2,756,131 |
| Deferred Inflows of Resources | 105,115 | - | - | - | 105,115 | 118,003 |
| Total Liabilities and Deferred Inflows of Resources | 1,818,147 | 839,482 | 1,082,817 | 969,705 | 4,710,151 | 2,874,134 |
| Fund Balances | | | | | | |
| Nonspendable | 507,424 | - | - | - | 507,424 | 386,199 |
| Restricted | 16,110 | 24,560 | - | 5,975,670 | 6,016,340 | 4,401,277 |
| Committed | - | - | - | - | - | 20,933 |
| Assigned | 4,091,000 | - | - | 239,426 | 4,330,426 | 654,903 |
| Unassigned | 12,240,486 | - | - | - | 12,240,486 | 10,135,372 |
| Total Fund Balances | 16,855,020 | 24,560 | - | 6,215,096 | 23,094,676 | 15,598,684 |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | \$ 18,673,167 | \$ 864,042 | \$ 1,082,817 | \$ 7,184,801 | \$ 27,804,827 | \$ 18,472,818 |

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, 2020

| | | |
|---|----|------------|
| Total Governmental Fund Balances | \$ | 23,094,676 |
|---|----|------------|

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 | \$ 98,234,321 | |
| Less accumulated depreciation | <u>(47,447,360)</u> | 50,786,961 |

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

| | | |
|----------------|--|---------|
| Property taxes | | 105,115 |
|----------------|--|---------|

| | | |
|--|--|---------|
| Long-term note receivable not available to pay current expenditures. | | 839,482 |
|--|--|---------|

Deferred outflows and inflows for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.

341,561

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 | \$ (1,569,562) | |
| Interfund payables | <u>1,569,562</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 | \$ (5,863,142) | |
| GEFA loan payable | (859,205) | |
| Capital leases payable | (328,940) | |
| Net pension liability payable | (3,325,070) | |
| Accrued interest payable | (57,217) | |
| Compensated absences payable | <u>(367,983)</u> | <u>(10,801,557)</u> |

| | | |
|--|----|--------------------------|
| Net Position of Governmental Activities | \$ | <u><u>64,366,238</u></u> |
|--|----|--------------------------|

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, 2020
(With Comparative Totals For the Year Ended June 30, 2019)

| | 2020 | | | | 2019 | |
|--|----------------------|--------------------------|-------------------------|--------------------------------|--------------------------------|--------------------------------|
| | General | Callaway Debt Service | CARES Act Grant Fund | Other Governmental Funds | Total Governmental Funds | Total Governmental Funds |
| Revenues | | | | | | |
| Taxes | \$ 19,712,700 | \$ - | \$ - | \$ 4,094,507 | \$ 23,807,207 | \$ 20,540,601 |
| Intergovernmental | 937,542 | - | 1,082,817 | 811,451 | 2,831,810 | 1,194,867 |
| Licenses and permits | 341,253 | - | - | - | 341,253 | 359,326 |
| Charges for services | 3,368,611 | 116,842 | - | 797,354 | 4,282,807 | 4,083,099 |
| Interest | - | 27,115 | - | 12,495 | 39,610 | 153,402 |
| Fines and forfeitures | 701,182 | - | - | 76,742 | 777,924 | 912,878 |
| Investment earnings | 103,732 | - | - | 14,925 | 118,657 | 158,829 |
| Contributions and donations | 103,666 | - | - | - | 103,666 | 93,685 |
| Miscellaneous | 24,939 | - | - | - | 24,939 | 126,152 |
| Total Revenues | 25,293,625 | 143,957 | 1,082,817 | 5,807,474 | 32,327,873 | 27,622,839 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 2,935,202 | - | - | - | 2,935,202 | 3,190,288 |
| Judicial | 1,539,678 | - | - | 7,127 | 1,546,805 | 1,569,783 |
| Public safety | 9,263,610 | - | 1,082,817 | 1,115,297 | 11,461,724 | 11,299,420 |
| Public works | 2,793,388 | - | - | - | 2,793,388 | 2,780,722 |
| Health and welfare | 277,889 | - | - | 162,453 | 440,342 | 297,114 |
| Culture and recreation | 1,363,209 | - | - | - | 1,363,209 | 1,445,995 |
| Housing and development | 571,096 | - | - | 81,312 | 652,408 | 531,926 |
| Intergovernmental | - | - | - | 468,654 | 468,654 | 859,824 |
| Capital Outlay | - | - | - | 2,842,076 | 2,842,076 | 2,923,628 |
| Debt Service: | | | | | | |
| Principal retirement | 143,498 | 116,246 | - | 245,000 | 504,744 | 494,843 |
| Interest and fiscal charges | 504 | 27,711 | - | 125,865 | 154,080 | 381,962 |
| Trustee Fee | - | - | - | 550 | 550 | 3,625 |
| Total Expenditures | 18,888,074 | 143,957 | 1,082,817 | 5,048,334 | 25,163,182 | 25,779,130 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 6,405,551 | - | - | 759,140 | 7,164,691 | 1,843,709 |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from the sale of capital assets | 56,879 | - | - | - | 56,879 | 35,118 |
| Transfers in | - | - | - | 867,923 | 867,923 | 1,565,543 |
| Transfers out | (593,501) | - | - | - | (593,501) | (738,142) |
| Total Other Financing Sources (Uses) | (536,622) | - | - | 867,923 | 331,301 | 862,519 |
| Net Change in Fund Balances | 5,868,929 | - | - | 1,627,063 | 7,495,992 | 2,706,228 |
| Fund Balances Beginning of Year | 10,986,091 | 24,560 | - | 4,588,033 | 15,598,684 | 12,892,456 |
| Fund Balances End of Year | \$ 16,855,020 | \$ 24,560 | \$ - | \$ 6,215,096 | \$ 23,094,676 | \$ 15,598,684 |

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, 2020

| | |
|--|---------------------|
| Net Changes In Fund Balances - Total Governmental Funds | \$ 7,495,992 |
|--|---------------------|

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 | \$ (2,582,911) | |
| Capital outlay | <u>2,418,403</u> | (164,508) |

| | |
|--|---------|
| Capital assets contributed are not reported at the fund financial reporting level but are reported on the government-wide financial reporting level. | 436,000 |
|--|---------|

| | |
|--|-----------|
| Pension expense is reported on the government-wide statement of activities but not reported at the fund financial reporting level) | (236,382) |
|--|-----------|

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 as of 6/30/20 | \$ 105,115 | |
| Deferred as of 6/30/19 | <u>(118,003)</u> | (12,888) |

| | |
|--|-----------|
| Payments of principal on note receivable is a revenue in the governmental funds, but reduces note receivable in the Statement of Net Assets. | (116,841) |
|--|-----------|

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

| | | |
|---------------|----------------|---|
| Transfers in | \$ (872,230) | |
| Transfers out | <u>872,230</u> | - |

| | |
|---|----------|
| 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. | (48,812) |
|---|----------|

| | |
|--|---------|
| 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. | 504,743 |
|--|---------|

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 as of 6/30/20 | \$ (367,983) | |
| Liability as of 6/30/19 | <u>337,698</u> | (30,285) |

| | |
|--|----------------------------|
| Change In Net Position of Governmental Activities | <u>\$ 7,827,019</u> |
|--|----------------------------|

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Net Position
June 30, 2020

| | Business-type Activities | | | |
|--|--------------------------|---------------------|---------------------|----------------------|
| | Water Works | Solid Waste | Airport | Total |
| Assets | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 995,172 | \$ 501,330 | \$ - | \$ 1,496,502 |
| Restricted cash | 773,067 | - | - | 773,067 |
| Investments | 1,266,658 | 5,796,795 | - | 7,063,453 |
| Receivables: | | | | |
| Accounts | 476,221 | 66,858 | - | 543,079 |
| Interest | 1,026 | - | - | 1,026 |
| Prepaid items | 21,481 | 8,669 | 706 | 30,856 |
| Inventories | 162,189 | - | 28,679 | 190,868 |
| Total Current Assets | 3,695,814 | 6,373,652 | 29,385 | 10,098,851 |
| Capital Assets | | | | |
| Nondepreciable | 816,592 | 199,250 | 1,392,242 | 2,408,084 |
| Depreciable, net | 22,619,777 | 723,904 | 7,460,242 | 30,803,923 |
| Total Capital Assets | 23,436,369 | 923,154 | 8,852,484 | 33,212,007 |
| Deferred Outflows of Resources (Note 3-D) | 326,986 | 91,448 | 12,260 | 430,694 |
| Total Assets and Deferred Outflows of Resources | 27,459,169 | 7,388,254 | 8,894,129 | 43,741,552 |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 311,067 | 54,652 | 11,927 | 377,646 |
| Retainage payable | - | - | 654 | 654 |
| Accrued expenses payable | 65,577 | 20,656 | 2,954 | 89,187 |
| Accrued interest payable | 9,035 | - | - | 9,035 |
| Customer deposits payable | 473,150 | - | - | 473,150 |
| Interfund payable | 201,796 | 542,948 | 922,141 | 1,666,885 |
| Compensated absences payable | 47,738 | 16,293 | 243 | 64,274 |
| Closure and postclosure care payable | - | 28,142 | - | 28,142 |
| Revenue bonds payable | 520,000 | - | - | 520,000 |
| GEFA loans payable | 113,273 | - | - | 113,273 |
| Total Current Liabilities | 1,741,636 | 662,691 | 937,919 | 3,342,246 |
| Long-term Liabilities (Net of current portion): | | | | |
| Compensated absences payable | 11,934 | 4,074 | 61 | 16,069 |
| Closure and postclosure care payable | - | 144,928 | - | 144,928 |
| Revenue bonds payable | 4,074,525 | - | - | 4,074,525 |
| GEFA loans payable | 2,930,607 | - | - | 2,930,607 |
| Net pension liability | 470,904 | 178,043 | 14,450 | 663,397 |
| Total Long-term Liabilities: | 7,487,970 | 327,045 | 14,511 | 7,829,526 |
| Total Liabilities | 9,229,606 | 989,736 | 952,430 | 11,171,772 |
| Deferred Inflows of Resources (Note 3-D) | 245,167 | 91,907 | 12,420 | 349,494 |
| Total Liabilities and Deferred Inflows of Resources | 9,474,773 | 1,081,643 | 964,850 | 11,521,266 |
| Net Position | | | | |
| Net investment in capital assets | 15,797,964 | 923,154 | 8,852,484 | 25,573,602 |
| Restricted | 312,369 | - | - | 312,369 |
| Unrestricted | 1,874,063 | 5,383,457 | (923,205) | 6,334,315 |
| Total Net Position | \$ 17,984,396 | \$ 6,306,611 | \$ 7,929,279 | \$ 32,220,286 |

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, 2020

| | Business-type Activities | | | |
|--|---------------------------------|------------------------|---------------------|----------------------|
| | Water Works | Solid Waste | Airport | Total |
| Operating Revenues | | | | |
| Charges for services | \$ 5,180,671 | \$ 2,156,128 | \$ 255,990 | \$ 7,592,789 |
| Intergovernmental revenue | - | 22,267 | - | 22,267 |
| Total Operating Revenues | 5,180,671 | 2,178,395 | 255,990 | 7,615,056 |
| Operating Expenses | | | | |
| Personal services | 1,674,817 | 690,669 | 80,409 | 2,445,895 |
| Purchased services | 1,620,736 | 321,133 | 44,265 | 1,986,134 |
| Purchased services - tipping fees | - | 463,237 | - | 463,237 |
| Cost of sales | - | - | 161,974 | 161,974 |
| Materials and supplies | 813,073 | 125,463 | 21,708 | 960,244 |
| Depreciation | 819,430 | 186,265 | 317,020 | 1,322,715 |
| Total Operating Expenses | 4,928,056 | 1,786,767 | 625,376 | 7,340,199 |
| Operating Income (Loss) | 252,615 | 391,628 | (369,386) | 274,857 |
| Non-operating Revenue (Expenses) | | | | |
| Investment earnings | 9,151 | 84,935 | - | 94,086 |
| Interest and fiscal charges | (143,253) | (63) | - | (143,316) |
| Total Non-operating Revenue (Expenses) | (134,102) | 84,872 | - | (49,230) |
| Income (Loss) Before Capital Contributions and Transfers In | 118,513 | 476,500 | (369,386) | 225,627 |
| Capital Contributions | - | - | 843,888 | 843,888 |
| Transfers Out | - | (274,422) | - | (274,422) |
| Change in Net Position | 118,513 | 202,078 | 474,502 | 795,093 |
| Net Position Beginning of Year | 17,865,883 | 6,104,533 | 7,454,777 | 31,425,193 |
| Net Position End of Year | \$ 17,984,396 | \$ 6,306,611 | \$ 7,929,279 | \$ 32,220,286 |

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020

| | 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 | \$ 5,238,634 | \$ 2,156,128 | \$ 255,990 | \$ 7,650,752 |
| Cash payments for personal services | (1,665,942) | (690,671) | (80,105) | (2,436,718) |
| Cash payments for goods and services | (2,171,130) | (886,303) | (459,691) | (3,517,124) |
| Net Cash Provided by (Used in) Operating Activities | 1,401,562 | 579,154 | (283,806) | 1,696,910 |
| Cash Flows from Noncapital Financing Activities | | | | |
| Interfund payable | 184,497 | 351,841 | (33,675) | 502,663 |
| Net Cash Flows from Noncapital Financing Activities | 184,497 | 351,841 | (33,675) | 502,663 |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Principal paid on GEFA loans | (111,699) | - | - | (111,699) |
| Principal paid on revenue bonds | (505,000) | - | - | (505,000) |
| Interest paid on capital debt | (143,253) | (9,478) | - | (152,731) |
| Interest paid on notes | - | (63) | - | (63) |
| Acquisition of capital assets | (1,724,666) | (433,148) | (683,465) | (2,841,279) |
| Capital grants | - | - | 1,000,946 | 1,000,946 |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | (2,484,618) | (442,689) | 317,481 | (2,609,826) |
| Cash Flows from Investing Activities | | | | |
| Investment earnings | 9,788 | 84,935 | - | 94,723 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (888,771) | 573,241 | - | (315,530) |
| Cash and Cash Equivalents Beginning of Year | 3,923,668 | 5,724,884 | - | 9,648,552 |
| Cash and Cash Equivalents End of Year | \$ 3,034,897 | \$ 6,298,125 | \$ - | \$ 9,333,022 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities | | | | |
| Operating Income (Loss) | \$ 252,615 | \$ 391,628 | \$ (369,386) | \$ 274,857 |
| Adjustments: | | | | |
| Depreciation | 819,430 | \$ 186,265 | 317,020 | 1,322,715 |
| (Increase) Decrease in Assets: | | | | |
| Accounts receivable | 52,018 | (20,230) | - | 31,788 |
| Prepaid items | 9,816 | (603) | 32 | 9,245 |
| Inventories | (14,389) | - | 10,660 | (3,729) |
| Increase (Decrease) in Liabilities: | | | | |
| Accounts payable | 267,252 | 11,312 | (243,621) | 34,943 |
| Retainage payable | - | - | 654 | 654 |
| Accrued expenses payable | 6,503 | 3,354 | 531 | 10,388 |
| Customer deposits payable | 5,945 | - | - | 5,945 |
| Compensated absences payable | 2,372 | 3,306 | 304 | 5,982 |
| Other | - | 4,122 | - | 4,122 |
| Net Cash Provided by (Used in) Operating Activities | \$ 1,401,562 | \$ 579,154 | \$ (283,806) | \$ 1,696,910 |

See accompanying notes to the basic financial statements

Harris County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Fiduciary Funds - Agency Funds
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---------------------------|----------------------------|----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,112,251 | \$ 1,378,258 |
| Due from others | <u>288,117</u> | <u>320,850</u> |
| Total Assets | <u><u>\$ 1,400,368</u></u> | <u><u>\$ 1,699,108</u></u> |
| Liabilities | | |
| Due to others | <u><u>\$ 1,400,368</u></u> | <u><u>\$ 1,699,108</u></u> |

See accompanying notes to the basic financial statements

Harris County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2020

| | Department of Public Health | Development Authority | Total |
|--|--|----------------------------------|---------------------|
| Assets | | | |
| Current: | | | |
| Cash and cash equivalents | \$ 1,276,638 | \$ 69,150 | \$ 1,345,788 |
| Total Current | <u>1,276,638</u> | <u>69,150</u> | <u>1,345,788</u> |
| Noncurrent : | | | |
| Capital assets: | | | |
| Nondepreciable capital assets | - | 1,082,291 | 1,082,291 |
| Depreciable capital assets, net | 25,649 | 4,603,265 | 4,628,914 |
| Total Noncurrent | <u>25,649</u> | <u>5,685,556</u> | <u>5,711,205</u> |
| Total Assets | 1,302,287 | 5,754,706 | 7,056,993 |
| Deferred Outflows of Resources | <u>150,998</u> | <u>-</u> | <u>150,998</u> |
| Total Assets and Deferred Outflows of Resources | <u>1,453,285</u> | <u>5,754,706</u> | <u>7,207,991</u> |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts payable | 714 | - | 714 |
| Compensated absences payable | 17,843 | - | 17,843 |
| Accrued interest payable | - | 919 | 919 |
| Retainage payable | - | 69,024 | 69,024 |
| Total Current Liabilities: | <u>18,557</u> | <u>69,943</u> | <u>88,500</u> |
| Long-term Liabilities: (net of current portion) | | | |
| Compensated absences payable | 31,168 | - | 31,168 |
| Net OPEB liability | 59,610 | - | 59,610 |
| Net pension liability | 312,090 | - | 312,090 |
| Total Liabilities | <u>421,425</u> | <u>-</u> | <u>402,868</u> |
| Deferred Inflows of Resources | <u>260,100</u> | <u>-</u> | <u>260,100</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>681,525</u> | <u>69,943</u> | <u>751,468</u> |
| Net Position | | | |
| Net investment in capital assets | 25,649 | 5,685,556 | 5,711,205 |
| Restricted for: | | | |
| Specific health program | 198,932 | - | 198,932 |
| Unrestricted (deficit) | 547,179 | (793) | 546,386 |
| Total Net Position | <u>\$ 771,760</u> | <u>\$ 5,684,763</u> | <u>\$ 6,456,523</u> |

See accompanying notes to the basic financial statements

Harris County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2020

| | Department of Public Health | Development Authority | Total |
|---------------------------------------|--|----------------------------------|---------------------|
| Expenses | | | |
| Health and welfare | \$ 529,503 | \$ - | \$ 529,503 |
| Community development | - | 2,610 | 2,610 |
| Economic development | - | 114,235 | 114,235 |
| Total Expenses | 529,503 | 116,845 | 646,348 |
| Revenues | | | |
| Program revenues: | | | |
| Charges for services | 355,027 | - | 355,027 |
| Operating grants and contributions | 478,395 | - | 478,395 |
| Total Program Revenues | 833,422 | - | 833,422 |
| Net Program Revenue (Expense) | 303,919 | (116,845) | 187,074 |
| General Revenues | | | |
| Investment earnings | 1,306 | - | 1,306 |
| Total General Revenues | 1,306 | - | 1,306 |
| Capital Contributions | - | 204,480 | 204,480 |
| Change in Net Position | 305,225 | 87,635 | 392,860 |
| Net Position Beginning of Year | 466,535 | 5,597,128 | 6,063,663 |
| Net Position End of Year | \$ 771,760 | \$ 5,684,763 | \$ 6,456,523 |

See accompanying notes to the basic financial statements

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020 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, 2020

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") and the Hamilton Business Park. The County purchased land for the Business Park and Hamilton Business Park during 2005 and 1997, respectively. Pursuant to an intergovernmental agreement between the County and the Authority, once a business moves into the Business Park(s), 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 and Water Oak Way projects. The purpose of these projects is to construct a road in the Business Park(s). Construction began during the fiscal year ended June 30, 2009. During the following years, the Authority has continued construction of the roads with funding provided by the County's 2009, 2014 and 2019 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 roads are included in the Authority's capital asset listing as land improvements at June 30, 2020.

