

TOOMBS COUNTY, GEORGIA

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020**

TOOMBS COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Toombs County, Georgia
Lyons, Georgia**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted ("GAAP") 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 Toombs County Board of Health (the "Board of Health"), which represents 8%, -4%, and 52%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with GAAP.

Emphasis of Matter

As discussed in Note 13, the County implemented Governmental Accounting Standards (“GASB”) Statement No. 84, *Fiduciary Activities*, as of January 1, 2020. This standard significantly changed the accounting for the County’s activities previously reported as agency funds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

GAAP requires that the Management’s Discussion and Analysis (“MD&A”) (on pages 4 through 10), the Schedule of Changes in the County’s Net Pension Liability and Related Ratios, (on pages 52 and 53) and the Schedule of County Contributions (on pages 54 and 55) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB 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 of the County. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for the purpose of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §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 August 4, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the County'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 Toombs County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
August 4, 2021

TOOMBS COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

This section of Toombs 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 December 31, 2020.

Financial Highlights

- The assets of the County exceeded its liabilities at December 31, 2020, by \$33,277,487 (net position). This represents a decrease of \$395,029, or 1.2%, from the prior year. Of this amount, (\$18,863,895) is classified as unrestricted net position, which is a decrease in unrestricted net position from the prior year of \$35,292,593.
- At December 31, 2020, the County's total governmental fund balances were \$53,869,145, an increase of \$35,111,100, or 187%, from the prior year. Of this amount, \$12,042,240 is unassigned and is reported in the General Fund and nonmajor funds. Unassigned fund balance decreased \$128,345, or 1.1%, from the prior year.

Overview of the Financial Statements

This Management Discussion and 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. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (Continued)

The government-wide financial statements include not only the County itself (known as the Primary Government), but also the Toombs County Development Authority (the "Development Authority") and the Toombs County Health Department (the "Health Department"). These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units are 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 three categories: governmental funds, proprietary 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** (Emergency Telephone, Revolving Loan, Jail, Law Library, Juvenile Services, DATE, and Jail Commissary); and **Capital Projects** (Special Purpose Local Option Sales Tax ("SPLOST") and Transportation Special Purpose Local Option Sales Tax ("TSPLOST")).

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 Fund, SPLOST Fund, and TSPLOST Fund, 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 nonmajor 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.

Proprietary funds. Services for which the government charges customers a fee are generally reported in proprietary funds. The Landfill and Ambulance Funds are major enterprise funds and their business-like activities are reported with detail including cash flows.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements (Continued)

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 \$33,277,487 at the close of the most recent fiscal year.

A large portion of the County's net position, 44.94%, 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.

Toombs County's Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 56,198,538	\$ 21,518,566	\$ 3,409,401	\$ 3,762,917	\$ 59,607,939	\$ 25,281,483
Capital assets	13,387,212	12,251,081	3,857,807	4,604,768	17,245,019	16,855,849
Total assets	69,585,750	33,769,647	7,267,208	8,367,685	76,852,958	42,137,332
Deferred outflows of resources	714,242	912,489	225,551	288,154	939,793	1,200,643
Other liabilities	1,767,296	1,605,565	601,699	545,800	2,368,995	2,151,365
Long-term liabilities outstanding	35,901,609	1,429,361	5,617,586	6,005,152	41,519,195	7,434,513
Total liabilities	37,668,905	3,034,926	6,219,285	6,550,952	43,888,190	9,585,878
Deferred inflows of resources	476,576	60,482	150,498	19,099	627,074	79,581
Net position:						
Net investment in capital assets	12,430,191	12,251,081	2,525,689	2,867,262	14,955,880	15,118,343
Restricted	37,185,502	2,125,475	-	-	37,185,502	2,125,475
Unrestricted	(17,461,182)	17,210,172	(1,402,713)	(781,474)	(18,863,895)	16,428,698
Total net position	\$ 32,154,511	\$ 31,586,728	\$ 1,122,976	\$ 2,085,788	\$ 33,277,487	\$ 33,672,516

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

At the end of the current fiscal year, the County is able to report positive balances in all categories of net position for the government activities.

Toombs County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 1,825,595	\$ 1,735,058	\$ 3,862,198	\$ 3,648,183	\$ 5,687,793	\$ 5,383,241
Operating grants and contributions	757,956	968,748	-	-	757,956	968,748
Capital grants and contributions	2,364	1,500	-	-	2,364	1,500
General revenues:						
Property taxes	7,519,112	7,390,000	-	-	7,519,112	7,390,000
Sales taxes	9,798,047	7,142,196	-	-	9,798,047	7,142,196
Other taxes	1,063,973	988,121	-	-	1,063,973	988,121
Unrestricted investment earnings	126,533	165,701	10,147	6,333	136,680	172,034
Other revenues	-	-	1,010	-	1,010	-
Total revenues	<u>21,093,580</u>	<u>18,391,324</u>	<u>3,873,355</u>	<u>3,654,516</u>	<u>24,966,935</u>	<u>22,045,840</u>
Expenses						
General government	5,691,812	4,005,983	-	-	5,691,812	4,005,983
Judicial	1,228,374	1,369,713	-	-	1,228,374	1,369,713
Public safety	5,109,721	4,741,299	-	-	5,109,721	4,741,299
Public works	6,587,833	7,047,567	-	-	6,587,833	7,047,567
Health and welfare	224,747	293,869	-	-	224,747	293,869
Culture and recreation	167,804	173,771	-	-	167,804	173,771
Housing and development	184,583	132,841	-	-	184,583	132,841
Issuance Cost	957,151	-	-	-	957,151	-
Ambulance	-	-	2,599,950	2,519,198	2,599,950	2,519,198
Landfill	-	-	2,609,989	1,856,426	2,609,989	1,856,426
Total expenses	<u>20,152,025</u>	<u>17,765,043</u>	<u>5,209,939</u>	<u>4,375,624</u>	<u>25,361,964</u>	<u>22,140,667</u>
Change in net position before transfers	<u>941,555</u>	<u>626,281</u>	<u>(1,336,584)</u>	<u>(721,108)</u>	<u>(395,029)</u>	<u>(94,827)</u>
Transfers	<u>(373,772)</u>	<u>(892,276)</u>	<u>373,772</u>	<u>892,276</u>	<u>-</u>	<u>-</u>
Change in net position	<u>567,783</u>	<u>(265,995)</u>	<u>(962,812)</u>	<u>171,168</u>	<u>(395,029)</u>	<u>(94,827)</u>
Net position, beginning of year	<u>31,586,728</u>	<u>31,852,723</u>	<u>2,085,788</u>	<u>1,914,620</u>	<u>33,672,516</u>	<u>33,767,343</u>
Net position, end of year	<u>\$ 32,154,511</u>	<u>\$ 31,586,728</u>	<u>\$ 1,122,976</u>	<u>\$ 2,085,788</u>	<u>\$ 33,277,487</u>	<u>\$ 33,672,516</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis (Continued)

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

- Net change in total revenues increased \$2,921,095, or 13.3%.
- Charges for services increased \$304,552 due to landfill timber sales during the previous year. Operating grants and contributions decreased \$210,792. This was primarily the result of less receipts from the Local Maintenance and Improvement grant in 2020 for road improvement projects.
- Property tax revenue increased \$129,112, or 1.7%, as a result of the increased County-Wide collections.
- Sales tax revenue increased \$2,655,851, or 37.2%, as a result of increased collections.
- General government increased \$1,685,829, due to increased activity with infrastructure and road projects during the current year.

Business-type activities

- The Toombs County Landfill Fund produced an operating loss of \$807,897 before interest. This loss was increased by \$50,013 in net nonoperating expenses, resulting in a total decrease in net position of \$847,763 for the current fiscal year.
- The Toombs County Ambulance Fund produced operating loss of \$489,831 before transfers and contributions. This loss was decreased by transfers of \$373,772.

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 \$213,417 for prepaid items, assigned fund balance of the General Fund was \$4,411,611 for landfill post-closure care costs, and unassigned was \$12,119,759, resulting in a total fund balance of \$16,744,787.

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 1.7% of total General Fund expenditures, assigned fund balance represents 35.7%, and unassigned fund balance represents 98.1%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds (Continued)

SPLOST Fund

The Special Purpose Local Option Sales Tax ("SPLOST") referendum was passed on June 12, 2008. Proceeds of \$15,770,000 will fund multiple capital projects which began in 2009. At the end of the current fiscal year, SPLOST expenditures were approximately \$5,331,000, revenues approximately \$5,702,000 million, and the ending fund balance approximated \$1,151,000. Project spending for the SPLOST Fund is in its eleventh year.

Proprietary funds. The County's proprietary fund provides that same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary funds are the Landfill and Ambulance Funds. At the end of the current fiscal year, unrestricted net position for the Landfill and Ambulance funds were \$(1,474,547) and \$71,834, respectively.

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 December 31, 2020, amounts to \$13,387,212 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, and infrastructure.

