JEFF DAVIS COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

JEFF DAVIS COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Jeff Davis County, Georgia
Hazlehurst, Georgia

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Jeff Davis County, Georgia** (the "County"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jeff Davis County Board of Health, which represents all of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jeff Davis County Board of Health, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2020, and the respective changes in financial position, and 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 4 through 10), the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (page 52), the Schedule of Changes in the County's Net Pension Liability and Related Ratios, and the Schedule of County Contributions (pages 53 and 54), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated §48-8-121, and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jeff Davis County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jeff Davis County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 21, 2020

JEFF DAVIS COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

This section of Jeff Davis County, Georgia's (the "County") annual financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020.

Financial Highlights

- The assets of the County exceeded its liabilities at June 30, 2020, by $20,539,885 (net position) of which $13,360,552 is for net investment in capital assets, $7,524,956 is restricted for specific purposes, leaving negative unrestricted net position of $(345,623).

- At fiscal year-end June 30, 2020, the County's General Fund reported a total fund balance of $3,386,945.

Overview of the Financial Statements

This Management's Discussion & Analysis ("MD&A") is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, recreation, and housing and development.

The government-wide financial statements include not only the County itself (known as the primary government), but also the Jeff Davis County Board of Health (the "Board of Health"). This is a legally separate entity that is a component unit of the County due to the significance of its operational and financial relationship with the County. Financial information for the Board of Health is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains governmental funds to account for the following activities: **General**; **Special Revenue** (Revolving Loan, EIP Grant, Joint Development Authority, and E911); and **Capital Projects** ("SPLOST", "LMIG", and "TIA SPLOST").

Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, SPLOST, LMIG, and Joint Development Authority funds, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The County adopts an annual appropriated budget for its general, special revenue and proprietary funds. A budgetary comparison statement has been provided for the General Fund within the basic financial statements.

Fiduciary Funds. Agency funds are custodial in nature; the only required financial statements are the balance sheet and statement of fiduciary assets and liabilities. Fiduciary funds are not reflected in the government-wide financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by $20,173,552 at the close of the most recent fiscal year.

A large portion of the County's net position, 66%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Jeff Davis County Net Position

	Governmental Activities		Percentage Change
	2020	2019	2019-2020
Current and other assets	**$ 12,449,455**	$ 11,543,202	7.85 %
Capital assets	**16,494,387**	16,667,960	(1.04)
Total assets	**28,943,842**	28,211,162	2.60
Deferred outflows of resources	**1,106,669**	1,055,627	4.84
Long-term liabilities outstanding	**8,526,183**	8,607,158	(0.94)
Other liabilities	**715,608**	955,403	(25.10)
Total liabilities	**9,241,791**	9,562,561	(3.35)
Deferred inflows of resources	**268,835**	59,645	N/A
Net position:			
Net investment in capital assets	**13,360,552**	13,168,115	1.46
Restricted for:			
Public safety	**449,774**	28,281	1,490.38
Housing and development	**1,688,100**	1,759,902	(4.08)
Capital projects	**5,387,082**	5,360,056	0.50
Unrestricted	**(345,623)**	(671,771)	48.55
Total net position	**$ 20,539,885**	$ 19,644,583	4.56

Jeff Davis County Changes in Net Position

	Governmental Activities		Percentage Change
Revenues	**2020**	2019	2019-2020
Program revenues:			
Charges for services	**$ 2,109,477**	$ 1,796,717	17.41 %
Operating grants and contributions	**314,107**	446,880	(29.71)
Capital grants and contributions	**1,241,547**	1,419,447	(12.53)
General revenues:			
Property taxes	**6,638,828**	5,679,653	16.89
Sales taxes	**3,277,119**	2,894,232	13.23
Other taxes	**803,092**	745,784	7.68
Unrestricted investment earnings	**15,474**	14,020	10.37
Total revenues	**14,399,644**	12,996,733	10.79
Expenses			
General government	**3,560,424**	3,180,571	11.94
Judicial	**1,263,511**	1,213,764	4.10
Public safety	**4,534,521**	4,321,326	4.93
Public works	**2,910,926**	2,751,698	5.79
Health and welfare	**110,327**	111,941	(1.44)
Recreation	**361,853**	493,720	(26.71)
Housing and development	**595,005**	520,792	14.25
Interest on long-term debt	**167,775**	141,544	18.53
Total expenses	**13,504,342**	12,735,356	6.04
Change in net position	**895,302**	261,377	242.53
Net position, beginning of year	**19,644,583**	19,383,206	1.35
Net position, end of year	**$ 20,539,885**	$ 19,644,583	4.56

The changes in net position between fiscal years 2020 and 2019, were affected by the following:

- Net change in total revenues is an increase of 10.79%.
- Charges for services increased 17.41% from the prior year. This was the result of normal fluctuations in the charges for services provided by the County.
- Capital grants and contributions decreased 12.53% due to a decreased in transportation tax contributions.
- Decrease to recreation expenses of 26.71%, was the result of decreased capital outlay for various projects during the current year, which are not capitalized at the government–wide level.
- Increase to housing and development expenses of 14.25% was the result of increased capital outlay during the current year, which was capitalized at the government–wide level in the prior year.
- Ultimately, the County reported an increase in net position of $895,302 for the year ended June 30, 2020.

Financial Analysis of the Government's Funds

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, non-spendable fund balance was $196,877 for prepaid items and unassigned was 3,190,068, while the total fund balance was $3,386,945.

As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Non-spendable fund balance represents 2.22% of total general fund expenditures and unassigned fund balance represents 35.99%, while total fund balance represents 38.21% of that same amount.

SPLOST

The Special Purpose Local Option Sales Tax ("SPLOST") referendum was passed in fiscal year 2012 to provide proceeds of $11,375,000 in order to fund multiple capital projects. At the end of the current fiscal year, the SPLOST fund reported expenditures of $2,558,017, revenues in the amount of $2,047,668, and other financing sources in the amount of $379,980, resulting in an ending fund balance of $2,950,259.

Joint Development Authority

The Joint Development Authority accounts for the activity of the County's blended component unit. Expenditures decreased during the current year as a result of lower debt service payments. As a result of the decrease in expenditures, the Joint Development Authority fund reported a decrease in fund balance during the current year of $82,486

General Fund Budgetary Highlights

Over the course of the year, the Board of Commissioners revised the County budget on multiple occasions to avoid budget overruns.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2020, amounts to $16,494,387 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, machinery and equipment, and infrastructure.

