

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

**For the Year Ended
DECEMBER 31, 2020**


CHAMBLISS, SHEPPARD, ROLAND
& ASSOCIATES, LLP
CERTIFIED PUBLIC ACCOUNTANTS

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

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DECEMBER 31, 2020**

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UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
Annual Financial Report
For the Fiscal Year Ended December 31, 2020

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Unified Government of Webster County
Preston, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of Unified Government of Webster County, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, of the Unified Government of Webster County, Georgia, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18, the County implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, Fiduciary Activities, as of January 1, 2020. This standard significantly changed the accounting for the County’s activities previously reported as custodial funds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the *management’s discussion and analysis* that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unified Government of Webster County, Georgia’s basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund statements, budgetary comparison schedules, and schedule of project expenditures with special sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual fund statements, budgetary comparison schedules, and schedule of project expenditures with special sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2021, on our consideration of Unified Government of Webster County, Georgia’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Unified Government of Webster County, Georgia's internal control over financial reporting and compliance.

Chambliss Sheppard Roland and Associates LLP

Americus, Georgia
August 25, 2021

FINANCIAL SECTION

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Board of Health
ASSETS				
Cash and cash equivalents	\$ 1,675,267	\$ 119,635	\$ 1,794,902	\$ 75,249
Certificates of deposit	1,506,806	-	1,506,806	-
Receivables (Net, where applicable, of allowances for uncollectible):				
Property taxes	234,064	-	234,064	-
Accounts	64,849	10,028	74,877	2,148
Due from other governments	85,128	-	85,128	-
Restricted Cash	-	18,052	18,052	-
Capital assets, nondepreciable	297,309	26,634	323,943	-
Capital assets, depreciable net of accumulated depreciation	3,491,641	376,660	3,868,301	-
Total Assets	<u>7,355,064</u>	<u>551,009</u>	<u>7,906,073</u>	<u>77,397</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources - Pension and OPEB	-	-	-	26,861
Total Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,861</u>
LIABILITIES				
Accounts payable	20,152	-	20,152	4,521
Accrued salaries and benefits	25,740	-	25,740	-
Due to other governments	-	-	-	-
Compensated absences due, within one year	8,046	-	8,046	-
Landfill postclosure care costs, due within one year	10,197	-	10,197	2,628
Capital lease, due within one year	76,906	-	76,906	-
Note payable, due within one year	-	13,263	13,263	-
Noncurrent liabilities				
Proportionate share of collective net pension liability	-	-	-	91,692
Proportionate share of collective net OPEB liability	-	-	-	11,231
Customer deposits	-	34,867	34,867	-
Compensated absences, due in more than one year	2,682	-	2,682	-
Landfill postclosure care costs, due in more than one year	43,606	-	43,606	-
Capital lease, due in more than one year	25,880	-	25,880	-
Note payable, due in more than one year	-	126,495	126,495	-
Total Liabilities	<u>213,209</u>	<u>174,625</u>	<u>387,834</u>	<u>110,072</u>
DEFERED OUTFLOWS OF RESOURCES				
Proportionate share of collective deferred inflows of resources - pension	-	-	-	36,334
NET POSITION				
Net investment in capital assets	3,686,164	263,536	3,949,700	-
Restricted for:				
Capital projects	925,757	-	925,757	-
Judicial purposes	45,153	-	45,153	-
Public safety purposes	39,516	-	39,516	-
Health and welfare functions	-	-	-	15,032
Customer water deposits	-	34,867	34,867	-
Unrestricted	2,445,265	77,981	2,523,246	(57,180)
Total Net Position	<u>\$ 7,141,855</u>	<u>\$ 376,384</u>	<u>\$ 7,518,239</u>	<u>\$ (42,148)</u>

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Functions/Program	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Component Unit
	Expenses	Charges for Services		Primary Government		Board of Health	
		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Governmental Activities:							
General government	\$ 787,483	\$ 157,544	\$ -	\$ (629,939)	\$ -	\$ (629,939)	\$ -
Judicial	228,145	95,252	-	(132,893)	-	(132,893)	-
Public safety	892,874	140,304	149,346	(603,224)	-	(603,224)	-
Public works	725,733	149,406	6,800	(569,527)	-	(569,527)	-
Health and welfare	123,205	-	50,321	(72,884)	-	(72,884)	-
Culture and recreation	14,118	-	-	(14,118)	-	(14,118)	-
Housing and development	56,127	-	-	(56,127)	-	(56,127)	-
Interest on long term debt	5,843	-	-	(5,843)	-	(5,843)	-
Total Governmental Activities	2,833,528	542,506	206,467	(2,084,555)	-	(2,084,555)	-
Business-Type Activities:							
Water department	120,167	122,146	-	-	1,979	1,979	-
Total Business-Type Activities	120,167	122,146	-	-	1,979	1,979	-
Total Primary Government	2,953,695	664,652	206,467	(2,084,555)	1,979	(2,082,576)	-
Component Unit:							
Board of Health	194,766	43,836	130,585	-	-	-	\$ (20,345)
Total Component Unit	\$ 194,766	\$ 43,836	\$ 130,585	-	-	-	(20,345)
General revenues:							
Taxes:							
Property, and timber				869,126		869,126	-
Forest Land Protection Act				137,835		137,835	-
Motor vehicle and mobile home				183,519		183,519	-
Sales				761,652		761,652	-
Insurance Premium Tax				224,792		224,792	-
Other Taxes				260,953		260,953	-
Allotments from Participating Local Government				-	10	26,694	83
Interest Earnings				34,956		34,956	-
Sale of assets				(23,234)		-	-
Transfers				2,476,283	23,234	2,499,527	41,501
Total general revenues and transfers				391,728	25,223	416,951	21,156
Change in net position				6,750,127	351,161	7,101,288	(63,304)
Net position - Beginning of year				\$ 7,141,855	\$ 376,384	\$ 7,518,239	\$ (42,148)
Net position - Ending of year							

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	General	TLOST Fund	2017 SPLOST	Non-Major Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 997,803	\$ 546,314	\$ 65,166	\$ 65,984	\$ 1,675,267
Certificates of deposit	1,488,466	-	-	18,340	1,506,806
Receivables (net of allowance for uncollectible)					
Taxes	234,064	-	-	-	234,064
Accounts	64,849	-	-	-	64,849
Due from other governments	17,929	36,602	17,929	12,668	85,128
Due from other funds	12,663	-	-	345	13,008
Total Assets	\$ 2,815,774	\$ 582,916	\$ 83,095	\$ 97,337	\$ 3,579,122
LIABILITIES					
Accounts payable	\$ 20,152	\$ -	\$ -	\$ -	\$ 20,152
Accrued salaries, taxes and benefits	25,740	-	-	-	25,740
Due to other funds	345	-	-	12,663	13,008
Total Liabilities	46,237	-	-	12,663	58,900
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Property Tax	43,618	-	-	-	43,618
Total Deferred Inflows of Resources	43,618	-	-	-	43,618
FUND BALANCES					
Restricted	259,746	582,916	83,095	84,669	1,010,426
Committed	15,077	-	-	-	15,077
Assigned	-	-	-	-	-
Unassigned	2,451,096	-	-	5	2,451,101
Total Fund Balances	2,725,919	582,916	83,095	84,674	3,476,604
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,815,774	\$ 582,916	\$ 83,095	\$ 97,337	