Toombs County's Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 685,089	\$ 485,388	\$ 1,420,174	\$ 1,420,174	\$ 2,105,263	\$ 1,905,562
Construction in progress	1,701,857	-	-	-	1,701,857	-
Land (landfill)	-	-	1,335,791	1,757,718	1,335,791	1,757,718
Buildings	2,900,037	3,029,331	381,613	431,834	3,281,650	3,461,165
Improvements	546,895	584,200	-	-	546,895	584,200
Infrastructure	5,404,312	5,580,998	-	-	5,404,312	5,580,998
Furniture and fixtures	43,486	64,017	-	-	43,486	64,017
Machinery and equipment	2,105,536	2,507,147	720,229	995,042	2,825,765	3,502,189
Total	<u>\$ 13,387,212</u>	<u>\$ 12,251,081</u>	<u>\$ 3,857,807</u>	<u>\$ 4,604,768</u>	<u>\$ 17,245,019</u>	<u>\$ 16,855,849</u>

Additional information on the County's capital assets can be found in Note 6 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration (Continued)

Long-term Debt. The County's long-term debt for the year ended December 31, 2020, is summarized below:

Toombs County's Long-Term Debt						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue bonds payable	\$ 32,945,000	\$ -	\$ 1,332,118	\$ 1,737,506	\$ 34,277,118	\$ 1,737,506
Unamortized premium	2,024,921	-	-	-	2,024,921	-
Compensated absences	224,487	206,771	59,829	54,735	284,316	261,506
Landfill closure and post-closure costs	-	-	4,465,703	4,270,426	4,465,703	4,270,426
Net pension liability	931,688	1,429,361	294,217	451,377	1,225,905	1,880,738
Total	<u>\$ 36,126,096</u>	<u>\$ 1,636,132</u>	<u>\$ 6,151,867</u>	<u>\$ 6,514,044</u>	<u>\$ 42,277,963</u>	<u>\$ 8,150,176</u>

The Revenue bonds payable represent debt to a financial institution for landfill expansion.

Engineering and post-closure costs associated with closure and post-closure care costs of the County's landfills are estimated to be approximately \$4,470,000 and are recorded as a long-term liability of the Landfill Fund.

Additional information regarding the County's long-term debt can be found in Note 7 and Note 11 of this report.

Economic Factors and Next Year's Budgets

- The gross millage rate was increased by 0.0226 mills.
- Tax Digest increased by 2.40%.
- Local Option Sales Tax revenues were up approximately 16.39% as compared to 2019.
- Special Purpose Local Option Sales Tax revenues were up approximately 16.7% as compared to 2019.
- 911 fees were up approximately 8.50% compared to 2019.

These items were taken into account when adopting the general fund budget for 2019.

Most budgeted expenditures are expected to remain constant. The County departments will be expected to use a conservative approach to budgeting.

Requests for Information

This MD&A and the accompanying financial reports and notes are designed to provide our citizens, taxpayers and elected officials with a general overview and analysis of the County's financial and economic condition. The information contained herein includes analysis of current conditions and representations by the management of the County and we are responsible for their content. It is our mission to ensure that Toombs County be accountable for the revenues we receive from our citizens. If you have any questions or comments about this report, please contact our County Manager at P.O. Box 112, Lyons, Georgia 30436.

BASIC FINANCIAL STATEMENTS

TOOMBS COUNTY, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Board of Health
ASSETS					
Cash and cash equivalents	\$ 52,087,721	\$ 2,319,707	\$ 54,407,428	\$ 1,520,340	\$ 459,458
Restricted cash	-	524,039	524,039	-	-
Taxes receivable	1,937,227	-	1,937,227	450,522	-
Accounts receivable, net of allowances	82,561	707,637	790,198	-	-
Leases receivable	-	-	-	679,062	-
Due from other governments	728,189	17,018	745,207	-	197,972
Internal balances	159,000	(159,000)	-	-	-
Due from component unit	990,423	-	990,423	-	-
Prepaid items	213,417	-	213,417	7,364	-
Capital assets, non-depreciable	2,386,946	1,420,174	3,807,120	1,478,891	-
Capital assets, depreciable, net of accumulated depreciation	11,000,266	2,437,633	13,437,899	3,387,805	10,843
Total assets	69,585,750	7,267,208	76,852,958	7,523,984	668,273
DEFERRED OUTFLOWS OF RESOURCES					
Pension	714,242	225,551	939,793	-	199,670
LIABILITIES					
Accounts payable	235,825	34,757	270,582	37,781	-
Accrued liabilities	769,352	32,661	802,013	-	-
Unearned revenues	-	-	-	6,997	-
Due to other governments	537,632	-	537,632	-	31,524
Due to primary government	-	-	-	990,423	-
Compensated absences due within one year	224,487	59,829	284,316	-	11,472
Compensated absences due in more than one year	-	-	-	-	45,887
Bonds payable due within one year	580,000	420,360	1,000,360	-	-
Bonds payable due in more than one year	34,389,921	911,758	35,301,679	-	-
Landfill closure and post-closure care due within one year	-	54,092	54,092	-	-
Landfill closure and post-closure care costs due in more than one year	-	4,411,611	4,411,611	-	-
Net pension liability	931,688	294,217	1,225,905	-	607,921
Net OPEB liability	-	-	-	-	100,850
Total liabilities	37,668,905	6,219,285	43,888,190	1,035,201	797,654
DEFERRED INFLOWS OF RESOURCES					
Pension	476,576	150,498	627,074	-	317,159
NET POSITION					
Net investment in capital assets	12,430,191	2,525,689	14,955,880	4,866,696	10,843
Restricted for:					
Judicial programs	68,743	-	68,743	-	-
Public safety	287,780	-	287,780	-	-
Economic development	990,423	-	990,423	-	-
Capital improvements	35,838,556	-	35,838,556	-	-
Prior year program income	-	-	-	-	245,337
Unrestricted	(17,461,182)	(1,402,713)	(18,863,895)	1,622,087	(503,050)
Total net position	\$ 32,154,511	\$ 1,122,976	\$ 33,277,487	\$ 6,488,783	\$ (246,870)

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

TOOMBS COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units	
								Development Authority	Board of Health
Primary government:									
Governmental activities:									
General government	\$ 5,691,812	\$ 605,286	\$ 757,956	\$ 2,364	\$ (4,326,206)	\$ -	\$ (4,326,206)	\$ -	\$ -
Judicial	1,228,374	353,349	-	-	(875,025)	-	(875,025)	-	-
Public safety	5,109,721	866,960	-	-	(4,242,761)	-	(4,242,761)	-	-
Public works	6,587,833	-	-	-	(6,587,833)	-	(6,587,833)	-	-
Health and welfare	224,747	-	-	-	(224,747)	-	(224,747)	-	-
Culture and recreation	167,804	-	-	-	(167,804)	-	(167,804)	-	-
Housing and development	184,583	-	-	-	(184,583)	-	(184,583)	-	-
Interest	957,151	-	-	-	(957,151)	-	(957,151)	-	-
Total governmental activities	<u>20,152,025</u>	<u>1,825,595</u>	<u>757,956</u>	<u>2,364</u>	<u>(17,566,110)</u>	<u>-</u>	<u>(17,566,110)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Toombs County Landfill	2,609,989	1,752,079	-	-	-	(857,910)	(857,910)	-	-
Toombs County Ambulance	2,599,950	2,110,119	-	-	-	(489,831)	(489,831)	-	-
Total business-type activities	<u>5,209,939</u>	<u>3,862,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,347,741)</u>	<u>(1,347,741)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 25,361,964</u>	<u>\$ 5,687,793</u>	<u>\$ 757,956</u>	<u>\$ 2,364</u>	<u>(17,566,110)</u>	<u>(1,347,741)</u>	<u>(18,913,851)</u>	<u>-</u>	<u>-</u>
Component units:									
Development Authority	\$ 1,407,606	\$ -	\$ 762,213	\$ -	-	-	-	(645,393)	-
Board of Health	798,837	321,213	576,643	-	-	-	-	-	99,019
Total component units	<u>\$ 2,206,443</u>	<u>\$ 321,213</u>	<u>\$ 1,338,856</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(645,393)</u>	<u>99,019</u>
General revenues:									
Property taxes					7,519,112	-	7,519,112	-	-
Sales taxes					9,798,047	-	9,798,047	-	-
Insurance premium tax					908,733	-	908,733	-	-
Alcoholic beverages taxes					97,321	-	97,321	-	-
Other taxes					57,919	-	57,919	-	-
Unrestricted investment earnings					126,533	10,147	136,680	143,676	-
Gain on sale of capital assets					-	1,010	1,010	-	-
Miscellaneous					-	-	-	-	76,986
Transfers					(373,772)	373,772	-	-	-
Total general revenues and transfers					<u>18,133,893</u>	<u>384,929</u>	<u>18,518,822</u>	<u>143,676</u>	<u>76,986</u>
Change in net position					<u>567,783</u>	<u>(962,812)</u>	<u>(395,029)</u>	<u>(501,717)</u>	<u>176,005</u>
Net position, beginning of year					<u>31,586,728</u>	<u>2,085,788</u>	<u>33,672,516</u>	<u>6,990,500</u>	<u>(422,875)</u>
Net position, end of year					<u>\$ 32,154,511</u>	<u>\$ 1,122,976</u>	<u>\$ 33,277,487</u>	<u>\$ 6,488,783</u>	<u>\$ (246,870)</u>

