

**LONG COUNTY, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

**LONG COUNTY, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

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**Board of Commissioners**  
**of Long County, Georgia**  
**Ludowici, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Long County, Georgia** (the "County"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Long County Board of Health, which represents 100% of the assets, deferred outflows of resources, net position, and revenues of the discretely presented component unit. 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 Long County 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.

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### **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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position and the budgetary comparisons for the General Fund, E911 Fund, American Rescue Plan Act ("ARPA") Fund, and the Development Authority Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 12, the County implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*, as of July 1, 2020. This standard significantly changed the accounting for the County's Fiduciary Funds. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (on pages 4 – 10) 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 statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of special purpose local option sales tax proceeds and the schedule of expenditures of transportation special purpose local option sales tax proceeds are 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2022, 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 Long County, Georgia's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
May 25, 2022

# **LONG COUNTY, GEORGIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021**

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Within this section of Long County, Georgia's (the "County") annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the year ended June 30, 2021. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

### **FINANCIAL HIGHLIGHTS**

The County's net position is \$15,350,996 for the year reported. This compares to the previous year when net position was \$13,017,680.

Total net position is comprised of the following:

1. Net investment in capital assets of \$8,350,850 include property and equipment, net of accumulated depreciation, and reduced by outstanding debt related to the purchase and construction of capital assets.
2. Net position of \$1,636,372 is restricted by constraints imposed upon the County by laws and regulations.
3. Unrestricted net position of \$5,363,774 represent the portion available to maintain the County's continuing obligations to citizens and creditors.

The County's governmental funds reported a total ending fund balance of \$6,321,028 for the fiscal year ended June 30, 2021, an increase of \$2,378,624 over the prior year.

At the end of the current period, unassigned fund balance for the General Fund was a positive \$3,577,680.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 11 and 12 provide information about the activities of the County as a whole and present a longer term view of the County's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as trustee or agent for the benefit of those outside of the government.

### **Overview of the Financial Statements**

This Management's 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.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Government-wide financial statements**

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

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

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

Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation, housing and development, and interest on long-term debt. The County's fiduciary activities simply hold resources temporarily for others and are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and, additionally, organizations for which the County is accountable (component units). These component units operate independently or provide services directly to the citizens, though the County remains accountable for their activities. These component units are governed by a Board of Directors that the County Commission has appointed. The County Health Department is reported separately from the primary government, though included in the County's overall reporting entity.

The government-wide financial statements are presented on pages 11 and 12 of this report.

### **Fund financial statements**

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Fund financial statements (Continued)**

All the funds of the County can be divided into categories: 1) governmental funds, and 2) custodial funds.

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

Since the government-wide focus includes a long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

*Fiduciary funds* (i.e., the custodial funds) are reported in the fiduciary fund financial statements, but are excluded from government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. Fiduciary fund financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statements are presented on pages 20 and 21 of this report.

### ***Notes to the basic financial statements***

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are presented on pages 23 – 40 of this report.

### ***Required Supplementary Information and Supplementary Information***

In addition to the basic financial statements and accompanying note disclosures, this report also presents this Management's Discussion and Analysis which is required supplementary information. Additionally, the County reports the combining and individual statements and schedules for non-major funds, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of transportation special purpose local option sales tax proceeds as supplementary information which begins on page 41 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Financial Analysis of the County's Government-Wide Financial Statements

The County's assets exceeded its liabilities by \$15,350,996 at June 30, 2021. This is a \$2,333,316 increase over the prior year. Assets increased primarily as the result of increased cash during 2021. Liabilities increased as a result of increased unearned revenues as well as increased debt at the end of fiscal year 2021. The following table provides a summary of the County's net position:

	<b>Summary of Net Position Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current and other assets	\$ 9,602,315	\$ 5,421,459
Capital assets	11,449,987	10,332,321
<b>Total assets</b>	<b>21,052,302</b>	<b>15,753,780</b>
<b>Liabilities</b>		
Long-term debt outstanding	3,099,137	2,158,214
Other liabilities	2,602,169	577,886
<b>Total liabilities</b>	<b>5,701,306</b>	<b>2,736,100</b>
<b>Net position</b>		
Net investment in capital assets	8,350,850	8,174,107
Restricted	1,636,372	1,017,171
Unrestricted	5,363,274	3,826,402
<b>Total net position</b>	<b>\$ 15,350,496</b>	<b>\$ 13,017,680</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis of the County's Government-Wide Financial Statements (Continued)

The County reported positive balances in net position for fiscal year 2021. As noted previously, net position increased by \$2,333,316 over that of the prior year. While revenues increased in the current year, expenses increased significantly less than revenues, resulting in the increase in net position for the fiscal year ended June 30, 2021.