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,788,950
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	43,618
Property Tax	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated Absences	(10,728)
Capital lease	(102,786)
Landfill Postclosure Care Costs	(53,803)
Net position of governmental activities	\$ 7,141,855

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year ended December 31, 2020

	General	TLOST Fund	Capital Projects 2017 SPLOST	Non-Major Governmental Funds	Total
Revenues:					
Taxes					
Property	\$ 1,004,566	\$ -	\$ -	\$ -	\$ 1,004,566
Timber	28,580	-	-	-	28,580
Forest Land Protection Act	137,835	-	-	-	137,835
Motor vehicle and mobile home	183,519	-	-	-	183,519
Sales	188,914	384,721	188,017	-	761,652
Insurance premium	224,792	-	-	-	224,792
Franchise tax	206,592	-	-	-	206,592
Other	54,361	-	-	-	54,361
Licenses and permits	8,890	-	-	-	8,890
Grants and subsidies	156,146	-	-	50,321	206,467
Charges for services	325,853	-	-	5,627	331,480
Fines and forfeitures	96,222	-	-	12,903	109,125
Investment earnings	26,494	-	-	190	26,684
Miscellaneous revenue	85,411	-	-	7,600	93,011
Total Revenues	2,728,175	384,721	188,017	76,641	3,377,554
Expenditures:					
General government	747,598	-	-	-	747,598
Judicial	227,830	-	-	452	228,282
Public safety	779,984	-	-	34,153	814,137
Public works	464,364	-	-	-	464,364
Health and welfare	72,884	-	-	50,321	123,205
Culture and recreation	12,164	-	-	-	12,164
Housing and development	56,127	-	-	-	56,127
Debt Service					
Principal	19,871	-	37,748	-	57,619
Interest	1,699	-	4,145	-	5,844
Capital outlay					
General government	-	-	111,765	-	111,765
Public safety	-	-	129,234	-	129,234
Public works	-	103,792	-	-	103,792
Total Expenditures	2,382,521	103,792	282,892	84,926	2,854,131
Excess / (Deficiency) of Revenues over Expenditures	345,654	280,929	(94,875)	(8,285)	523,423
Other financing sources / (uses)					
Transfers in / (out)	(13,465)	-	(23,234)	13,465	(23,234)
Sale of capital assets and other surplus	35,205	-	-	-	35,205
Total Other Financing Sources / (Uses)	21,740	-	(23,234)	13,465	11,971
Net Change in Fund Balances	367,394	280,929	(118,109)	5,180	535,394
Fund Balance - Beginning of Year	2,358,525	301,987	201,204	79,494	2,941,210
Fund Balance - End of Year	\$ 2,725,919	\$ 582,916	\$ 83,095	\$ 84,674	\$ 3,476,604

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

**UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020**

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds.		\$ 535,394
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$268,541) exceeded capital outlay (\$219,827) in the current period.		(48,714)
Governmental funds report the proceeds from the sale of capital assets as an increase in financial resources. However, in the statement of activities, the gain/loss on the sale, trade or disposition of capital assets is reported. Thus the change in net position differs from the change in fund balance by the net book value of the capital assets disposed of.		(249)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(164,020)
Property tax receivable	<u>(164,020)</u>	
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		57,619
Principal payments	<u>57,619</u>	
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		11,697
Compensated absences	1,797	
Landfill expenditures	<u>9,900</u>	
Rounding adjustment		<u>1</u>
Change in Net Position of Governmental Activities.		<u><u>\$ 391,728</u></u>

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes				
Property	\$ 911,950	\$ 911,950	\$ 1,004,566	\$ 92,616
Timber	16,000	16,000	28,580	12,580
Forest Land Protection Act	150,500	150,500	137,835	(12,665)
Motor vehicle and mobile home	133,349	133,349	183,519	50,170
Sales	195,192	195,192	188,914	(6,278)
Insurance premium	200,000	200,000	224,792	24,792
Franchise tax	165,500	165,500	206,592	41,092
Other	194,459	194,459	54,361	(140,098)
Licenses and permits	11,300	11,300	8,890	(2,410)
Grants and subsidies	266,462	266,462	156,146	(110,316)
Charges for services	323,915	323,915	325,853	1,938
Fines and forfeitures	125,223	125,223	96,222	(29,001)
Investment earnings	5,500	5,500	26,494	20,994
Miscellaneous revenue	38,300	38,300	85,411	47,111
Total Revenues	<u>2,737,650</u>	<u>2,737,650</u>	<u>2,728,175</u>	<u>(9,475)</u>
Expenditures:				
General government				
Chief executive	190,565	181,565	175,145	6,420
Elections	25,785	25,785	21,155	4,630
Law	6,500	6,500	2,650	3,850
Human resources	286,942	282,242	249,766	32,476
Tax commissioner	85,462	85,462	83,425	2,037
Tax assessor	76,987	66,987	60,235	6,752
Tax equalization	8,732	8,732	2,664	6,068
General government	87,911	108,911	108,569	342
Risk management	40,000	44,000	43,989	11
Total general government	<u>808,884</u>	<u>810,184</u>	<u>747,598</u>	<u>62,586</u>
Court system				
Superior court judges	14,168	14,168	11,601	2,567
Clerk of superior court	104,126	104,126	80,190	23,936
Magistrate court	33,354	33,354	27,895	5,459
Probate court	86,027	86,027	80,459	5,568
District attorney	8,326	8,326	7,569	757
Juvenile court	6,000	6,000	5,995	5
Grand jury	18,019	7,019	4,230	2,789
Indigent defense	5,000	5,000	368	4,632
Public defender	10,000	10,000	9,523	477
Total court system	<u>285,020</u>	<u>274,020</u>	<u>227,830</u>	<u>46,190</u>
Public safety				
Sheriff	338,857	362,857	358,147	4,710
Coroner	7,138	9,138	9,076	62
Emergency management	22,508	22,508	19,270	3,238
Fire fighting	27,575	38,575	37,081	1,494
Emergency medical services	314,067	337,067	336,429	638
Animal control	3,000	3,700	3,608	92
E-911	12,715	16,715	16,373	342
Total public safety	<u>725,860</u>	<u>790,560</u>	<u>779,984</u>	<u>10,576</u>

Continued...