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

TOOMBS COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2020

	General	SPLOST	TSPLOST	Public Facilities Authority	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 15,858,215	\$ 1,093,109	\$ 753,189	\$ 34,012,900	\$ 370,308	\$ 52,087,721
Taxes receivable	1,937,227	-	-	-	-	1,937,227
Accounts receivable	312	-	-	-	82,249	82,561
Due from other governments	188,771	496,246	43,172	-	-	728,189
Due from other funds	320,825	121,539	-	-	-	442,364
Due from component unit	-	-	-	-	990,423	990,423
Prepaid items	213,417	-	-	-	-	213,417
Total assets	<u>\$ 18,518,767</u>	<u>\$ 1,710,894</u>	<u>\$ 796,361</u>	<u>\$ 34,012,900</u>	<u>\$ 1,442,980</u>	<u>\$ 56,481,902</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
LIABILITIES						
Accounts payable	\$ 226,025	\$ 9,800	\$ -	\$ -	\$ -	\$ 235,825
Accrued liabilities	233,014	-	-	-	7,981	240,995
Due to other governments	-	537,632	-	-	-	537,632
Due to other funds	-	12,628	121,539	-	149,197	283,364
Total liabilities	<u>459,039</u>	<u>560,060</u>	<u>121,539</u>	<u>-</u>	<u>157,178</u>	<u>1,297,816</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues						
Property taxes	<u>1,314,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,314,941</u>
Total deferred inflows of resources	<u>1,314,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,314,941</u>
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	213,417	-	-	-	-	213,417
Restricted for:						
Judicial programs	-	-	-	-	68,743	68,743
Public safety	-	-	-	-	287,780	287,780
Economic development	-	-	-	-	990,423	990,423
Capital improvements	-	1,150,834	674,822	34,012,900	-	35,838,556
Assigned for:						
Landfill post-closure care costs	4,411,611	-	-	-	-	4,411,611
Jail commissary activities	-	-	-	-	16,375	16,375
Unassigned	<u>12,119,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,519)</u>	<u>12,042,240</u>
Total fund balances	<u>16,744,787</u>	<u>1,150,834</u>	<u>674,822</u>	<u>34,012,900</u>	<u>1,285,802</u>	<u>53,869,145</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,518,767</u>	<u>\$ 1,710,894</u>	<u>\$ 796,361</u>	<u>\$ 34,012,900</u>	<u>\$ 1,442,980</u>	

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.	13,387,212
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,314,941
Deferred outflows and inflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.	237,666
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(36,654,453)
Net position of governmental activities	<u>\$ 32,154,511</u>

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

TOOMBS COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	General	SPLOST	TSPLOST	Public Facilities Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 7,565,921	\$ -	\$ -	\$ -	\$ -	\$ 7,565,921
Sales taxes	2,185,739	5,699,454	1,912,854	-	-	9,798,047
Other taxes	1,063,973	-	-	-	-	1,063,973
Licenses and permits	9,427	-	-	-	-	9,427
Intergovernmental	757,956	-	-	-	-	757,956
Charges for services	536,319	-	-	-	526,317	1,062,636
Fines and forfeitures	326,405	-	-	-	64,371	390,776
Interest income	97,356	2,364	-	130	29,047	128,897
Miscellaneous	341,966	-	-	-	20,790	362,756
Total revenues	<u>12,885,062</u>	<u>5,701,818</u>	<u>1,912,854</u>	<u>130</u>	<u>640,525</u>	<u>21,140,389</u>
Expenditures						
Current:						
General government	3,784,901	-	-	-	-	3,784,901
Judicial	1,379,788	-	-	-	8,678	1,388,466
Public safety	4,074,493	-	-	-	836,944	4,911,437
Public works	2,606,909	-	122,909	-	-	2,729,818
Health and welfare	179,375	-	-	-	-	179,375
Culture and recreation	150,642	-	-	-	-	150,642
Housing and development	184,583	-	-	-	-	184,583
Intergovernmental	-	3,332,255	-	-	-	3,332,255
Capital outlay	-	1,998,874	1,011,491	-	-	3,010,365
Debt service:						
Issuance costs	-	-	-	957,151	-	957,151
Total expenditures	<u>12,360,691</u>	<u>5,331,129</u>	<u>1,134,400</u>	<u>957,151</u>	<u>845,622</u>	<u>20,628,993</u>
Excess (deficiency) of revenues over (under) expenditures	<u>524,371</u>	<u>370,689</u>	<u>778,454</u>	<u>(957,021)</u>	<u>(205,097)</u>	<u>511,396</u>
Other financing sources (uses)						
Proceeds from sale of capital assets	3,555	-	-	-	-	3,555
Bonds issued	-	-	-	32,945,000	-	32,945,000
Premium on bonds issued	-	-	-	2,024,921	-	2,024,921
Transfers in	-	-	-	-	226,864	226,864
Transfers out	(600,636)	-	-	-	-	(600,636)
Total other financing sources (uses)	<u>(597,081)</u>	<u>-</u>	<u>-</u>	<u>34,969,921</u>	<u>226,864</u>	<u>34,599,704</u>
Net change in fund balances	(72,710)	370,689	778,454	34,012,900	21,767	35,111,100
Fund balances (deficit), beginning of year	<u>16,817,497</u>	<u>780,145</u>	<u>(103,632)</u>	<u>-</u>	<u>1,264,035</u>	<u>18,758,045</u>
Fund balances, end of year	<u>\$ 16,744,787</u>	<u>\$ 1,150,834</u>	<u>\$ 674,822</u>	<u>\$ 34,012,900</u>	<u>\$ 1,285,802</u>	<u>\$ 53,869,145</u>

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

TOOMBS 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 DECEMBER 31, 2020

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

Net change in fund balances - total governmental funds	\$ 35,111,100
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.	1,136,131
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(46,809)
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.	(34,969,921)
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.	<u>(662,718)</u>
Change in net position of governmental activities	<u>\$ 567,783</u>

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

TOOMBS COUNTY, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 7,275,200	\$ 7,275,200	\$ 7,565,921	\$ 290,721
Sales taxes	1,900,000	1,900,000	2,185,739	285,739
Other taxes	991,500	991,500	1,063,973	72,473
Licenses and permits	7,500	7,500	9,427	1,927
Intergovernmental	788,019	1,153,447	757,956	(395,491)
Charges for services	584,435	584,435	536,319	(48,116)
Fines and forfeitures	496,000	496,000	326,405	(169,595)
Investment income	110,000	110,000	97,356	(12,644)
Miscellaneous	70,736	70,736	341,966	271,230
Total revenues	12,223,390	12,588,818	12,885,062	296,244
Expenditures				
Current				
General government:				
County commissioners	90,347	90,347	90,470	(123)
County manager	150,478	150,478	154,967	(4,489)
Elections	311,020	311,020	207,153	103,867
General administration	2,103,495	2,103,495	2,151,052	(47,557)
Financial administration	189,828	189,828	169,100	20,728
Law	40,000	40,000	21,975	18,025
Tax commissioner	281,342	281,342	279,498	1,844
Tax assessor	319,050	319,050	300,028	19,022
Board of equalization	5,000	5,000	1,179	3,821
Public buildings	447,038	447,038	409,479	37,559
Total general government	3,937,598	3,937,598	3,784,901	152,697
Judicial:				
Superior court	109,203	109,203	94,638	14,565
Clerk of superior court	311,840	311,840	322,525	(10,685)
District attorney	235,973	235,973	235,973	-
State court	105,514	105,514	65,949	39,565
Magistrate court	215,072	215,072	207,719	7,353
Probate court	129,515	129,515	147,562	(18,047)
Public defender	154,719	154,719	154,788	(69)
Solicitor	96,869	106,869	110,235	(3,366)
Juvenile court	45,822	45,822	40,399	5,423
Total judicial	1,404,527	1,414,527	1,379,788	34,739
Public safety:				
Sheriff	1,591,158	1,591,158	1,656,144	(64,986)
Jail	1,800,236	1,960,236	1,927,229	33,007
Court security	77,005	77,005	65,217	11,788
Fire	228,765	228,765	220,774	7,991
Coroner	26,890	44,690	55,214	(10,524)
Animal control	50,000	50,000	46,793	3,207
Emergency management	83,648	93,648	103,122	(9,474)
Total public safety	3,857,702	4,045,502	4,074,493	(28,991)
Public works:				
Highways and streets	1,802,870	1,852,870	1,917,717	(64,847)
Solid waste collection	585,618	700,138	633,838	66,300
Maintenance and shop	77,702	77,702	55,354	22,348
Total public works	2,466,190	2,630,710	2,606,909	23,801

(Continued)

TOOMBS COUNTY, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Current (Continued)				
Health and welfare:				
Health department buildings	\$ 133,920	\$ 133,920	\$ 130,840	\$ 3,080
DFCS	70,560	70,560	48,535	22,025
Community services	11,209	11,209	-	11,209
Total health and welfare	<u>215,689</u>	<u>215,689</u>	<u>179,375</u>	<u>36,314</u>
Culture and recreation:				
Recreation	118,111	118,111	104,642	13,469
Library	46,000	46,108	46,000	108
Total culture and recreation	<u>164,111</u>	<u>164,219</u>	<u>150,642</u>	<u>13,577</u>
Housing and development:				
Extension service	74,883	77,883	74,451	3,432
Georgia Forestry Commission	15,706	15,706	15,814	(108)
Code enforcement	58,708	58,708	66,873	(8,165)
Economic development	11,700	11,700	10,950	750
Community development	16,576	16,576	16,495	81
Total housing and development	<u>177,573</u>	<u>180,573</u>	<u>184,583</u>	<u>(4,010)</u>
Total expenditures	<u>12,223,390</u>	<u>12,588,818</u>	<u>12,360,691</u>	<u>228,127</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>524,371</u>	<u>524,371</u>
Other financing sources (uses)				
Transfers out	-	-	(600,636)	(600,636)
Proceeds from sale of capital assets	-	-	3,555	3,555
Total other financing uses, net	<u>-</u>	<u>-</u>	<u>(597,081)</u>	<u>(597,081)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(72,710)</u>	<u>(72,710)</u>
Fund balance, beginning of year	<u>16,817,497</u>	<u>16,817,497</u>	<u>16,817,497</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,817,497</u>	<u>\$ 16,817,497</u>	<u>\$ 16,744,787</u>	<u>\$ (72,710)</u>