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, 2020

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.

CARES Act Grant Fund – This fund is used to account for revenue resources received through the "Coronavirus Aid, Relief and Economic Security Act" (CARES Act). Expenditures from this fund must meet strict eligibility requirements including necessary expenditures incurred due to the public health emergency with respect to COVID-19.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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, 2020

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, 2020 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, 2020

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.

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, 2020

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 represents 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 is reported as restricted when there are limitations imposed on its 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, 2020

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 (“GAAP”) 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 2020 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 2020 annual budget.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020, 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 | \$ 2,575,168 |
| Governmental Funds - Balance Sheet - Restricted | 4,008,965 |
| Proprietary Fund Type Statement of Net Position | 1,496,502 |
| Proprietary Fund Type Statement of Net Position - Restricted | 773,067 |
| Statement of Fiduciary Assets and Liabilities | <u>1,112,251</u> |
| Total | <u><u>\$ 9,965,953</u></u> |

3-B. Receivables

Receivables at June 30, 2020 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>2020</u> | <u>2019</u> |
|--------------------|-------------|-------------|
| • Water works fund | \$25,064 | \$25,758 |

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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 |
|-------------|-------------------|------------------|-------------------|
| 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 | 135,773 | 8,184 | 143,957 |
| 2026 - 2027 | 199,554 | 4,513 | 204,067 |
| | <u>\$ 839,482</u> | <u>\$ 84,370</u> | <u>\$ 923,852</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 |
|------|------------------|---------------|------------------|
| 2021 | 23,105 | 729 | 23,834 |
| | <u>\$ 23,105</u> | <u>\$ 729</u> | <u>\$ 23,834</u> |

3-C. Restricted Assets

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

| | |
|--|---------------------|
| 2014 SPLOST fund – construction and capital | \$ 394,346 |
| 2019 SPLOST fund – construction and capital | 872,662 |
| Capital projects fund – construction and capital | 5,009 |
| TIA fund – construction and capital | 2,509,741 |
| Special revenue funds – judicial and public safety | <u>227,207</u> |
| | <u>\$ 4,008,965</u> |

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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, 2019. Property taxes were billed on September 30, 2019 and are due upon receipt, however, the due date was December 20, 2019 and became delinquent on December 21, 2019.

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, 2020, was as follows:

| | Balance 7/1/2019 | Additions | Deductions | Balance 6/30/2020 |
|--|---------------------|--------------|------------|----------------------|
| Governmental activities: | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 15,077,803 | \$ 436,000 | \$ - | \$ 15,513,803 |
| Construction in progress | 820,703 | 232,378 | 128,718 | 924,363 |
| Total nondepreciable capital assets | 15,898,506 | 668,378 | 128,718 | 16,438,166 |
| Depreciable capital assets: | | | | |
| Buildings and improvements | 26,259,951 | 1,243,319 | - | 27,503,270 |
| Machinery and equipment | 24,361,393 | 1,015,216 | 624,482 | 24,752,127 |
| Infrastructure | 29,061,161 | 479,597 | - | 29,540,758 |
| Total depreciable capital assets | 79,682,505 | 2,738,132 | 624,482 | 81,796,155 |
| Total capital assets | 95,581,011 | 3,406,510 | 753,200 | 98,234,321 |
| Accumulated depreciation: | | | | |
| Buildings | 8,025,472 | 753,344 | - | 8,778,816 |
| Machinery and equipment | 18,987,411 | 1,099,919 | 624,482 | 19,462,848 |
| Infrastructure | 18,476,048 | 729,648 | - | 19,205,696 |
| Total accumulated depreciation | 45,488,931 | 2,582,911 | 624,482 | 47,447,360 |
| Governmental activities capital assets, net | \$ 50,092,080 | \$ 823,599 | \$ 128,718 | \$ 50,786,961 |
| Governmental activities depreciation expense | | | | |
| General government | | \$ 285,670 | | |
| Public safety | | 892,654 | | |
| Public works | | 1,112,718 | | |
| Culture and recreation | | 291,869 | | |
| Total governmental activities depreciation expense | | \$ 2,582,911 | | |

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

| | Balance 7/1/2019 | Additions | Deductions | Balance 6/30/2020 |
|--|---------------------|--------------|--------------|----------------------|
| Business-type activities: | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 726,701 | \$ - | \$ - | \$ 726,701 |
| Construction in progress | 7,199,650 | 2,344,545 | 7,862,812 | 1,681,383 |
| Total nondepreciable capital assets | 7,926,351 | 2,344,545 | 7,862,812 | 2,408,084 |
| Depreciable capital assets: | | | | |
| Buildings and improvements | 7,021,806 | 113,330 | - | 7,135,136 |
| Machinery and equipment | 7,379,331 | 263,276 | 87,087 | 7,555,520 |
| Infrastructure | 28,826,097 | 7,803,800 | - | 36,629,897 |
| Total depreciable capital assets | 43,227,234 | 8,180,406 | 87,087 | 51,320,553 |
| Total capital assets | 51,153,585 | 10,524,951 | 7,949,899 | 53,728,637 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | 987,432 | 361,925 | - | 1,349,357 |
| Machinery and equipment | 5,494,814 | 322,360 | 87,087 | 5,730,087 |
| Infrastructure | 12,798,756 | 638,430 | - | 13,437,186 |
| Total accumulated depreciation | 19,281,002 | 1,322,715 | 87,087 | 20,516,630 |
| Business-type activities capital assets, net | \$ 31,872,583 | \$ 9,202,236 | \$ 7,862,812 | \$ 33,212,007 |

The depreciation expense for the business-type activities relates to the water works fund, \$819,430, the solid waste fund \$186,265 and the airport fund, \$317,020.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for the development authority component unit for the year ended June 30, 2020, was as follows:

| | Balance 7/1/2019 | Additions | Deductions | Balance 6/30/2020 |
|---|---------------------|-------------------|-------------------|----------------------|
| Harris County Development Authority | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 34,341 | \$ - | \$ - | \$ 34,341 |
| Construction in progress | 1,197,692 | 274,422 | 424,164 | 1,047,950 |
| Total nondepreciable capital assets | 1,232,033 | 274,422 | 424,164 | 1,082,291 |
| Depreciable capital assets: | | | | |
| Infrastructure | 4,517,972 | 424,164 | - | 4,942,136 |
| Total depreciable capital assets | 4,517,972 | 424,164 | - | 4,942,136 |
| Total capital assets | 5,750,005 | 698,586 | 424,164 | 6,024,427 |
| Accumulated depreciation: | | | | |
| Infrastructure | 225,922 | 112,949 | - | 338,871 |
| Total accumulated depreciation | 225,922 | 112,949 | - | 338,871 |
| Development Authority capital assets, net | <u>\$ 5,524,083</u> | <u>\$ 585,637</u> | <u>\$ 424,164</u> | <u>\$ 5,685,556</u> |

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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 (\$105,115). 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, 2020:

| Primary Government | | | | |
|---|-------------------------|--------------------------|--------------|-----------------|
| Deferred Outflows of Resources | Governmental Activities | Business Type Activities | Total | Component Units |
| Deferred outflows related to pensions | \$ 2,085,108 | \$ 340,822 | \$ 2,425,930 | \$ 88,469 |
| Deferred outflows related to OPEB | - | - | - | 62,529 |
| Deferred amounts from refunding of debt | 390,920 | 89,872 | 480,792 | - |
| Total | \$ 2,476,028 | \$ 430,694 | \$ 2,906,722 | \$ 150,998 |

| Primary Government | | | | |
|--------------------------------------|-------------------------|--------------------------|--------------|-----------------|
| Deferred Inflows of Resources | Governmental Activities | Business Type Activities | Total | Component Units |
| Deferred inflows related to pensions | \$ 2,134,467 | \$ 349,494 | \$ 2,483,961 | \$ 56,295 |
| Deferred inflows related to OPEB | - | - | - | 203,805 |
| Total | \$ 2,134,467 | \$ 349,494 | \$ 2,483,961 | \$ 260,100 |

3-G. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2020, 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, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The following table includes the interfund receivables and payables at June 30, 2020:

| Payable to: | Receivable from: | | | | | Total |
|------------------------|-------------------|--------------|-------------|-------------|------------|--------------|
| | Non-major govern. | CARES Act | Water works | Solid waste | Airport | |
| General | \$ 452,971 | \$ 1,082,817 | \$ 201,796 | \$ 465,072 | \$ 922,141 | \$ 3,124,797 |
| Non-major governmental | 33,774 | - | - | 77,876 | - | 111,650 |
| Total | \$ 486,745 | \$ 1,082,817 | \$ 201,796 | \$ 542,948 | \$ 922,141 | \$ 3,236,447 |

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

Interfund Transfers - Interfund transfers for the year ended June 30, 2020, consisted of the following:

| Transfers to | Transfers from | | |
|----------------------|----------------|-------------|------------|
| | General | Solid Waste | Total |
| Non-major government | 593,501 | 274,422 | 867,923 |
| Total | \$ 593,501 | \$ 274,422 | \$ 867,923 |

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 transfer from the solid waste fund to the capital projects fund was to cover expenditures related to the Daesol economic development project.

3-H. Long-Term Debt

Governmental Activities \GEFA Loan Payable - The County has one outstanding GEFA loan payable at June 30, 2020.

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, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this loan payable as of June 30, 2020 follow:

| Year | Principal | Interest | Total |
|-------------|-------------------|------------------|-------------------|
| 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 | 135,100 | 8,857 | 143,957 |
| 2026 - 2027 | 222,462 | 5,597 | 228,059 |
| | <u>\$ 859,205</u> | <u>\$ 88,639</u> | <u>\$ 947,844</u> |

Governmental Activities \Bonds Payable - The County has one outstanding bond issue outstanding at June 30, 2020.

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 convert 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, 2020 follow:

| Year | Principal | Interest | Total |
|-------------|---------------------|-------------------|---------------------|
| 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 | 670,000 | 63,113 | 733,113 |
| 2026 - 2028 | 2,684,750 | 113,416 | 2,798,166 |
| | <u>\$ 5,899,750</u> | <u>\$ 564,778</u> | <u>\$ 6,464,528</u> |

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Governmental Activities \Capital Leases Payable - The County has six outstanding capital leases payable at June 30, 2020.

Capital Lease Payable #001-1018851-000 – Caterpillar Financial Services – Lease #11 - This lease was entered into on December 5, 2019 in the original amount of \$69,957 to purchase a Caterpillar D5K2XL Track Type Tractor at an interest rate of 3.85% with annual payments (which includes principal and interest) of \$15,648, which began December, 2019. The lease matures December 31, 2024. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$62,120 (cost of \$69,957 less accumulated depreciation of \$7,837).

Annual debt service requirements to this lease payable as of June 30, 2020 follow:

| Year | Principal | Interest | Total |
|-------|-----------|----------|-----------|
| 2021 | 13,453 | 2,195 | 15,648 |
| 2022 | 13,971 | 1,677 | 15,648 |
| 2023 | 14,509 | 1,139 | 15,648 |
| 2024 | 15,068 | 580 | 15,648 |
| 2025 | 1 | - | 1 |
| Total | \$ 57,002 | \$ 5,591 | \$ 62,593 |

Capital Lease Payable #001-1018851-000 – Caterpillar Financial Services – Lease #12 - This lease was entered into on December 5, 2019 in the original amount of \$84,277 to purchase a Caterpillar 12M3 Motor Grader at an interest rate of 3.85% with annual payments (which includes principal and interest) of \$18,851, which began December, 2019. The lease matures December 31, 2024. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$74,836 (cost of \$84,277 less accumulated depreciation of \$9,441).

Annual debt service requirements to this lease payable as of June 30, 2020 follow:

| Year | Principal | Interest | Total |
|-------|-----------|----------|-----------|
| 2021 | 16,207 | 2,644 | 18,851 |
| 2022 | 16,831 | 2,020 | 18,851 |
| 2023 | 17,479 | 1,372 | 18,851 |
| 2024 | 18,152 | 699 | 18,851 |
| 2025 | 1 | - | 1 |
| Total | \$ 68,670 | \$ 6,735 | \$ 75,405 |

Capital Lease Payable #001-1018851-000 – Caterpillar Financial Services – Lease #13 - This lease was entered into on December 5, 2019 in the original amount of \$38,934 to purchase a Caterpillar 926M Wheel Loader at an interest rate of 3.85% with annual payments (which includes principal and interest) of \$8,709, which began December, 2019. The lease matures December 31, 2024. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$34,573 (cost of \$38,934 less accumulated depreciation of \$4,361).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this lease payable as of June 30, 2020 follow:

| Year | Principal | Interest | Total |
|-------|------------------|-----------------|------------------|
| 2021 | 7,488 | 1,221 | 8,709 |
| 2022 | 7,776 | 933 | 8,709 |
| 2023 | 8,076 | 633 | 8,709 |
| 2024 | 8,386 | 323 | 8,709 |
| 2025 | 1 | - | 1 |
| Total | <u>\$ 31,727</u> | <u>\$ 3,110</u> | <u>\$ 34,837</u> |

Capital Lease Payable #001-1018851-000 – Caterpillar Financial Services – Lease #14 - This lease was entered into on December 5, 2019 in the original amount of \$77,438 to purchase a Caterpillar 12M3 Motor Grader at an interest rate of 3.85% with annual payments (which includes principal and interest) of \$17,321, which began December, 2019. The lease matures December 31, 2024. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$68,763 (cost of \$77,438 less accumulated depreciation of \$8,675).

Annual debt service requirements to this lease payable as of June 30, 2020 follow:

| Year | Principal | Interest | Total |
|-------|------------------|-----------------|------------------|
| 2021 | 14,892 | 2,429 | 17,321 |
| 2022 | 15,465 | 1,856 | 17,321 |
| 2023 | 16,060 | 1,261 | 17,321 |
| 2024 | 16,679 | 642 | 17,321 |
| 2025 | 1 | - | 1 |
| Total | <u>\$ 63,097</u> | <u>\$ 6,188</u> | <u>\$ 69,285</u> |

Capital Lease Payable #001-1018851-000 – Caterpillar Financial Services – Lease #15 - This lease was entered into on December 5, 2019 in the original amount of \$38,875 to purchase a Caterpillar 308-07CR Hydraulic Excavator at an interest rate of 3.85% with annual payments (which includes principal and interest) of \$8,696, which began December, 2019. The lease matures December 31, 2024. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$34,520 (cost of \$38,875 less accumulated depreciation of \$4,355).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this lease payable as of June 30, 2020 follow:

| Year | Principal | Interest | Total |
|-------|------------------|-----------------|------------------|
| 2021 | 7,476 | 1,220 | 8,696 |
| 2022 | 7,764 | 932 | 8,696 |
| 2023 | 8,063 | 633 | 8,696 |
| 2024 | 8,374 | 322 | 8,696 |
| 2025 | 1 | - | 1 |
| Total | <u>\$ 31,678</u> | <u>\$ 3,107</u> | <u>\$ 34,785</u> |

Capital Lease Payable #001-1018851-000 – Caterpillar Financial Services – Lease #16 - This lease was entered into on March 2, 2020 in the original amount of \$94,211 to purchase a Caterpillar 953K Track Loader at an interest rate of 3.85% with annual payments (which includes principal and interest) of \$21,073, which began March, 2019. The lease matures December 31, 2024. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$88,188 (cost of \$94,211 less accumulated depreciation of \$6,023).