Jeff Davis County Capital Assets
(Net of Depreciation)

	Governmental Activities		Percentage Change
	2020	2019	2019-2020
Land	**$ 2,508,590**	$ 2,505,587	0.12
Land improvements	**136,030**	102,951	32.13
Buildings and improvements	**7,529,298**	7,871,549	(4.35)
Machinery and equipment	**2,711,764**	2,220,341	22.13
Infrastructure	**3,608,705**	3,967,532	(9.04)
Total	**$ 16,494,387**	$ 16,667,960	(1.04)

The majority of the decrease is the result of the depreciation exceeding capital assets purchased during the current year. Additional information on the County's capital assets can be found in Note 6 of this report.

Long-term Debt. The County's long-term debt for the year ended June 30, 2020, is summarized below.

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Revenue bonds	$ 2,499,601	$ -	$ (249,586)	$ 2,250,015
Notes payable	465,610	234,782	(80,064)	620,328
Capital leases	534,634	216,000	(487,142)	263,492
Compensated absences	155,741	147,015	(108,078)	194,678
Total OPEB liability	1,270,018	378,700	(50,002)	1,598,716
Net Pension liability	1,502,772	1,006,445	(1,128,263)	1,380,954
Landfill post-closure costs	2,178,782	78,436	(39,218)	2,218,000
Total	$ 8,607,158	$ 2,061,378	$ (2,142,353)	$ 8,526,183

Decreases to the County's debt were the result of normal debt service payments made by the County. Additionally, the total OPEB liabilities increased as a result of actuarial changes made during the current year.

Additional information regarding the County's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets

- The millage rate was not increased from the prior year. It remained at 15.38 mills.
- No new grants are anticipated.

These items were taken into account when adopting the General Fund budget for 2021.

The County departments will be expected to use a conservative approach to budgeting.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, Jeff Davis County, P.O. Box 609, Hazlehurst, Georgia 31539.

BASIC FINANCIAL STATEMENTS

JEFF DAVIS COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government Governmental Activities	Component Unit Board of Health
ASSETS		
Cash and cash equivalents	$ 10,443,480	$ 540,753
Taxes receivable	364,182	-
Accounts receivable	578,032	-
Due from other governments	866,884	252,445
Prepaid items	196,877	-
Capital assets, non-depreciable	2,508,590	-
Capital assets, depreciable (net of accumulated depreciation)	13,985,797	9,119
Total assets	28,943,842	802,317
DEFERRED OUTFLOWS OF RESOURCES		
Other post-employment benefits	528,079	59,831
Pension	578,590	109,908
Total deferred outflows of resources	1,106,669	169,739
LIABILITIES		
Accounts payable	492,374	-
Accrued liabilities	107,536	-
Due to other governments	107,933	143,829
Short-term notes payable	7,765	-
Capital leases due within one year	66,263	-
Capital leases due in more than one year	197,229	-
Bonds payable due within one year	217,184	-
Bonds payable due in more than one year	2,032,831	-
Compensated absences due within one year	97,339	8,682
Compensated absences due in more than one year	97,339	34,726
Notes payable due within one year	97,175	-
Notes payable due in more than one year	523,153	-
Landfill due within one year	121,356	-
Landfill due in more than one year	2,096,644	-
Total other post-employment benefit liability	1,598,716	89,777
Net pension liability	1,380,954	485,445
Total liabilities	9,241,791	762,459
DEFERRED INFLOWS OF RESOURCES		
Other post-employment benefits	18,462	183,171
Pension	250,373	15,111
Total deferred inflows of resources	268,835	198,282
NET POSITION		
Net investment in capital assets	13,360,552	9,119
Restricted for:		
Public safety	449,774	-
Housing and development	1,688,100	-
Capital projects	5,387,082	-
Other purposes	-	192,506
Unrestricted	(345,623)	(190,310)
Total net position	$ 20,539,885	$ 11,315

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

JEFF DAVIS COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
General government	$ 3,560,424	$ 92,490	$ 291,206	$ 167,691
Judicial	1,263,511	506,783	-	-
Public safety	4,534,521	1,176,429	20,020	-
Public works	2,910,926	-	-	1,073,856
Health and welfare	110,327	-	-	-
Culture and recreation	361,853	124,512	2,881	-
Housing and development	595,005	209,263	-	-
Interest on long-term debt	167,775	-	-	-
Total primary government	$ 13,504,342	$ 2,109,477	$ 314,107	$ 1,241,547
Component unit:				
Board of Health	$ 721,083	$ 193,425	$ 543,510	$ -
Total component unit	$ 721,083	$ 193,425	$ 543,510	$ -

General revenues:
- Property taxes
- Sales taxes
- Other taxes
- Unrestricted investment earnings
- Other
  - Total general revenues
    - Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Board of Health
$ (3,009,037)	$ -
(756,728)	-
(3,338,072)	-
(1,837,070)	-
(110,327)	-
(234,460)	-
(385,742)	-
(167,775)	-
(9,839,211)	-
-	15,852
-	15,852
6,638,828	-
3,277,119	-
803,092	-
15,474	-
-	52,591
10,734,513	52,591
895,302	68,443
19,644,583	(57,128)
$ 20,539,885	$ 11,315

JEFF DAVIS COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

ASSETS	General Fund	SPLOST Fund	LMIG Fund
Cash and cash equivalents	$ 3,463,987	$ 2,904,837	$ 1,531,396
Taxes receivable	364,182	-	-
Accounts receivable	112,626	-	-
Due from other governments	286,504	477,468	-
Due from other funds	5,805	-	-
Prepaid items	196,877	-	-
Total assets	$ 4,429,981	$ 3,382,305	$ 1,531,396
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 475,063	$ -	$ -
Accrued liabilities	93,297	-	-
Due to other funds	7,000	29,173	-
Due to other governments	-	107,933	-
Short-term note payable	-	-	-
Total liabilities	575,360	137,106	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	467,676	-	-
Unavailable revenue - intergovernmental	-	294,940	-
Total deferred inflows of resources	467,676	294,940	-
FUND BALANCES			
Fund balances:			
Nonspendable for prepaids	196,877	-	-
Restricted for:			
Public safety	-	-	-
Housing and development	-	-	-
Capital projects	-	2,950,259	1,531,396
Unassigned	3,190,068	-	-
Total fund balances	3,386,945	2,950,259	1,531,396
Total liabilities, deferred inflows of resources and fund balances	$ 4,429,981	$ 3,382,305	$ 1,531,396

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.
Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the funds.
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

Net position of governmental activities

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

Joint Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
$ 1,111,497	$ 1,431,763	$ 10,443,480
-	-	364,182
428,599	36,807	578,032
272	102,640	866,884
36,173	428,599	470,577
-	-	196,877
$ 1,576,541	$ 1,999,809	$ 12,920,032
$ 16,767	$ 544	$ 492,374
-	7,797	101,094
428,599	5,805	470,577
-	-	107,933
7,765	-	7,765
453,131	14,146	1,179,743
-	-	467,676
-	65,772	360,712
-	65,772	828,388
-	-	196,877
-	449,774	449,774
1,123,410	564,690	1,688,100
-	905,427	5,387,082
-	-	3,190,068
1,123,410	1,919,891	10,911,901
$ 1,576,541	$ 1,999,809	
		16,494,387
		828,388
		(8,526,183)
		1,106,669
		(268,835)
		(6,442)
		$ 20,539,885