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

TOOMBS COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2020

ASSETS	Landfill	Ambulance	Totals
CURRENT ASSETS			
Cash	\$ 2,319,707	\$ -	\$ 2,319,707
Restricted cash	524,039	-	524,039
Accounts receivable, net of allowances	381,270	326,367	707,637
Due from other governments	-	17,018	17,018
Total current assets	<u>3,225,016</u>	<u>343,385</u>	<u>3,568,401</u>
NON-CURRENT ASSETS			
Capital assets:			
Non-depreciable	1,420,174	-	1,420,174
Depreciable, net of accumulated depreciation	1,863,514	574,119	2,437,633
Total capital assets	<u>3,283,688</u>	<u>574,119</u>	<u>3,857,807</u>
Total non-current assets	<u>3,283,688</u>	<u>574,119</u>	<u>3,857,807</u>
Total assets	<u>6,508,704</u>	<u>917,504</u>	<u>7,426,208</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	<u>28,194</u>	<u>197,357</u>	<u>225,551</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	20,328	14,429	34,757
Accrued liabilities	6,846	25,815	32,661
Compensated absences payable, current	20,291	39,538	59,829
Due to other funds	159,000	-	159,000
Revenue bonds payable, current portion	420,360	-	420,360
Accrued closure/post-closure costs, current portion	54,092	-	54,092
Total current liabilities	<u>680,917</u>	<u>79,782</u>	<u>760,699</u>
LONG-TERM LIABILITIES			
Revenue bonds payable, net of current portion	911,758	-	911,758
Accrued closure/post-closure costs, net of current portion	4,411,611	-	4,411,611
Net pension liability	36,777	257,440	294,217
Total long-term liabilities	<u>5,360,146</u>	<u>257,440</u>	<u>5,617,586</u>
Total liabilities	<u>6,041,063</u>	<u>337,222</u>	<u>6,378,285</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	<u>18,812</u>	<u>131,686</u>	<u>150,498</u>
NET POSITION			
Net investment in capital assets	1,951,570	574,119	2,525,689
Unrestricted	(1,474,547)	71,834	(1,402,713)
Total net position	<u>\$ 477,023</u>	<u>\$ 645,953</u>	<u>\$ 1,122,976</u>

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

TOOMBS COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	<u>Landfill</u>	<u>Ambulance</u>	<u>Totals</u>
Operating revenues			
Charges for services:			
Landfill use fees	\$ 1,740,728	\$ -	\$ 1,740,728
Ambulance services	-	1,811,767	1,811,767
Miscellaneous	11,351	58,723	70,074
Intergovernmental revenues	-	239,629	239,629
Total operating revenues	<u>1,752,079</u>	<u>2,110,119</u>	<u>3,862,198</u>
Operating expenses			
Personal services	339,310	1,892,637	2,231,947
Purchased/contracted services	1,271,935	120,661	1,392,596
Supplies and materials	233,943	253,863	487,806
Repairs and maintenance	-	113,563	113,563
Utilities	80,321	106,732	187,053
Depreciation	634,467	112,494	746,961
Total operating expenses	<u>2,559,976</u>	<u>2,599,950</u>	<u>5,159,926</u>
Operating loss	<u>(807,897)</u>	<u>(489,831)</u>	<u>(1,297,728)</u>
Non-operating revenue (expense)			
Interest income	10,147	-	10,147
Interest expense	(50,013)	-	(50,013)
Gain on sale of capital assets	-	1,010	1,010
Total non-operating revenue (expense)	<u>(39,866)</u>	<u>1,010</u>	<u>(38,856)</u>
Loss before transfers	(847,763)	(488,821)	(1,336,584)
Transfers			
Transfers in	-	373,772	373,772
Total transfers	<u>-</u>	<u>373,772</u>	<u>373,772</u>
Change in net position	(847,763)	(115,049)	(962,812)
Net position, beginning of year	<u>1,324,786</u>	<u>761,002</u>	<u>2,085,788</u>
Net position, end of year	<u>\$ 477,023</u>	<u>\$ 645,953</u>	<u>\$ 1,122,976</u>

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

TOOMBS COUNTY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Landfill	Ambulance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,565,268	\$ 2,063,077	\$ 3,628,345
Payments to suppliers and service providers	(1,368,526)	(570,724)	(1,939,250)
Payments to employees	(338,857)	(1,867,135)	(2,205,992)
Net cash used in operating activities	<u>(142,115)</u>	<u>(374,782)</u>	<u>(516,897)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	373,772	373,772
Net cash provided by noncapital financing activities	<u>-</u>	<u>373,772</u>	<u>373,772</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on revenue bonds	(405,388)	-	(405,388)
Interest paid on revenue bonds	(50,013)	-	(50,013)
Proceeds from sale of capital assets	-	1,010	1,010
Net cash used in capital and related financing activities	<u>(455,401)</u>	<u>1,010</u>	<u>(454,391)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	10,147	-	10,147
Net cash provided by investing activities	<u>10,147</u>	<u>-</u>	<u>10,147</u>
Net decrease in cash and cash equivalents	(587,369)	-	(587,369)
Cash and cash equivalents			
Beginning of year	3,431,115	-	3,431,115
End of year	<u>\$ 2,843,746</u>	<u>\$ -</u>	<u>\$ 2,843,746</u>
Classified as:			
Cash	\$ 2,319,707	\$ -	\$ 2,319,707
Restricted cash	524,039	-	524,039
	<u>\$ 2,843,746</u>	<u>\$ -</u>	<u>\$ 2,843,746</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (807,897)	\$ (489,831)	\$ (1,297,728)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	634,467	112,494	746,961
Increase in accounts receivable	(186,811)	(47,042)	(233,853)
Decrease in deferred outflows of resources	7,825	54,778	62,603
Increase (decrease) in accounts payable	17,791	(8,142)	9,649
Increase in accrued liabilities	2,906	17,955	20,861
Increase (decrease) in compensated absences	(2,453)	7,547	5,094
Increase in accrued closure/post-closure costs	195,277	-	195,277
Increase in deferred inflows of resources - pension	16,425	114,974	131,399
Decrease in net pension liability	(19,645)	(137,515)	(157,160)
Net cash used in operating activities	<u>\$ (142,115)</u>	<u>\$ (374,782)</u>	<u>\$ (516,897)</u>

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

TOOMBS COUNTY, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020**

ASSETS	Custodial Funds
Cash	\$ 2,792,468
Taxes receivable	2,277,034
Total assets	<u>\$ 5,069,502</u>
LIABILITIES	
Due to others	\$ 2,293,799
Uncollected taxes	2,277,034
Total liabilities	<u>\$ 4,570,833</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u>\$ 498,669</u>

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

TOOMBS COUNTY, GEORGIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020**

		Custodial Funds
ADDITIONS		
Taxes collected	\$	22,351,333
Fines and fees collected		1,847,177
Total additions		<u>24,198,510</u>
DEDUCTIONS		
Taxes disbursed		22,304,258
Fines and fees disbursed		1,860,839
Total deductions		<u>24,165,097</u>
Change in net position		33,413
Net position, beginning of year, as restated		<u>465,256</u>
Net position, end of year	\$	<u><u>498,669</u></u>

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

TOOMBS COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Toombs 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 Auditing 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. The Reporting Entity

The County was established under the provisions of an act of the General Assembly of Georgia on August 18, 1905. The County operates under a County Commissioner form of government (five commissioners are elected by district with the Chairman elected at large from the County), and provides the following services as authorized by state law: public safety (police and fire), highways and streets, sanitation, health and social services, culture-and recreation, public improvements, planning and zoning, and general administrative services.

As required by GAAP, the financial statements of the reporting entity include those of Toombs County, Georgia (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 or financial relationship 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 discretely presented in the government-wide financial statements.

Toombs County Board of Health

The Toombs 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 the Board of Health. The Board of Health has a June 30th year-end. The Board of Health's statements have been prepared separately and can be obtained by writing to the Toombs County Health Department, 714 NW Broad Street, Lyons, Georgia 30436.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Development Authority of Toombs County, Georgia

The governing board of the Development Authority of Toombs County, Georgia (the “Development Authority”) consists of seven members appointed by the Toombs County Board of Commissioners. The Development Authority is responsible for promoting industrial and commercial development within the County. Although the County does not have the authority to approve or modify the budget of the Development Authority, the County does provide financial support to the Development Authority and is obligated to provide funding to repay the Development Authority’s bonded debt. Separately issued financial statements are not available for the Development Authority.

Toombs County Public Facilities Authority (Blended Component Unit)

The Toombs County Public Facilities Authority (the “Public Facilities Authority”) is governed by the members of the County’s Board of Commissioners. Although it is legally separate from the County, the Public Facilities Authority is reported as if it were part of the Primary Government because its sole purpose is to finance and purchase the County’s land and public buildings through debt arrangements. Because capital lease arrangements between a Primary Government and its blended component unit are not to be reported as capital leases in the financial reporting entity’s financial statements, the debt and assets of the Public Facilities Authority are reported as a form of the County’s debt and assets. All debt service activity of the Public Facilities Authority will be reported as debt service activity of the County. There are no separately issued financial statements available for the Public Facilities Authority.

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. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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*.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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

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 proprietary fund and the fiduciary fund financial statements, which have no measurement focus. 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.

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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales 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 **Special Purpose Local Option Sales Tax ("SPLOST") Fund** is a capital projects fund that accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for road and drainage improvements, public safety projects, recreation projects, public building projects, County administration projects, debt service, and other City projects within the County.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund*** is a capital projects fund that accounts for the proceeds. Funds are used for various transportation projects within the County.

The ***Public Facilities Authority Fund*** is a blended component unit. It accounts for the finance and purchase of County land and public buildings.

The County reports the following major proprietary funds:

The ***Landfill Fund*** accounts for the costs of providing solid waste management services to residents of the County through the operation of the Toombs County Landfill, sanitation services, and collection centers.

The ***Ambulance Fund*** accounts for the costs of providing transportation services to the citizens of the County who are in need of medical assistance.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's solid waste functions and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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 and Cash Equivalents

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.

E. 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.

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net position. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds."

In the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances".