Annual debt service requirements to this lease payable as of June 30, 2020 follow:

| Year | Principal | Interest | Total |
|-------|------------------|-----------------|------------------|
| 2021 | 18,119 | 2,954 | 21,073 |
| 2022 | 18,815 | 2,258 | 21,073 |
| 2023 | 19,539 | 1,534 | 21,073 |
| 2024 | 20,292 | 781 | 21,073 |
| 2025 | 1 | - | 1 |
| Total | <u>\$ 76,766</u> | <u>\$ 7,527</u> | <u>\$ 84,293</u> |

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

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, 2020 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.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity as of June 30, 2020 are as follows:

| Year | Principal | Interest | Total |
|-----------|---------------------|-------------------|---------------------|
| 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 | 119,793 | 24,316 | 144,109 |
| 2026-2030 | 624,767 | 95,778 | 720,545 |
| 2031-2035 | 670,040 | 50,505 | 720,545 |
| 2036-2038 | 376,988 | 7,301 | 384,289 |
| Total | <u>\$ 2,254,347</u> | <u>\$ 291,577</u> | <u>\$ 2,545,924</u> |

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, 2020 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 December 1, 2021. The amortization schedule of the loan has not been set as of June 30, 2020, as the project was not complete, but the total amount drawn toward the loan and booked as a liability for the HCWW was \$789,532.

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.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity as of June 30, 2020 are as follows:

| <u>Fiscal Year Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------------|---------------------|-------------------|---------------------|
| 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 | 565,000 | 54,366 | 619,366 |
| 2026-2028 | <u>1,790,000</u> | <u>72,481</u> | <u>1,862,481</u> |
| Total | <u>\$ 4,500,000</u> | <u>\$ 471,165</u> | <u>\$ 4,971,165</u> |

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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020:

| Governmental Activities | Total Outstanding 7/1/2019 | Additions | Reductions | Total Outstanding 6/30/2020 | Amounts Due in One Year | Long-term Portion |
|---|----------------------------------|-------------------|---------------------|-----------------------------------|----------------------------|----------------------|
| 2009 GEFA Loan #LC2006016 | \$ 975,451 | \$ - | \$ 116,246 | \$ 859,205 | \$ 119,867 | \$ 739,338 |
| Harris County Public Improvement Authority 2017 revenue bonds (refi.) | 6,144,750 | - | 245,000 | 5,899,750 | 615,000 | 5,284,750 |
| Net deferred premiums | (36,608) | - | - | (36,608) | - | (36,608) |
| Total bonded debt | 7,083,593 | - | 361,246 | 6,722,347 | 734,867 | 5,987,480 |
| 2013 Caterpillar capital lease #5 | 6,718 | - | 6,718 | - | - | - |
| 2013 Caterpillar capital lease #6 | 10,995 | - | 10,995 | - | - | - |
| 2013 Caterpillar capital lease #7 | 10,995 | - | 10,995 | - | - | - |
| 2013 Caterpillar capital lease #8 | 10,995 | - | 10,995 | - | - | - |
| 2013 Caterpillar capital lease #9 | 3,153 | - | 3,153 | - | - | - |
| 2013 Caterpillar capital lease #10 | 6,193 | - | 6,193 | - | - | - |
| 2020 Caterpillar capital lease #11 | - | 72,650 | 15,648 | 57,002 | 13,453 | 43,549 |
| 2020 Caterpillar capital lease #12 | - | 87,521 | 18,851 | 68,670 | 16,207 | 52,463 |
| 2020 Caterpillar capital lease #13 | - | 40,436 | 8,709 | 31,727 | 7,488 | 24,239 |
| 2020 Caterpillar capital lease #14 | - | 80,418 | 17,321 | 63,097 | 14,892 | 48,205 |
| 2020 Caterpillar capital lease #15 | - | 40,374 | 8,696 | 31,678 | 7,476 | 24,202 |
| 2020 Caterpillar capital lease #16 | - | 97,839 | 21,073 | 76,766 | 18,118 | 58,648 |
| Compensated absences | 337,698 | 300,443 | 270,158 | 367,983 | 294,386 | 73,597 |
| Net pension liability | 4,772,569 | - | 1,447,499 | 3,325,070 | - | 3,325,070 |
| Total Governmental Activities Debt | <u>\$ 12,242,909</u> | <u>\$ 719,681</u> | <u>\$ 2,218,250</u> | <u>\$ 10,744,340</u> | <u>\$ 1,106,887</u> | <u>\$ 9,637,453</u> |
| Business-type Activities | | | | | | |
| 2014 GEFA Loan #DWSRF-11-013 | 2,366,047 | - | 111,699 | 2,254,348 | 113,273 | 2,141,075 |
| 2016 GEFA Loan #DWSRF-2016030 | 466,243 | 323,289 | - | 789,532 | - | 789,532 |
| Harris County Public Improvement Authority Series 2012A revenue bonds | 5,005,000 | - | 505,000 | 4,500,000 | 520,000 | 3,980,000 |
| Net deferred premiums | 107,270 | - | 12,745 | 94,525 | - | 94,525 |
| Total bonded debt | 7,944,560 | 323,289 | 629,444 | 7,638,405 | 633,273 | 7,005,132 |
| 2015 Caterpillar capital lease #4 | 9,478 | - | 9,478 | - | - | - |
| Landfill postclosure | 187,710 | - | 14,640 | 173,070 | 28,142 | 144,928 |
| Compensated absences | 74,361 | 65,471 | 59,489 | 80,343 | 64,274 | 16,069 |
| Net pension liability | 897,278 | - | 233,881 | 663,397 | - | 663,397 |
| Total Business-type Activities | <u>\$ 9,113,387</u> | <u>\$ 388,760</u> | <u>\$ 946,932</u> | <u>\$ 8,555,215</u> | <u>\$ 725,689</u> | <u>\$ 7,829,526</u> |

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020 were participants in the ACCG Plan (Plan) upon employment.

Current membership is as follows:

| | |
|--|-------------------|
| Retirees, beneficiaries, and disablees | |
| currently receiving benefits | 93 |
| Terminated participants entitled to but | |
| not yet receiving benefits | 177 |
| Active employees participating in the plan | <u>340</u> |
| Total number of participants | <u><u>610</u></u> |

Per the county’s GASB 68 report, the most recent experience study was performed in February 2020.

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, 2020

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, 2019 was \$904,162, or 8.74% of covered-employee payroll. The County's covered payroll for employees participating in the Plan as of January 1, 2020, (the most recent actuarial valuation date) was \$10,343,244 (based on covered earnings for the preceding year). The County Commission 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, 2020, the County reported a net pension liability of \$3,988,467. The net pension liability was measured as of December 31, 2019, 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, 2020, the County recognized pension expense of \$1,182,970.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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, 2019 | \$ 18,800,333 | \$ 13,130,487 | \$ 5,669,846 |
| Changes for the year: | | | |
| Service cost | 526,242 | - | 526,242 |
| Interest | 1,316,023 | - | 1,316,023 |
| Liability experience (Gain)/Loss | (741,695) | - | (741,695) |
| Assumption change | 757,532 | - | 757,532 |
| Employer contributions | - | 904,162 | (904,162) |
| Employee contribution | - | 117,157 | (117,157) |
| Net investment income | - | 2,663,803 | (2,663,803) |
| Benefit payments | (654,998) | (619,612) | (35,386) |
| Employee contribution refunds | - | (13,236) | 13,236 |
| Administrative expense | - | (64,559) | 64,559 |
| Other changes | - | (103,232) | 103,232 |
| Net changes | 1,203,104 | 2,884,483 | (1,681,379) |
| Balances at June 30, 2020 | <u>\$ 20,003,437</u> | <u>\$ 16,014,970</u> | <u>\$ 3,988,467</u> |
| Plan fiduciary net position as a percentage of the total pension liability | | 80.06% | |
| Covered employee payroll | | \$ 10,343,244 | |
| Net pension liability as a percentage of covered employee payroll | | 38.56% | |

At June 30, 2020, 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 | \$ 984,260 | \$ (1,736,420) |
| Net difference between expected and actual experience in the measurement of the total pension liability | 101,073 | (747,541) |
| Change of assumption | 1,340,597 | - |
| Total | <u>\$ 2,425,930</u> | <u>\$ (2,483,961)</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, 2020

Note 3 - Detailed Notes on All Funds (Continued)

| Year Ending December 31, | |
|--------------------------------|--------------------|
| 2021 | \$ (132,151) |
| 2022 | (51,744) |
| 2023 | (94,980) |
| 2024 | <u>336,906</u> |
| Total | <u>\$ (58,031)</u> |

Actuarial Assumptions. The total pension liability in the January 1, 2019 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.

The asset allocation policy guidelines for the pension plan's target asset allocation as of December 31, 2019 are summarized in the following table:

| | <u>Target Allocation</u> | <u>Range</u> |
|-------------------|------------------------------|--------------|
| Fixed Income: | 30% | 25% - 35% |
| Equities: | 70% | 65% - 75% |
| Large Cap | 30% | 25% - 35% |
| Mid Cap | 5% | 2.5% - 10% |
| Small Cap | 5% | 2.5% - 10% |
| REIT | 5% | 2.5% - 10% |
| International | 15% | 10% - 20% |
| Multi Cap | 5% | 2.5% - 10% |
| Global Allocation | 5% | 2.5% - 10% |

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, 2020

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% | \$ 6,566,338 |
| Current discount rate | 7.00% | 3,988,467 |
| 1% increase | 8.00% | 1,839,122 |

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, 2020, 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, 2020, 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, 2020, contributions totaled \$288,286.

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 \$4,391,488 at June 30, 2020. Investments are participant-directed from a choice of 63 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, 2020.

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 \$4,719,596 at June 30, 2020. 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, 2020.

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, 2020

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 | \$ 345,725 |
| Inventories | <u>161,699</u> |

| | |
|---------------|--------------------------|
| Total: | <u><u>\$ 507,424</u></u> |
|---------------|--------------------------|

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

General Fund

| | |
|------------------|------------------|
| Tax Commissioner | <u>\$ 16,110</u> |
|------------------|------------------|

2014 SPLOST

| | |
|------------------|---------------------|
| Capital projects | <u>\$ 1,155,405</u> |
|------------------|---------------------|

2019 SPLOST

| | |
|------------------|---------------------|
| Capital projects | <u>\$ 1,659,380</u> |
|------------------|---------------------|

Callaway Debt Service Fund

| | |
|--------------|------------------|
| Debt service | <u>\$ 24,560</u> |
|--------------|------------------|

Capital Projects Fund

| | |
|------------------|-------------------|
| Capital projects | <u>\$ 441,318</u> |
|------------------|-------------------|

Transportation Investment Act Fund

| | |
|------------------|---------------------|
| Capital projects | <u>\$ 2,608,148</u> |
|------------------|---------------------|

Nonmajor Special Revenue Funds:

| | |
|------------------------|---------------|
| Judicial - law library | 57,684 |
| Public safety | <u>53,735</u> |

| | |
|--|--------------------------|
| Total Nonmajor Special Revenue Funds: | <u><u>\$ 111,419</u></u> |
|--|--------------------------|

| | |
|---------------|----------------------------|
| Total: | <u><u>\$ 6,016,340</u></u> |
|---------------|----------------------------|

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

- **Assigned** – The following fund balance is assigned to specific purposes:

General Fund:

| | |
|---------------------------------|--------------|
| FY2021 Budgeted Use of Reserves | \$ 4,091,000 |
| | \$ 4,091,000 |

Nonmajor Special Revenue Funds

| | |
|--------------------|------------|
| Health and welfare | \$ 239,426 |
| | \$ 239,426 |

| | |
|---------------|--------------|
| Total: | \$ 4,330,426 |
| | \$ 4,330,426 |

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

General Fund:

| | |
|------------|---------------|
| Unassigned | \$ 12,240,486 |
| | \$ 12,240,486 |

Net Investment in Capital Assets

The “net investment in capital assets” reported on the government-wide statement of net position as of June 30, 2020 are as follows:

| | Governmental Activities | Business-type Activities |
|----------------------------------|----------------------------|-----------------------------|
| Net investment in capital assets | | |
| Cost of capital assets | \$ 98,234,321 | \$ 53,728,637 |
| Less accumulated depreciation | 47,447,360 | 20,516,630 |
| Book value | 50,786,961 | 33,212,007 |
| Less capital related debt | 7,051,287 | 7,638,405 |
| Net investment in capital assets | \$ 43,735,674 | \$ 25,573,602 |

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.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 4 – Other Notes (Continued)

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, 2020. No provision has been made in the financial statements for the year ended June 30, 2020, 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.

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, 2020. 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, 2020, the County's property tax revenues were reduced by \$275,493 under agreements entered into by the Harris County Development Authority with four 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

Employee Compensation Study:

Implementation of CVIOG Compensation Study – On August 18, 2020, the Board of County Commissioners voted to approve and implement the results of an employee compensation study performed by UGA's Carl Vinson Institute of Government. The updates were retroactive to July 1, 2020, and required a budget amendment of \$2,139,397 to the fiscal year 2020-2021 budget.

Water Works:

Water Meter Replacement Project – On October 20, 2020, the Board of County Commissioners voted to execute a GEFA loan modification for its Water Meter Replacement project. In the modification, GEFA extended the project completion date from September 1, 2020 to December 1, 2021, due to impacts from the COVID-19 pandemic.

Public Works:

Melody Lakes Dam Project – On November 17, 2020, the Board of County Commissioners voted to award the bid for the Melody Lakes Dam renovation project to McLeroy Inc. at a total project cost of \$575,720.80. The renovation will reclassify the dam from a Category I to a Category II dam and has an estimated completion date of May 2021.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 4 – Other Notes (Continued)

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, 2020 follows:

| | |
|-----------------------------------|------------------|
| Receipts: | |
| Lodging tax receipts | <u>\$ 81,312</u> |
| Disbursements to: | |
| Harris County Chamber of Commerce | <u>\$ 81,312</u> |

Harris County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020

| | Original Budget | Final Budget | Actual | Variance With Final Budget |
|--|----------------------------|-------------------------|----------------------|---|
| Revenues | | | | |
| Taxes | \$ 16,290,000 | \$ 16,290,000 | \$ 19,712,700 | \$ 3,422,700 |
| Licenses and permits | 305,500 | 305,500 | 341,253 | 35,753 |
| Intergovernmental | 867,500 | 867,500 | 937,542 | 70,042 |
| Charges for services | 3,323,900 | 3,323,900 | 3,368,611 | 44,711 |
| Fines and forfeitures | 815,000 | 815,000 | 701,182 | (113,818) |
| Investment earnings | 70,000 | 70,000 | 103,732 | 33,732 |
| Contributions and donations | 250 | 250 | 103,666 | 103,416 |
| Miscellaneous | 2,500 | 26,207 | 24,939 | (1,268) |
| Total Revenues | 21,674,650 | 21,698,357 | 25,293,625 | 3,595,268 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 3,531,330 | 3,516,330 | 2,935,202 | 581,128 |
| Judicial | 1,793,091 | 1,803,091 | 1,539,678 | 263,413 |
| Public safety | 10,908,942 | 10,966,090 | 9,263,610 | 1,702,480 |
| Public works | 3,412,521 | 3,422,521 | 2,793,388 | 629,133 |
| Health and welfare | 302,170 | 302,170 | 277,889 | 24,281 |
| Culture and recreation | 1,488,911 | 1,512,618 | 1,363,209 | 149,409 |
| Housing and development | 685,056 | 700,056 | 571,096 | 128,960 |
| Debt Service: | | | | |
| Principal | 103,200 | 103,200 | 143,498 | (40,298) |
| Interest | 5,500 | 5,500 | 504 | 4,996 |
| Total Expenditures | 22,230,721 | 22,331,576 | 18,888,074 | 3,443,502 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (556,071) | (633,219) | 6,405,551 | 7,038,770 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from the sale of capital assets | 20,000 | 20,000 | 56,879 | 36,879 |
| Use of reserves | 427,477 | 504,625 | - | (504,625) |
| Transfers (out) | 108,594 | 108,594 | (593,501) | (702,095) |
| Total Other Financing Sources (Uses) | 556,071 | 633,219 | (536,622) | (1,169,841) |
| Net Change in Fund Balances | \$ - | \$ - | 5,868,929 | \$ 5,868,929 |
| Fund Balances Beginning of Year | | | 10,986,091 | |
| Fund Balances End of Year | | | \$ 16,855,020 | |