JEFF DAVIS COUNTY, GEORGIA

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

	General Fund	SPLOST Fund	LMIG Fund
REVENUES			
Property taxes	$ 6,145,367	$ -	$ -
Sales taxes	1,229,451	2,047,668	-
Other taxes	803,092	-	-
Licenses and permits	69,302	-	-
Intergovernmental	167,691	-	670,215
Charges for services	1,044,290	-	-
Court fees, fines and forfeitures	337,132	-	-
Interest	715	-	2,008
Leases	-	-	-
Other	297,410	-	-
Total revenues	10,094,450	2,047,668	672,223
EXPENDITURES			
Current:			
General government	2,008,219	-	-
Judicial	1,265,342	-	-
Public safety	3,383,293	-	-
Public works	1,454,603	-	-
Health and welfare	110,327	-	-
Culture and recreation	525,730	-	-
Housing and development	116,378	-	-
Intergovernmental	-	610,332	-
Capital outlay	-	1,383,034	29,319
Debt service:			
Principal	-	527,232	-
Interest	-	37,419	-
Total expenditures	8,863,892	2,558,017	29,319
Excess (deficiency) of revenues over (under) expenditures	1,230,558	(510,349)	642,904
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	160,390
Transfers out	(964,142)	(70,802)	-
Proceeds from sale of capital assets	12,125	-	-
Proceeds from capital lease	-	216,000	-
Proceeds from the issuance of notes	-	234,782	-
Total other financing sources (uses)	(952,017)	379,980	160,390
Net change in fund balances	278,541	(130,369)	803,294
FUND BALANCES, beginning of year	3,108,404	3,080,628	728,102
FUND BALANCES, end of year	$ 3,386,945	$ 2,950,259	$ 1,531,396

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

Joint Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 6,145,367
-	-	3,277,119
-	-	803,092
-	-	69,302
-	403,641	1,241,547
-	449,490	1,493,780
-	-	337,132
2,067	10,684	15,474
209,263	-	209,263
16,697	-	314,107
228,027	863,815	13,906,183
-	-	2,008,219
-	-	1,265,342
-	577,997	3,961,290
-	-	1,454,603
-	-	110,327
-	-	525,730
217,538	-	333,916
-	-	610,332
284	1,049,540	2,462,177
289,560	-	816,792
127,685	-	165,104
635,067	1,627,537	13,713,832
(407,040)	(763,722)	192,351
484,944	550,000	1,195,334
(160,390)	-	(1,195,334)
-	-	12,125
-	-	216,000
-	-	234,782
324,554	550,000	462,907
(82,486)	(213,722)	655,258
1,205,896	2,133,613	10,256,643
$ 1,123,410	$ 1,919,891	$ 10,911,901

JEFF DAVIS COUNTY, GEORGIA

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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	655,258
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		(173,573)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		493,461
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		366,010
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.		(445,854)
Change in net position - governmental activities	$	895,302

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

JEFF DAVIS COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 6,329,522	$ 6,329,522	$ 6,145,367	$ (184,155)
Sales taxes	1,058,857	1,058,857	1,229,451	170,594
Other taxes	759,315	759,315	803,092	43,777
Licenses and permits	58,845	58,845	69,302	10,457
Intergovernmental	41,229	41,229	167,691	126,462
Charges for services	1,005,484	1,005,484	1,044,290	38,806
Fines and forfeitures	344,877	344,877	337,132	(7,745)
Interest	-	-	715	715
Other	255,260	255,260	297,410	42,150
Total revenues	9,853,389	9,853,389	10,094,450	241,061
EXPENDITURES				
Current:				
General government:				
Board of elections	150,773	150,773	149,445	1,328
Administration	1,373,075	1,373,075	1,291,599	81,476
Tax commissioner	305,267	305,267	300,383	4,884
Tax assessors	272,918	272,918	266,792	6,126
Total general government	2,102,033	2,102,033	2,008,219	93,814
Judicial:				
Superior court	245,000	245,000	236,263	8,737
Clerk of court	317,430	317,430	314,716	2,714
State court	157,270	157,270	152,817	4,453
Magistrate court	326,488	326,488	323,284	3,204
Probate court	169,178	169,178	146,964	22,214
Juvenile court	94,374	94,374	91,298	3,076
Total judicial	1,309,740	1,309,740	1,265,342	44,398
Public safety:				
Sheriff	1,502,175	1,502,175	1,469,333	32,842
Jail	793,109	793,109	793,053	56
Fire	205,040	205,040	201,622	3,418
Emergency medical services	858,500	858,500	853,939	4,561
Coroner	24,285	24,285	16,175	8,110
Emergency management	50,857	50,857	49,171	1,686
Total public safety	3,433,966	3,433,966	3,383,293	50,673
Public works:				
Highways and streets	1,136,156	1,136,156	1,131,122	5,034
Solid waste collection	361,761	361,761	323,481	38,280
Total public works	$ 1,497,917	$ 1,497,917	$ 1,454,603	$ 43,314

(Continued)

JEFF DAVIS COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (CONTINUED)				
Current (Continued):				
Health and welfare:				
Health	$ 111,392	$ 111,392	$ 108,026	$ 3,366
Welfare	12,318	12,318	2,301	10,017
Total health and welfare	123,710	123,710	110,327	13,383
Culture and recreation:				
Recreation	423,820	423,820	422,805	1,015
Towns Bluff	64,233	64,233	57,331	6,902
Libraries	45,594	45,594	45,594	-
Total culture and recreation	533,647	533,647	525,730	7,917
Housing and development:				
Conservation	392,494	392,494	26,018	366,476
County Agent	117,051	117,051	90,360	26,691
Total housing and development	509,545	509,545	116,378	393,167
Total expenditures	9,510,558	9,510,558	8,863,892	646,666
Excess of revenues over expenditures	342,831	342,831	1,230,558	887,727
OTHER FINANCING SOURCES (USES)				
Transfers out	(388,810)	(388,810)	(964,142)	(575,332)
Proceeds from sale of capital assets	45,979	45,979	12,125	(33,854)
Total other financing uses	(342,831)	(342,831)	(952,017)	(609,186)
Net change in fund balances	-	-	278,541	278,541
FUND BALANCES, beginning of year	3,108,404	3,108,404	3,108,404	-
FUND BALANCES, end of year	$ 3,108,404	$ 3,108,404	$ 3,386,945	$ 278,541

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

JEFF DAVIS COUNTY, GEORGIA

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

	Agency Funds
ASSETS	
Cash	$ 813,393
Taxes receivable	365,810
Total assets	$ 1,179,203
LIABILITIES	
Due to others	$ 813,393
Uncollected taxes	365,810
Total liabilities	$ 1,179,203

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Jeff Davis County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

The County was created by a legislative act in the State of Georgia in 1905. The County operates under the county commission form of government and provides the following government services: general government services, judiciary, public safety, public works, culture and recreation, community development, and health and welfare.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in GASB Statement No. 14, as amended by Statements No. 39 and 61, the financial statements of the component units are appropriately presented in the government-wide financial statements.