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column 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 value. 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 costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

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

Asset Category	Years
Buildings	50
Improvements	40
Land (landfill)	4 – 6
Infrastructure	40
Furniture and Fixtures	5 – 10
Machinery and Equipment	5 – 20

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

Asset Category	Years
Buildings	50
Infrastructure	10 – 50
Furniture and Fixtures	5 – 10
Machinery and Equipment	5 – 10

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated Absences

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

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types report the face amount of the debt issued as other financing sources.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so 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. These items, relating to the County's retirement plan, qualify for reporting in this category and are combined in the Statement of Net Position under the heading "Pension". The County reports deferred outflows of resources for assumption changes which are amortized against pension expense over time. Additionally, any contribution made by the County to the pension plan before year-end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources. Also, 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, resulting as a deferred outflow of resources and amortized over time.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net 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 fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Also, differences between projected investment return on pension investments and actual return on those investments is deferred and amortized over time, resulting in recognition as a deferred inflow of resources. The final item, 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, resulting as a deferred outflow of resources and amortized over time.

K. 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.
- **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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County Manager to assign fund balances.
- **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 balance 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.

L. Use of Estimates

The preparation of financial statements in conformity with GAAP 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 expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

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:

Accrued interest	\$ (528,357)
Compensated absences	(224,487)
Bonds payable	(34,969,921)
Net pension liability	<u>(931,688)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (36,654,453)</u>

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	\$ 2,101,929
Depreciation expense	<u>(965,798)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at change in net position - <i>governmental activities</i>	<u>\$ 1,136,131</u>

NOTES TO FINANCIAL STATEMENTS

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

Change in accrued interest	\$ (528,334)
Change in compensated absences	(17,716)
Change in net pension liability and related deferred inflows and outflows	<u>(116,668)</u>
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> .	<u><u>\$ (662,718)</u></u>

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

Budgetary Data. The annual budget document is the financial plan for the operation of the County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County. All budgets are adopted on a basis consistent with GAAP. An annual operating budget is prepared for all governmental funds except the capital project funds, which use project-length budgets.

Department heads submit to the County Manager a proposed operating budget for the fiscal year commencing the following January 1. The proposed budgets are then submitted to the Board of Commissioners by the County Manager for study. Public hearings are conducted to obtain taxpayer comments. Prior to January 1, the budget is legally adopted by the Board of Commissioners.

The legal level of control for each legally adopted annual budget is the department level. Supplemental appropriations out of the County's General Fund contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board of Commissioners at any level below the departmental level.

All final budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budget during the year. The supplementary budgetary appropriations made were not material. All unexpended appropriations provided in the annual budget lapse at year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess Expenditures over Appropriations

For the year ended December 31, 2020, expenditures exceeded budget in the applicable governmental funds, as follows:

Department	Excess
General Fund	
County commissioners	\$ (123)
County manager	(4,489)
General administration	(47,557)
Clerk of superior court	(10,685)
Probate court	(18,047)
Solicitor	(3,366)
Public defender	(69)
Sheriff	(64,986)
Coroner	(10,524)
Emergency management	(9,474)
Highways and streets	(64,847)
Georgia Forestry Commission	(108)
Code enforcement	(8,165)
Jail Commissary Fund	
Public Safety	(39,789)
Juvenile Services Fund	
Public Safety	(800)

These over expenditures were funded by additional unanticipated revenues.

C. Deficit Fund Balance

For the year ended December 31, 2020, the Emergency Telephone System Fund had a deficit fund balance of \$77,519.

NOTE 4. DEPOSITS AND INVESTMENTS

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 ("Georgia Fund 1"); repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the County's policy to limit its investments to those allowed and authorized by state law. As of December 31, 2020, the County held no investments.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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 December 31, 2020, the deposits of the County and its component units were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

Interest rate risk. The County's investment policy is a means of managing its exposure to fair value losses arising from increasing interest rates. As such, they adhere to the following criteria regarding investments as outlined in the County's policies and procedures manual: the investment must always be concerned with the preservation of principal; all investments must be relatively liquid; and there must be a realization of competitive interest rates relative to the risk assumed. The County Manager is authorized to make all investment decisions on behalf of the County.

NOTE 5. RECEIVABLES

Receivables at December 31, 2020, consist of the following:

	General Fund	SPLOST Fund	TSPLOST Fund	Landfill Fund	Ambulance Fund	Nonmajor Governmental Funds	Total
Receivables:							
Taxes	\$ 1,937,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,937,227
Accounts	312	-	-	408,599	326,367	82,249	817,527
Due from other governments	188,771	496,246	43,172	-	17,018	-	745,207
Gross receivables	2,126,310	496,246	43,172	408,599	343,385	82,249	3,499,961
Less allowance	-	-	-	(27,329)	-	-	(27,329)
Net receivables	<u>\$ 2,126,310</u>	<u>\$ 496,246</u>	<u>\$ 43,172</u>	<u>\$ 381,270</u>	<u>\$ 343,385</u>	<u>\$ 82,249</u>	<u>\$ 3,472,632</u>

Property taxes were levied on September 9, 2020. Bills are payable on or before December 20, 2020, after which the applicable property is subject to lien, penalties and interest are assessed. Property taxes are attached as an enforceable lien on property as of December 20, 2020. The County bills and collects its own property taxes. Property taxes levied for 2020 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2020, and collected by February 29, 2020, are recognized as revenues in the year ended December 31, 2020. Net receivables estimated to be collected subsequent to February 29, 2021, are deferred as of December 31, 2020, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 485,388	\$ 199,701	\$ -	\$ -	\$ 685,089
Construction in progress	-	1,701,857	-	-	1,701,857
Total	<u>485,388</u>	<u>1,901,558</u>	<u>-</u>	<u>-</u>	<u>2,386,946</u>
Capital assets, being depreciated:					
Buildings	6,390,684	-	-	-	6,390,684
Improvements	929,241	-	-	-	929,241
Infrastructure	15,479,104	-	-	-	15,479,104
Furniture and fixtures	446,191	-	-	-	446,191
Machinery and equipment	8,255,182	200,371	(16,913)	-	8,438,640
Total	<u>31,500,402</u>	<u>200,371</u>	<u>(16,913)</u>	<u>-</u>	<u>31,683,860</u>
Less accumulated depreciation for:					
Buildings	(3,361,353)	(129,294)	-	-	(3,490,647)
Improvements	(345,041)	(37,305)	-	-	(382,346)
Infrastructure	(9,898,106)	(176,686)	-	-	(10,074,792)
Furniture and fixtures	(382,174)	(20,531)	-	-	(402,705)
Machinery and equipment	(5,748,035)	(601,982)	16,913	-	(6,333,104)
Total	<u>(19,734,709)</u>	<u>(965,798)</u>	<u>16,913</u>	<u>-</u>	<u>(20,683,594)</u>
Total capital assets, being depreciated, net	<u>11,765,693</u>	<u>(765,427)</u>	<u>-</u>	<u>-</u>	<u>11,000,266</u>
Governmental activities capital assets, net	<u>\$ 12,251,081</u>	<u>\$ 1,136,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,387,212</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 1,420,174	\$ -	\$ -	\$ -	\$ 1,420,174
Total	<u>1,420,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,420,174</u>
Capital assets, being depreciated:					
Land (landfill)	11,237,454	-	-	-	11,237,454
Buildings	1,640,197	-	-	-	1,640,197
Machinery and equipment	4,784,805	-	(77,453)	-	4,707,352
Total	<u>17,662,456</u>	<u>-</u>	<u>(77,453)</u>	<u>-</u>	<u>17,585,003</u>
Less accumulated depreciation for:					
Land (landfill)	(9,479,736)	(421,927)	-	-	(9,901,663)
Buildings	(1,208,363)	(50,221)	-	-	(1,258,584)
Machinery and equipment	(3,789,763)	(274,813)	77,453	-	(3,987,123)
Total	<u>(14,477,862)</u>	<u>(746,961)</u>	<u>77,453</u>	<u>-</u>	<u>(15,147,370)</u>
Total capital assets, being depreciated, net	<u>3,184,594</u>	<u>(746,961)</u>	<u>-</u>	<u>-</u>	<u>2,437,633</u>
Business-type activities capital assets, net	<u>\$ 4,604,768</u>	<u>\$ (746,961)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,857,807</u>

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

Governmental activities:	
General government	\$ 118,256
Judicial	1,379
Public safety	274,609
Public works	509,020
Health and welfare	45,372
Culture and recreation	17,162
Total depreciation expense - governmental activities	<u>\$ 965,798</u>
Business-type activities:	
Landfill Fund	\$ 634,467
Ambulance Fund	112,494
Total depreciation expense - business-type activities	<u>\$ 746,961</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Development Authority

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 2,542,517	\$ -	\$ (1,063,626)	\$ -	\$ 1,478,891
Total	<u>2,542,517</u>	<u>-</u>	<u>(1,063,626)</u>	<u>-</u>	<u>1,478,891</u>
Capital assets, being depreciated:					
Buildings	3,811,054	149,549	-	-	3,960,603
Infrastructure	200,000	-	-	-	200,000
Equipment	100,000	-	-	-	100,000
Total	<u>4,111,054</u>	<u>149,549</u>	<u>-</u>	<u>-</u>	<u>4,260,603</u>
Less accumulated depreciation for:					
Buildings	(490,589)	(82,208)	-	-	(572,797)
Infrastructure	(200,001)	-	-	-	(200,001)
Equipment	(100,000)	-	-	-	(100,000)
Total	<u>(790,590)</u>	<u>(82,208)</u>	<u>-</u>	<u>-</u>	<u>(872,798)</u>
Total capital assets, being depreciated, net	<u>3,320,464</u>	<u>67,341</u>	<u>-</u>	<u>-</u>	<u>3,387,805</u>
Development Authority capital assets, net	<u>\$ 5,862,981</u>	<u>\$ 67,341</u>	<u>\$ (1,063,626)</u>	<u>\$ -</u>	<u>\$ 4,866,696</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