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, 2020
(Unaudited)

| | Year End | Year End | Year End | Year End | Year End | Year End |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Total pension liability | | | | | | |
| Service cost | \$ 526,242 | \$ 511,273 | \$ 472,022 | \$ 468,431 | \$ 431,395 | \$ 404,205 |
| Interest on total pension liability | 1,316,023 | 1,230,038 | 1,138,025 | 1,103,285 | 968,484 | 904,146 |
| Assumption Change | 757,532 | 775,275 | 34,623 | 468,194 | 471,672 | - |
| Benefit payments, including refunds of employee contribution | (654,998) | (635,967) | (576,085) | (520,658) | (512,189) | (450,504) |
| Experience (Gain)/Loss | (741,695) | (46,330) | (87,476) | (244,777) | 437,973 | - |
| Net change in total pension liability | 1,203,104 | 1,834,289 | 981,109 | 1,274,475 | 1,797,335 | 857,847 |
| Total pension liability - beginning | 18,800,333 | 16,966,044 | 15,984,935 | 14,710,460 | 12,913,125 | 12,055,278 |
| Total pension liability - ending (a) | \$ 20,003,437 | \$ 18,800,333 | \$ 16,966,044 | \$ 15,984,935 | \$ 14,710,460 | \$ 12,913,125 |
| Plan fiduciary net position | | | | | | |
| Contributions - employer | \$ 904,162 | \$ 841,088 | \$ 877,599 | \$ 885,586 | \$ 829,984 | \$ 784,977 |
| Contributions - employee | 117,157 | 113,249 | 108,874 | 101,818 | 99,560 | 94,654 |
| Net investment income | 2,663,803 | (602,857) | 1,812,302 | 758,734 | 83,893 | 645,094 |
| Benefit payments, including refunds of employee contribution | (619,612) | (613,720) | (576,085) | (501,839) | (493,676) | (435,064) |
| Employee contribution refunds | (13,236) | 0 | 0 | 0 | 0 | 0 |
| Administrative expense | (64,559) | (51,934) | (47,992) | (50,481) | (46,716) | (43,613) |
| Other | (103,232) | (94,857) | (119,297) | (69,976) | (109,913) | (81,534) |
| Net change in total pension liability | 2,884,483 | (409,031) | 2,055,401 | 1,123,842 | 363,132 | 964,514 |
| Plan fiduciary net position - beginning | 13,130,487 | 13,539,518 | 11,484,117 | 10,360,275 | 9,997,143 | 9,032,629 |
| Plan fiduciary net position - ending (b) | \$ 16,014,970 | \$ 13,130,487 | \$ 13,539,518 | \$ 11,484,117 | \$ 10,360,275 | \$ 9,997,143 |
| Net pension liability (asset) - ending : (a) - (b) | \$ 3,988,467 | \$ 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 | 80.06% | 69.84% | 79.80% | 71.84% | 70.43% | 77.42% |
| Covered-employee payroll | \$ 10,343,244 | \$ 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 | 38.56% | 56.58% | 35.56% | 47.93% | 47.40% | 33.13% |

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

Harris County, Georgia
Required Supplementary Information
Schedule of Contributions
Last Ten Years
Harris County Defined Benefit Plan
June 30, 2020
(Unaudited)

| | Year End | Year End | Year End | Year End | Year End | Year End |
|--|---------------|---------------|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Actuarially determined contribution | \$ 904,162 | \$ 841,088 | \$ 877,599 | \$ 885,586 | \$ 829,984 | \$ 784,977 |
| Contributions in relation to the actuarially determined contribution | (904,162) | (841,088) | (877,599) | (885,586) | (829,984) | (784,977) |
| Contribution deficiency (excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Covered-employee payroll | \$ 10,343,244 | \$ 10,020,638 | \$ 9,634,927 | \$ 9,389,612 | \$ 9,176,860 | \$ 8,802,806 |
| Contributions as a percentage of covered-employee payroll | 8.74% | 8.39% | 9.11% | 9.43% | 9.04% | 8.92% |

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

Harris County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2020 and 2019

| | 2020 | 2019 |
|--|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,859,588 | \$ 1,536,269 |
| Investments | 11,770,380 | 7,265,704 |
| Receivables: | | |
| Accounts | 149,576 | - |
| Property taxes | 684,258 | 550,799 |
| TAVT | 195,891 | 173,384 |
| Sales taxes | 197,455 | 185,626 |
| Intergovernmental | 183,798 | 178,107 |
| Interfund | 3,124,797 | 1,746,751 |
| Inventory | 161,699 | 196,020 |
| Prepaid items | 345,725 | 190,179 |
| Total Assets | \$ 18,673,167 | \$ 12,022,839 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 1,159,249 | \$ 254,636 |
| Retainage payable | 96,655 | - |
| Accrued expenditures payable | 454,620 | 664,109 |
| Deposit payable | 2,508 | - |
| Total Liabilities | 1,713,032 | 918,745 |
| Deferred Inflows of Resources - Property Taxes | 105,115 | 118,003 |
| Total Liabilities and Deferred Inflows of Resources | 1,818,147 | 1,036,748 |
| Fund Balances | | |
| Nonspendable - not in spendable form | 507,424 | 386,199 |
| Restricted | 16,110 | 16,110 |
| Committed for recreation facilities | - | 20,933 |
| Assigned | 4,091,000 | 427,477 |
| Unassigned | 12,240,486 | 10,135,372 |
| Total Fund Balances | 16,855,020 | 10,986,091 |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | \$ 18,673,167 | \$ 12,022,839 |

Harris County, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2020 and 2019

| | 2020 | 2019 |
|--|----------------------|----------------------|
| Revenues | | |
| Taxes | \$ 19,712,700 | \$ 16,794,855 |
| Intergovernmental | 937,542 | 850,302 |
| Licenses and permits | 341,253 | 359,326 |
| Charges for services | 3,368,611 | 3,251,598 |
| Fines and forfeitures | 701,182 | 822,040 |
| Investment earnings | 103,732 | 140,217 |
| Contributions and donations | 103,666 | 93,685 |
| Miscellaneous | 24,939 | 126,152 |
| Total Revenues | 25,293,625 | 22,438,175 |
| Expenditures | | |
| Current: | | |
| General government | 2,935,202 | 3,190,288 |
| Judicial | 1,539,678 | 1,539,158 |
| Public safety | 9,263,610 | 10,214,420 |
| Public works | 2,793,388 | 2,780,722 |
| Health and welfare | 277,889 | 296,819 |
| Culture and recreation | 1,363,209 | 1,445,995 |
| Housing and development | 571,096 | 457,503 |
| Principal | 143,498 | 101,985 |
| Interest | 504 | 3,512 |
| Total Expenditures | 18,888,074 | 20,030,402 |
| (Deficiency) of Revenues (Under) Expenditures | 6,405,551 | 2,407,773 |
| Other Financing Sources (Uses) | | |
| Proceeds from the sale of capital assets | 56,879 | 35,118 |
| Transfers in | - | 654,854 |
| Transfers (out) | (593,501) | (733,288) |
| Other Financing Sources (Uses) | (536,622) | (43,316) |
| Net Change in Fund Balances | 5,868,929 | 2,364,457 |
| Fund Balances Beginning of Year | 10,986,091 | 8,621,634 |
| Fund Balances End of Year | \$ 16,855,020 | \$ 10,986,091 |

Harris County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for The Year Ended June 30, 2019)

| | 2020 | | | 2019 | |
|--|--------------------|-------------------|-------------------|----------------------------------|-------------------|
| | Original Budget | Final Budget | Actual | Variance With Final Budget | Actual |
| Revenues | | | | | |
| Taxes | | | | | |
| Real property | | | | | |
| Current | \$ 10,425,000 | \$ 10,425,000 | \$ 11,965,269 | \$ 1,540,269 | \$ 10,647,951 |
| Delinquent | 125,000 | 125,000 | 102,427 | (22,573) | 77,432 |
| Timber | 34,000 | 34,000 | 37,229 | 3,229 | 40,113 |
| Personal property | | | | | |
| Motor vehicle tax | 175,000 | 175,000 | 154,110 | (20,890) | 189,748 |
| Motor vehicle title ad valorem tax (TAVT) | 1,050,000 | 1,050,000 | 2,125,932 | 1,075,932 | 1,233,988 |
| Motor vehicle alternate ad valorem tax (AAV) | 10,000 | 10,000 | 20,472 | 10,472 | 12,618 |
| Mobile home | 10,000 | 10,000 | 13,051 | 3,051 | 13,373 |
| Intangibles | 190,000 | 190,000 | 357,350 | 167,350 | 206,905 |
| Railroad | 5,000 | 5,000 | 11,341 | 6,341 | 11,067 |
| Real estate transfer tax | 60,000 | 60,000 | 165,446 | 105,446 | 87,606 |
| Franchise taxes | 60,000 | 60,000 | 108,612 | 48,612 | 78,856 |
| Local option sales and use tax | 1,825,000 | 1,825,000 | 2,136,577 | 311,577 | 1,925,483 |
| Business taxes | | | | | |
| Alcoholic beverage excise tax | 165,000 | 165,000 | 192,484 | 27,484 | 176,670 |
| Business and occupation tax | 53,000 | 53,000 | 61,598 | 8,598 | 61,162 |
| Financial institutions | 18,000 | 18,000 | 21,726 | 3,726 | 19,200 |
| Insurance premium tax | 1,875,000 | 1,875,000 | 1,915,019 | 40,019 | 1,787,445 |
| Penalties and interest on delinquent taxes | | | | | |
| FIFA | 25,000 | 25,000 | 34,979 | 9,979 | 34,256 |
| Interest and penalties | 185,000 | 185,000 | 289,078 | 104,078 | 190,982 |
| Total Taxes | 16,290,000 | 16,290,000 | 19,712,700 | 3,422,700 | 16,794,855 |
| Licenses and Permits | | | | | |
| Business licenses - alcoholic beverages | 49,000 | 49,000 | 52,758 | 3,758 | 55,937 |
| Non-business licenses and permits | | | | | |
| Building permits | 250,000 | 250,000 | 272,021 | 22,021 | 287,733 |
| Land disturbance permits | 2,500 | 2,500 | 5,658 | 3,158 | 7,522 |
| Driveway permits | 2,500 | 2,500 | 5,525 | 3,025 | 5,575 |
| Manufactured housing permits | 1,500 | 1,500 | 5,291 | 3,791 | 2,559 |
| Total Licenses and Permits | 305,500 | 305,500 | 341,253 | 35,753 | 359,326 |
| Intergovernmental | | | | | |
| Federal | | | | | |
| BPV Grant-PS | - | - | - | - | 14,060 |
| EMA-PS | 8,500 | 8,500 | 9,607 | 1,107 | 9,607 |
| FEMA-PS | - | - | 70,419 | 70,419 | - |
| State | | | | | |
| LMIG-PW | 850,000 | 850,000 | 838,499 | (11,501) | 816,948 |
| GSWCC Watershed Dam-PW | - | - | 1,500 | 1,500 | 1,500 |
| EMS-PS | 6,000 | 6,000 | 9,537 | 3,537 | 5,187 |
| WC safety grant-GG | - | - | 4,980 | 4,980 | - |
| Wellness grant-GG | 3,000 | 3,000 | 3,000 | - | 3,000 |
| Total Intergovernmental | 867,500 | 867,500 | 937,542 | 70,042 | 850,302 |
| Totals carried forward | 17,463,000 | 17,463,000 | 20,991,495 | 3,528,495 | 18,004,483 |

(continued)

Harris County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for The Year Ended June 30, 2019)

(continued)

| | 2020 | | | 2019 | |
|---|----------------------|----------------------|----------------------|----------------------------------|----------------------|
| | Original Budget | Final Budget | Actual | Variance With Final Budget | Actual |
| Brought forward | \$ 17,463,000 | \$ 17,463,000 | \$ 20,991,495 | \$ 3,528,495 | \$ 18,004,483 |
| Revenues | | | | | |
| Charges for Services | | | | | |
| General government | | | | | |
| Sale of maps | 500 | 500 | 250 | (250) | 130 |
| Sale of computer lists | 500 | 500 | 466 | (34) | 1,500 |
| Copies and facsimiles | 4,000 | 4,000 | 1,592 | (2,408) | 1,681 |
| Election Qualifying Fees | - | - | 7,230 | 7,230 | 664 |
| HCBOE SPLOST election fee | - | - | 12,334 | 12,334 | - |
| Returned Check Fees | 100 | 100 | 120 | 20 | 121 |
| Solid Waste Fund Indirect Cost | 100,000 | 100,000 | 100,000 | - | 100,000 |
| County Jail Fund Indirect Cost | 70,000 | 70,000 | 70,000 | - | 71,900 |
| Water Works Fund Indirect Cost | 150,000 | 150,000 | 150,000 | - | 150,000 |
| Commissions on tax collections | 580,000 | 580,000 | 574,864 | (5,136) | 596,696 |
| Judicial | | | | | |
| Superior court website fees | - | - | 25 | 25 | 2,778 |
| Superior court filings application | - | - | 1,320 | 1,320 | - |
| Public safety | | | | | |
| Ambulance | 775,000 | 775,000 | 801,014 | 26,014 | 827,633 |
| Corrections - boarding | 1,250,000 | 1,250,000 | 1,211,896 | (38,104) | 1,081,820 |
| Corrections - reimbursements | 2,500 | 2,500 | - | (2,500) | 4,062 |
| State inmate boarding | 5,000 | 5,000 | 35,186 | 30,186 | 27,588 |
| Federal prison commission | 10,000 | 10,000 | 43,008 | 33,008 | 12,787 |
| Telephone - jail | 5,000 | 5,000 | 8,318 | 3,318 | 9,998 |
| Telephone - corrections | 25,000 | 25,000 | 23,294 | (1,706) | 30,558 |
| Sheriff receipts | 30,000 | 30,000 | 30,845 | 845 | 35,475 |
| Child support fees | 300 | 300 | - | (300) | 83 |
| Jail Officer Meals | 500 | 500 | - | (500) | - |
| Public works | | | | | |
| DOT crew | 39,500 | 39,500 | 36,208 | (3,292) | 36,208 |
| Pipe sales | 40,000 | 40,000 | 33,314 | (6,686) | 49,643 |
| Work crew-City of Manchester | 40,000 | 40,000 | 33,625 | (6,375) | 45,465 |
| Work crew-Talbot County | 40,000 | 40,000 | 36,572 | (3,428) | 24,072 |
| Work crew-City of West Point | 40,000 | 40,000 | 45,467 | 5,467 | - |
| Work crew-Meriwether County | - | - | 4,787 | 4,787 | - |
| Sale of street signs/posts | - | - | 28 | 28 | - |
| Animal control fees | 9,000 | 9,000 | 16,825 | 7,825 | 11,987 |
| Culture and recreation | | | | | |
| Community center | 89,000 | 89,000 | 77,843 | (11,157) | 120,549 |
| 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 | 2,260 | 1,260 | 1,730 |
| Plat and plan review fees | 5,000 | 5,000 | 9,920 | 4,920 | 6,470 |
| Total Charges for Services | 3,323,900 | 3,323,900 | 3,368,611 | 44,711 | 3,251,598 |
| Fines and Forfeitures | | | | | |
| Superior court | 160,000 | 160,000 | 200,342 | 40,342 | 210,975 |
| Magistrate court | 50,000 | 50,000 | 47,126 | (2,874) | 46,601 |
| Probate court | 605,000 | 605,000 | 453,714 | (151,286) | 564,464 |
| Total Fines and Forfeitures | 815,000 | 815,000 | 701,182 | (113,818) | 822,040 |
| Investment Earnings | 70,000 | 70,000 | 103,732 | 33,732 | 140,217 |
| Contributions and Donations | 250 | 250 | 103,666 | 103,416 | 93,685 |
| Miscellaneous | | | | | |
| Rents and royalties | 2,500 | 2,500 | 6,765 | 4,265 | 3,268 |
| Other | | | | | |
| Insurance proceeds | - | 23,707 | 17,545 | (6,162) | - |
| Restitution | - | - | 408 | 408 | - |
| Reimbursement for damaged property | - | - | - | - | 121,208 |
| Miscellaneous | - | - | 221 | 221 | 1,676 |
| Total Miscellaneous | 2,500 | 26,207 | 24,939 | (1,268) | 126,152 |
| Total Revenues | 21,674,650 | 21,698,357 | 25,293,625 | 3,595,268 | 22,438,175 |
| Other Financing Sources: | | | | | |
| Proceeds from the sale of capital assets | 20,000 | 20,000 | 56,879 | 36,879 | 35,118 |
| Use of Reserves | 427,477 | 504,625 | - | (504,625) | - |
| Transfers in | - | - | - | - | - |
| 2014 SPLOST | - | - | - | - | 150,000 |
| Solid Waste | 1,000,000 | 1,000,000 | - | (1,000,000) | 500,000 |
| Hotel/motel taxes | - | - | - | - | 4,854 |
| Total Other Financing Sources | 1,447,477 | 1,524,625 | 56,879 | (1,467,746) | 689,972 |
| Total Revenues and Other Financing Sources | \$ 23,122,127 | \$ 23,222,982 | \$ 25,350,504 | \$ 2,127,522 | \$ 23,128,147 |