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Public works				
Public works	343,218	326,218	311,581	14,637
Solid waste collection	148,200	148,200	143,028	5,172
Solid waste disposal and recycling	5,000	5,000	111	4,889
Landfill postclosure	12,000	12,000	9,644	2,356
Total public works	<u>508,418</u>	<u>491,418</u>	<u>464,364</u>	<u>27,054</u>
Health and welfare				
Public health	57,027	59,027	58,815	212
Welfare	13,726	11,726	9,069	2,657
Meals on wheels	5,500	5,500	5,000	500
Total health and welfare	<u>76,253</u>	<u>76,253</u>	<u>72,884</u>	<u>3,369</u>
Culture and recreation				
Recreation	2,000	2,000	-	2,000
Library	11,488	12,188	12,164	24
Total culture and recreation	<u>13,488</u>	<u>14,188</u>	<u>12,164</u>	<u>2,024</u>
Housing and development				
Agricultural resources	57,302	56,602	47,436	9,166
Economic development	2,799	2,799	-	2,799
Adult education	2,567	2,567	150	2,417
Georgia Forestry Commission	8,600	8,600	8,541	59
Total housing and development	<u>71,268</u>	<u>70,568</u>	<u>56,127</u>	<u>14,441</u>
Debt Service				
Principal	24,000	24,000	19,871	4,129
Interest	3,619	3,619	1,699	1,920
Total debt service	<u>27,619</u>	<u>27,619</u>	<u>21,570</u>	<u>6,049</u>
Capital Outlay				
Public Works	259,746	221,746	-	221,746
Total capital outlay	<u>259,746</u>	<u>221,746</u>	<u>-</u>	<u>221,746</u>
Total Expenditures	<u>2,776,556</u>	<u>2,776,556</u>	<u>2,382,521</u>	<u>394,035</u>
Excess / (Deficiency) of Revenues over Expenditures	<u>(38,906)</u>	<u>(38,906)</u>	<u>345,654</u>	<u>384,560</u>
Other financing sources				
Transfer out	(16,000)	(16,000)	(13,465)	2,535
Sale of capital assets and other surplus	2,985	2,985	35,205	32,220
Prior fund balance	51,921	51,921	-	(51,921)
Total other financing sources	<u>38,906</u>	<u>38,906</u>	<u>21,740</u>	<u>(17,166)</u>
Net Change in Fund Balance	-	-	367,394	367,394
Fund Balance - Beginning of Year	<u>2,358,525</u>	<u>2,358,525</u>	<u>2,358,525</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 2,358,525</u>	<u>\$ 2,358,525</u>	<u>\$ 2,725,919</u>	<u>\$ 367,394</u>

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	<u>Business-type Activities</u>
	<u>Major</u>
	<u>Enterprise Fund</u>
	<u>Water Fund</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 119,635
Accounts receivable, net of allowance for doubtful accounts	<u>10,028</u>
Total Current Assets	<u>129,663</u>
Noncurrent Assets:	
Cash - customer deposits	18,052
Capital assets	
Nondepreciable assets	26,634
Depreciable assets, net	<u>376,660</u>
Capital assets, net of depreciation	<u>403,294</u>
Total Noncurrent Assets	<u>421,346</u>
Total Assets	<u>551,009</u>
LIABILITIES	
Current Liabilities:	
Notes payable - current	<u>13,263</u>
Total Current Liabilities	<u>13,263</u>
Long-Term Liabilities:	
Customer water deposits	34,867
Notes payable	<u>126,495</u>
Total Long-Term Liabilities	<u>161,362</u>
Total Liabilities	<u>174,625</u>
NET POSITION	
Net investment in capital assets	263,536
Restricted	
Customer water deposits	34,867
Unrestricted	<u>77,981</u>
Total Net Position	<u>\$ 376,384</u>

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2020

	Business-type Activities
	Major
	Enterprise Fund
	Water Fund
OPERATING REVENUES	
Charges for services	\$ 122,146
Total Operating Revenues	122,146
OPERATING EXPENSES	
Personal services	795
Utilities	17,677
Repairs and maintenance	54,305
Other supplies and expenses	14,530
Depreciation	30,456
Total Operating Expenses	117,763
Operating Income (Loss)	4,383
NONOPERATING REVENUE (EXPENSE)	
Interest income	10
Interest expense	(2,404)
Net Nonoperating Revenue (Expense)	(2,394)
Income (Loss) before transfers	1,989
TRANSFERS	
Transfers in	23,234
Change in Net Position	25,223
Net Position - Beginning of Year	351,161
Net Position - End of Year	\$ 376,384

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	Business-type Activities
	Major
	Enterprise Fund
	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 121,683
Cash Payments to Suppliers	(90,919)
Cash Payments to Employees for Services	(795)
Net Cash Provided (Used) by Operating Activities	29,969
 CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Customer Water Deposits Received	3,092
Customer Water Deposits Refunded or Applied to Bill	(130)
Net Cash Provided by Non-Capital Financing Activities	2,962
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfers in	23,234
Purchase equipment	(8,900)
Principal paid on GEFA loans	(13,069)
Interest Paid on debt	(2,404)
Net Cash (Used) by Capital and Related Financing Activities	(1,139)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	10
Net Cash Provided by Investing Activities	10
Net Increase (Decrease) in Cash and Cash Equivalents	31,802
Cash and Cash Equivalents - Beginning of year	105,885
Cash and Cash Equivalents - End of year	\$ 137,687
 Displayed as:	
Cash and cash equivalents	\$ 119,635
Cash - Customer Deposits	18,052
	\$ 137,687

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	<u>Business-type Activities</u> Major <u>Enterprise Fund</u> <u>Water Fund</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ 4,383
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities :	
Depreciation	30,456
(Increase) decrease in accounts receivable	(173)
Increase (decrease) in accounts payable	<u>(4,697)</u>
Net Cash Provided (Used) By Operations	<u>\$ 29,969</u>

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

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
December 31, 2020

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 792,284
Taxes Receivable	461,537
Total Assets	1,253,821
LIABILITIES	
Due to others	784,157
Uncollected taxes	461,537
Total Liabilities	1,245,694
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	8,127
Total Net Position	\$ 8,127

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

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
December 31, 2020

	<u>Custodial Funds</u>
ADDITIONS	
Taxes	\$ 3,597,036
Fines and fees	210,751
Other custodial collections	<u>309</u>
Total Additions	<u><u>3,808,096</u></u>
 DEDUCTIONS	
Taxes paid to other governments	3,652,564
Other custodial disbursements	<u>158,355</u>
Total Deductions	<u>3,810,919</u>
Net increase in fiduciary net position	(2,823)
 Net position, beginning of year, restated	<u>10,950</u>
Net position, end of year	<u><u>\$ 8,127</u></u>

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

Unified Government of Webster County was established on January 1, 2009 pursuant to the provision of Article IX, Section III, Paragraph II (a) of the Constitution of Georgia of 1983, as amended, and an Act establishing the Preston-Weston-Webster County Charter and Unification Commission, approved February 5, 2009. The unification resulted in the creation and establishment of a single county-wide government with powers and jurisdiction throughout the territorial limits of Webster County. The County operates under a county commissioner form of government, and provides the following services as authorized by state law: general administrative services, public safety, roads and bridges, courts, health and welfare, solid waste collection, and water.

The accounting policies of Unified Government of Webster County, Georgia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the County's more significant policies applied in the preparation of the accompanying financial statements.

1-A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Unified Government of Webster County, Georgia (the "primary government") and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component unit discussed below is included in the County's reporting entity because of the significance of the operational and financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity*, as amended by statement No. 61, the financial statements of the component unit has been included as a discretely presented component unit. The component unit column in the basic financial statements includes the financial data for the County's component unit, as reflected in their most recent audited financial statements. The financial information for the component unit is reported in columns separate from the County's financial information to emphasize that it is legally separate from the County.

Discretely Presented Component Unit

The Webster County Board of Health (Health Department) Title 31, Chapter 3 of the Official Code of Georgia Annotated, establishes County Boards of Health and prescribes their powers, functions and membership. The Health Department is charged with determining the health needs and resources of it jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The Board of Health is governed by the Unified Government of Webster County Board of Health (Board). The County appoints the voting majority of the board. The County provides significant operating subsidies to the department. The Health Department is presented as a governmental fund type. The Webster County Board of Health issued separate financial statements

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

that have a June 30 year-end, as required by state statutes. Complete financial statements of the Webster County Board of Health may be obtained from their administrative office at the following location:

Webster County Board of Health
P.O. Box 12
Preston, GA 31824

1-B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statements of Net Position and Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

1-C. Measurement Focus, Basis of Accounting and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

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

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

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

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

General Fund - is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The County-wide solid waste pick-up service is included in the General Fund.