Blended Component Unit

Joint Development Authority of Jeff Davis County, Hazlehurst, and Denton (the "Development Authority") is responsible for encouraging economic development within the County. The Development Authority's budget is approved by the County. The Development Authority is fiscally dependent upon the County due to the fact that the Development Authority has received operating subsidies from the County for several years, and thus a pattern of financial burden upon the County has been established. The County has contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Development Authority. Special Purpose Local Option Sales Tax ("SPLOST") receipts are used for industry assistance in order to create jobs. There are no separately issued financial statements available for the Development Authority.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Unit

Jeff Davis County Board of Health (the "Board of Health") provides public health services to the residents of the County under a contract with the Georgia Department of Human Resources. Although the County does not have the authority to approve or modify the budget of the Board of Health, the County is obligated to provide financial support to them. The Board of Health has a June 30th year-end. The Health Department's financial statements have been prepared separately and can be obtained by writing to the Jeff Davis County Board of Health, 30 E. Sycamore Street, Hazlehurst, Georgia 31539.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation.

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 those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements (agency funds do not have a measurement focus, but use the accrual basis of accounting). 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

The ***Special Purpose Local Option Sales Tax ("SPLOST") Fund*** accounts for the special purpose local option sales tax. The County is using the taxes for the following approved projects:

- Roads, streets and bridges
- Hospital improvements
- Recreation facilities and equipment
- Public safety equipment
- Joint Development Authority
- New jail and jail improvements
- Airport improvements
- Public building renovations

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The ***Local Maintenance Improvement Grant ("LMIG") Fund*** accounts for the funds received from the State of Georgia through the local maintenance and improvement grant program and the corresponding capital project expenditures thereof.

The ***Joint Development Authority Fund*** accounts for the financial resources provided and subsequently expended from the operations of the Development Authority.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***Capital Project Funds*** are used for the acquisition or construction of capital facilities.

The ***Agency Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. Agency funds account for the Tax Commissioner, Magistrate Court, Probate Court, Clerk of Court, and Sheriff.

Amounts reported as *program revenues* include: 1) charges for services 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. Likewise, general revenues include all taxes.

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

D. Cash, Cash Equivalents and Investments

The County'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.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the Georgia Fund 1. Investments, if any, are stated at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.”

F. 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.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 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 acquisition. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through back trending.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

Asset Category	Years
Land improvements	3 – 10
Buildings and improvements	30
Machinery and equipment	3 – 10
Furniture and fixtures	3 – 10
Infrastructure	30

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows 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(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category. The County has deferred outflows of resources related to the recording of changes in its net pension liability and total OPEB liability. Certain changes in the net pension liability and total OPEB liability are recognized as pension and OPEB expense over time instead of all being recognized in the year of occurrence. Experience differences result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience differences are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions, which adjust the net pension liability and total OPEB liability, are also recorded as deferred outflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of plan members.

In addition to liabilities, the statement of financial position and the governmental funds balance sheet 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, therefore, will not be recognized as an inflow of resources (revenue) until that time. The County reports four items in this category. The first arises only under the modified accrual basis of accounting. Accordingly, these unavailable revenues are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes which will be recognized as a deferred inflow of resources in the period in which the amounts become available. Additionally, the difference between expected and actual experience is recorded as a deferred inflow of resources and amortized against pension and OPEB expense over the remaining service lives of plan members. Also, the difference between projected investment return on investments and actual return on investments is also deferred and amortized against expense over the expected remaining service lives of plan members.

I. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association County Commissioners of Georgia Jeff Davis County Defined Benefit Plan (the "Plan"), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Compensated Absences

Unused vacation leave, not to exceed 360 hours, is paid when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid accumulated sick leave since the payment of benefits is contingent upon the future illness of an employee.

L. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Fund Balance (Continued)

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners assigns amounts to be used for specific purposes. The policy for reporting fund balances as assigned is strictly determined by the Board of Commissioners upon determination of specific use.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Use of Estimates

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

N. Tax Abatement Agreements

The County enters into property tax abatement programs with local businesses for the purpose of attracting and retaining business within their jurisdictions. The tax abatements can be granted to any business located within the County. These tax abatement programs are issued on a case by case basis for individual businesses for both real and personal property. There were no tax abatements during the year ended June 30, 2020.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Capital leases payable	$ (263,492)
Revenue bonds payable	(2,250,015)
Notes payable	(620,328)
Landfill post-closure costs	(2,218,000)
Net pension liability	(1,380,954)
Total OPEB liability	(1,598,716)
Compensated absences	(194,678)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (8,526,183)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	$	1,264,562
Depreciation expense		(1,438,135)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(173,573)

Another element of the reconciliation states that “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.” The details of this difference are as follows:

Debt issuance:		
Capital leases proceeds	$	(216,000)
Notes proceeds		(234,782)
Principal repayments:		
Capital leases		487,142
Revenue bonds payable		249,586
Notes payable		80,064
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	366,010

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "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." The details of this difference are as follows:

Compensated absences	$	(38,937)
Accrued interest		(2,671)
Landfill post-closure costs		(39,218)
Total OPEB liability and related deferred outflows/inflows of resources		(64,084)
Net pension liability and related deferred outflows/inflows of resources		(300,944)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(445,854)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The County adopts an annual operating budget for the general fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund. The governmental funds budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenditures. There were no outstanding encumbrances as of June 30, 2020.

All unexpended, unencumbered annual appropriations lapse at year-end. Encumbered appropriations are carried forward to the subsequent year automatically (i.e., no action is required by the Board of Commissioners).

The level of budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

1. The County Administrator may transfer funds from one object or purpose to another within the same department.
2. The Board of Commissioners may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2020, are summarized as follows:

Balances per Statement of Net Position:		
Cash and cash equivalents - primary government	$	10,443,480
Cash - agency funds		813,393
	$	11,256,873
Balances by type:		
Cash deposited with financial institutions	$	11,256,873
	$	11,256,873

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia. As of June 30, 2020, the County held no investments.

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2020, all of the deposits of the County were properly insured and collateralized as required by the Official Code of Georgia Annotated ("O.C.G.A").