A. Primary Government

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue bonds	\$ -	\$ 32,945,000	\$ -	\$ 32,945,000	\$ 580,000
Plus unamortized premium	-	2,024,921	-	2,024,921	-
	<u>-</u>	<u>34,969,921</u>	<u>-</u>	<u>34,969,921</u>	<u>580,000</u>
Compensated absences	206,771	197,525	(179,809)	224,487	224,487
Net pension liability	<u>1,429,361</u>	<u>874,387</u>	<u>(1,372,060)</u>	<u>931,688</u>	<u>-</u>
Governmental activities Long-term liabilities	<u>\$ 1,636,132</u>	<u>\$ 36,041,833</u>	<u>\$ (1,551,869)</u>	<u>\$ 36,126,096</u>	<u>\$ 804,487</u>
Business-type activities:					
Landfill closure and post-closure costs	\$ 4,270,426	\$ 195,277	\$ -	\$ 4,465,703	\$ 54,092
Revenue bonds	1,737,506	-	(405,388)	1,332,118	420,360
Compensated absences	54,735	38,877	(33,783)	59,829	59,829
Net pension liability	<u>451,377</u>	<u>276,122</u>	<u>(433,282)</u>	<u>294,217</u>	<u>-</u>
Business-type activities Long-term liabilities	<u>\$ 6,514,044</u>	<u>\$ 510,276</u>	<u>\$ (872,453)</u>	<u>\$ 6,151,867</u>	<u>\$ 534,281</u>

For governmental activities, compensated absences and net pension liability are generally liquidated by the General Fund and the E911 Fund. For business-type activities, compensated absences and net pension liability are liquidated by the Landfill Fund and the Ambulance Fund.

Landfill Closure and Post-closure Costs.

Effective June 1998, the Toombs County Landfill Phase II was closed 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. Engineering studies estimate post-closure costs of approximately \$1,185,588 over the remaining 15-year period. These costs are based on what it would cost to perform all post-closure care in 1994, adjusted annually for inflation. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Landfill Closure and Post-closure Costs. (Continued)

State and federal laws and regulations require the County to place a final cover on its Construction and Demolition Landfill and on its Landfill Phase III site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, which occurred in 2014 for the Construction and Demolition Landfill and in 2026 for the Landfill Phase III, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

While the total estimated liability for closure and post-closure care of the Construction and Demolition Landfill and the Landfill Phase III is \$760,073 and \$3,335,644, respectively, at December 31, 2020, the cumulative amount of the liability at December 31, 2020, which is based on the use of approximately 100% of the Construction and Demolition Landfill and 75.55% of the Landfill Phase III, is \$760,073 and \$2,520,041, respectively. The County will recognize the remaining estimated cost of closure and post-closure care of \$815,603, as the remaining estimated capacity is filled. These costs are based on what it would cost to perform all closure and post-closure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulation. Should any problems occur during the period, the costs and time period required for maintenance and monitoring functions may increase.

Revenue Bonds Payable.

Governmental Activities

In 2020, the County issued the Toombs County Public Facility Authority Revenue Bonds, Series 2020 to finance the acquisition, construction and equipping of a new courthouse and detention center complex to house all court functions and all administrative offices for use by the County, Georgia and to pay issuance cost. The bonds were issued at \$32,945,000 with a premium of \$2,024,921. The interest rate on the bond will be between 2.13% and 5.00%.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds Payable (Continued).

Governmental Activities (Continued)

The annual requirements for debt service on the Public Facilities Authority Revenue Bonds at December 31, 2020, are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 580,000	\$ 1,018,585	\$ 1,598,585
2022	650,000	951,456	1,601,456
2023	680,000	918,956	1,598,956
2024	715,000	884,956	1,599,956
2025	750,000	849,206	1,599,206
2026 – 2030	4,350,000	3,644,281	7,994,281
2031 – 2035	5,305,000	2,692,881	7,997,881
2036 – 2040	5,900,000	2,101,568	8,001,568
2041 – 2045	6,585,000	1,405,414	7,990,414
2046 – 2050	7,430,000	566,250	7,996,250
	<u>\$ 32,945,000</u>	<u>\$ 15,033,553</u>	<u>\$ 47,978,553</u>

Business-type Activities

In 2014, the County issued Toombs County Solid Waste Revenue Bonds, Series 2014 to fund the expansion of the municipal solid waste landfill. The bonds were issued as a draw-down bond issue such that the principal amount of the bonds will increase as advances are made to the County to fund the costs of the project, not to exceed \$5,000,000. The expansion project was completed as of December 31, 2016. The interest rate on the bonds is variable and is based on the Federal Reserve's ten year swap rate plus .45% not to exceed 6.0% per annum.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds Payable (Continued).

Business-type Activities (Continued)

The annual requirements for debt service on the Solid Waste Revenue Bonds drawn down at December 31, 2020, are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 420,360	\$ 35,469	\$ 455,829
2022	433,621	22,208	455,829
2023	447,300	8,529	455,829
2024	30,837	80	30,917
	<u>\$ 1,332,118</u>	<u>\$ 66,286</u>	<u>\$ 1,398,404</u>

B. Discretely Presented Component Unit – Development Authority

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Development Authority					
Notes payable	<u>\$ 107,010</u>	<u>\$ -</u>	<u>\$ (107,010)</u>	<u>\$ -</u>	<u>\$ -</u>
Development Authority					
Long-term liabilities	<u>\$ 107,010</u>	<u>\$ -</u>	<u>\$ (107,010)</u>	<u>\$ -</u>	<u>\$ -</u>

Notes Payable. Included within notes payable is a note obtained in December 2010 due to an individual. This note had an original balance of \$900,000 and was used to purchase land for future economic development. Monthly payments of \$9,112 including interest at 4% are due through maturity in December 2020. The Development Authority paid off the notes payable during the fiscal year ended December 31, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances as of December 31, 2020, are as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Landfill Fund	\$ 159,000
General Fund	Nonmajor Governmental Funds	149,197
SPLOST Fund	TSPLOST Fund	121,539
General Fund	SPLOST Fund	12,628
		<u>\$ 442,364</u>

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.

Interfund transfers as of December 31, 2020, are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 226,864
Ambulance Fund	General Fund	373,772
		<u>\$ 600,636</u>

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) to transfer funds for debt service.

NOTE 9. JOINT VENTURE

Under Georgia law, the County is a participating member of the Heart of Georgia Altamaha Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended December 31, 2020, the County paid \$12,218 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated ("O.C.G.A.") §50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts and obligations of an RC. Separate financial statements may be obtained from: Heart of Georgia Altamaha Regional Commission, 5405 Oak Street, Eastman, Georgia 31023.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS

Primary Government

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Toombs County Employees (the "Plan"), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia ("ACCG") Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan, administered by the Government Employee Benefits Corporation of Georgia, ("GenCorp"). The ACCG, in its role as the Plan sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County, through its Board of Commissioners, 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. A separately issued financial report for the ACCG Plan may be obtained by writing to GenCorp at 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Plan membership as of January 1, 2019, (the most recent actuarial valuation date) is as follows:

Inactive plan members or beneficiaries currently receiving benefits	68
Inactive plan members entitled to but not receiving benefits	94
Active plan members	<u>117</u>
Total	<u><u>279</u></u>

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. For the year payable December 31, 2020, the County contributions to the Plan were \$354,637 or 8.6% of covered payroll. No contributions are required of or permitted by plan members. The County meets all costs of the Plan.

Net Pension Liability of the County

The County is required to contribute an actuarially determined amount annually to the Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the Plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on Pub-2010 GE (50%) and PS (50%) Amt-Weighted 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 February 2014.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued). 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	Long-term Expected Real Rate of Return*
Fixed Income	30%	25.0%-35.0%
Large Cap	30%	25.0%-35.0%
Mid Cap	5%	2.5%-10.0%
Small Cap	5%	2.5%-10.0%
REIT	5%	2.5%-10.0%
International	15%	10.0%-20.0%
Multi Cap	5%	2.5%-10.0%
Global Allocation	5%	2.5%-10.0%
Total	100%	

* Rates shown are net of the 3.0% assumed rate of inflation

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

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 December 31, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balance	\$ 7,356,441	\$ 5,475,703	\$ 1,880,738
<i>Changes for the year:</i>			
Service cost	160,653	-	160,653
Interest	514,951	-	514,951
Liability experience (gain)/loss	(319,934)	-	(319,934)
Assumption change	330,720	-	330,720
Contributions - employer	-	321,057	(321,057)
Net investment income	-	1,154,846	(1,154,846)
Benefit payments, including refunds of employee contributions	(281,076)	(271,571)	(9,505)
Administrative expense	-	(34,490)	34,490
Other changes	-	(109,695)	109,695
<i>Net changes</i>	<u>405,314</u>	<u>1,060,147</u>	<u>(654,833)</u>
Ending Balance	<u>\$ 7,761,755</u>	<u>\$ 6,535,850</u>	<u>\$ 1,225,905</u>

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	\$ 2,309,978	\$ 1,225,905	\$ 336,181

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

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 and Deferred Outflows and inflows of Resources Related to Pensions

For the year ended December 31, 2020, the County recognized pension expense of \$508,147. At December 31, 2020, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment earnings difference	\$ -	\$ 338,192
Contributions subsequent to the measurement date	354,636	-
Assumption changes	428,088	-
Experience differences	157,069	288,882
Total	<u>\$ 939,793</u>	<u>\$ 627,074</u>

County contributions subsequent to the measurement date of \$354,636 are reported as a deferred outflow of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. The remaining deferred outflows and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ending December 31,

2021	\$ (82,034)
2022	(45,482)
2023	11,980
2024	62,590
2025	11,029
Total	<u>\$ (41,917)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participates in the ACCG Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

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

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.