TLOST Fund – This fund was established to account for the proceeds of Transportation Investment Act special 1% sales tax collected and the projects approved for those funds. "Project" means, without limitation, any new or existing airports, bike lanes, bridges, bus and rail mass transit systems, freight and passenger rail, pedestrian facilities, ports, roads, terminals, and all activities and structures useful and incident to providing, operating, and maintaining the same. The term shall also include direct appropriations to a local government for the purpose of serving as a local match for state or federal funding.

SPLOST 2017 – A capital projects fund used to account for major capital expenditures as described in the referendum approved by the voters of Webster County in 2016. Financing is provided by a special purpose sales tax effective for a five-year period beginning April 1, 2017.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

The government reports the following major proprietary fund:

Water Fund - This fund accounts for the operation and maintenance of the water system.

Additionally, the County reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Business-type/Proprietary Funds).

Custodial funds – Custodial funds are used to account for the collection and disbursements of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments, ad valorem and property taxes.

1-D. Cash and Cash Equivalents and Investments

The government and the discretely presented component unit's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably equals fair value.

1-E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables, have been reduced to their estimated net realized value, and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

1-F. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

1-G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items in both government-wide and fund financial statements.

1-H. Restricted Assets

Certain assets are classified as restricted assets when their use is subject to constraints that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restricted cash in the Water Fund is held as a liability by the Board of Commissioners for customer security deposits.

1-I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired subsequent to October 1, 2003), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant, and equipment capital assets are defined by the government as assets with an initial, individual cost of \$7,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. This includes maintenance and resurfacing of county roads.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Buildings and Improvements	20 - 30 years
Vehicles and Equipment	5 - 10 years
Infrastructure	40 years

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-J. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow or resources (expense/expenditures) until then.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of 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 government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

1-K. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amount when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. The government also permits employees to request that their unused vacation time be paid instead of accumulated.

1-L. 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 these 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. Capital leases are recognized as a liability in the governmental fund financial statements when due.

1-M. Debt Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against debt payable and debt issuance costs are recognized as an outflow of resources in the period incurred. On the government-wide and proprietary fund type statement of activities, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. At the government fund reporting level, debt premiums and discounts are reported as other financing sources and uses, separately from the face amount of the debt issued. Debt issuance costs are reported as debt service expenditure.

1-N. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balances in accordance with Governmental Accounting Standards Board Statement No. 54:

- Non-spendable — amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

- Restricted — amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed — amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Commissioners through adoption of a resolution. The Commissioners also may modify or rescind the commitment.
- Assigned — amounts that are constrained by the Commission’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Commissioners have authorized the Commission Chairman to assign fund balances.
- Unassigned — amounts that have not been assigned to other funds, and that are not restricted, committed, or assigned to specific purposes within the General Fund.

Flow Assumptions – When both restricted and unrestricted amounts of fund balances are available for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balances in the following order:

- Committed
- Assigned
- Unassigned

The County does not have a formal minimum fund balance policy.

1-O. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made in order in which the resources are considered to be applied.

It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

1-P. Management Estimates

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2. BUDGETS AND BUDGETARY ACCOUNTING

2-A. Budget Process

The annual budget document is the financial plan for the operation of the Unified Government of Webster County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County.

The County prepares a separately issued budget report. An annual operating budget is prepared for the General and Special Revenue Funds. Prior to July, the Chairman submits to the County Commission a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them. The Commission holds two (2) public hearings on the budget, giving notice thereof at least ten days in advance by publication in the official newspaper of Unified Government of Webster County. The budget is revised and adopted by the Commission at the first regular meeting after the public hearings have concluded. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same. Management may transfer appropriations without commission approval.

Formal budgetary integration is employed as a management control device during the year. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis. Budgets are prepared for the Capital Projects Funds on a project basis, which usually covers two or more fiscal years. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners.

NOTE 3. DEPOSITS AND INVESTMENTS

3-A. Custodial Credit Risk - Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. 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. The County does not have a formal policy for custodial credit risk.

The Webster County Board of Health, a discretely presented component unit, bank balances of deposits as of June 30, 2020 are entirely insured or collateralized with securities held by the Board's agent in the Board's name. 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.

3-B. Investments of the Governmental Funds

The following bank certificates of deposits had original maturities of one year.

	<u>Maturity</u>	<u>Amount</u>
Certificates of deposit-General Fund	October 7, 2021	\$ 327,646
	November 1, 2021	549,757
	May 7, 2021	311,063
	July 7, 2021	300,000
Certificate of deposit-Nonmajor Governmental Fund	January 17, 2021	18,340

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Custodial credit risk. For an investment, the custodial risk is the risk that in the event of the failure of the counter-party to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County had no such investments with such risk as of December 31, 2020.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. Georgia law allows investments in obligation of the U.S. Treasury, other U.S. Governmental Agencies, State of Georgia, other states, prime bankers acceptances, repurchase agreements, other political subdivisions of Georgia and the Office of the State Treasurer.

NOTE 4. PROPERTY TAXES

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by April 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Unified Government of Webster County.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by the state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The State Revenue Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The Unified Government of Webster County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle ad valorem taxes are due based upon the birthday of the owner. The 2020 property tax was levied on September 17, 2020 and mailed on September 23, 2020 with a due date of December 20, 2020. Property tax receivables have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

The County bills and collects its own property taxes as well as taxes for the State and County School District. Collections of the County taxes and their remittances are accounted for in the Tax Commissioner's Custodial Fund.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5. RECEIVABLES

Receivables as of year-end for the County's individual major funds and nonmajor governmental and its enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>TLOST</u>	<u>Nonmajor Governmental</u>	<u>Water</u>	<u>Total</u>
Receivables					
Property Taxes	\$ 238,368	\$ -	\$ -	\$ -	\$ 238,368
Accounts	<u>295,046</u>	<u>-</u>	<u>-</u>	<u>27,442</u>	<u>322,488</u>
Gross Receivables	533,414	-	-	27,442	560,856
Less: Allowance for Uncollectibles					
Property Taxes	(4,304)	-	-	-	(4,304)
Uncollectibles	<u>(230,197)</u>	<u>-</u>	<u>-</u>	<u>(17,414)</u>	<u>(247,611)</u>
Net Receivables	<u>\$ 298,913</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,028</u>	<u>\$ 308,941</u>

Non-current property tax receivable of \$207,638 is reported as assets, but on the Balance Sheet of the Governmental Funds, they are reported as deferred inflows of resources, because they do not represent financial resources available to pay current expenditures.

NOTE 6. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at December 31, 2020, are as follows:

Fund:	<u>State</u>
General	\$ 17,929
TLOST	36,602
SPLOST	17,929
Nonmajor Governmental	<u>12,668</u>
Total	<u>\$ 85,128</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2020, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Drug Abuse Treatment & Education Fund	General Fund	\$ 345
General Fund	Family Connection	12,663

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

Interfund transfers:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
Jail Construction & Staffing fund	General Fund	13,465
Water Fund	SPLOST 2017	23,234

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching fund for various grant programs. The transfer is to the Jail Construction and Staffing Fund for inmate housing. The transfer from the SPLOST 2017 Fund to the Water Fund was for annual tank maintenance (\$14,334) and equipment of (\$8,900).