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for The Year Ended June 30, 2019)

| | 2020 | | | | 2019 |
|-------------------------------------|--------------------|-----------------|-----------|----------------------------------|-----------|
| | Original Budget | Final Budget | Actual | Variance With Final Budget | Actual |
| Expenditures | | | | | |
| General Government | | | | | |
| Voter Registration | | | | | |
| Personal services | \$ 31,378 | \$ 41,378 | \$ 37,218 | \$ 4,160 | \$ 29,744 |
| Purchased/contracted services | 62,100 | 52,800 | 56,471 | (3,671) | 48,470 |
| Supplies | 1,600 | 50,900 | 41,108 | 9,792 | 1,888 |
| Total Elections | 95,078 | 145,078 | 134,797 | 10,281 | 80,102 |
| General Administration | | | | | |
| Personal services | 523,100 | 523,100 | 522,714 | 386 | 500,160 |
| Purchased/contracted services | 276,200 | 316,200 | 259,147 | 57,053 | 285,336 |
| Supplies | 20,000 | 20,000 | 20,492 | (492) | 12,709 |
| Total Administration | 819,300 | 859,300 | 802,353 | 56,947 | 798,205 |
| Board of Commissioners | | | | | |
| Personal services | 128,590 | 128,590 | 95,976 | 32,614 | 101,097 |
| Purchased/contracted services | 21,300 | 21,300 | 17,071 | 4,229 | 21,993 |
| Supplies | 300 | 300 | - | 300 | 539 |
| Total Board of Commissioners | 150,190 | 150,190 | 113,047 | 37,143 | 123,629 |
| Board of Equalization | | | | | |
| Purchased/contracted services | 6,200 | 6,200 | 1,232 | 4,968 | 2,267 |
| Supplies | 200 | 200 | - | 200 | 65 |
| Total Board of Equalization | 6,400 | 6,400 | 1,232 | 5,168 | 2,332 |
| Information Technology | | | | | |
| Personal services | 78,850 | 78,850 | 77,506 | 1,344 | 71,471 |
| Purchased/contracted services | 135,600 | 135,600 | 112,250 | 23,350 | 51,243 |
| Supplies | 32,500 | 32,500 | 31,232 | 1,268 | 59,503 |
| Capital outlay | 65,000 | 65,000 | - | 65,000 | - |
| Total Information Technology | 311,950 | 311,950 | 220,988 | 90,962 | 182,217 |
| Tax Commissioner | | | | | |
| Personal services | 398,005 | 398,005 | 360,524 | 37,481 | 356,824 |
| Purchased/contracted services | 71,300 | 71,300 | 66,094 | 5,206 | 64,213 |
| Supplies | 12,000 | 12,000 | 10,528 | 1,472 | 24,580 |
| Total Tax Commissioner | 481,305 | 481,305 | 437,146 | 44,159 | 445,617 |
| Tax Assessor | | | | | |
| Personal services | 506,705 | 516,705 | 486,804 | 29,901 | 459,655 |
| Purchased/contracted services | 58,750 | 58,750 | 56,469 | 2,281 | 44,307 |
| Supplies | 11,500 | 11,500 | 10,998 | 502 | 10,878 |
| Capital outlay | 27,500 | 27,500 | 23,950 | 3,550 | - |
| Total Tax Assessor | 604,455 | 614,455 | 578,221 | 36,234 | 514,840 |
| Totals carried forward | 2,468,678 | 2,568,678 | 2,287,784 | 280,894 | 2,146,942 |

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for The Year Ended June 30, 2019)

| | 2020 | | | | 2019 |
|-------------------------------------|--------------------|------------------|------------------|----------------------------------|------------------|
| | Original Budget | Final Budget | Actual | Variance With Final Budget | Actual |
| Totals brought forward | \$ 2,468,678 | \$ 2,568,678 | \$ 2,287,784 | \$ 280,894 | \$ 2,146,942 |
| Expenditures | | | | | |
| Buildings and Plant | | | | | |
| Personal services | 215,402 | 215,402 | 226,644 | (11,242) | 205,739 |
| Purchased/contracted services | 179,700 | 179,700 | 127,805 | 51,895 | 146,539 |
| Supplies | 176,050 | 176,050 | 142,927 | 33,123 | 436,170 |
| Total Buildings and Plant | 571,152 | 571,152 | 497,376 | 73,776 | 788,448 |
| Operations | | | | | |
| Purchased/contracted services | 112,500 | 112,500 | (93,874) | 206,374 | 17,157 |
| Supplies | 19,000 | 19,000 | 11,252 | 7,748 | 33,864 |
| Capital outlay | - | - | 8,817 | (8,817) | - |
| Total Operations | 131,500 | 131,500 | (73,805) | 205,305 | 51,021 |
| Pensions and Insurance | | | | | |
| Property and Casualty | 200,000 | 200,000 | 223,847 | (23,847) | 203,877 |
| Group Health/Life | 160,000 | 45,000 | - | 45,000 | - |
| Total Pensions and Insurance | 360,000 | 245,000 | 223,847 | 21,153 | 203,877 |
| Total General Government | 3,531,330 | 3,516,330 | 2,935,202 | 581,128 | 3,190,288 |
| Judicial | | | | | |
| Superior Court | | | | | |
| Personal services | 417,366 | 427,366 | 421,742 | 5,624 | 407,877 |
| Purchased/contracted services | 96,450 | 96,450 | 79,708 | 16,742 | 86,478 |
| Supplies | 20,000 | 20,000 | 7,747 | 12,253 | 12,876 |
| Total Superior Court | 533,816 | 543,816 | 509,197 | 34,619 | 507,231 |
| Probate Court | | | | | |
| Personal services | 286,073 | 286,073 | 251,387 | 34,686 | 208,478 |
| Purchased/contracted services | 22,920 | 22,920 | 15,071 | 7,849 | 13,473 |
| Supplies | 19,000 | 19,000 | 24,661 | (5,661) | 19,225 |
| Total Probate Court | 327,993 | 327,993 | 291,119 | 36,874 | 241,176 |
| Court Services | | | | | |
| Personal services | 134,615 | 134,615 | 130,937 | 3,678 | 133,863 |
| Purchased/contracted services | 239,250 | 239,250 | 199,582 | 39,668 | 234,395 |
| Supplies | 2,500 | 2,500 | 2,247 | 253 | 1,801 |
| Total Court Services | 376,365 | 376,365 | 332,766 | 43,599 | 370,059 |
| Magistrate Court | | | | | |
| Personal services | 228,178 | 228,178 | 219,297 | 8,881 | 210,417 |
| Purchased/contracted services | 12,100 | 12,100 | 7,354 | 4,746 | 7,649 |
| Supplies | 8,428 | 8,428 | 6,717 | 1,711 | 6,462 |
| Total Magistrate Court | 248,706 | 248,706 | 233,368 | 15,338 | 224,528 |
| Totals carried forward | 5,018,210 | 5,013,210 | 4,301,652 | 711,558 | 4,533,282 |

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for The Year Ended June 30, 2019)

| | 2020 | | | Variance | 2019 |
|--|--------------------|-----------------|--------------|----------------------|--------------|
| | Original Budget | Final Budget | Actual | With Final Budget | Actual |
| Totals brought forward | \$ 5,018,210 | \$ 5,013,210 | \$ 4,301,652 | \$ 711,558 | \$ 4,533,282 |
| Expenditures | | | | | |
| Judicial (Continued) | | | | | |
| Assistant District Attorney | | | | | |
| Personal services | 286,640 | 286,640 | 245,140 | 41,500 | 260,339 |
| Purchased/contracted services | 9,200 | 9,200 | 6,140 | 3,060 | 6,144 |
| Supplies | 10,371 | 10,371 | 8,510 | 1,861 | 10,416 |
| District attorney reimbursement | - | - | (86,562) | 86,562 | (80,735) |
| Total Assistant District Attorney | 306,211 | 306,211 | 173,228 | 132,983 | 196,164 |
| Total Judicial | 1,793,091 | 1,803,091 | 1,539,678 | 263,413 | 1,539,158 |
| Totals carried forward | 5,324,421 | 5,319,421 | 4,474,880 | 844,541 | 4,729,446 |

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for The Year Ended June 30, 2019)

| | 2020 | | | Variance | 2019 |
|--------------------------------|--------------------|------------------|------------------|----------------------|------------------|
| | Original Budget | Final Budget | Actual | With Final Budget | Actual |
| Totals brought forward | \$ 5,324,421 | \$ 5,319,421 | \$ 4,474,880 | \$ 844,541 | \$ 4,729,446 |
| Expenditures | | | | | |
| Public Safety | | | | | |
| Sheriff | | | | | |
| Personal services | 3,191,100 | 3,198,907 | 2,284,752 | 914,155 | 2,896,045 |
| Purchased/contracted services | 160,948 | 160,948 | 194,303 | (33,355) | 177,207 |
| Supplies | 346,700 | 346,700 | 284,784 | 61,916 | 292,722 |
| Capital outlay | 20,000 | 20,000 | 20,000 | - | 199,754 |
| Total Sheriff | 3,718,748 | 3,726,555 | 2,783,839 | 942,716 | 3,565,728 |
| Emergency Medical | | | | | |
| Personal services | 2,070,400 | 2,074,678 | 1,686,877 | 387,801 | 2,009,646 |
| Purchased/contracted services | 132,950 | 132,950 | 100,107 | 32,843 | 120,927 |
| Supplies | 147,950 | 147,950 | 131,200 | 16,750 | 94,521 |
| Capital outlay | - | - | 27,119 | (27,119) | 48,451 |
| Total Emergency Medical | 2,351,300 | 2,355,578 | 1,945,303 | 410,275 | 2,273,545 |
| Jail Operations | | | | | |
| Personal services | 1,428,800 | 1,433,098 | 1,321,437 | 111,661 | 1,286,830 |
| Purchased/contracted services | 391,790 | 391,790 | 350,532 | 41,258 | 366,722 |
| Supplies | 95,250 | 95,250 | 86,741 | 8,509 | 62,673 |
| Capital outlay | - | - | - | - | 6,464 |
| Total Jail Operations | 1,915,840 | 1,920,138 | 1,758,710 | 161,428 | 1,722,689 |
| Corrections | | | | | |
| Personal services | 1,694,588 | 1,725,353 | 1,606,408 | 118,945 | 1,530,696 |
| Purchased/contracted services | 184,250 | 184,250 | 184,637 | (387) | 188,235 |
| Supplies | 503,200 | 503,200 | 492,153 | 11,047 | 365,515 |
| Capital outlay | 57,500 | 57,500 | 50,777 | 6,723 | 96,370 |
| Total Corrections | 2,439,538 | 2,470,303 | 2,333,975 | 136,328 | 2,180,816 |
| Totals carried forward | 15,749,847 | 15,791,995 | 13,296,707 | 2,495,288 | 14,472,224 |

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for The Year Ended June 30, 2019)

| | 2020 | | | Variance | 2019 |
|---------------------------------------|--------------------|-------------------|------------------|----------------------|-------------------|
| | Original Budget | Final Budget | Actual | With Final Budget | Actual |
| Totals brought forward | \$ 15,749,847 | \$ 15,791,995 | \$ 13,296,707 | \$ 2,495,288 | \$ 14,472,224 |
| Expenditures | | | | | |
| Public Safety (Continued) | | | | | |
| Coroner | | | | | |
| Personal services | 22,974 | 22,974 | 21,316 | 1,658 | 22,746 |
| Purchased/contracted services | 37,008 | 47,008 | 36,753 | 10,255 | 28,769 |
| Supplies | 3,800 | 3,800 | 4,371 | (571) | 2,779 |
| Total Coroner/Medical Examiner | 63,782 | 73,782 | 62,440 | 11,342 | 54,294 |
| Fire Prevention | | | | | |
| Personal services | 42,000 | 42,000 | 32,350 | 9,650 | 36,222 |
| Purchased/contracted services | 89,000 | 89,000 | 74,491 | 14,509 | 92,398 |
| Supplies | 9,500 | 9,500 | 5,616 | 3,884 | 18,688 |
| Capital outlay | 279,234 | 279,234 | 266,886 | 12,348 | 270,040 |
| Total Fire Prevention | 419,734 | 419,734 | 379,343 | 40,391 | 417,348 |
| Total Public Safety | 10,908,942 | 10,966,090 | 9,263,610 | 1,702,480 | 10,214,420 |
| Public Works | | | | | |
| Road Maintenance | | | | | |
| Personal services | 993,463 | 993,463 | 908,453 | 85,010 | 829,653 |
| Purchased/contracted services | 186,200 | 186,200 | 108,438 | 77,762 | 196,830 |
| Supplies | 348,200 | 348,200 | 275,627 | 72,573 | 323,054 |
| Capital outlay | 1,337,500 | 1,337,500 | 989,793 | 347,707 | 917,965 |
| Total Road Maintenance | 2,865,363 | 2,865,363 | 2,282,311 | 583,052 | 2,267,502 |
| Animal Control | | | | | |
| Personal services | 135,208 | 135,208 | 125,489 | 9,719 | 93,111 |
| Purchased/contracted services | 14,750 | 14,750 | 23,545 | (8,795) | 23,965 |
| Supplies | 29,100 | 29,100 | 21,748 | 7,352 | 9,461 |
| Capital outlay | 7,500 | 7,500 | 2,324 | 5,176 | 69,605 |
| Total Animal Control | 186,558 | 186,558 | 173,106 | 13,452 | 196,142 |
| Vehicle Maintenance | | | | | |
| Personal services | 279,000 | 289,000 | 273,304 | 15,696 | 265,863 |
| Purchased/contracted services | 21,800 | 21,800 | 9,372 | 12,428 | 9,597 |
| Supplies | 53,800 | 53,800 | 50,305 | 3,495 | 41,618 |
| Capital outlay | 6,000 | 6,000 | 4,990 | 1,010 | - |
| Total Vehicle Maintenance | 360,600 | 370,600 | 337,971 | 32,629 | 317,078 |
| Total Public Works | 3,412,521 | 3,422,521 | 2,793,388 | 629,133 | 2,780,722 |
| Totals carried forward | 19,645,884 | 19,708,032 | 16,531,878 | 3,176,154 | 17,724,588 |

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for The Year Ended June 30, 2019)

| | 2020 | | | Variance | 2019 |
|-------------------------------------|--------------------|-----------------|---------------|----------------------|---------------|
| | Original Budget | Final Budget | Actual | With Final Budget | Actual |
| Totals brought forward | \$ 19,645,884 | \$ 19,708,032 | \$ 16,531,878 | \$ 3,176,154 | \$ 17,724,588 |
| Expenditures | | | | | |
| Health and Welfare | | | | | |
| Health Department | | | | | |
| Purchased/contracted services | 250,000 | 250,000 | 250,000 | - | 250,000 |
| Public Services | | | | | |
| Purchased/contracted services | 52,170 | 52,170 | 27,889 | 24,281 | 46,819 |
| Total Public Services | 52,170 | 52,170 | 27,889 | 24,281 | 46,819 |
| Total Health and Welfare | 302,170 | 302,170 | 277,889 | 24,281 | 296,819 |
| Culture and Recreation | | | | | |
| Culture: | | | | | |
| Libraries | 263,868 | 263,868 | 263,868 | - | 263,868 |
| Recreation: | | | | | |
| Personal services | 291,710 | 291,710 | 265,053 | 26,657 | 269,663 |
| Purchased/contracted services | 344,833 | 368,540 | 356,748 | 11,792 | 125,174 |
| Supplies | 96,550 | 96,550 | 78,191 | 18,359 | 101,502 |
| Capital outlay | 30,000 | 30,000 | 2,280 | 27,720 | 292,705 |
| Total Recreation | 763,093 | 786,800 | 702,272 | 84,528 | 789,044 |
| Community Center: | | | | | |
| Personal services | 210,900 | 210,900 | 180,311 | 30,589 | 169,641 |
| Purchased/contracted services | 93,350 | 93,350 | 60,922 | 32,428 | 84,112 |
| Supplies | 157,700 | 157,700 | 155,836 | 1,864 | 129,408 |
| Capital outlay | - | - | - | - | 9,922 |
| Total Community Center | 461,950 | 461,950 | 397,069 | 64,881 | 393,083 |
| Total Culture and Recreation | 1,488,911 | 1,512,618 | 1,363,209 | 149,409 | 1,445,995 |
| Totals carried forward | 21,436,965 | 21,522,820 | 18,172,976 | 3,349,844 | 19,467,402 |

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for The Year Ended June 30, 2019)

| | 2020 | | | | 2019 |
|---|--------------------|-----------------|---------------|----------------------------------|---------------|
| | Original Budget | Final Budget | Actual | Variance With Final Budget | Actual |
| Totals brought forward | \$ 21,436,965 | \$ 21,522,820 | \$ 18,172,976 | \$ 3,349,844 | \$ 19,467,402 |
| Expenditures | | | | | |
| Housing and Development (Continued) | | | | | |
| Community Development | | | | | |
| Personal services | 375,574 | 375,574 | 320,278 | 55,296 | 286,850 |
| Purchased/contracted services | 163,400 | 163,400 | 104,616 | 58,784 | 17,764 |
| Supplies | 24,600 | 24,600 | 20,446 | 4,154 | 12,222 |
| Capital outlay | - | - | - | - | 29,638 |
| Total Community Development | 563,574 | 563,574 | 445,340 | 118,234 | 346,474 |
| Extension Services | | | | | |
| Personal services | 96,982 | 96,982 | 104,509 | (7,527) | 92,212 |
| Purchased/contracted services | 15,300 | 30,300 | 13,098 | 17,202 | 15,765 |
| Supplies | 9,200 | 9,200 | 8,149 | 1,051 | 3,052 |
| Total Extension Services | 121,482 | 136,482 | 125,756 | 10,726 | 111,029 |
| Total Housing and Development | 685,056 | 700,056 | 571,096 | 128,960 | 457,503 |
| Debt Service | | | | | |
| Principal | 103,200 | 103,200 | 143,498 | (40,298) | 101,985 |
| Interest | 5,500 | 5,500 | 504 | 4,996 | 3,512 |
| Total Debt Service | 108,700 | 108,700 | 144,002 | (35,302) | 105,497 |
| Total Expenditures | 22,230,721 | 22,331,576 | 18,888,074 | 3,443,502 | 20,030,402 |
| Other Financing Uses | | | | | |
| Transfers out: | | | | | |
| E-911 | 517,915 | 517,915 | 323,336 | 194,579 | 335,555 |
| Public Improvements Authority | 373,491 | 373,491 | 270,165 | 103,326 | 397,733 |
| Total Other Financing Uses | 891,406 | 891,406 | 593,501 | 297,905 | 733,288 |
| Total Expenditures and Other Financing Uses | \$ 23,122,127 | \$ 23,222,982 | \$ 19,481,575 | \$ 3,741,407 | \$ 20,763,690 |