	<b>Summary of Statement of Activities</b>	
	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 3,730,551	\$ 2,916,439
Operating grants and contributions	1,140,137	230,789
Capital grants and contributions	1,404,454	469,122
General revenues:		
Property taxes	6,624,736	6,070,283
Other taxes	2,497,095	2,020,440
Interest	187,274	154,467
Other revenues	66,467	34,061
<b>Total revenues</b>	<b>15,650,714</b>	<b>11,895,601</b>
<b>Expenses</b>		
General government	3,092,418	2,919,199
Judicial	1,244,743	1,159,949
Public safety	4,953,053	4,519,606
Public works	2,698,074	2,855,287
Health and welfare	247,513	392,272
Culture and recreation	426,789	386,635
Housing and development	550,881	494,750
Interest on long-term debt	103,927	98,212
<b>Total expenses</b>	<b>13,317,398</b>	<b>12,825,910</b>
<b>Change in net position</b>	<b>2,333,316</b>	<b>(930,309)</b>
<b>Net position, beginning</b>	<b>13,017,680</b>	<b>13,947,989</b>
<b>Net position, end of year</b>	<b>\$ 15,350,996</b>	<b>\$ 13,017,680</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Financial Analysis of the County's Fund Level Financial Statements

#### *Governmental funds*

As discussed, governmental funds are reported in the fund statements with a current financial resources measurement focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements.

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The general fund reported ending fund balance of \$3,786,336. Of this year-end total, \$3,577,680 is unassigned. The remaining \$208,656 is reported as non-spendable related to prepaid items.

The County reports four additional major governmental funds in addition to the General Fund – the E911 Fund, the Development Authority Fund, the American Rescue Plan Act ("ARPA") Fund, and the Special Purpose Local Option Sales Tax ("SPLOST") Fund. Fund balance for the E911 Fund decreased \$42,125 as a result of decreased E911 revenues in the current year. Fund balance for the Development Authority Fund decreased \$54,549 as a result of the increased costs in the current year. Fund balance for the ARPA Fund is zero as none of the grant money was spent in the current fiscal year. Fund balance for the SPLOST Fund increased \$233,826 as a result of increased SPLOST collections, increase in transfers in, and issuance of capital leases payable.

### Capital Asset and Debt Administration

#### *Capital assets*

The County's investment in capital assets, net of accumulated depreciation, as of June 30, 2021, was \$11,449,987. The increase was the result of current year additions exceeding depreciation expense. Significant current year additions included equipment for various departments as well as buildings and improvements.

	<b>Capital Asset Activity Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Land	\$ 1,094,724	\$ 873,755
Buildings and improvements	2,047,287	1,756,505
Machinery, equipment and vehicles	2,891,591	2,121,484
Infrastructure	5,416,385	5,580,577
	<b>\$ 11,449,987</b>	<b>\$ 10,332,321</b>

See Note 6 for additional information about the County's capital assets.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Capital Asset and Debt Administration (Continued)

#### *Long-term debt*

At the end of the year, the County had total long-term debt outstanding of \$3,099,137. The increase from the prior year was the result of new lease agreements entered into by the County during the fiscal year ended June 30, 2021.

The County's long-term debt relates to capital leases and a note payable.

	<b>Long-term Debt Activity Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Capital leases	\$ 2,720,722	\$ 1,754,950
Note payable	378,415	403,264
	<b>\$ 3,099,137</b>	<b>\$ 2,158,214</b>

See Note 7 for additional information about the County's long-term debt.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's elected and appointed officials considered many factors when setting the year ended June 30, 2021 budget and tax rates. General Fund revenues and expenditures were budgeted with a 22.8% and 17.7% increase, respectively, when compared to the previous year.

### CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment of public accountability. If you have questions about this report or would like to request additional information, contact:

Long County Board of Commissioners  
P.O. Box 476  
Ludowici, Georgia 31316

## **BASIC FINANCIAL STATEMENTS**

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# LONG COUNTY, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2021

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Long County Board of Health</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,808,415	\$ 575,305
Receivables, net	1,038,720	2,039
Due from other governments	143,260	15,958
Prepaid items	208,656	-
Assets held for resale	403,264	-
Capital assets, non-depreciable	1,094,724	-
Capital assets, depreciable, net of accumulated depreciation	10,355,263	1,266
Total assets	<u>21,052,302</u>	<u>594,568</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	-	56,881
OPEB	-	29,455
Total deferred outflows of resources	<u>-</u>	<u>86,336</u>
<b>LIABILITIES</b>		
Accounts payable	505,274	1,190
Accrued liabilities	187,426	4,792
Due to other governments	9,916	-
Unearned revenue	1,899,553	-
Capital leases due within one year	542,264	-
Capital leases due in more than one year	2,178,458	-
Note payable due within one year	19,077	-
Note payable due in more than one year	359,338	-
Net pension liability due in more than one year	-	236,628
Net OPEB liability due in more than one year	-	54,430
Other non-current liabilities due in more than one year	-	19,166
Total liabilities	<u>5,701,306</u>	<u>316,206</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB	-	67,458
Total deferred inflows of resources	<u>-</u>	<u>67,458</u>
<b>NET POSITION</b>		
Net investment in capital assets	8,350,850	1,266
Restricted for:		
Capital projects	1,518,029	-
Judicial	21,503	-
Public safety	96,840	-
Housing and development	500	-
Prior year program income	-	147,450
Unrestricted	5,363,274	148,524
Total net position	<u>\$ 15,350,996</u>	<u>\$ 297,240</u>

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



**LONG COUNTY, GEORGIA**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit Long County Board of Health
<b>Primary government</b>						
Governmental activities:						
General government	\$ 3,092,418	\$ 666,453	\$ 176,971	\$ -	\$ (2,248,994)	\$ -
Judicial	1,244,743	1,228,946	-	-	(15,797)	-
Public safety	4,953,053	542,427	904,348	-	(3,506,278)	-
Public works	2,698,074	1,211,314	-	1,237,418	(249,342)	-
Health and welfare	247,513	45,062	-	-	(202,451)	-
Culture and recreation	426,789	31,349	27,768	-	(367,672)	-
Housing and development	550,881	5,000	31,050	167,036	(347,795)	-
Interest on long-term debt	103,927	-	-	-	(103,927)	-
Total governmental activities	<u>13,317,398</u>	<u>3,730,551</u>	<u>1,140,137</u>	<u>1,404,454</u>	<u>(7,042,256)</u>	<u>-</u>
<b>Component unit</b>						
Long County Board of Health	435,437	147,451	249,097	-	-	(38,889)
Total component unit	<u>\$ 435,437</u>	<u>\$ 147,451</u>	<u>\$ 249,097</u>	<u>\$ -</u>	<u>-</u>	<u>(38,889)</u>
General revenues:						
Property taxes					6,624,736	-
Sales taxes					1,524,516	-
Other taxes					972,579	-
Unrestricted investment earnings					187,274	-
Gain on sale of capital assets					66,467	-
Intra/inter agency					-	95,555
Other local funds					-	111
Total general revenues					<u>9,375,572</u>	<u>95,666</u>
Change in net position					2,333,316	56,777
Net position, beginning of year					13,017,680	240,463
Net position, end of year					<u>\$ 15,350,996</u>	<u>\$ 297,240</u>