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Non-depreciable:				
Land	\$ 297,558	\$ -	\$ (249)	\$ 297,309
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-depreciable Capital Assets	<u>297,558</u>	<u>-</u>	<u>(249)</u>	<u>297,309</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	2,495,085	105,845	(5,400)	2,595,530
Machinery, equipment & vehicles	2,762,227	113,982	(35,636)	2,840,573
Infrastructure	<u>2,861,028</u>	<u>-</u>	<u>-</u>	<u>2,861,028</u>
Total Capital Assets, Being Depreciated	<u>8,118,340</u>	<u>219,827</u>	<u>(41,036)</u>	<u>8,297,131</u>
Accumulated Depreciation:				
Buildings and improvements	(1,773,416)	(36,731)	5,400	(1,804,747)
Machinery, equipment & vehicles	(2,171,199)	(154,740)	35,636	(2,290,303)
Infrastructure	<u>(633,370)</u>	<u>(77,070)</u>	<u>-</u>	<u>(710,440)</u>
Total Accumulated Depreciation	<u>(4,577,985)</u>	<u>(268,541)</u>	<u>41,036</u>	<u>(4,805,490)</u>
Total Depreciable Assets, Net	<u>3,540,355</u>	<u>(48,714)</u>	<u>-</u>	<u>3,491,641</u>
Governmental Activities, Capital Assets, Net	<u>\$ 3,837,913</u>	<u>\$ (48,714)</u>	<u>\$ (249)</u>	<u>\$ 3,788,950</u>
Governmental Activities Depreciation Expense:				
General Government			\$ 40,536	
Culture & Recreation			1,954	
Public Safety			77,732	
Public Works			<u>148,319</u>	
Total Governmental Activities Depreciation Expense			<u>\$ 268,541</u>	
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets, Non-depreciable:				
Land	\$ 26,634	\$ -	\$ -	\$ 26,634
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-depreciable Capital Assets	<u>26,634</u>	<u>-</u>	<u>-</u>	<u>26,634</u>
Capital Assets, Being Depreciated:				
Equipment, furniture & vehicles	78,586	8,900	-	87,486
Buildings and improvements	21,875	-	-	21,875
Infrastructure	<u>1,687,403</u>	<u>-</u>	<u>-</u>	<u>1,687,403</u>
Total Capital Assets, Being Depreciated	<u>1,787,864</u>	<u>8,900</u>	<u>-</u>	<u>1,796,764</u>
Accumulated Depreciation:				
Equipment, furniture & vehicles	(78,584)	(1,165)	-	(79,749)
Buildings and improvements	(19,746)	(729)	-	(20,475)
Infrastructure	<u>(1,291,318)</u>	<u>(28,562)</u>	<u>-</u>	<u>(1,319,880)</u>
Total Accumulated Depreciation	<u>(1,389,648)</u>	<u>(30,456)</u>	<u>-</u>	<u>(1,420,104)</u>
Capital Assets, Being Depreciated, Net	<u>398,216</u>	<u>(21,556)</u>	<u>-</u>	<u>376,660</u>
Business-Type Activities Capital Assets, Net	<u>\$ 424,850</u>	<u>\$ (21,556)</u>	<u>\$ -</u>	<u>\$ 403,294</u>
Business-Type Activities Depreciation Expense:		Water Fund		<u>\$ 30,456</u>

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8. CAPITAL ASSETS (continued)

Component Unit:
Webster County Health Department:

In 2018, the health department staff reviewed the inventory of capital assets and determined that there were no assets that had an original cost of more than \$1,000. By vote of the Board of Health at their February 8, 2018 meeting, the schedule of capital assets was reduced to zero as of June 30, 2018. All of Webster County Department of Public Health's fixed assets are fully depreciated.

NOTE 9. LONG-TERM DEBT

The following is a summary of long-term debt activity for the fiscal year ended December 31, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 12,525	\$ 16,776	\$ (18,573)	\$ 10,728	\$ 8,046
Capital lease payable	160,405	-	(57,619)	102,786	76,906
Landfill postclosure costs	<u>63,703</u>	<u>-</u>	<u>(9,900)</u>	<u>53,803</u>	<u>10,197</u>
Total Governmental Activities	<u>\$ 236,633</u>	<u>\$ 16,776</u>	<u>\$ (86,092)</u>	<u>\$ 167,317</u>	<u>\$ 95,149</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities:					
Notes Payable	\$ 152,828	\$ -	\$ (13,070)	\$ 139,758	\$ 13,263
Total Business-type Activities	<u>\$ 152,828</u>	<u>\$ -</u>	<u>\$ (13,070)</u>	<u>\$ 139,758</u>	<u>\$ 13,263</u>

For the governmental activities, compensated absences, and landfill postclosure costs (see Note 11) are generally liquidated by the General fund. For business-type activities, long-term liabilities are liquidated by the Water enterprise fund.

A. Primary Government

Governmental Activities Debt

Capital Leases. The County entered into three lease agreements as lessee for financing the acquisition of various equipment. The lease agreements qualify as a capital lease for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Total cost of assets under capital lease as of December 31, 2020, is \$278,753, which is included in governmental activities capital assets on the statement of net position.

The County recorded depreciation expense of \$29,733, in the fiscal year ended December 31, 2020 on assets under capital leases.

The County's total capital lease debt service requirements to maturity are as follows:

Year Ending December 31,	<u>Minimum Lease Payments</u>
2021	79,630
2022	18,009
2023	<u>9,005</u>
Total minimum lease payments	106,644
Less: amount representing interest	<u>(3,858)</u>
Present value of minimum lease payments	<u>\$ 102,786</u>

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 9. LONG-TERM DEBT (continued)

Business-Type Activities Debt

Notes Payable.

In 2012, the County entered into an agreement with Governmental Environmental Facilities Authority (GEFA) to finance automated meter readers, related hardware, and software to the water system. The total proceeds of the loan were \$141,050. The loan is for 20 years beginning April 1, 2013 and will continue through March 1, 2033, payable in monthly installments of \$714 with interest at 2%.

Annual debt service requirements to maturity for this note payable are as follows:

<u>Year Ending</u> <u>December 31st</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 6,765	\$ 1,797
2022	6,902	1,661
2023	7,041	1,522
2024	7,183	1,379
2025	7,328	1,240
2026-2030	38,920	3,893
2031-2033	18,823	437
	<u>\$ 92,962</u>	<u>\$ 11,929</u>

In 2017, the County entered into an agreement with Governmental Environmental Facilities Authority (GEFA) to finance rehabilitation of an existing well, replacement of discharge piping, valves, treatment equipment, electrical upgrades, well building upgrades, telemetry equipment, and fencing to the water system. The total cost of the project was \$109,881, but GEFA gave principal forgiveness of \$43,953. The total proceeds of the loan were \$65,928.89. The loan is for 10 years beginning January 1, 2018 and will continue through December 1, 2027, payable in monthly installments of \$575.85 with interest at 0.94%.