Harris County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2020

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| Assets | | | |
| Cash and cash equivalents | \$ 691,020 | \$ - | \$ 691,020 |
| Restricted cash and cash equivalents | 227,207 | 3,781,758 | 4,008,965 |
| Investments | - | 1,533,139 | 1,533,139 |
| Receivables: | | | |
| Accounts | 76,532 | - | 76,532 |
| Notes | 8,098 | - | 8,098 |
| Interest | 414 | - | 414 |
| Intergovernmental | 6,377 | 362,474 | 368,851 |
| Interfund | - | 111,650 | 111,650 |
| Sales taxes | - | 369,261 | 369,261 |
| Prepaid expenses | 16,871 | - | 16,871 |
| Total Assets | <u>\$ 1,026,519</u> | <u>\$ 6,158,282</u> | <u>\$ 7,184,801</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts payable | \$ 159,341 | \$ 294,031 | \$ 453,372 |
| Accrued expenditures payable | 29,588 | - | 29,588 |
| Interfund payable | 486,745 | - | 486,745 |
| Total Liabilities | <u>675,674</u> | <u>294,031</u> | <u>969,705</u> |
| Fund Balances | | | |
| Restricted | 111,419 | 5,864,251 | 5,975,670 |
| Assigned | 239,426 | - | 239,426 |
| Total Fund Balances | <u>350,845</u> | <u>5,864,251</u> | <u>6,215,096</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,026,519</u> | <u>\$ 6,158,282</u> | <u>\$ 7,184,801</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, 2020

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| Revenues | | | |
| Taxes | \$ 79,735 | \$ 4,014,772 | \$ 4,094,507 |
| Interest | - | 12,495 | 12,495 |
| Intergovernmental | - | 811,451 | 811,451 |
| Charges for services | 797,354 | - | 797,354 |
| Fines and forfeitures | 76,742 | - | 76,742 |
| Investment earnings | - | 14,925 | 14,925 |
| Total Revenues | <u>953,831</u> | <u>4,853,643</u> | <u>5,807,474</u> |
| Expenditures | | | |
| Current: | | | |
| Judicial | 7,127 | - | 7,127 |
| Public safety | 1,115,297 | - | 1,115,297 |
| Health and welfare | 162,453 | - | 162,453 |
| Housing and development | 81,312 | - | 81,312 |
| Intergovernmental | - | 468,654 | 468,654 |
| Capital Outlay | - | 2,842,076 | 2,842,076 |
| Debt Service: | | | |
| Principal retirement | - | 245,000 | 245,000 |
| Interest and fiscal charges | - | 125,865 | 125,865 |
| Trustee Fee | - | 550 | 550 |
| Total Expenditures | <u>1,366,189</u> | <u>3,682,145</u> | <u>5,048,334</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(412,358)</u> | <u>1,171,498</u> | <u>759,140</u> |
| Other Financing Sources (Uses) | | | |
| Transfers in | <u>323,336</u> | <u>544,587</u> | <u>867,923</u> |
| Total Other Financing Sources | <u>323,336</u> | <u>544,587</u> | <u>867,923</u> |
| Net Change in Fund Balances | (89,022) | 1,716,085 | 1,627,063 |
| Fund Balances Beginning of Year | <u>439,867</u> | <u>4,148,166</u> | <u>4,588,033</u> |
| Fund Balances End of Year | <u><u>\$ 350,845</u></u> | <u><u>\$ 5,864,251</u></u> | <u><u>\$ 6,215,096</u></u> |

Harris County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

| | Hotel Motel Tax | Emergency 911 | Law Library | Mental Health Center | Mental Retardation Center | Drug Abuse Treatment | Local Victim Assistance | Jail Fee | Total Nonmajor Special Revenue Funds |
|--|--------------------|-------------------|------------------|----------------------------|---------------------------------|----------------------------|-------------------------------|------------------|---|
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 5,456 | \$ 442,970 | \$ 54,100 | \$ 104,319 | \$ 135,107 | \$ 138,275 | \$ - | \$ 38,000 | \$ 918,227 |
| Receivables: | | | | | | | | | |
| Accounts | 12,172 | 60,843 | - | - | - | 30 | 1,980 | 1,507 | 76,532 |
| Notes | 8,098 | - | - | - | - | - | - | - | 8,098 |
| Interest | 414 | - | - | - | - | - | - | - | 414 |
| Intergovernmental | - | - | 3,584 | - | - | 855 | 645 | 1,293 | 6,377 |
| Prepaid expenses | - | 16,871 | - | - | - | - | - | - | 16,871 |
| Total Assets | \$ 26,140 | \$ 520,684 | \$ 57,684 | \$ 104,319 | \$ 135,107 | \$ 139,160 | \$ 2,625 | \$ 40,800 | \$ 1,026,519 |
| Total Liabilities and Fund Balances | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Accounts payable | \$ 26,140 | 4,351 | \$ - | \$ - | \$ - | \$ 126,225 | \$ 2,625 | \$ - | \$ 159,341 |
| Accrued expenditures payable | - | 29,588 | - | - | - | - | - | - | 29,588 |
| Interfund payable | - | 486,745 | - | - | - | - | - | - | 486,745 |
| Total Liabilities | 26,140 | 520,684 | - | - | - | 126,225 | 2,625 | - | 675,674 |
| Fund Balances | | | | | | | | | |
| Restricted | - | - | 57,684 | - | - | 12,935 | - | 40,800 | 111,419 |
| Assigned | - | - | - | 104,319 | 135,107 | - | - | - | 239,426 |
| Total Fund Balances | - | - | 57,684 | 104,319 | 135,107 | 12,935 | - | 40,800 | 350,845 |
| Total Liabilities and Fund Balances | \$ 26,140 | \$ 520,684 | \$ 57,684 | \$ 104,319 | \$ 135,107 | \$ 139,160 | \$ 2,625 | \$ 40,800 | \$ 1,026,519 |

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2020

| | Hotel Motel Tax | E911 | Law Library | Mental Health Center | Mental Retardation Center | Drug Abuse Treatment | Local Victim Assistance | Jail Fee | Nonmajor Special Revenue Funds |
|--|--------------------|------------------|------------------|----------------------------|---------------------------------|----------------------------|-------------------------------|------------------|--------------------------------------|
| Revenues | | | | | | | | | |
| Taxes | \$ 79,735 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 79,735 |
| Charges for services | - | 721,961 | - | 6,000 | 6,000 | 27,165 | 36,228 | - | 797,354 |
| Fines and forfeitures | 1,577 | - | 15,358 | - | - | - | - | 59,807 | 76,742 |
| Total Revenues | 81,312 | 721,961 | 15,358 | 6,000 | 6,000 | 27,165 | 36,228 | 59,807 | 953,831 |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| Judicial | - | - | 7,127 | - | - | - | - | - | 7,127 |
| Public safety | - | 1,045,297 | - | - | - | - | - | 70,000 | 1,115,297 |
| Health and Welfare | - | - | - | - | - | 126,225 | 36,228 | - | 162,453 |
| Housing and development | 81,312 | - | - | - | - | - | - | - | 81,312 |
| Total Expenditures | 81,312 | 1,045,297 | 7,127 | - | - | 126,225 | 36,228 | 70,000 | 1,366,189 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (323,336) | 8,231 | 6,000 | 6,000 | (99,060) | - | (10,193) | (412,358) |
| Other Financing Sources (Uses) | | | | | | | | | |
| Transfers in | - | 323,336 | - | - | - | - | - | - | 323,336 |
| Total Other Financing Sources (Uses) | - | 323,336 | - | - | - | - | - | - | 323,336 |
| Net Change in Fund Balances | - | - | 8,231 | 6,000 | 6,000 | (99,060) | - | (10,193) | (89,022) |
| Fund Balances Beginning of Year | - | - | 49,453 | 98,319 | 129,107 | 111,995 | - | 50,993 | 439,867 |
| Fund Balances End of Year | \$ - | \$ - | \$ 57,684 | \$ 104,319 | \$ 135,107 | \$ 12,935 | \$ - | \$ 40,800 | \$ 350,845 |

Harris County, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------------|-------------------------|
| Assets | | |
| Equity in pooled cash and investments | \$ 5,456 | \$ 11,257 |
| Accounts receivable | 12,172 | 13,518 |
| Interest receivable | 414 | 304 |
| Note receivable | <u>8,098</u> | <u>3,101</u> |
| Total Assets | <u><u>\$ 26,140</u></u> | <u><u>\$ 28,180</u></u> |
| Liabilities | | |
| Accounts payable | <u>\$ 26,140</u> | <u>\$ 28,180</u> |
| Total Liabilities | 26,140 | 28,180 |
| Fund Balances | | |
| Unassigned | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 26,140</u></u> | <u><u>\$ 28,180</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, 2020 and 2019

| | Original Budget | Final Budget | 2020 | Variance With Final Budget | 2019 |
|--|----------------------------|-------------------------|-------------|---|-------------|
| Revenues | | | | | |
| Hotel/Motel taxes | \$ 90,000 | \$ 90,000 | \$ 79,735 | \$ (10,265) | \$ 76,617 |
| Penalties and Interest | 1,500 | 1,500 | 1,577 | 77 | 2,660 |
| Total Revenues | 91,500 | 91,500 | 81,312 | (10,188) | 79,277 |
| Expenditures | | | | | |
| Current | | | | | |
| Housing and development | 91,500 | 91,500 | 81,312 | 10,188 | 74,423 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | 4,854 |
| Other Financing Uses | | | | | |
| Transfers out - General Fund | - | - | - | - | (4,854) |
| 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, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---------------------------|--------------------------|--------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 442,970 | \$ 220,308 |
| Accounts receivable | 60,843 | 61,544 |
| Prepaid expenses | <u>16,871</u> | <u>13,152</u> |
| Total Assets | <u><u>\$ 520,684</u></u> | <u><u>\$ 295,004</u></u> |
| Liabilities | | |
| Accounts payable | \$ 4,351 | \$ 4,338 |
| Accrued expenditures | 29,588 | 23,176 |
| Interfund payable | <u>486,745</u> | <u>267,490</u> |
| Total Liabilities | <u><u>\$ 520,684</u></u> | <u><u>\$ 295,004</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, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | | | 2019 |
|--|----------------------------|-------------------------|---------------|---|---------------|
| | Original Budget | Final Budget | Actual | Variance With Final Budget | Actual |
| Revenues | | | | | |
| Charges for services - landline | \$ 110,000 | \$ 110,000 | \$ - | \$ (110,000) | \$ 93,216 |
| Charges for services - cell | 430,000 | 430,000 | 582,273 | 152,273 | 455,067 |
| Charges for services - prepaid | 90,000 | 90,000 | 139,469 | 49,469 | 129,018 |
| Fireworks excise tax | 100 | 100 | 219 | 119 | 244 |
| Interest | 1,000 | 1,000 | - | (1,000) | - |
| Total Revenues | 631,100 | 631,100 | 721,961 | 90,861 | 677,545 |
| Expenditures | | | | | |
| Current: | | | | | |
| Public safety | 1,149,015 | 1,149,015 | 1,045,297 | 103,718 | 1,013,100 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (517,915) | (517,915) | (323,336) | 194,579 | (335,555) |
| Other Financing Sources | | | | | |
| Transfers in | 517,915 | 517,915 | 323,336 | (194,579) | 335,555 |
| 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, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|----------------------------|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 54,100 | \$ 46,204 |
| Interfund receivables | <u>3,584</u> | <u>3,249</u> |
| Total Assets | <u>\$ 57,684</u> | <u>\$ 49,453</u> |
| Fund Balances | | |
| Restricted for law library | <u>\$ 57,684</u> | <u>\$ 49,453</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, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | | | 2019 |
|--|----------------------------|-------------------------|------------------|---|------------------|
| | Original Budget | Final Budget | Actual | Variance With Final Budget | Actual |
| Revenues | | | | | |
| Fines and forfeitures | \$ 8,900 | \$ 48,900 | \$ 15,358 | \$ (33,542) | \$ 13,615 |
| Expenditures | | | | | |
| Current: | | | | | |
| Judicial | 8,900 | 48,900 | 7,127 | 41,773 | 30,625 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ -</u> | 8,231 | <u>\$ 8,231</u> | (17,010) |
| Fund Balances Beginning of Year | | | 49,453 | | 66,463 |
| Fund Balances End of Year | | | <u>\$ 57,684</u> | | <u>\$ 49,453</u> |

Harris County, Georgia
Mental Health Center Fund
Comparative Balance Sheets
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|------------------|
| Assets | | |
| Cash and cash equivalents | <u>\$ 104,319</u> | <u>\$ 98,319</u> |
| Fund Balances | | |
| Assigned for building maintenance and insurance | <u>\$ 104,319</u> | <u>\$ 98,319</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, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | | | 2019 |
|---|----------------------------|-------------------------|-------------------|---|------------------|
| | 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>98,319</u> | | <u>92,319</u> |
| Fund Balances End of Year | | | <u>\$ 104,319</u> | | <u>\$ 98,319</u> |

Harris County, Georgia
Mental Retardation Center Fund
Comparative Balance Sheets
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | <u>\$ 135,107</u> | <u>\$ 129,107</u> |
| Fund Balances | | |
| Assigned for building maintenance and insurance | <u>\$ 135,107</u> | <u>\$ 129,107</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, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | | | 2019 |
|---|----------------------------|-------------------------|-------------------|---|-------------------|
| | 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>129,107</u> | | <u>123,107</u> |
| Fund Balances End of Year | | | <u>\$ 135,107</u> | | <u>\$ 129,107</u> |

Harris County, Georgia
Drug Abuse Fund
Comparative Balance Sheets
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 138,275 | \$ 109,713 |
| Receivables: | | |
| Accounts | 30 | 364 |
| Interfund | 855 | 1,918 |
| Total Assets | <u>\$ 139,160</u> | <u>\$ 111,995</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 126,225 | \$ - |
| Fund Balances | | |
| Restricted for public safety | 12,935 | 111,995 |
| Total Liabilities and Fund Balances | <u>\$ 139,160</u> | <u>\$ 111,995</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, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | | | 2019 |
|--|----------------------------|-------------------------|------------------|---|-------------------|
| | Original Budget | Final Budget | Actual | Variance With Final Budget | Actual |
| Revenues | | | | | |
| Charges for services | \$ 28,500 | \$ 155,500 | \$ 27,165 | \$ (128,335) | \$ 28,532 |
| Expenditures | | | | | |
| Current: | | | | | |
| Health and welfare | 28,500 | 155,500 | 126,225 | 29,275 | 295 |
| Expenditures | 28,500 | 155,500 | 126,225 | 29,275 | 295 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ -</u> | (99,060) | <u>\$ (99,060)</u> | 28,237 |
| Fund Balances Beginning of Year | | | <u>111,995</u> | | <u>83,758</u> |
| Fund Balances End of Year | | | <u>\$ 12,935</u> | | <u>\$ 111,995</u> |

Harris County, Georgia
Local Victim Assistance Fund
Comparative Balance Sheets
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---------------------|------------------------|------------------------|
| Assets | | |
| Receivables: | | |
| Accounts | \$ 1,980 | \$ 1,275 |
| Interfund | <u>645</u> | <u>2,172</u> |
| Total Assets | <u><u>\$ 2,625</u></u> | <u><u>\$ 3,447</u></u> |
| Liabilities | | |
| Accounts payable | <u><u>\$ 2,625</u></u> | <u><u>\$ 3,447</u></u> |

Harris County, Georgia
Local Victim Assistance Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | | | 2019 |
|--|--------------------|-----------------|-------------|----------------------------------|-------------|
| | Original Budget | Final Budget | Actual | Variance With Final Budget | Actual |
| Revenues | | | | | |
| Charges for services | \$ 39,200 | \$ 39,200 | \$ 36,228 | \$ (2,972) | \$ 44,683 |
| Expenditures | | | | | |
| Current: | | | | | |
| Health and welfare | 39,200 | 39,200 | 36,228 | 2,972 | 44,683 |
| Expenditures | 39,200 | 39,200 | 36,228 | 2,972 | 44,683 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | - |
| Fund Balances Beginning of Year | | | - | | - |
| Fund Balances End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |

Harris County, Georgia
Jail Fee Fund
Comparative Balance Sheets
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|------------------------------|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 38,000 | \$ 45,085 |
| Receivables: | | |
| Accounts | 1,507 | 1,486 |
| Interfund | <u>1,293</u> | <u>4,422</u> |
| Total Assets | <u>\$ 40,800</u> | <u>\$ 50,993</u> |
| Fund Balances | | |
| Restricted for public safety | <u>\$ 40,800</u> | <u>\$ 50,993</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, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

| | 2020 | | | | 2019 |
|--|----------------------------|-------------------------|------------------|---|------------------|
| | Original Budget | Final Budget | Actual | Variance With Final Budget | Actual |
| Revenues | | | | | |
| Court fees | \$ 70,000 | \$ 70,000 | \$ 59,807 | \$ (10,193) | \$ 74,563 |
| Expenditures | | | | | |
| Current: | | | | | |
| Public safety | 70,000 | 70,000 | 70,000 | - | 71,900 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ -</u> | (10,193) | <u>\$ (10,193)</u> | 2,663 |
| Fund Balances Beginning of Year | | | <u>50,993</u> | | <u>48,330</u> |
| Fund Balances End of Year | | | <u>\$ 40,800</u> | | <u>\$ 50,993</u> |