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

# LONG COUNTY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2021

	General	E911	Development Authority	ARPA Fund	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,645,064	\$ 198,670	\$ 122,567	\$ -	\$ 878,153	\$ 963,961	\$ 7,808,415
Receivables, net of allowances	953,672	25,951	-	-	-	59,097	1,038,720
Due from other governments	57,475	-	-	-	85,785	-	143,260
Due from other funds	40	-	-	1,899,553	-	20,084	1,919,677
Assets held for resale	-	-	403,264	-	-	-	403,264
Prepaid items	208,656	-	-	-	-	-	208,656
Total assets	<u>\$ 6,864,907</u>	<u>\$ 224,621</u>	<u>\$ 525,831</u>	<u>\$ 1,899,553</u>	<u>\$ 963,938</u>	<u>\$ 1,043,142</u>	<u>\$ 11,521,992</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 292,390	\$ 212,884	\$ -	\$ -	\$ -	\$ -	\$ 505,274
Accrued liabilities	167,569	-	-	-	-	-	167,569
Due to other funds	1,919,637	-	-	-	-	40	1,919,677
Intergovernmental payable	-	-	-	-	9,916	-	9,916
Unearned revenue	-	-	-	1,899,553	-	-	1,899,553
Total liabilities	<u>2,379,596</u>	<u>212,884</u>	<u>-</u>	<u>1,899,553</u>	<u>9,916</u>	<u>40</u>	<u>4,501,989</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue							
Property taxes	698,975	-	-	-	-	-	698,975
Total deferred inflows of resources	<u>698,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,975</u>
<b>FUND BALANCES</b>							
Non-spendable:							
Prepaid items	208,656	-	-	-	-	-	208,656
Restricted for:							
Judicial	-	-	-	-	-	21,503	21,503
Public safety programs	-	11,737	-	-	-	85,103	96,840
Capital projects	-	-	-	-	954,022	564,007	1,518,029
Housing and development	-	-	-	-	-	500	500
Assigned for:							
Industrial development	-	-	525,831	-	-	371,989	897,820
Unassigned	3,577,680	-	-	-	-	-	3,577,680
Total fund balances	<u>3,786,336</u>	<u>11,737</u>	<u>525,831</u>	<u>-</u>	<u>954,022</u>	<u>1,043,102</u>	<u>6,321,028</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,864,907</u>	<u>\$ 224,621</u>	<u>\$ 525,831</u>	<u>\$ 1,899,553</u>	<u>\$ 963,938</u>	<u>\$ 1,043,142</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.	11,449,987
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	698,975
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(3,099,137)
Accrued interest is not due and payable in the current period and, therefore, is not reported in the funds.	(19,857)
Net position of governmental activities	<u>\$ 15,350,996</u>

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

# LONG COUNTY, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	E911	Development Authority	ARPA Fund	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 8,429,172	\$ -	\$ -	\$ -	\$ 915,485	\$ -	\$ 9,344,657
Licenses and permits	458,890	-	-	-	-	-	458,890
Intergovernmental	1,769,975	-	167,036	-	-	605,818	2,542,829
Charges for services	2,447,324	256,565	-	-	-	406,364	3,110,253
Fines and forfeitures	59,123	-	-	-	-	45,062	104,185
Investment earnings	186,071	-	320	-	1,429	1,216	189,036
Miscellaneous	52,223	-	5,000	-	-	-	57,223
Total revenues	<u>13,402,778</u>	<u>256,565</u>	<u>172,356</u>	<u>-</u>	<u>916,914</u>	<u>1,058,460</u>	<u>15,807,073</u>
<b>Expenditures</b>							
Current:							
General government	2,845,537	-	-	-	-	-	2,845,537
Judicial	1,229,495	-	-	-	-	8,053	1,237,548
Public safety	3,988,843	298,690	-	-	-	33,727	4,321,260
Public works	2,148,999	-	-	-	-	-	2,148,999
Health and welfare	218,052	-	-	-	-	-	218,052
Culture and recreation	273,845	-	-	-	-	-	273,845
Housing and development	476,489	-	42,776	-	-	30,550	549,815
Intergovernmental	80,300	-	-	-	107,593	-	187,893
Capital outlay	680,462	-	217,481	-	1,300,813	349,432	2,548,188
Debt service:							
Principal	172,972	-	24,849	-	337,407	-	535,228
Interest and fiscal charges	26,266	-	14,299	-	64,137	-	104,702
Total expenditures	<u>12,141,260</u>	<u>298,690</u>	<u>299,405</u>	<u>-</u>	<u>1,809,950</u>	<u>421,762</u>	<u>14,971,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,261,518</u>	<u>(42,125)</u>	<u>(127,049)</u>	<u>-</u>	<u>(893,036)</u>	<u>636,698</u>	<u>836,006</u>
<b>Other financing sources (uses)</b>							
Proceeds from sale of capital assets	66,467	-	-	-	-	-	66,467
Capital leases	687,269	-	-	-	788,882	-	1,476,151
Transfers in	-	-	72,500	-	337,980	-	410,480
Transfers out	(410,480)	-	-	-	-	-	(410,480)
Total other financing sources (uses)	<u>343,256</u>	<u>-</u>	<u>72,500</u>	<u>-</u>	<u>1,126,862</u>	<u>-</u>	<u>1,542,618</u>
Net change in fund balances	1,604,774	(42,125)	(54,549)	-	233,826	636,698	2,378,624
<b>Fund balances, beginning of year</b>	<u>2,181,562</u>	<u>53,862</u>	<u>580,380</u>	<u>-</u>	<u>720,196</u>	<u>406,404</u>	<u>3,942,404</u>
<b>Fund balances, end of year</b>	<u>\$ 3,786,336</u>	<u>\$ 11,737</u>	<u>\$ 525,831</u>	<u>\$ -</u>	<u>\$ 954,022</u>	<u>\$ 1,043,102</u>	<u>\$ 6,321,028</u>