NOTE 5. RECEIVABLES

Receivables at June 30, 2020, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General	SPLOST	Authority
Receivables:			
Taxes	$ 364,182	$ -	$ -
Accounts	455,261	-	428,599
Due from other governments	286,504	477,468	272
Gross receivables	1,105,947	477,468	428,871
Less allowance for uncollectibles	342,635	-	-
Net total receivables	$ 763,312	$ 477,468	$ 428,871

	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:		
Taxes	$ -	$ 364,182
Accounts	36,807	920,667
Due from other governments	102,640	866,884
Gross receivables	139,447	2,151,733
Less allowance for uncollectibles	-	342,635
Net total receivables	$ 139,447	$ 1,809,098

Property taxes were levied on October 1, 2019. Bills were payable on or before December 20, 2019, after which the applicable property is subject to lien and penalties and interest are assessed. Property taxes are attached as an enforceable lien on property as of December 20, 2019. The County bills and collects its own property taxes. Property taxes levied for 2019 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2020, and collected by August 31, 2020, are recognized as revenues in the year ended June 30, 2020. Net receivables estimated to be collected subsequent to August 31, 2020, are deferred as of June 30, 2020, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

NOTE 6. CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 2,505,587	$ 3,003	$ -	$ -	$ 2,508,590
Total	2,505,587	3,003	-	-	2,508,590
Capital assets, being depreciated:					
Land improvements	834,177	78,312	-	-	912,489
Buildings and improvements	14,303,357	31,800	-	-	14,335,157
Machinery and equipment	8,621,183	1,151,447	-	-	9,772,630
Infrastucture	6,020,781	-	-	-	6,020,781
Total	29,779,498	1,261,559	-	-	31,041,057
Less accumulated depreciation for:					
Land improvements	(731,226)	(45,233)	-	-	(776,459)
Buildings and improvements	(6,431,808)	(374,051)	-	-	(6,805,859)
Machinery and equipment	(6,400,842)	(660,024)	-	-	(7,060,866)
Infrastructure	(2,053,249)	(358,827)	-	-	(2,412,076)
Total	(15,617,125)	(1,438,135)	-	-	(17,055,260)
Total capital assets, being depreciated, net	14,162,373	(176,576)	-	-	13,985,797
Total capital assets, net	$ 16,667,960	$ (173,573)	$ -	$ -	$ 16,494,387

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

Governmental activities:	
General government	$ 480,764
Judicial	601
Public safety	146,267
Public works	457,588
Culture and recreation	91,826
Housing and development	261,089
Total depreciation expense - governmental activities	$ 1,438,135

NOTE 7. SHORT-TERM DEBT

Line of Credit. On March 28, 2008, the Development Authority obtained a line of credit from a financial institution to assist a local business for expansion with an approved limit of $160,195. The line of credit was renewed December 31, 2019 with a variable interest rate, which is the prime rate with interest due monthly and principal due on December 31, 2020. The principal balance was $7,765 as of June 30, 2020.

The following is a summary of short-term debt transactions for the County for the year ended June 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance
Line of credit	$ 7,314	$ 461	$ (10)	$ 7,765
Total	$ 7,314	$ 461	$ (10)	$ 7,765

NOTE 8. LONG-TERM DEBT

The following is a summary of long-term debt activity for the primary government for the year ended June 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 2,499,601	$ -	$ (249,586)	$ 2,250,015	$ 217,184
Notes payable	465,610	234,782	(80,064)	620,328	97,175
Capital leases	534,634	216,000	(487,142)	263,492	66,263
Compensated absences	155,741	147,015	(108,078)	194,678	97,339
Total OPEB liability	1,270,018	378,700	(50,002)	1,598,716	-
Net pension liability	1,502,772	1,006,445	(1,128,263)	1,380,954	-
Landfill post-closure costs	2,178,782	78,436	(39,218)	2,218,000	121,356
Governmental activities long-term liabilities	$ 8,607,158	$ 2,061,378	$ (2,142,353)	$ 8,526,183	$ 599,317

Compensated absences, the total OPEB liability, the net pension liability, and landfill post-closure costs are generally liquidated by the General Fund.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Revenue Bonds. The County issues bonds where the County pledges revenues derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at June 30, 2020, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Series 2014A	4.40%	15 years	2029	$ 1,666,326	$ 1,500,068
Series 2014B	4.40%	15 years	2029	833,275	749,947
					$ 2,250,015

The Series 2014A and 2014B bonds have debt service requirements as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2021	$ 217,185	$ 100,645	$ 317,830
2022	226,846	90,983	317,829
2023	236,937	80,892	317,829
2024	247,477	63,013	310,490
2025	258,486	59,344	317,830
2026 – 2029	1,063,084	222,248	1,285,332
Total	$ 2,250,015	$ 617,125	$ 2,867,140

The Series 2014A and 2014B bonds are subject to scheduled principal payments commencing on February 1, 2020, and on each February 1 thereafter through and including the final maturing date of February 1, 2029, in an amount equal to one-tenth of the outstanding principal balance of the bonds as of February 1, 2020.

Notes Payable. During 2008, the County entered into a direct borrowing from One Georgia Authority, which was secured with several pieces of property. During 2016, the Jeff Davis Development Authority entered into a direct borrowing from financial institution, which was secured by the full faith, credit, and tax power of the County. During 2019, the County entered into a direct borrowing from a financial institution, which was secured with equipment and vehicles. In the event of default, the County agrees to pay the financial institution the entire indebtedness, including the prepayment penalty, immediately on any amounts due and payable by the County under this agreement.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued). Notes payable outstanding at June 30, 2020, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
#1 Renewal and amortization of line of credit	Variable	10 years	2027	$ 315,195	$ 201,808
#2 Agriculture processing facility expansion	3.00%	20 years	2028	440,948	223,235
#3 Fire trucks acquisition	3.80%	5 years	2024	234,782	195,285
					$ 620,328

The County's notes payable debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2021	$ 97,175	$ 13,732	$ 110,907
2022	100,558	12,075	112,633
2023	104,153	10,385	114,538
2024	119,704	8,644	128,348
2025	61,084	4,994	66,078
2026 – 2028	137,654	2,931	140,585
Total	$ 620,328	$ 52,761	$ 673,089

Capital Leases. The County has entered into various lease agreements as lessee for financing the acquisition of various items of equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions.

The cost of assets under capital leases as of June 30, 2020:

	Governmental Activities
Machinery and equipment	$ 401,500
Less accumulated depreciation	(174,089)
Carrying value	$ 227,411

Current year depreciation expense of assets under capital lease totaled $134,167.