Harris County, Georgia
Comparative Balance Sheet
Callaway Debt Service Fund
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|--------------------------|--------------------------|
| Assets | | |
| Equity in pooled cash and investments | \$ 24,560 | \$ 12,564 |
| Accounts receivable | - | 11,996 |
| Notes receivable | <u>839,482</u> | <u>956,323</u> |
| Total Assets | <u><u>\$ 864,042</u></u> | <u><u>\$ 980,883</u></u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Unearned revenue | \$ 839,482 | \$ 956,323 |
| Fund Balances | | |
| Restricted for debt service | <u>24,560</u> | <u>24,560</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 864,042</u></u> | <u><u>\$ 980,883</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, 2020 and 2019

| | 2020 | 2019 |
|--|------------------|------------------|
| Revenues | | |
| Charges for services | \$ 116,842 | \$ 113,424 |
| Interest | 27,115 | 30,533 |
| Total Revenues | 143,957 | 143,957 |
| Expenditures | | |
| Debt Service | | |
| Principal | 116,246 | 112,858 |
| Interest | 27,711 | 31,099 |
| 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
CARES Act Grant Fund
Comparative Balance Sheets
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|-------------|
| Assets | | |
| Intergovernmental receivable | <u>\$ 1,082,817</u> | <u>\$ -</u> |
| Liabilities and Fund Balance | | |
| Liabilities | | |
| Interfund payable | <u>\$ 1,082,817</u> | <u>\$ -</u> |
| Fund Balances | | |
| Restricted (deficit) | <u>-</u> | <u>-</u> |
| Total Fund Balances | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ 1,082,817</u> | <u>\$ -</u> |

Harris County, Georgia
CARES Act Grant Fund
Comparative Statement of Expenditures
and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|--------------|-------------|
| Revenues | | |
| Intergovernmental | \$ 1,082,817 | \$ - |
| Expenditures | | |
| Current: | | |
| Public safety | 1,082,817 | - |
| Excess (Deficiency) of Revenues | | |
| Over (Under) Expenditures | - | - |
| Fund Balances Beginning of Year | - | - |
| Fund Balances End of Year | \$ - | \$ - |

Harris County, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020

| | 2020 | | | | | | Total |
|--|---------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|---------------------|---------------------------------------|
| | 2014 SPLOST | 2019 SPLOST | Capital Projects | Public Improvements Authority | Transportation Investment Act | Capital Projects | Nonmajor Capital Projects Funds |
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 394,346 | \$ 872,662 | \$ 5,009 | \$ - | \$ 2,509,741 | \$ 3,781,758 | |
| Investments | 932,505 | 600,634 | - | - | - | 1,533,139 | |
| Receivables: | | | | | | | |
| Sales taxes | - | 270,854 | - | - | 98,407 | 369,261 | |
| Intergovernmental | - | - | 362,474 | - | - | 362,474 | |
| Interfund | - | - | 111,650 | - | - | 111,650 | |
| Total Assets | \$ 1,326,851 | \$ 1,744,150 | \$ 479,133 | \$ - | \$ 2,608,148 | \$ 6,158,282 | |
| Liabilities and Fund Balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts Payable | \$ 171,446 | \$ 84,770 | \$ 37,815 | \$ - | \$ - | \$ 294,031 | |
| Total Liabilities | 171,446 | 84,770 | 37,815 | - | - | 294,031 | |
| Fund Balances | | | | | | | |
| Restricted | 1,155,405 | 1,659,380 | 441,318 | - | 2,608,148 | 5,864,251 | |
| Total Fund Balances | 1,155,405 | 1,659,380 | 441,318 | - | 2,608,148 | 5,864,251 | |
| Total Liabilities Fund Balances | \$ 1,326,851 | \$ 1,744,150 | \$ 479,133 | \$ - | \$ 2,608,148 | \$ 6,158,282 | |

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Funds
For the Year Ended June 30, 2020

| | 2020 | | | | | | Total |
|--|----------------|----------------|---------------------|-------------------------------------|-------------------------------------|------------------|-------------------|
| | 2014 SPLOST | 2019 SPLOST | Capital Projects | Public Improvements Authority | Transportation Investment Act | Capital Projects | Nonmajor Funds |
| Revenues | | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ 811,451 | \$ - | \$ - | \$ 811,451 | |
| Taxes | - | 2,929,086 | - | - | 1,085,686 | 4,014,772 | |
| Interest | - | - | - | - | 12,495 | 12,495 | |
| Investment earnings | 11,964 | 634 | - | 2,327 | - | 14,925 | |
| Total Revenues | 11,964 | 2,929,720 | 811,451 | 2,327 | 1,098,181 | 4,853,643 | |
| Expenditures | | | | | | | |
| Intergovernmental | - | 468,654 | - | - | - | 468,654 | |
| Capital Outlay | 772,940 | 1,016,463 | 644,555 | - | 408,118 | 2,842,076 | |
| Debt Service: | | | | | | | |
| Principal retirement | - | - | - | 245,000 | - | 245,000 | |
| Interest and fiscal charges | - | - | - | 125,865 | - | 125,865 | |
| Trustee Fee | - | - | - | 550 | - | 550 | |
| Total Expenditures | 772,940 | 1,485,117 | 644,555 | 371,415 | 408,118 | 3,682,145 | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (760,976) | 1,444,603 | 166,896 | (369,088) | 690,063 | 1,171,498 | |
| Other Financing Sources (Uses) | | | | | | | |
| Transfers in | - | - | 274,422 | 270,165 | - | 544,587 | |
| Total Other Financing Sources (Uses) | - | - | 274,422 | 270,165 | - | 544,587 | |
| Net Change in Fund Balance | (760,976) | 1,444,603 | 441,318 | (98,923) | 690,063 | 1,716,085 | |
| Fund Balances Beginning of Year | 1,916,381 | 214,777 | - | 98,923 | 1,918,085 | 4,148,166 | |
| Fund Balances End of Year | \$ 1,155,405 | \$ 1,659,380 | \$ 441,318 | \$ - | \$ 2,608,148 | \$ 5,864,251 | |

Harris County, Georgia
Comparative Balance Sheet
2014 SPLOST Fund
June 30, 2020 and 2019

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Assets | | |
| Equity in pooled cash and investments | \$ 394,346 | \$ 1,281,010 |
| Investments | 932,505 | 918,742 |
| Receivables: | | |
| Accounts | - | 1,799 |
| Total Assets | \$ 1,326,851 | \$ 2,201,551 |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 171,446 | \$ 4,125 |
| Retainage payable | - | 39,806 |
| Interfund payable | - | 241,239 |
| Total Liabilities | 171,446 | 285,170 |
| Fund Balances | | |
| Restricted for capital projects | 1,155,405 | 1,916,381 |
| Total Liabilities and Fund Balances | \$ 1,326,851 | \$ 2,201,551 |

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2014 SPLOST Fund
For the Fiscal Years Ended June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|----------------------------|----------------------------|
| Revenues | | |
| Sales taxes | \$ - | \$ 1,928,235 |
| Investment earnings | 11,964 | 16,178 |
| Total Revenues | <u>11,964</u> | <u>1,944,413</u> |
| Expenditures | | |
| Intergovernmental | - | 746,789 |
| Capital Outlay | 772,940 | 1,281,237 |
| Total Expenditures | <u>772,940</u> | <u>2,028,026</u> |
| Excess of Revenues Over Expenditures | <u>(760,976)</u> | <u>(83,613)</u> |
| Net Changes in Fund Balances | (760,976) | (83,613) |
| Fund Balances Beginning of Year | <u>1,916,381</u> | <u>1,999,994</u> |
| Fund Balances End of Year | <u><u>\$ 1,155,405</u></u> | <u><u>\$ 1,916,381</u></u> |

Harris County, Georgia
Comparative Balance Sheet
2019 SPLOST Fund
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|----------------------------|--------------------------|
| Assets | | |
| Equity in pooled cash and investments | \$ 872,662 | \$ 38,494 |
| Investments | 600,634 | - |
| Receivables: | | |
| Sales taxes | <u>270,854</u> | <u>254,281</u> |
| Total Assets | <u><u>\$ 1,744,150</u></u> | <u><u>\$ 292,775</u></u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | <u>\$ 84,770</u> | <u>\$ 77,998</u> |
| Fund Balances | | |
| Restricted for capital projects | <u>1,659,380</u> | <u>214,777</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 1,744,150</u></u> | <u><u>\$ 292,775</u></u> |

*Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2019 SPLOST Fund
For the Fiscal Years Ended June 30, 2020 and 2019*

| | 2020 | 2019 |
|---|----------------------------|--------------------------|
| Revenues | | |
| Sales taxes | \$ 2,929,086 | \$ 707,578 |
| Investment earnings | 634 | - |
| Total Revenues | <u>2,929,720</u> | <u>707,578</u> |
| Expenditures | | |
| Intergovernmental | 468,654 | 113,035 |
| Capital Outlay | <u>1,016,463</u> | <u>379,766</u> |
| Total Expenditures | <u>1,485,117</u> | <u>492,801</u> |
| Excess of Revenues Over Expenditures | <u>1,444,603</u> | <u>214,777</u> |
| Net Changes in Fund Balances | 1,444,603 | 214,777 |
| Fund Balances Beginning of Year | <u>214,777</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ 1,659,380</u></u> | <u><u>\$ 214,777</u></u> |

Harris County, Georgia
Comparative Balance Sheet
Public Improvements Authority Fund
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--------------------------------------|-------------------|-------------------|
| Assets | | |
| Restricted cash and cash equivalents | \$ - | \$ 98,923 |
| | <u> </u> | <u> </u> |
| Fund Balances | | |
| Restricted for debt service | \$ - | \$ 98,923 |
| | <u> </u> | <u> </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, 2020 and 2019

| | 2020 | 2019 |
|--|--------------------|-------------------------|
| Revenues | | |
| Interest | \$ - | \$ 108,000 |
| Investment earnings | 2,327 | 2,434 |
| Total Revenues | <u>2,327</u> | <u>110,434</u> |
| Expenditures | | |
| Debt Service | | |
| Principal | 245,000 | 280,000 |
| Interest | 125,865 | 347,351 |
| Trustee Fee | 550 | 3,625 |
| Total Expenditures | <u>371,415</u> | <u>630,976</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(369,088)</u> | <u>(520,542)</u> |
| Other Financing Sources (Uses) | | |
| Transfers in - general fund | 270,165 | 397,733 |
| Total Other Financing Sources (Uses) | <u>270,165</u> | <u>397,733</u> |
| Net Changes in Fund Balances | (98,923) | (122,809) |
| Fund Balances Beginning of Year | <u>98,923</u> | <u>221,732</u> |
| Fund Balances End of Year | <u><u>\$ -</u></u> | <u><u>\$ 98,923</u></u> |

Harris County, Georgia
Comparative Balance Sheet
Capital Projects Fund
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|--------------------------|--------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 5,009 | \$ 17,310 |
| Intergovernmental receivable | 362,474 | - |
| Interfund receivable | <u>111,650</u> | <u>177,401</u> |
| Total Assets | <u><u>\$ 479,133</u></u> | <u><u>\$ 194,711</u></u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 37,815 | \$ 152,187 |
| Retainage payable | <u>-</u> | <u>42,524</u> |
| Total Liabilities | <u>37,815</u> | <u>194,711</u> |
| Fund Balances | | |
| Restricted for construction | <u>441,318</u> | <u>-</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 479,133</u></u> | <u><u>\$ 194,711</u></u> |

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Capital Projects Fund
For the Fiscal Years Ended June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|--------------------------|--------------------|
| Revenues | | |
| Intergovernmental | \$ 811,451 | \$ 344,565 |
| Expenditures | | |
| <i>Capital Outlay</i> | <u>644,555</u> | <u>521,966</u> |
| Excess (Deficiency) of Revenues | | |
| Over (Under) Expenditures | <u>166,896</u> | <u>(177,401)</u> |
| Other Financing Sources (Uses) | | |
| Transfer in/(out) | 274,422 | 177,401 |
| Net Changes in Fund Balances | 441,318 | - |
| Fund Balances Beginning of Year | <u>-</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ 441,318</u></u> | <u><u>\$ -</u></u> |

Harris County, Georgia
Comparative Balance Sheet
Transportation Investment Act Fund
June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---------------------------------------|----------------------------|----------------------------|
| Assets | | |
| Equity in pooled cash and investments | \$ 2,509,741 | \$ 1,828,992 |
| Taxes receivable | <u>98,407</u> | <u>89,093</u> |
| Total Assets | <u><u>\$ 2,608,148</u></u> | <u><u>\$ 1,918,085</u></u> |
| Fund Balances | | |
| Restricted for capital projects | <u><u>\$ 2,608,148</u></u> | <u><u>\$ 1,918,085</u></u> |

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Transportation Investment Act Fund
For the Fiscal Years Ended June 30, 2020 and 2019

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Revenues | | |
| Taxes | \$ 1,085,686 | \$ 1,033,316 |
| Interest | 12,495 | 14,869 |
| Total Revenues | \$ 1,098,181 | \$ 1,048,185 |
| Expenditures | | |
| Capital Outlay | 408,118 | 603,986 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 690,063 | 444,199 |
| Net Changes in Fund Balances | 690,063 | 444,199 |
| Fund Balances Beginning of Year | 1,918,085 | 1,473,886 |
| Fund Balances End of Year | \$ 2,608,148 | \$ 1,918,085 |

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water Works Fund
June 30, 2020 and 2019

| Assets | 2020 | 2019 |
|--|----------------------|----------------------|
| Current Assets: | | |
| Cash and cash equivalents | \$ 995,172 | \$ 657,165 |
| Restricted cash | 773,067 | 763,732 |
| Investments | 1,266,658 | 2,502,771 |
| Receivable: | | |
| Accounts (net) | 476,221 | 528,239 |
| Interest | 1,026 | 1,663 |
| Prepaid items | 21,481 | 31,297 |
| Inventories | 162,189 | 147,800 |
| Total Current Assets | 3,695,814 | 4,632,667 |
| Noncurrent Assets: | | |
| Capital assets: | | |
| Nondepreciable | 816,592 | 6,649,034 |
| Depreciable, net | 22,619,777 | 15,522,869 |
| Total Noncurrent Assets | 23,436,369 | 22,171,903 |
| Deferred Outflows of Resources | 326,986 | 367,396 |
| Total Assets and Deferred Outflows of Resources | 27,459,169 | 27,171,966 |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 311,067 | 43,815 |
| Accrued expenses payable | 65,577 | 59,074 |
| Accrued interest payable | 9,035 | 9,877 |
| Interfund payable | 201,796 | 17,299 |
| Customer deposits payable | 473,150 | 467,205 |
| Compensated absences payable | 47,738 | 45,840 |
| Revenue bonds payable | 520,000 | 505,000 |
| GEFA loans payable | 113,273 | 111,699 |
| Total Current Liabilities | 1,741,636 | 1,259,809 |
| Long-term Liabilities (net of current portion): | | |
| Compensated absences payable | 11,934 | 11,460 |
| Revenue bonds payable | 4,074,525 | 4,607,270 |
| GEFA loans payable | 2,930,607 | 2,720,591 |
| Net pension liability | 470,904 | 629,290 |
| Total Long-term Liabilities | 7,487,970 | 7,968,611 |
| Total Liabilities | 9,229,606 | 9,228,420 |
| Deferred Inflows of Resources | 245,167 | 77,663 |
| Total Liabilities and Deferred Inflows of Resources | 9,474,773 | 9,306,083 |
| Net Position | | |
| Net investment in capital assets | 15,797,964 | 14,227,343 |
| Restricted | 312,369 | 304,460 |
| Unrestricted | 1,874,063 | 3,334,080 |
| Total Net Position | \$ 17,984,396 | \$ 17,865,883 |

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, 2020 and 2019

| | 2020 | 2019 |
|---|---------------|---------------|
| Operating Revenues | | |
| Charges for services | \$ 5,180,671 | \$ 4,927,058 |
| Operating Expenses | | |
| Personal services | 1,674,817 | 1,779,865 |
| Purchased services | 1,620,736 | 1,408,958 |
| Materials and supplies | 813,073 | 701,315 |
| Depreciation | 819,430 | 813,504 |
| Total Operating Expenses | 4,928,056 | 4,703,642 |
| Operating Income | 252,615 | 223,416 |
| Non-Operating Revenues (Expenses) | | |
| Investment earnings | 9,151 | 9,925 |
| Interest and fiscal charges | (143,253) | (161,948) |
| Total Non-Operating Revenues (Expenses) | (134,102) | (152,023) |
| Income Before Transfers In and Contributions | 118,513 | 71,393 |
| Transfers Out | - | (150,000) |
| Change in Net Position | 118,513 | (78,607) |
| Net Position Beginning of Year | 17,865,883 | 17,944,490 |
| Net Position End of Year | \$ 17,984,396 | \$ 17,865,883 |

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|----------------------------|----------------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash Flows from Operating Activities | | |
| Cash received from customers | \$ 5,238,634 | \$ 4,868,704 |
| Cash payments to employees for services | (1,665,942) | (1,775,698) |
| Cash payments for goods and services | <u>(2,171,130)</u> | <u>(2,110,077)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>1,401,562</u> | <u>982,929</u> |
| Cash Flows from Noncapital Financing Activities | | |
| Interfund payable | <u>184,497</u> | <u>19,399</u> |
| Net Cash Provided by (Used in) Noncapital Financing Activities | <u>184,497</u> | <u>19,399</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Principal paid on GEFA loan | (111,699) | (110,147) |
| Principal paid on revenue bonds | (505,000) | (485,000) |
| Interest paid on capital debt | (143,253) | (240,058) |
| Acquisition of capital assets | <u>(1,724,666)</u> | <u>(696,674)</u> |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | <u>(2,484,618)</u> | <u>(1,531,879)</u> |
| Cash Flows from Investing Activities | | |
| Investment earnings | <u>9,788</u> | <u>9,252</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (888,771) | (520,299) |
| Cash and Cash Equivalents Beginning of Year | <u>3,923,668</u> | <u>4,443,967</u> |
| Cash and Cash Equivalents End of Year | <u><u>\$ 3,034,897</u></u> | <u><u>\$ 3,923,668</u></u> |
| Reconciliation to Statement of Net Position | | |
| Cash and cash equivalents | \$ 995,172 | \$ 657,165 |
| Restricted | 773,067 | 763,732 |
| Investments | <u>1,266,658</u> | <u>2,502,771</u> |
| Total Cash and Cash Equivalents | <u><u>\$ 3,034,897</u></u> | <u><u>\$ 3,923,668</u></u> |