Annual debt service requirements to maturity for this note payable are as follows:

<u>Year Ending</u> <u>December 31st</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 6,498	\$ 412
2022	6,560	350
2023	6,621	289
2024	6,684	226
2025	6,747	163
2026-2027	13,686	134
	<u>\$ 46,796</u>	<u>\$ 1,574</u>

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10. FUND EQUITY

The following is a summary of the fund balance classifications as of December 31, 2020:

	<u>General</u>	<u>TLOST Fund</u>	<u>2017 SPLOST</u>	<u>Non-major Governmental</u>	<u>Total</u>
Fund Balances					
Restricted for:					
Capital Improvements	259,746	582,916	83,095	-	925,757
Drug Awareness	-	-	-	38,688	38,688
Law Library	-	-	-	42,038	42,038
Superior Court Technology	-	-	-	3,115	3,115
Jail	-	-	-	683	683
Sheriff's Department	-	-	-	145	145
Committed:					
Codification of County Ordinances	15,077	-	-	-	15,077
Unassigned	<u>2,451,096</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>2,451,101</u>
Total Fund Balances	<u>\$ 2,725,919</u>	<u>\$ 582,916</u>	<u>\$ 83,095</u>	<u>\$ 84,674</u>	<u>\$ 3,476,604</u>

NOTE 11. COMMITMENTS

Closure and Postclosure Care Cost

The Unified Government of Webster County, Georgia closed its landfill on August 21, 1995 and placed a final cover on the landfill in accordance with state and federal laws and regulations. In addition, state and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site for thirty years after closure. These maintenance and monitoring functions are estimated to cost \$10,197 per year.

Although the postclosure costs will be paid when the services are performed, the County reports a total liability of \$53,803 as landfill postclosure care liability at December 31, 2020. This amount represents the cumulative amount of landfill postclosure costs based on the 100 percent of the capacity of the landfill. The County has no assets restricted for payment of postclosure care costs. Actual costs may change due to inflation, changes in technology, or changes in regulations.

NOTE 12. DEFINED CONTRIBUTION RETIREMENT PLAN

County commissioners of Georgia Defined Contribution Plan Program. The County has adopted the ACCG 457(b) Deferred Compensation Plan for Webster County Employees and the ACCG 401(a) Defined Contribution Plan for Webster County Employees.

The 457(b) plan is available to all employees including elected or appointed officials of the County. The County cannot make any basic contributions, discretionary contributions, or matching contributions. Employees through salary reductions may contribute up to the IRC 402(g) limit (\$19,500 in 2020). Participants direct investment of all accounts. Self-directed brokerage is not permitted.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 12. DEFINED CONTRIBUTION RETIREMENT PLAN (continued)

Contributions made by and made for individual participants are credited to that individual participant's account.

The 401(a) plan is available to all full-time County employees working at least 40 hours a week. County Commissioners are eligible to participate, but none of the other elected or appointed officials are eligible. The contribution requirements of plan members and the government are established and may be amended by resolution passed by the County Board of Commissions. There is no mandatory requirement for employee contributions; after-tax employee contributions are not permitted. The employer can make no basic contributions or discretionary contributions. Employer matching contributions equal to 50% of the first 2% on accounts participants contribute to the 457(b) plan. Maximum matching contribution shall be no more than 1% of compensation. Matching contributions shall be made on a payroll basis. Participants direct the investments of all accounts and self-directed brokerage is not permitted.

Upon retirement or employment termination, employees are entitled a lump sum distribution of the employee and employer contributions with investment earnings or the option of receiving monthly, semi-annual, or annual payments based on an amount equal to the amount of the employee and employer contributions with investment earnings. Employees are vested immediately in the County-financed contributions to the plan, and are 100% vested after five years of service.

The County's total payroll was \$1,013,741 and the County's contributions were based on covered payroll of \$259,404 for the year ended December 31, 2020. Employee contributions to the plan amounted to \$12,686 or 4.89% of the total covered payroll. Employer contributions amounted to \$5,188 to the plan, or 2.00% of total payroll covered. A total of 7 employees and two elected officials participated in the plan for the year ended December 31, 2020. The County does not match any of the contributions of elected officials.

All amounts of contributions defined under the plan, all property and investments purchased with those amounts, and all income attributable to those amounts, properties, or rights are: held for the exclusive benefits of the employees, or retired employees or their beneficiaries, in a trust, custodial account, or qualified insurance contract, in conformity with the "Small Business Job Protection Act of 1996." These sums are not reported within the County's annual financial report. ACCG administers the plans.

NOTE 13. OTHER RETIREMENT PLANS

The following plans are in effect for the constitutional officers of Unified Government of Webster County. The County does not contribute directly to the plans. Contributions are made through an increase in the fine amounts. The County exercises no control over these plans.

Probate Judges' Retirement Fund of Georgia

The Probate Judge is covered under a pension plan, which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs of other claims.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 13. OTHER RETIREMENT PLANS (continued)

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan, which requires that certain sums of fees and fines or bond forfeitures be remitted to the pension plan before payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and his deputies are covered under separate pension plans, which require that certain sums from fines or bond forfeitures be remitted by the Probate Court, Magistrate Court or Clerk of Superior Court to the pension plan before the payment of any costs of other claims.

NOTE 14. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers' Compensation Fund and the Interlocal Risk Management Agency Property and Liability Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation Law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

NOTE 15. CONTINGENT LIABILITIES

15-A. Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

15-B. Grant Contingencies

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.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 16. JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest, or (b) an ongoing financial responsibility.

River Valley Regional Commission: Under Georgia law, the County, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the River Valley Regional Commission and is required to pay annual dues thereto. During the year ended December 31, 2020, the County paid \$2,608 in such dues. Membership in Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Regional Commission's in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from: River Valley Regional Commission, 710 Front Avenue, Suite A, Columbus, Georgia 31901.

Middle Flint Regional E-911 Authority: Pursuant to the authority granted in OCGA Section 46-5-120 et. Seq., Webster County is a "Participating County", together with Schley, Dooly, Macon, Marion, Sumter, Talbot and Taylor Counties, in the Middle Flint Regional E-911 Authority ("Authority"). The Authority is governed by a nine-member board appointed by the participating counties. The Authority maintains custody and control of the equipment and furnishings at the E-911 Center, located in Ellaville, Georgia. Each Participating County holds interest in the title to the equipment in such portion as each county has subscribers as of January 1 of each year. The E-911 Center will receive telephone calls relating to public safety; it will provide emergency call answering services and dispatching. Funding for the E-911 Center is derived from a service charge added to telephone subscribers in the six Participating Counties. Operating costs not covered by the service charge will be paid by the Participating Counties in accordance with their relative number of subscribers. Webster County contributed \$16,373 to the Authority during the twelve months ended December 31, 2020. Financial statements for the Middle Flint Regional E-911 Authority can be obtained from: Middle Flint Regional E-911 Center, 222 Hayes Avenue, Ellaville, Georgia 31806.

NOTE 17. RELATED ORGANIZATION

An organization for which a primary government is not financially accountable (because it does not impose will or have a financial benefit or burden relationship) even though the primary government may appoint a voting majority of the organization's governing board.

Schley – Sumter – Macon - Webster Counties Joint Development Authority: The four counties by separate and concurrent resolutions created the Authority under O.C.G.A. 36-62-5.1 to promote and expand business, industry and trade in Schley, Sumter, Macon and Webster Counties, and to attract and support new business industry, to provide increased employment for the citizens living within the jurisdiction of the Authority, and to expand the ad valorem property tax base for the counties. The Authority is controlled by an eight-member board of directors consisting of two members from each county appointed by each Board of County Commissioners. No dues are required or paid by the participating counties.