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

Fiscal year ending June 30,	
2021	$ 76,634
2022	81,111
2023	36,712
2024	36,712
2025	36,712
2026	29,457
Total minimum lease payments	297,338
Less amount representing interest	33,846
Present value of future minimum lease payments	$ 263,492

Landfill Post-closure Costs. Effective October 27, 1999, the County closed its landfill and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2020, the County has a remaining 14 years of monitoring. Engineering studies estimate post-closure costs of approximately $2,218,000 over the 14-year period. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2020. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2020, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Joint Development Authority Fund	SPLOST Fund	$ 29,173
Joint Development Authority Fund	General Fund	7,000
General Fund	Nonmajor Governmental Funds	5,805
LMIG Fund	Joint Development Authority Fund	428,599
		$ 470,577

These balances resulted 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. Primarily, balances are attributed to expenditures paid by the General Fund to be reimbursed by the funds for which the expenditures benefit.

Interfund transfers:

Transfers In	Transfers Out	Amount
Joint Development Authority Fund	General Fund	$ 414,142
Joint Development Authority Fund	SPLOST Fund	70,802
Nonmajor Governmental Funds	General Fund	550,000
LMIG Fund	Joint Development Authority Fund	160,390
		$ 1,195,334

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 4) move SPLOST funds to the Development Authority to SPLOST approved projects.

NOTE 10. DEFINED BENEFIT PENSION PLAN

A. Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The Jeff Davis County Defined Benefit Plan (the "Plan"), covering substantially all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia ("ACCG"). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Plan benefits are provided for Plan participants who were participants in the Plan before January 1, 2004, whereby retirees receive between 1.00% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for Plan participants who were participants in the Plan on or after January 1, 2004, whereby retirees receive 1.00% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership. As of January 1, 2019, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	39
Inactive plan members entitled to but not receiving benefits	51
Active plan members	77
Total	167

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Plan Description (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended June 30, 2020, the County's contribution rate was 10.7% of annual payroll. County contributions to the Plan were $288,409 for the year ended June 30, 2020.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2019.

Actuarial Assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	2.00% – 4.00%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub 2010 amount weighted Mortality Table blended 50% for General Employees and 50% for Public Safety Employees with Scale AA to 2019.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for December 31, 2018.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued). The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019, are summarized in the following table:

Asset Class	Target Allocation	Range
Equities	30%	65% - 75%
Large Cap	30%	25% -35%
Mid Cap	5%	2.5% - 10%
Small Cap	5%	2.5% - 10%
REIT	5%	2.5% - 10%
International	15%	10% - 20%
Multi Cap	5%	2.5% - 10%
Global Allocation	5%	2.5% - 10%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended June 30, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	$ 5,671,410	$ 4,168,638	$ 1,502,772
Changes for the year:			
Service cost	109,635	-	109,635
Interest	387,275	-	387,275
Liability experience (gain)/loss	216,196	-	216,196
Assumption change	213,034	-	213,034
Contributions – employer	-	288,409	(288,409)
Net investment income	-	839,854	(839,854)
Benefit payments, including refunds of employee contributions	(277,837)	(277,837)	-
Administrative expense	-	(29,223)	29,223
Other changes	-	(51,082)	51,082
Net changes	648,303	770,121	(121,818)
Balances at June 30, 2020	$ 6,319,713	$ 4,938,759	$ 1,380,954

The required schedule of changes in the County’s net pension liability and related ratios immediately following the notes to the financial statements presents multi–year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 2,178,298	$ 1,380,954	$ 718,387

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2019, and the current sharing pattern of costs between employer and employee.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the County recognized pension expense of $589,352. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment earnings difference	$ -	$ 232,758
Differences between expected and actual experience	242,247	17,615
Changes in assumptions	336,343	-
Total	$ 578,590	$ 250,373

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2021	$ 216,150
2022	150,927
2023	68,893
2024	(107,753)
Total	$ 328,217

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Administration and Benefits

The County, as authorized by the County Commission, administers a single-employer defined benefit Post-Retirement Benefit Plan (the "OPEB Plan"). The OPEB Plan is under the direction of the County's Board of Commissioners. The County provides post-retirement healthcare benefits, as per the requirements of a resolution, for certain retirees. The provisions and obligations to contribute are established and may be amended by the Jeff Davis County Board of Commissioners. The requirements are that the employee must retire from the County after ten years of continuous service and must have attained the age of 55. The benefits are offered until the employee stops paying their portion of the premium. The County pays 25 – 50% of the individual health insurance premium, depending on age and years of employment, and the employee must pay the remainder. The County will pay 100% of individual premium costs for life insurance benefits. Currently, 12 employees and their dependents are enrolled in post-retirement healthcare benefits. The County's Board of Commissioners established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the OPEB Plan.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the post-retirement benefit plan as of latest actuarial valuation at July 1, 2019:

Active members	96
Retired members	8
Dependents of retired members	5
	109

Contributions

The Board of Commissioners has elected to fund the OPEB Plan on a "pay as you go" basis. Per a County resolution, the County is required to contribute the current year benefit costs of the Plan which are not paid by the retiree. For the year ended June 30, 2020, the County contributed $50,002 for the pay as you go benefits for the OPEB Plan.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability of the County

The County's total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019, with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	2.21%
Healthcare Cost Trend Rate:	5.70% graded by 0.10% per year to an ultimate rate of 4.50%
Inflation Rate:	2.50%
Participation Rate:	5.00%

Mortality rates were based on the PubGH-2010 Mortality Table, projected by the MP-2019 Mortality Improvement Scale.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period 2010 – 2014.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 2.21% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2020.

Changes in the Total OPEB Liability of the County

The changes in the total OPEB liability of the County for the year ended June 30, 2020, were as follows:

	Total OPEB Liability
Beginning balance	$ 1,270,018
Changes for the year:	
Service cost	26,206
Interest	44,764
Experience differences	7,765
Assumption changes	299,965
Benefit payments	(50,002)
Net change	328,698
Ending balance	$ 1,598,716

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability of the County (Continued)

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability	$ 1,849,674	$ 1,598,716	$ 1,396,076

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability	$ 1,106,826	$ 1,598,716	$ 2,232,157

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2020, and the current sharing pattern of costs between employer and inactive employees.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the County recognized OPEB expense of $114,086. At June 30, 2020, the County reported deferred outflows and inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 7,163	$ 18,462
Other changes in assumptions	520,916	-
Total	$ 528,079	$ 18,462

Amounts reported as deferred outflows and inflows of resources related to the OPEB Plan will be recognized in OPEB expense as follows:

Year ending June 30,	
2021	$ 43,116
2022	43,116
2023	43,116
2024	43,116
2025	43,116
2026 and after	294,037
Total	$ 509,617

NOTE 12. 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; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees, retirees, and their dependents.

Through the Georgia Municipal Association, the County holds membership in Georgia Interlocal Risk Management Agency (“GIRMA”). GIRMA exists by authority of the O.C.G.A., and participates in risk sharing arrangements among Georgia county governments. Members jointly self-insure the risks of general liability, motor vehicle liability, property damage or any combination of such risks. Coverages are subject to a $1,000 deductible per occurrence.