The County is partially insured in regard to health insurance claims. The first \$75,000 of claims is paid by the County. The County has a reinsurance policy that pays most claims in excess of the \$75,000, per covered individual, to reduce the exposure from catastrophic loss. These liabilities are recorded in the General Fund and enterprise funds since payment is expected to be made within one year. A third-party administrator is employed to process claims for the group health program. Settlement claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds participate in the program and make payments to the General Fund. The claims liability at December 31, 2020, is based on requirements of GASB Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

Required disclosure representing the changes in the balances of claims liabilities during the year ended December 31, 2020, respectively, are as follows:

	<u>December 31, 2020</u>
Unpaid claims, beginning of fiscal year	\$ -
Incurred claims	493,633
Claims paid	<u>(355,125)</u>
Unpaid claims, end of fiscal year	<u><u>\$ 138,508</u></u>

NOTE 12. CONTINGENCIES AND COMMITMENTS

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

Litigation: The County is involved in a pending lawsuit. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. CHANGE IN ACCOUNTING PRINCIPLE

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

	<u>Custodial Funds</u>
Net position, beginning of the year, as previously reported	\$ -
Adjustment needed to record beginning net position of the agency funds now reported as custodial funds in accordance with GASB Statement No. 84.	<u>465,256</u>
Net position, beginning of year, as restated	<u><u>\$ 465,256</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

TOOMBS COUNTY, GEORGIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability			
Service cost	\$ 160,653	\$ 178,411	\$ 168,222
Interest on total pension liability	514,951	483,979	456,661
Liability experience (gain)/loss	(319,934)	182,345	(132,490)
Assumption change	330,720	108,528	13,181
Benefit payments, including refunds of employee contributions	<u>(281,076)</u>	<u>(272,391)</u>	<u>(257,570)</u>
Net change in total pension liability	405,314	680,872	248,004
Total pension liability - beginning	<u>7,356,441</u>	<u>6,675,569</u>	<u>6,427,565</u>
Total pension liability - ending (a)	<u>\$ 7,761,755</u>	<u>\$ 7,356,441</u>	<u>\$ 6,675,569</u>
 Plan fiduciary net position			
Contributions - employer	\$ 321,057	\$ 354,599	\$ 349,209
Net investment income	1,154,846	(268,279)	800,296
Benefit payments, including refunds of employee contributions	(271,571)	(262,862)	(257,570)
Administrative expenses	(34,490)	(25,178)	(22,454)
Other	<u>(109,695)</u>	<u>(56,933)</u>	<u>(46,547)</u>
Net change in fiduciary net position	1,060,147	(258,653)	822,934
Plan fiduciary net position - beginning	<u>5,475,703</u>	<u>5,734,356</u>	<u>4,911,422</u>
Plan fiduciary net position - ending (b)	<u>\$ 6,535,850</u>	<u>\$ 5,475,703</u>	<u>\$ 5,734,356</u>
 County's net pension liability - ending (a) - (b)	<u>\$ 1,225,905</u>	<u>\$ 1,880,738</u>	<u>\$ 941,213</u>
 Plan fiduciary net position as a percentage of total pension liability	84.2%	74.4%	85.9%
Covered payroll	\$ 4,130,762	\$ 3,842,512	\$ 4,211,982
 County's net pension liability as a percentage of covered payroll	29.7%	48.9%	22.3%

Notes to the Schedule:

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

2017	2016	2015
\$ 179,528	\$ 154,438	\$ 142,347
419,115	381,285	367,105
153,624	(6,288)	-
204,271	200,759	-
(234,348)	(217,240)	(211,765)
722,190	512,954	297,687
5,705,375	5,192,421	4,894,734
<u>\$ 6,427,565</u>	<u>\$ 5,705,375</u>	<u>\$ 5,192,421</u>

\$ 376,183	\$ 314,178	\$ 306,238
323,950	54,701	295,000
(234,348)	(217,240)	(204,111)
(27,116)	(22,589)	(20,003)
(49,619)	(33,808)	(62,117)

389,050	95,242	315,007
4,522,372	4,427,130	4,112,123
<u>\$ 4,911,422</u>	<u>\$ 4,522,372</u>	<u>\$ 4,427,130</u>

<u>\$ 1,516,143</u>	<u>\$ 1,183,003</u>	<u>\$ 765,291</u>
---------------------	---------------------	-------------------

76.4%	79.3%	85.3%
\$ 4,438,498	\$ 4,125,116	\$ 3,985,619

34.2%	28.7%	19.2%
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TOOMBS COUNTY, GEORGIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 354,637	\$ 321,057	\$ 354,599
Contributions in relation to the actuarially determined contribution	<u>354,637</u>	<u>321,057</u>	<u>354,599</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,130,762	\$ 3,842,512	\$ 4,211,982
Contributions as a percentage of covered payroll	8.6%	8.4%	8.4%

(Continued)

Notes to the Schedule:

Valuation Date	January 1, 2019
Cost Method	Entry age normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return	
On Investments	7.00%
Projected Salary Increases	2.50% - 4.00%
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.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 349,209	\$ 376,183	\$ 314,178	\$ 306,238
<u>349,209</u>	<u>376,183</u>	<u>314,178</u>	<u>306,238</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,438,498	\$ 4,125,116	\$ 3,985,619	\$ 3,556,210
7.9%	9.1%	7.9%	8.6%

TOOMBS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Emergency Telephone System Fund is used to account for the cost of operating and maintaining the County E-911 System. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in the areas served by the County's E-911 system and by a transfer from the General Fund.

Revolving Loan Fund is used to account for residual Employment Incentive Grant Funds awarded to the County to loan for economic development with principle retained for future development activities. The fund is administered by contract with the Toombs County Development Authority.

Jail Fund is used to account for the expenditures made towards maintenance and operations of the County jail.

Law Library Fund is used to account for costs of operating and maintaining the County Law Library. Financing is provided from a charge added to and collected on all costs in civil and criminal cases.

Jail Commissary Fund is used to account for proceeds from jail inmate commissary sales.

Juvenile Services Fund is used to account for monies collected under Georgia law for probation services to juvenile offenders. Such monies are restricted to providing treatment to juvenile offenders.

DATE Fund is used to account for collection of additional penalties for certain drug related crimes and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs.

TOOMBS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

		Special Revenue Funds				
		Emergency Telephone System	Revolving Loan Fund	Jail Fund	Law Library	Jail Commissary Fund
ASSETS						
Cash		\$ -	\$ -	\$ 224,430	\$ 68,743	\$ 13,785
Accounts receivable		79,659	-	-	-	2,590
Due from component unit		-	990,423	-	-	-
Total assets		<u>\$ 79,659</u>	<u>\$ 990,423</u>	<u>\$ 224,430</u>	<u>\$ 68,743</u>	<u>\$ 16,375</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accrued liabilities		\$ 7,981	\$ -	\$ -	\$ -	\$ -
Due to other funds		149,197	-	-	-	-
Total liabilities		<u>157,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Restricted for:						
Judicial programs		-	-	-	68,743	-
Public safety		-	-	224,430	-	-
Economic development		-	990,423	-	-	-
Assigned for:						
Jail commissary activities		-	-	-	-	16,375
Unassigned		(77,519)	-	-	-	-
Total fund balances (deficits)		<u>(77,519)</u>	<u>990,423</u>	<u>224,430</u>	<u>68,743</u>	<u>16,375</u>
Total liabilities and fund balances		<u>\$ 79,659</u>	<u>\$ 990,423</u>	<u>\$ 224,430</u>	<u>\$ 68,743</u>	<u>\$ 16,375</u>

Juvenile Services Fund	DATE Fund	Total Nonmajor Governmental Funds
\$ 1,583	\$ 61,767	\$ 370,308
-	-	82,249
-	-	990,423
<u>\$ 1,583</u>	<u>\$ 61,767</u>	<u>\$ 1,442,980</u>
\$ -	\$ -	\$ 7,981
-	-	149,197
<u>-</u>	<u>-</u>	<u>157,178</u>
-	-	68,743
1,583	61,767	287,780
-	-	990,423
-	-	16,375
-	-	(77,519)
<u>1,583</u>	<u>61,767</u>	<u>1,285,802</u>
<u>\$ 1,583</u>	<u>\$ 61,767</u>	<u>\$ 1,442,980</u>

TOOMBS COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds				
	Emergency Telephone System	Revolving Loan Fund	Jail Fund	Law Library	Jail Commissary Fund
Revenues					
Fines and forfeitures	\$ -	\$ -	\$ 41,682	\$ 8,346	\$ -
Charges for services	526,317	-	-	-	-
Interest income	-	29,036	-	-	11
Miscellaneous	-	-	-	1,173	19,617
Total revenues	<u>526,317</u>	<u>29,036</u>	<u>41,682</u>	<u>9,519</u>	<u>19,628</u>
Expenditures					
Current:					
Judicial	-	-	-	8,678	-
Public safety	712,869	-	83,486	-	39,789
Total expenditures	<u>712,869</u>	<u>-</u>	<u>83,486</u>	<u>8,678</u>	<u>39,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(186,552)</u>	<u>29,036</u>	<u>(41,804)</u>	<u>841</u>	<u>(20,161)</u>
Other financing sources					
Transfers in	226,864	-	-	-	-
Total other financing sources	<u>226,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	40,312	29,036	(41,804)	841	(20,161)
Fund balances (deficit), beginning of year	<u>(117,831)</u>	<u>961,387</u>	<u>266,234</u>	<u>67,902</u>	<u>36,536</u>
Fund balances (deficit), end of year	<u>\$ (77,519)</u>	<u>\$ 990,423</u>	<u>\$ 224,430</u>	<u>\$ 68,743</u>	<u>\$ 16,375</u>