Financial statements for the Schley – Sumter – Macon - Webster Counties Joint Development Authority may be obtained from their office at 409 Elm Avenue, Americus, Georgia 31709.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 17. RELATED ORGANIZATION (continued)

Webster County Industrial Development Authority: The Authority was created in 1968 through a Local Constitutional amendment and continued in effect in 1986 into the new Georgia Constitution and is deemed to be an instrumentality of the State of Georgia and a public corporation. Certain of its powers include borrow money, make contracts, issue revenue bonds, and purchase or otherwise acquire land and to improve and develop same. The Authority is governed by a seven-member board (only six members currently) appointed by the Board of Commissioners. Upon dissolution, title to all property shall revert to Webster County. The Authority does not have any contracts or other assets except a bank account with a balance of \$11,117.

Financial statements of the Webster County Development Authority may be obtained from the office of the Unified Government of Webster County.

NOTE 18. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of GASB Statement No. 84, Fiduciary Activities, the County is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the County to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the custodial funds.

	<u>Custodial Funds</u>
Net Position, as previously reported	\$ -
Adjustment needed to record beginning net position of the agency Funds now reported as custodial funds in accordance with GASB Statement No. 84	<div style="border-top: 1px solid black; display: inline-block; width: 100%;"></div> 10,950
Net position, as restated	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;"></div> \$ 10,950

SUPPLEMENTARY INFORMATION

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Jail Construction and Staffing Fund – This fund accounts for fines restricted by State law for jail operations and construction.

Law Library Fund – This fund accounts for fines restricted by State law for Law Library operations within the County.

Drug Abuse Fund – This fund accounts for fines restricted by State law for drug abuse treatment and educational purposes.

Clerk's Technology Fund – This fund accounts for the receipt of on-line retrieval fees from the Superior Court Clerks of Georgia for ongoing funding of technological improvements and services within the clerk of Superior Court's office.

Sheriff's Miscellaneous Account – To account for collection of fees for background checks, donations and other revenues which supplement the Sheriff's Department operations.

Family Connection – To account for the expenditures for the services of the Family Connection program specifically to improve family functioning, including family stability and reduce incidence of child abuse; and to improve family economic capacity, including job training and employment, housing, and community economic development. The program is funded by a grant from the Georgia Department of Human Services.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

SPLOST Fund – This fund was established to account for the proceeds of SPLOST tax monies collected and the projects approved for those funds.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Law Library	Drug Abuse Fund	Jail Construction & Staffing Fund	Clerk's Technology Fund	Sheriff's Miscellaneous Account	Family Connection		
ASSETS								
Cash and cash equivalents	\$ 42,038	\$ 20,003	\$ 683	\$ 3,115	\$ 145	\$ -	\$ 65,984	
Certificate of deposit	-	18,340	-	-	-	-	18,340	
Due from other funds	-	345	-	-	-	-	345	
Due from other governments	-	-	-	-	-	12,668	12,668	
Total assets	\$ 42,038	\$ 38,688	\$ 683	\$ 3,115	\$ 145	\$ 12,668	\$ 97,337	
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,663	12,663	
Total Liabilities	-	-	-	-	-	12,663	12,663	
FUND BALANCES								
Restricted								
Judicial	42,038	-	-	3,115	-	-	45,153	
Public safety	-	38,688	683	-	145	-	39,516	
Unassigned	-	-	-	-	-	5	5	
Total fund balances	42,038	38,688	683	3,115	145	5	84,674	
Total liabilities and fund balances	\$ 42,038	\$ 38,688	\$ 683	\$ 3,115	\$ 145	\$ 12,668	\$ 97,337	

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Law Library	Drug Abuse Fund	Jail Construction & Staffing Fund	Clerk's Technology Fund	Sheriff's Miscellaneous Account	Family Connection		
Revenues								
Fines and forfeitures	\$ 2,630	\$ 1,657	\$ 8,616	\$ -	\$ -	\$ -	\$ -	\$ 12,903
Grants and subsidies	-	-	-	-	-	50,321	-	50,321
Charges for services	-	-	-	1,475	4,152	-	-	5,627
Interest income	-	190	-	-	-	-	-	190
Other income	-	-	-	-	7,600	-	-	7,600
Total revenues	2,630	1,847	8,616	1,475	11,752	50,321	-	76,641
Expenditures								
Current								
Judicial	452	-	-	-	-	-	-	452
Public safety	-	-	22,120	-	12,033	-	-	34,153
Health and welfare	-	-	-	-	-	50,321	-	50,321
Total expenditures	452	-	22,120	-	12,033	50,321	-	84,926
Excess (deficiency) of revenues over (under) expenditures	2,178	1,847	(13,504)	1,475	(281)	-	-	(8,285)
Other financing sources (uses)								
Transfer in from General Fund	-	-	13,465	-	-	-	-	13,465
Total other financing sources (uses)	-	-	13,465	-	-	-	-	13,465
Net change in fund balances	2,178	1,847	(39)	1,475	(281)	-	-	5,180
Fund balances, beginning of year	39,860	36,841	722	1,640	426	5	5	79,494
Fund balances, end of year	\$ 42,038	\$ 38,688	\$ 683	\$ 3,115	\$ 145	\$ 5	\$ 5	\$ 84,674

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS - SPLOST 2017
For the Year Ended December 31, 2020

PROJECT	ORIGINAL ESTIMATED COSTS	EXPENDITURES		TOTAL
		PRIOR YEARS	CURRENT YEAR	
Special Local Option Sales Tax 2017				
Equipment				
Sheriff's vehicle		\$ 40,351	\$ 98,983	\$ 139,334
Fire equipment		79,324	15,000	94,324
Public works tractor		\$67,014	-	67,014
Public works dump truck		\$44,900	-	44,900
Other equipment		\$63,960	8,900	72,860
Roads		-	-	-
Land		-	-	-
Buildings		28,799	127,016	155,815
Public Infrastructure		26,300	14,334	40,634
Total	\$ 975,000	\$ 350,648	\$ 264,233	\$ 614,881

Note 1: Reconciliation of Special Local Option Sales Tax 2017 schedule to financial statements:

Expenditures from schedule above	\$ 264,233
Capital lease principal debt service payments	<u>41,893</u>
Per financial statements	<u>\$ 306,126</u>

Note 2: Purchase of a Fire Fighter equipment was financed by capital lease in the amount of \$79,324. by a capital lease in the amount of \$40,351. Repayment terms include quarterly installments of \$4,502, beginning with the date of acquisition in 2018.

Note 3: Purchase of a 2018 New Holland Tractor (included in Equipment, above) was financed by a capital lease in the amount of \$43,129. Repayment terms include annual installments of \$23,885, with the first payment in 2018.

Note 4: Interest paid on capital lease in 2020 was \$4,145 and is included on the equipment line above.

Note 5: Total interest paid on capital leases for the term of this SPLOST was \$4,145.

Note 6: The following were reported on the financial statements as transfers to the Water Fund:

Other equipment	Chlorinator	\$ 8,900
Public Infrastructure	Annual Tank Maintenance	14,334
		<u>\$ 23,234</u>

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA CUSTODIAL FUNDS

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

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

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

Probate Court - To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, traffic fines, etc., which are disbursed to other parties.