NOTE 12. RISK MANAGEMENT (CONTINUED)

Pursuant to Title 34, Chapter 9, Article 5 of the O.C.G.A., the County became a member of the Association County Commissioners of Georgia – Self-Insurance Workers' Compensation Fund. The liability of the fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation, therefore, although such suits, other proceedings, allegations, or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

The County is involved in several pending lawsuits. Also, the Joint Development Authority has filed suit against certain entities and individuals to recover funds received from the Authority through fraudulent means. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

NOTE 14. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties in the 17 county area district, is a member of the Heart of Georgia/Altamaha Regional Commission and is required to pay annual dues thereto. Membership in a Regional Commission is required by O.C.G.A. §50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-391 provides that the member governments are liable for any debts or obligations of the Regional Commission. The total paid to the Regional Commission for fiscal year 2020 was $10,842.

Information concerning the financial statements may be obtained from the Heart of Georgia/Altamaha Regional Commission, 501 Oak Street, Eastman, Georgia 31023.

REQUIRED SUPPLEMENTARY INFORMATION

JEFF DAVIS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2018
Total OPEB liability			
Service cost	$ 26,206	$ 24,545	$ 20,658
Interest on total OPEB liability	44,764	44,163	34,049
Differences between expected and actual experience	7,765	(21,558)	-
Changes of assumptions	299,965	50,360	252,628
Benefit payments	(50,002)	(46,216)	(38,061)
Net change in total OPEB liability	328,698	51,294	269,274
Total OPEB liability - beginning	1,270,018	1,218,724	949,450
Total OPEB liability - ending	$ 1,598,716	$ 1,270,018	$ 1,218,724
Covered payroll	$ 2,888,633	$ 3,336,091	$ 2,984,154
County's total OPEB liability as a percentage of covered payroll	55.3%	38.1%	40.8%

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedule are disclosed in Note 11 in the Notes to the Financial Statements.

JEFF DAVIS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	**$ 109,635**	$ 86,250	$ 73,148	$ 73,151	$ 60,338	$ 56,716
Interest on total pension liability	**387,275**	352,705	346,452	326,410	296,404	286,283
Differences between expected and actual experience	**216,196**	150,117	(83,675)	131,356	142,996	-
Changes of assumptions	**213,034**	351,374	12,141	141,756	126,236	-
Benefit payments, including refunds of employee contributions	**(277,837)**	(267,865)	(255,794)	(236,490)	(215,290)	(200,839)
Net change in total pension liability	**648,303**	672,581	92,272	436,183	410,684	142,160
Total pension liability - beginning	**5,671,410**	4,998,829	4,906,557	4,470,374	4,059,689	3,917,529
Total pension liability - ending (a)	**6,319,713**	5,671,410	4,998,829	4,906,557	4,470,373	4,059,689
Plan fiduciary net position						
Contributions - employer	**288,409**	205,795	222,547	245,510	211,955	194,351
Net investment income	**839,854**	(193,077)	596,874	265,986	31,916	256,611
Benefit payments, including refunds of employee contributions	**(277,837)**	(267,865)	(255,794)	(236,490)	(215,290)	(200,839)
Administrative expenses	**(29,223)**	(16,811)	(13,851)	(17,407)	(13,906)	(12,661)
Other	**(51,082)**	(19,419)	(23,234)	(22,924)	(46,692)	(21,872)
Net change in fiduciary net position	**770,121**	(291,377)	526,542	234,675	(32,017)	215,590
Plan fiduciary net position - beginning	**4,168,638**	4,460,015	3,933,473	3,698,798	3,730,815	3,515,225
Plan fiduciary net position - ending (b)	**4,938,759**	4,168,638	4,460,015	3,933,473	3,698,798	3,730,815
County's net pension liability - ending (a) - (b)	**$ 1,380,954**	$ 1,502,772	$ 538,814	$ 973,084	$ 771,575	$ 328,874
Plan fiduciary net position as a percentage of total pension liability	**78.1%**	73.5%	89.2%	80.2%	82.7%	91.9%
Covered payroll	**$ 2,705,607**	$ 2,376,006	$ 2,145,001	$ 2,144,605	$ 2,085,053	$ 1,938,321
County's net pension liability as a percentage of covered payroll	**51.0%**	63.2%	25.1%	45.4%	37.0%	17.0%

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

JEFF DAVIS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	**$ 288,409**	$ 205,795	$ 222,547	$ 245,510	$ 211,955	$ 194,351
Contributions in relation to the actuarially determined contribution	**288,409**	205,795	222,547	245,510	211,955	194,351
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 2,705,607**	$ 2,376,006	$ 2,145,001	$ 2,144,605	$ 2,085,053	$ 1,938,321
Contributions as a percentage of covered payroll	**10.7%**	8.7%	10.4%	11.4%	10.2%	10.0%

Notes to the Schedule

Valuation Date	January 1, 2019
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	2.5% - 5.5% (including 3.0% inflation)
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once it is accumulated.

NONMAJOR GOVERNMENTAL FUNDS

JEFF DAVIS COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Revolving Loan To account for the activity of the County's revolving loan fund.

Emergency 911 To account for emergency services which are provided to all County taxpayers. Financing is provided through user fees and charges and contributions from the General Fund.

EIP Grant To account for the activity of the County's Employment Incentive Program ("EIP") grant.

CAPITAL PROJECT FUND

TIA SPLOST Fund To account for the funds received from the Transportation Special Purpose Local Options Sales Tax receipts. The County is using the taxes for approved projects for roads, streets and bridges.

JEFF DAVIS COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds			Capital Project Fund	
ASSETS	**Revolving Loan**	**Emergency 911**	**EIP Grant**	**TIA SPLOST Fund**	**Nonmajor Governmental Funds**
Cash and cash equivalents	$ 135,988	$ 427,113	$ 103	$ 868,559	$ 1,431,763
Accounts receivable	-	36,807	-	-	36,807
Due from other governments	-	-	-	102,640	102,640
Due from other funds	428,599	-	-	-	428,599
Total assets	$ 564,587	$ 463,920	$ 103	$ 971,199	$ 1,999,809
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 544	$ -	$ -	$ 544
Accrued liabilities	-	7,797	-	-	7,797
Due to other funds	-	5,805	-	-	5,805
Total liabilities	-	14,146	-	-	14,146
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - intergovernmental	-	-	-	65,772	65,772
Total deferred inflows of resources	-	-	-	65,772	65,772
FUND BALANCES					
Restricted for:					
Public safety	-	449,774	-	-	449,774
Housing and development	564,587	-	103	-	564,690
Capital projects	-	-	-	905,427	905,427
Total fund balance	564,587	449,774	103	905,427	1,919,891
Total liabilities, deferred inflows of resources and fund balances	$ 564,587	$ 463,920	$ 103	$ 971,199	$ 1,999,809