Juvenile Services Fund	DATE Fund	Total Nonmajor Governmental Funds
\$ 110	\$ 14,233	\$ 64,371
-	-	526,317
-	-	29,047
-	-	20,790
<u>110</u>	<u>14,233</u>	<u>640,525</u>
-	-	8,678
<u>800</u>	<u>-</u>	<u>836,944</u>
<u>800</u>	<u>-</u>	<u>845,622</u>
<u>(690)</u>	<u>14,233</u>	<u>(205,097)</u>
-	-	226,864
<u>-</u>	<u>-</u>	<u>226,864</u>
(690)	14,233	21,767
<u>2,273</u>	<u>47,534</u>	<u>1,264,035</u>
<u>\$ 1,583</u>	<u>\$ 61,767</u>	<u>\$ 1,285,802</u>

TOOMBS COUNTY, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Emergency Telephone System Fund		
	Original and Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ -	\$ -	\$ -
Charges for services	507,633	526,317	18,684
Interest income	-	-	-
Total revenues	507,633	526,317	18,684
EXPENDITURES			
Public safety	760,923	712,869	48,054
Total expenditures	760,923	712,869	48,054
Excess (deficiency) of revenues over (under) expenditures	(253,290)	(186,552)	66,738
OTHER FINANCING SOURCES			
Transfers in	253,290	226,864	(26,426)
Total other financing sources	253,290	226,864	(26,426)
Net changes in fund balance	-	40,312	40,312
Fund balance (deficit), beginning of year	(117,831)	(117,831)	-
Fund balance (deficit), end of year	<u>\$ (117,831)</u>	<u>\$ (77,519)</u>	<u>\$ 40,312</u>

Revolving Loan Fund			Jail Fund		
Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ 70,000	\$ 41,682	\$ (28,318)
-	-	-	-	-	-
-	29,036	29,036	-	-	-
-	29,036	29,036	70,000	41,682	(28,318)
-	-	-	105,200	83,486	21,714
-	-	-	105,200	83,486	21,714
-	29,036	29,036	(35,200)	(41,804)	(6,604)
-	-	-	7,388	-	(7,388)
-	-	-	7,388	-	(7,388)
-	29,036	29,036	(27,812)	(41,804)	(13,992)
961,387	961,387	-	266,234	266,234	-
\$ 961,387	\$ 990,423	\$ 29,036	\$ 238,422	\$ 224,430	\$ (13,992)

(Continued)

TOOMBS COUNTY, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Law Library Fund		
	Original and Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ -	\$ 8,346	\$ 8,346
Interest income	-	-	-
Miscellaneous	-	1,173	1,173
Total revenues	-	9,519	9,519
EXPENDITURES			
Judicial	15,000	8,678	6,322
Public safety	-	-	-
Total expenditures	15,000	8,678	6,322
Net changes in fund balance	(15,000)	841	15,841
Fund balance, beginning of year	67,902	67,902	-
Fund balance, end of year	\$ 52,902	\$ 68,743	\$ 15,841

Jail Commissary Fund			Juvenile Services Fund		
Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ -	\$ 110	\$ 110
-	11	11	-	-	-
-	19,617	19,617	-	-	-
-	19,628	19,628	-	110	110
-	-	-	-	-	-
-	39,789	(39,789)	-	800	(800)
-	39,789	(39,789)	-	800	(800)
-	(20,161)	(20,161)	-	(690)	(690)
36,536	36,536	-	2,273	2,273	-
\$ 36,536	\$ 16,375	\$ (20,161)	\$ 2,273	\$ 1,583	\$ (690)

(Continued)

TOOMBS COUNTY, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	DATE Fund		
	Original and Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ -	\$ 14,233	\$ 14,233
Total revenues	-	14,233	14,233
Net changes in fund balance	-	14,233	14,233
Fund balance, beginning of year	47,534	47,534	-
Fund balance, end of year	<u>\$ 47,534</u>	<u>\$ 61,767</u>	<u>\$ 14,233</u>

(Concluded)

TOOMBS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Landfill Cell Construction	\$ 105,000	\$ 1,347,937	\$ 1,347,937	\$ -	\$ 1,347,937
Convenience Center Construction	108,096	2,000,000	529,245	1,528,653	2,057,898
Roads, Bridges, and Sidewalks	-	2,200,000	8,680,186	243,948	8,924,134
Sheriff Annex	-	2,800,000	870,494	-	870,494
Machinery and Equipment	67,189	3,000,000	5,880,561	12,000	5,892,561
Vehicles	76,962	76,962	2,686,106	154,273	2,840,379
Recreation Allocations	74,833	1,000,000	1,068,998	60,000	1,128,998
City of Vidalia	15,770,000	15,770,000	20,954,657	2,363,907	23,318,564
City of Lyons	6,080,000	6,080,000	8,078,733	911,386	8,990,119
City of Santa Claus	380,000	380,000	505,154	56,962	562,116
Total	<u>\$ 22,662,080</u>	<u>\$ 34,654,899</u>	<u>\$ 50,602,071</u>	<u>\$ 5,331,129</u>	<u>\$ 55,933,200</u>

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

TOOMBS COUNTY, GEORGIA

CUSTODIAL FUNDS

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

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

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

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

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

TOOMBS COUNTY, GEORGIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS DECEMBER 31, 2020

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash	\$ 2,594,803	\$ 53,779	\$ 5,723	\$ 16,674	\$ 121,489	\$ 2,792,468
Taxes receivable	2,277,034	-	-	-	-	2,277,034
Total assets	<u>\$ 4,871,837</u>	<u>\$ 53,779</u>	<u>\$ 5,723</u>	<u>\$ 16,674</u>	<u>\$ 121,489</u>	<u>\$ 5,069,502</u>
 LIABILITIES						
Due to others	\$ 2,206,197	\$ 38,678	\$ 5,723	\$ 16,674	\$ 26,527	\$ 2,293,799
Uncollected taxes	2,277,034	-	-	-	-	2,277,034
Total liabilities	<u>\$ 4,483,231</u>	<u>\$ 38,678</u>	<u>\$ 5,723</u>	<u>\$ 16,674</u>	<u>\$ 26,527</u>	<u>\$ 4,570,833</u>
 NET POSITION						
Restricted for individuals, organizations and other governments	<u>\$ 388,606</u>	<u>\$ 15,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,962</u>	<u>\$ 498,669</u>

TOOMBS COUNTY, GEORGIA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020**

ADDITIONS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Taxes collected	\$ 22,351,333	\$ -	\$ -	\$ -	\$ -	\$ 22,351,333
Fines and fees collected	-	1,141,044	223,577	278,748	203,808	1,847,177
Total additions	22,351,333	1,141,044	223,577	278,748	203,808	24,198,510
DEDUCTIONS						
Taxes disbursed	22,304,258	-	-	-	-	22,304,258
Fines and fees disbursed	-	1,133,049	223,577	278,748	225,465	1,860,839
Total deductions	22,304,258	1,133,049	223,577	278,748	225,465	24,165,097
Change in net position	47,075	7,995	-	-	(21,657)	33,413
Net position, beginning of year, as restated	341,531	7,106	-	-	116,619	465,256
Net position, end of year	\$ 388,606	\$ 15,101	\$ -	\$ -	\$ 94,962	\$ 498,669

COMPLIANCE SECTION



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

**Board of Commissioners
of Toombs County, Georgia
Lyons, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Toombs County, Georgia (the "County") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 4, 2021. Our report includes a reference to other auditors who audited the financial statements of the Toombs County Board of Health (the "Board of Health"), as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report also includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, as of January 1, 2020.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020 – 001 that we consider 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Toombs County, Georgia's Response to the Finding

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

Mauldin & Jenkins, LLC

Macon, Georgia
August 4, 2021

TOOMBS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED DECEMBER 31, 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 ☒ None Reported

Significant deficiencies identified not considered
to be material weaknesses? ☒ Yes ☐ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

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

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020-001 Segregation of Duties – Cash Accounts and Other Operational Functions (Repeat Finding of Prior Year 2019-001)

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 various funds administered by the County. Further, we noted a general lack of segregation of duties. 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:

- Tax Commissioner's Office – one individual with the authority to prepare and sign checks also reconciles the bank statements. Further, we noted no review of the bank reconciliation.
- Magistrate Court – one individual with the authority to prepare and sign checks also reconciles the bank statements.

TOOMBS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020-001 Segregation of Duties – Cash Accounts and Other Operational Functions (Repeat Finding of Prior Year 2019-001) (Continued)

- Probate Court – we noted no review of the bank reconciliation.
- Superior Court – one individual with the authority to prepare and sign checks also reconciles the bank statements. Further, we noted no review of the bank reconciliation.
- Sheriff – one individual has the authority to open mail, receipt monies and prepare the deposits. In addition, we noted all bank reconciliations are not properly reviewed.

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 lack of segregation of duties is primarily due to the limited number of individuals in each office available to perform all 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: making deposits, opening the mail, posting receipts, and signing of checks.

Views of Responsible
Officials and Planned

Corrective Action: We agree there is a lack of segregation of duties in the offices of the above mentioned areas due to minimum staffing in those departments. Procedures are continuing to be reviewed and implemented. Currently bank statements are being reconciled in these areas and then sent up to finance for review and approval.

TOOMBS COUNTY, GEORGIA

SUMMARY OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

2019 – 001. Segregation of Duties

Criteria: Internal controls should be in place to 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 among recording, distribution, and reconciliation of cash accounts and other operational functions do not exist within the offices of the Sheriff, Tax Commissioner, Clerk of Court, Probate Court, and the Magistrate Court.

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