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2020 and 2019

(continued)

| | <u>2020</u> | <u>2019</u> |
|--|----------------------------|--------------------------|
| Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities | | |
| Operating Income | \$ 252,615 | \$ 223,416 |
| Adjustments: | | |
| Depreciation and amortization | 819,430 | 813,504 |
| (Increase) Decrease in Assets: | | |
| Accounts receivable | 52,018 | (67,930) |
| Prepaid items | 9,816 | 3,794 |
| Inventories | (14,389) | 44,127 |
| Increase (Decrease) in Liabilities: | | |
| Accounts payable | 267,252 | (47,725) |
| Accrued expenses payable | 6,503 | 2,111 |
| Customer deposits | 5,945 | 9,576 |
| Compensated absences payable | <u>2,372</u> | <u>2,056</u> |
| Net Cash Provided by (Used in) Operating Activities | <u><u>\$ 1,401,562</u></u> | <u><u>\$ 982,929</u></u> |

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
June 30, 2020 and 2019

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 501,330 | \$ 700,439 |
| Investments | 5,796,795 | 5,024,445 |
| Receivable: | | |
| Accounts (net) | 66,858 | 46,628 |
| Prepaid items | 8,669 | 8,066 |
| Total Current Assets | 6,373,652 | 5,779,578 |
| Noncurrent Assets: | | |
| Capital assets: | | |
| Nondepreciable | 199,250 | 199,250 |
| Depreciable, net | 723,904 | 765,782 |
| Total Noncurrent Assets | 923,154 | 965,032 |
| Total Assets | 7,296,806 | 6,744,610 |
| Deferred Outflows of Resources | 91,448 | 99,494 |
| Total Assets and Deferred Outflows of Resources | 7,388,254 | 6,844,104 |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 54,652 | 43,340 |
| Accrued expenses payable | 20,656 | 17,302 |
| Interfund payable | 542,948 | 191,107 |
| Compensated absences payable | 16,293 | 13,649 |
| Closure and postclosure care payable | 28,142 | 22,772 |
| Capital leases payable | - | 9,478 |
| Total Current Liabilities | 662,691 | 297,648 |
| Long-term Liabilities (net of current portion): | | |
| Compensated absences payable | 4,074 | 3,412 |
| Closure and postclosure care payable | 144,928 | 164,938 |
| Net pension liability | 178,043 | 244,459 |
| Total Long-term Liabilities | 327,045 | 412,809 |
| Total Liabilities | 989,736 | 710,457 |
| Deferred Inflows of Resources | 91,907 | 29,114 |
| Total Liabilities and Deferred Inflows of Resources | 1,081,643 | 739,571 |
| Net Position | | |
| Net investment in capital assets | 923,154 | 955,554 |
| Unrestricted | 5,383,457 | 5,148,979 |
| Total Net Position | \$ 6,306,611 | \$ 6,104,533 |

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, 2020 and 2019

| | 2020 | 2019 |
|---|---------------------|---------------------|
| Operating Revenues | | |
| Charges for services | \$ 2,156,128 | \$ 2,081,623 |
| Intergovernmental revenue | 22,267 | 2,987 |
| Other Financing Sources | - | 3,200 |
| Total Operating Revenues | 2,178,395 | 2,087,810 |
| Operating Expenses | | |
| Personal services | 690,669 | 607,112 |
| Purchased services | 321,133 | 223,219 |
| Purchased services - tipping fees | 463,237 | 381,626 |
| Materials and supplies | 125,463 | 152,388 |
| Depreciation | 186,265 | 288,515 |
| Total Operating Expenses | 1,786,767 | 1,652,860 |
| Operating Income | 391,628 | 434,950 |
| Non-Operating Revenues (Expenses) | | |
| Investment earnings | 84,935 | 111,039 |
| Interest and fiscal charges | (63) | (701) |
| Total Non-Operating Revenues (Expenses) | 84,872 | 110,338 |
| Income Before Transfers In and Contributions | 476,500 | 545,288 |
| Transfers Out | (274,422) | (677,401) |
| Change in Net Position | 202,078 | (132,113) |
| Net Position Beginning of Year | 6,104,533 | 6,236,646 |
| Net Position End of Year | \$ 6,306,611 | \$ 6,104,533 |

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|----------------------------|----------------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash Flows from Operating Activities | | |
| Cash received from customers | \$ 2,156,128 | \$ 2,081,623 |
| Cash payments to employees for services | (690,671) | (690,115) |
| Cash payments for goods and services | <u>(886,303)</u> | <u>(652,631)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>579,154</u> | <u>738,877</u> |
| Cash Flows from Noncapital Financing Activities | | |
| Interfund payable | <u>351,841</u> | <u>(211,194)</u> |
| Net Cash Provided by (Used in) Noncapital Financing Activities | <u>351,841</u> | <u>(211,194)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Principal paid on capital leases | (9,478) | (29,098) |
| Interest paid on notes | (63) | (701) |
| Acquisition of capital assets | <u>(433,148)</u> | <u>(38,856)</u> |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | <u>(442,689)</u> | <u>(68,655)</u> |
| Cash Flows from Investing Activities | | |
| Investment earnings | <u>84,935</u> | <u>112,347</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 573,241 | 571,375 |
| Cash and Cash Equivalents Beginning of Year | <u>5,724,884</u> | <u>5,153,509</u> |
| Cash and Cash Equivalents End of Year | <u><u>\$ 6,298,125</u></u> | <u><u>\$ 5,724,884</u></u> |
| Reconciliation to Statement of Net Position | | |
| Cash and cash equivalents | \$ 501,330 | \$ 700,439 |
| Investments | <u>5,796,795</u> | <u>5,024,445</u> |
| Total Cash and Cash Equivalents | <u><u>\$ 6,298,125</u></u> | <u><u>\$ 5,724,884</u></u> |

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2020 and 2019

(continued)

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities | | |
| Operating Income | \$ 391,628 | \$ 434,950 |
| Adjustments: | | |
| Depreciation and amortization | 186,265 | 288,515 |
| (Increase) Decrease in Assets: | | |
| Accounts receivable | (20,230) | (907) |
| Prepaid items | (603) | 1,522 |
| Increase (Decrease) in Liabilities: | | |
| Accounts payable | 11,312 | 8,050 |
| Accrued expenses payable | 3,354 | 1,108 |
| Compensated absences payable | 3,306 | 1,516 |
| Other net | 4,122 | 4,123 |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 579,154</u> | <u>\$ 738,877</u> |

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Airport Fund
June 30, 2020 and 2019

| Assets | 2020 | 2019 |
|--|---------------------|---------------------|
| Current Assets: | | |
| Intergovernmental receivable | \$ - | \$ 158,058 |
| Prepaid items | 706 | 738 |
| Inventories | 28,679 | 39,339 |
| Total Current Assets | 29,385 | 198,135 |
| Noncurrent Assets: | | |
| Capital assets: | | |
| Nondepreciable | 1,392,242 | 1,078,067 |
| Depreciable, net | 7,460,242 | 7,657,581 |
| Total Noncurrent Assets | 8,852,484 | 8,735,648 |
| Total Assets | 8,881,869 | 8,933,783 |
| Deferred Outflow of Resources | 12,260 | 13,445 |
| Total Assets and Deferred Inflows | 8,894,129 | 8,947,228 |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 11,927 | 255,548 |
| Retainage payable | 654 | - |
| Accrued expenses payable | 2,954 | 2,423 |
| Compensated absences payable | 243 | - |
| Interfund payable | 922,141 | 1,207,017 |
| Total Current Liabilities | 937,919 | 1,464,988 |
| Long-term Liabilities (Net of current portion) | | |
| Compensated absences payable | 61 | - |
| Net pension liability | 14,450 | 23,529 |
| Total Long-term Liabilities | 14,511 | 23,529 |
| Total Liabilities | 952,430 | 1,488,517 |
| Deferred Inflows of Resources | 12,420 | 3,934 |
| Total Liabilities and Deferred Inflows of Resources | 964,850 | 1,492,451 |
| Net Position | | |
| Investment in capital assets | 8,852,484 | 8,735,648 |
| Unrestricted (deficit) | (923,205) | (1,280,871) |
| Total Net Position | \$ 7,929,279 | \$ 7,454,777 |

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|----------------------------|----------------------------|
| Operating Revenues | | |
| Hanger fees | \$ 91,786 | \$ 102,120 |
| Fuel sales | 164,204 | 301,286 |
| Miscellaneous Revenue | <u>-</u> | <u>32,244</u> |
| Total Operating Revenues | <u>255,990</u> | <u>435,650</u> |
| Operating Expenses | | |
| Personal services | 80,409 | 64,969 |
| Cost of sales | 161,974 | 246,675 |
| Purchased services | 44,265 | 110,731 |
| Materials and supplies | 21,708 | 23,611 |
| Depreciation | <u>317,020</u> | <u>293,305</u> |
| Total Operating Expenses | <u>625,376</u> | <u>739,291</u> |
| Operating Loss Before Contributions and Transfers In | <u>(369,386)</u> | <u>(303,641)</u> |
| Contributions | <u>843,888</u> | <u>1,041,356</u> |
| Total Contributions and Transfers In | <u>843,888</u> | <u>1,041,356</u> |
| Change in Net Position | 474,502 | 737,715 |
| Net Position Beginning of Year | <u>7,454,777</u> | <u>6,717,062</u> |
| Net Position End of Year | <u><u>\$ 7,929,279</u></u> | <u><u>\$ 7,454,777</u></u> |

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash Flows from Operating Activities | | |
| Cash received from customers | \$ 255,990 | \$ 403,406 |
| Cash payments to employees for services | (80,105) | (66,445) |
| Cash payments for goods and services | <u>(459,691)</u> | <u>(320,732)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>(283,806)</u> | <u>16,229</u> |
| Cash Flows from Noncapital Financing Activities | | |
| Accounts receivable | - | 10,091 |
| Intergovernmental receivable | - | (158,058) |
| Interfund payable | <u>(33,675)</u> | <u>141,749</u> |
| Net Cash Provided by (Used in) Noncapital Financing Activities | <u>(33,675)</u> | <u>(6,218)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Capital grants | 1,000,946 | 600,508 |
| Acquisition of capital assets | <u>(683,465)</u> | <u>(610,519)</u> |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | <u>317,481</u> | <u>(10,011)</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> |

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2020 and 2019

(continued)

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|------------------|
| Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities | | |
| Operating Loss | \$ (369,386) | \$ (303,641) |
| Adjustments: | | |
| Depreciation and amortization | 317,020 | 293,305 |
| (Increase) Decrease in Assets: | | |
| Prepaid items | 32 | (254) |
| Inventories | 10,660 | (3,294) |
| Increase (Decrease) in Liabilities: | | |
| Accounts payable | (243,621) | 46,553 |
| Retainage payable | 654 | (14,862) |
| Accrued expenses payable | 531 | (102) |
| Compensated absences payable | <u>304</u> | <u>(1,476)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ (283,806)</u> | <u>\$ 16,229</u> |

HARRIS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2020

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 | \$ 1,094,671 | \$ 0 | \$ 1,094,671 |
| Public Library Construction | 500,000 | 500,000 | 0 | 500,000 |
| Recreation | 1,000,000 | 363,612 | 329,793 | 693,405 |
| Public Safety | 80,000 | 66,578 | 0 | 66,578 |
| Fire | 2,701,000 | 2,698,073 | 0 | 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 | 971,421 | 443,147 | 1,414,568 |
| Cities | | | | |
| Hamilton | 300,000 | 264,563 | 0 | 264,563 |
| Pine Mountain | 961,000 | 851,800 | 0 | 851,800 |
| Shiloh | 370,000 | 326,885 | 0 | 326,885 |
| Waverly Hall | 2,177,000 | 1,923,453 | 0 | 1,923,453 |
| West Point | 1,125,000 | 993,588 | 0 | 993,588 |
| Debt reduction/public safety/roads/airport | 4,786,000 | 86,429 | 0 | 86,429 |
| Totals | <u>\$ 19,000,000</u> | <u>\$ 10,512,351</u> | <u>\$ 772,940</u> | <u>\$ 11,285,291</u> |

HARRIS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2020

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 | \$ 33,495 | \$ 33,495 |
| 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 | 379,766 | 737,068 | 1,116,834 |
| Rails to Trails Recreation Project | 245,900 | 0 | 245,900 | 245,900 |
| 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 | 26,140 | 108,376 | 134,516 |
| Pine Mountain | 625,000 | 28,965 | 120,093 | 149,058 |
| Shiloh | 300,000 | 14,129 | 58,582 | 72,711 |
| Waverly Hall | 493,000 | 22,607 | 93,731 | 116,338 |
| West Point | 459,000 | 21,194 | 87,872 | 109,066 |
| Community Center Debt Repayment | 3,700,000 | 0 | 0 | 0 |
| Totals | <u>\$ 15,300,000</u> | <u>\$ 492,801</u> | <u>\$ 1,485,117</u> | <u>\$ 1,977,918</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 |
|------------|---|-----------------------------|-------------------------------|-------------------------|---|
| 2014 | <u>\$ 19,000,000</u> | <u>\$ 12,393,244</u> | <u>\$ 47,322</u> | <u>\$ 11,285,291</u> | <u>\$ 1,155,275</u> |
| 2019 | <u>\$ 15,300,000</u> | <u>\$ 3,636,664</u> | <u>\$ 634</u> | <u>\$ 1,977,918</u> | <u>\$ 1,659,380</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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 16, 2021. 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-1 that we consider 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 questioned costs. 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

April 16, 2021

Independent Auditor's Report on Compliance for Each Major Federal Program on
Internal Control over Compliance in Accordance with the Uniform Guidance

Harris County Board of Commissioners
Harris County, Georgia

Report on Compliance for Each Major Federal Program

We have audited the Harris County, Georgia's (the "County") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the County's major federal program for the year ended June 30, 2020. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Compliance for the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

April 16, 2021

HARRIS COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

| FUNDING AGENCY PROGRAM/GRANT | FEDERAL CFDA NUMBER | PASS-THROUGH ENTITY ID NUMBER | TOTAL EXPENDITURES |
|---|---------------------------|-------------------------------------|-----------------------|
| DEPARTMENT OF THE TREASURY | | | |
| COVID-19 Coronavirus Relief Fund | 21.019 | 14613-CRF | \$ 1,082,817 |
| ENVIRONMENTAL PROTECTION AGENCY | | | |
| Pass-Through From Georgia Environmental Finance Authority | | | |
| Drinking Water State Revolving Fund Program | 66.468 | DW2016030 | 466,661 |
| FEDERAL AVIATION ADMINISTRATION | | | |
| Pass-Through From Georgia Department of Transportation | | | |
| Airport Improvement Program Grant | 20.106 | AP019-9036-13(145) | 195,849 |
| DEPARTMENT OF TRANSPORTATION | | | |
| Federal Highway Administration | | | |
| Transportation Enhancement Grant | 20.205 | 0010615 | 512,473 |
| Rails to Trails Grant | 20.219 | NRT-18 | 198,978 |
| | | | 711,451 |
| DEPARTMENT OF INTERIOR | | | |
| National Park Service | | | |
| Land and Water Conservation Fund Grant | 15.916 | | 100,000 |
| DEPARTMENT OF HOMELAND SECURITY | | | |
| Pass-Through From Georgia Emergency Management Agency | | | |
| Emergency Management Performance Grant | 97.042 | OEM16-074 | 4,019 |
| Total Expenditures of Federal Awards | | | \$ 2,560,797 |

See Independent Auditor's Report.

HARRIS COUNTY, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1: Summary of Significant Accounting Policies

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and has been prepared utilizing the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

HARRIS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Summary of Auditor's Results

1. An unmodified opinion, dated, was issued on the financial statements for the year ended June 30, 2020.
2. The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" dated April 16, 2021, disclosed one material weakness for the year ended June 30, 2020.
3. The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" dated April 16, 2021, disclosed no instances of noncompliance for the year ended June 30, 2020.
4. The "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance" dated April 16, 2021, disclosed no significant deficiencies or material weaknesses in internal control over major programs for the year ended June 30, 2020.
5. An unmodified opinion, dated April 16, 2021, was issued on the County's compliance with its major federal program in the "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance" for the year ended June 30, 2020.
6. No audit findings were disclosed as required under section 2 CFR 200.516(a) of the Uniform Guidance for the year ended June 30, 2020.
7. The County's major program for the year ended June 30, 2020 is the CARES Act, CFDA No. 21.019.
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000, as described in section 200.518 of the Uniform Guidance.
9. The County did not qualify as a low-risk auditee for the year ended June 30, 2020 as described in section 200.520 of the Uniform Guidance.

Harris County, Georgia
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESSES

2020-1 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.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that were required to be reported.

Harris County, Georgia
Schedule of Prior Year Findings
For the year ended June 30, 2020

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.

Status – Unresolved: See current year compliance finding 2020-1.