Magistrate Court - To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
December 31, 2020

	Tax Commissioner	Clerk of Court	Sheriff	Probate Court	Magistrate Court	Totals
ASSETS						
Cash and cash equivalents	\$ 783,193	\$ 6,464	\$ 167	\$ 2,076	\$ 384	\$ 792,284
Taxes Receivable	461,537	-	-	-	-	461,537
Total Assets	\$ 1,244,730	\$ 6,464	\$ 167	\$ 2,076	\$ 384	\$ 1,253,821
LIABILITIES						
Due to others	\$ 780,900	\$ 2,421	\$ -	\$ 836	\$ -	\$ 784,157
Uncollected taxes	461,537	-	-	-	-	461,537
Total Liabilities	\$ 1,242,437	\$ 2,421	\$ -	\$ 836	\$ -	\$ 1,245,694
NET POSITION						
Restricted:						
Individuals, organizations, and other governments	\$ 2,293	\$ 4,043	\$ 167	\$ 1,240	\$ 384	\$ 8,127
Total Net Position	\$ 2,293	\$ 4,043	\$ 167	\$ 1,240	\$ 384	\$ 8,127

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
December 31, 2020

	Tax Commissioner	Clerk of Court	Sheriff	Probate Court	Magistrate Court	Totals
ADDITIONS						
Taxes	\$ 3,597,036		\$ -	\$ -		\$ 3,597,036
Fines and fees	-	55,530	-	149,368	5,853	-
Other custodial collections		309	-	-	-	309
Total Additions	<u>\$ 3,597,036</u>	<u>\$ 55,839</u>	<u>\$ -</u>	<u>\$ 149,368</u>	<u>\$ 5,853</u>	<u>\$ 3,597,345</u>
DEDUCTIONS						
Taxes paid to other governments	\$ 3,597,035	\$ 55,529	\$ -	\$ -	\$ -	\$ 3,652,564
Other custodial disbursements	-	480	-	151,985	5,890	158,355
Total Deductions	<u>\$ 3,597,035</u>	<u>\$ 56,009</u>	<u>\$ -</u>	<u>\$ 151,985</u>	<u>\$ 5,890</u>	<u>\$ 3,810,919</u>
Net increase in fiduciary net position	\$ 1	\$ (170)	\$ -	\$ (2,617)	\$ (37)	\$ (2,823)
Net position, beginning of year, restated	<u>\$ 2,292</u>	<u>\$ 4,213</u>	<u>\$ 167</u>	<u>\$ 3,857</u>	<u>\$ 421</u>	<u>\$ 10,950</u>
Net position, end of year	<u>\$ 2,293</u>	<u>\$ 4,043</u>	<u>\$ 167</u>	<u>\$ 1,240</u>	<u>\$ 384</u>	<u>\$ 8,127</u>

COMPLIANCE SECTION



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

Board of Commissioners of
Unified Government of Webster County, Georgia
Preston, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Unified Government of Webster County, Georgia, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Unified Government of Webster County's basic financial statements, and have issued our report thereon dated August 25, 2021.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. (2020-002).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and responses to be significant deficiencies. (2020-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified Government of Webster County, Georgia's financial statements are free of 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*.

Unified Government of Webster County's Response to Findings

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

Purpose of this Report

This report is intended 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 *Governmental Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chamberlain Sheppard Roland and Associates LLP
Americus, Georgia
August 25, 2021

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

STATUS OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2020

**SECTION I
SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal control over financial reporting material weaknesses identified	<u> X </u> Yes <u> </u> No
Significant Deficiencies Identified not considered to be material weaknesses	<u> X </u> Yes <u> </u> No
Noncompliance material to financial statements noted	<u> </u> Yes <u> X </u> No

Federal Awards

There was not an audit of federal award programs as of December 31, 2020, due to the total amount expended being less than \$750,000.

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

2020-001 Segregation of Duties - Custodial funds

Criteria: Internal control should be in place to assure that funds and assets cannot be misappropriated and go undetected during the normal course of business.

Condition: There is not sufficient segregation of duties in the offices of the Superior Court Clerk, Magistrate Court, Probate Court, Tax Commissioner, and Sheriff related to accounting functions.

Context: We noted the above conditions during performance of audit procedures including: internal control walkthroughs, inquiry and observation, and the completion of audit workpapers.

Effect: Because of lack of segregation of duties between operating, recording and custodial functions, including reconciliation of accounts, County assets and resources are susceptible to waste, fraud and inefficiency.

Cause: The lack of segregation of duties is due to the limited number of individuals in each office to perform all of the duties.

Recommendation: The County Commission Chairman and the elected officials should develop procedures where he or another independent person reviews monthly bank reconciliations and other accounting reports.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

STATUS OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2020

2020-001 Segregation of Duties - Custodial funds (continued)

Management's Comments: We concur with the finding. The County Commission Chairman oversees the day-to-day operations and is aware of the risks associated with this finding. There are no further plans to add additional accounting staff.

2020-002 Financial Statement Presentation

Criteria: Generally accepted government accounting principles require Governmental Funds financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Condition: The County does not have adequate accounting procedures to insure that revenues and expenditures/expenses are recorded and properly classified when a receivable, a liability is incurred, or capital lease purchases.

Effect: The County's year-end financial reports contained material errors. Audit adjustments were required for reporting in accordance with generally accepted accounting principles.

General Fund: Assets were decreased \$61,245; liabilities were decreased \$28,143; deferred inflows of resources were decreased \$164,020; revenue was decreased \$16,456; expenditures were decreased \$29,801.

Water Fund: Assets were decreased \$50,347; liabilities were decreased \$25,855; revenue was decreased \$7,026; expenses were increased \$19,611; capital contributions and transfers in were increased \$23,234; and interest expense was increased \$2,404.

TLOST: Assets increased \$5,623; revenues increased \$5,263; expenditures decreased \$1,395.

SPLOST 2017: Assets increased \$2,124; revenues increased \$1,763; expenditures decreased \$23,234; transfers increased by \$23,234.

Cause: Financial statement preparation is generally based on the cash basis of accounting. Procedures have not been developed to make accruals at month-end and year-end.

Recommendation: The County should develop procedures to ensure that revenues are recognized as soon as they are both measurable and available – collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures/expenses should be recorded or accrued when a liability is incurred. Capital assets acquired with capital leases should be recorded when the transaction is complete.

Response of Management: Management concurs with the finding. We are satisfied that the processing procedures and internal controls we have in place provide satisfactory results for our management of the various funds. We will not change our current system. However, we will strive to record revenues and expenditures in accordance with GAAP.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

STATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2020

2019-001 Segregation of Duties – Agency Funds

Criteria: The purpose of internal controls is to safeguard the assets of the County and ensure that errors or other misstatements are detected in a reasonable amount of time.

Condition: The following custodial funds had inadequate segregation of duties within the cash receipts and disbursements areas: Superior Court, Magistrate Court, Probate Court, and Tax Commissioner.

Auditee Response/ Status: Unresolved. See 2020-001.

2019-002 Financial Statement Presentation

Criteria: Generally accepted government accounting principles require Governmental Funds financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Condition: The County does not have adequate accounting procedures to insure that revenues and expenditures/expenses are recorded and properly classified when a receivable or liability is incurred, or when capital leases are used for the purchase of capital assets.

Auditee Response/ Status: Unresolved. See 2020-002.

2019-003 Undocumented Utility Customer Account Adjustments

Criteria: Customer account adjustments should be clearly explained and retained.

Condition: The County does not maintain records of adjustments to customer accounts.

Auditee Response/ Status: Resolved.