JEFF DAVIS COUNTY, GEORGIA

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

	Special Revenue Funds			Capital Project Fund	
	Revolving Loan	Emergency 911	EIP Grant	TIA SPLOST Fund	Nonmajor Governmental Funds
REVENUES					
Intergovernmental	$ -	$ -	$ -	$ 403,641	$ 403,641
Charges for services	-	449,490	-	-	449,490
Interest	10,684	-	-	-	10,684
Total revenues	10,684	449,490	-	403,641	863,815
EXPENDITURES					
Current:					
Public safety	-	577,997	-	-	577,997
Capital outlay	-	-	-	1,049,540	1,049,540
Total expenditures	-	577,997	-	1,049,540	1,627,537
Excess (deficiency) of revenues over (under) expenditures	10,684	(128,507)	-	(645,899)	(763,722)
OTHER FINANCING SOURCES					
Transfers in	-	550,000	-	-	550,000
Total other financing sources	-	550,000	-		550,000
Net change in fund balances	10,684	421,493	-	(645,899)	(213,722)
FUND BALANCES, beginning of year	553,903	28,281	103	1,551,326	2,133,613
FUND BALANCES, end of year	$ 564,587	$ 449,774	$ 103	$ 905,427	$ 1,919,891

JEFF DAVIS COUNTY, GEORGIA

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

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Roads, bridges, equipment	$ 3,547,000	$ 3,547,000	$ 3,801,566	$ 734,502	$ 4,536,068
City of Hazlehurst	2,282,000	2,282,000	3,595,351	409,504	4,004,855
Hospital	1,500,000	1,500,000	1,100,725	200,828	1,301,553
Public safety	1,123,000	1,123,000	712,961	400,898	1,113,859
Development Authority	1,000,000	1,000,000	742,268	70,802	813,070
Jail	1,000,000	1,000,000	434,273	-	434,273
Recreation	503,000	503,000	458,007	247,634	705,641
Renovation of public buildings	420,000	420,000	193,011	-	193,011
	$ 11,375,000	$ 11,375,000	$ 11,038,162	2,064,168	$ 13,102,330
Reconciling items:					
Debt service payments on equipment already included as an expenditure above				564,651	
Transfers out to the Development Authority already included as an expenditure above				(70,802)	
				$ 2,558,017	

AGENCY FUNDS

JEFF DAVIS COUNTY, GEORGIA

AGENCY FUNDS

Tax Commissioner	To account for tax billings, collections, and remittances made by property owners of record on behalf of other governmental agencies.
Magistrate Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.
Probate Court	To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc. which are disbursed to other parties.
Clerk of Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.
Sheriff	To account for the collection and remittance of fines, bond forfeitures, and various fees, and to account for the receipt and disbursement of funds held on behalf of County inmates housed in the County detention facility.

JEFF DAVIS COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2020

	Tax Commissioner		Magistrate Court		Probate Court		Clerk of Court	
ASSETS								
Cash	$	484,515	$	25,004	$	5,085	$	148,603
Taxes receivable		365,810		-		-		-
Total assets	$	850,325	$	25,004	$	5,085	$	148,603
LIABILITIES								
Due to others	$	484,515	$	25,004	$	5,085	$	148,603
Uncollected taxes		365,810		-		-		-
Total liabilities	$	850,325	$	25,004	$	5,085	$	148,603

Sheriff		Total	
$	150,186	$	813,393
	-		365,810
$	150,186	$	1,179,203
$	150,186	$	813,393
	-		365,810
$	150,186	$	1,179,203

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

Board of Commissioners
of Jeff Davis County, Georgia
Hazlehurst, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jeff Davis County, Georgia (the "County") as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 21, 2020. Our report includes references to other auditors who audited the financial statements of the Jeff Davis County Board of Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider item 2020-001, as described in the accompanying schedule of findings and responses, to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Jeff Davis County's Responses to Finding

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 21, 2020

JEFF DAVIS COUNTY, GEORGIA

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

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	_____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	__X__ Yes ____ None Reported
Noncompliance material to financial statements noted?	_____ Yes __X__ No

Federal Awards

A single audit was not performed for the fiscal year ended June 30, 2020, due to the County not expending $750,000 or more of federal funds.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020-001. Segregation of Duties (Repeat Finding)

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in the various areas of the County, including the offices of elected officials. In addition, we noted bank statements were being reconciled by employees of these elected officials with no consistent review of the reconciled statements being performed. Specifically, we noted the following items:

- Sheriff's Office – One individual has the authority to open mail and also has the authority to prepare deposits, deposit cash receipts, prepare checks, sign checks, mail checks and reconcile bank statements. Another individual has the authority to open mail and also has the authority to prepare deposits, deposit cash receipts, prepare checks, sign checks, mail checks, and reconcile bank statements. In addition, we noted the bank reconciliations are not being properly reviewed until the end of the year prior to the audit.

- Probate Court – One individual has the authority to open mail and also has the authority to prepare deposits, prepare checks, mail checks, sign checks, post transactions to the general ledger, and reconcile bank statements. In addition, we noted the bank reconciliations are not being properly reviewed on a consistent basis.

- Magistrate Court – One individual has the authority to prepare deposits and deposit cash receipts also has the authority to reconcile bank statements. In addition, we noted bank reconciliations are being performed and reviewed; however, no documentation of the review is being performed.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020-001. Segregation of Duties (Repeat Finding) (Continued)

- Clerk of Court – One individual has the authority to open mail and also has the authority to prepare deposits, deposit cash receipts, prepare checks, sign checks, and reconcile bank statements. Another individual has the authority to open mail and also has the authority to prepare deposits, deposit cash receipts, mail checks, and sign checks.

- Tax Commissioner's Office – We noted the bank reconciliations are not being properly reviewed.

- County Office – One individual has the authority to open mail and also has the authority to prepare deposits, deposit cash receipts, prepare checks, mail checks, sign checks, post transactions to the general ledger, and reconcile bank statements.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The failure to properly segregate duties is due to the limited number of individuals available in each office to perform each of the duties.

Recommendation: We recommend the duties of recording, distributing, and reconciling of accounts be segregated among employees. Also, we recommend greater separation of duties relative to: preparing deposits, making deposits, opening the mail, posting transactions to the general ledger, signing of checks, and reconciling bank statements. We recommend bank reconciliations are properly reviewed on a monthly basis with documentation of review.

Views of Responsible Officials: We concur. The offices listed above are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

JEFF DAVIS COUNTY, GEORGIA

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

2019-001. Segregation of Duties (Repeat Finding)

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties does not exist among cash management, including the recording, distribution, reconciliation of cash accounts and other operational functions in various areas of County operations, including the offices of elected officials (Sheriff and the Probate Court), various departments of the General Fund and the County's Finance Department.

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