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

## LONG COUNTY, GEORGIA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Net change in fund balances - total governmental funds	\$	2,378,624
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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 expense in the current period.

Capital outlay	\$	2,276,461	
Depreciation expense		<u>(1,158,795)</u>	1,117,666

Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the funds.	(222,826)
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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.

Lease proceeds	\$	(1,476,151)	
Lease principal payments		510,379	
Note payable principal payments		<u>24,849</u>	(940,923)

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.

Accrued interest		<u>775</u>
	\$	<u><u>2,333,316</u></u>

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

# LONG COUNTY, GEORGIA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 7,091,666	\$ 8,138,091	\$ 8,429,172	\$ 291,081
Licenses and permits	547,800	547,800	458,890	(88,910)
Intergovernmental	274,500	1,682,800	1,769,975	87,175
Charges for services	1,854,900	1,854,900	2,447,324	592,424
Fines and forfeitures	62,000	62,000	59,123	(2,877)
Investment income	187,000	187,000	186,071	(929)
Miscellaneous	116,050	116,050	52,223	(63,827)
<b>Total revenues</b>	<b>10,133,916</b>	<b>12,588,641</b>	<b>13,402,778</b>	<b>814,137</b>
<b>Expenditures</b>				
<b>General government:</b>				
Legislative	378,654	387,704	367,966	19,738
Clerk of commissioners	345,860	345,860	326,706	19,154
County administrator	80,938	86,063	76,696	9,367
Elections	146,211	224,536	227,333	(2,797)
Financial administration	155,100	175,100	175,458	(358)
Tax commissioner	289,770	326,520	329,017	(2,497)
Tax assessor	280,969	244,219	232,903	11,316
Risk management	100,000	219,900	218,096	1,804
Government buildings	384,490	895,115	891,362	3,753
Total general government	2,161,992	2,905,017	2,845,537	59,480
<b>Judicial:</b>				
Superior court	92,779	100,479	82,111	18,368
Clerk of superior court	335,876	398,876	400,167	(1,291)
District attorney	57,892	61,092	61,010	82
State court	61,667	61,667	56,080	5,587
Misdemeanor probation	120,591	120,591	93,350	27,241
Solicitor	50,934	51,384	51,599	(215)
Magistrate/Probate court	277,834	319,384	322,121	(2,737)
Juvenile court	57,050	57,050	36,662	20,388
Public defender	159,708	159,708	126,395	33,313
Total judicial	1,214,331	1,330,231	1,229,495	100,736
<b>Public safety:</b>				
Sheriff	2,417,671	2,461,546	2,412,179	49,367
Housing of prisoners	497,500	544,000	543,462	538
Fire department	433,539	942,799	587,155	355,644
Emergency medical services	314,262	343,362	339,470	3,892
Coroner	33,181	41,446	39,713	1,733
Emergency management	61,110	75,910	66,864	9,046
Total public safety	3,757,263	4,409,063	3,988,843	420,220
<b>Public works:</b>				
Street department	855,586	986,386	984,510	1,876
Sanitation department	894,778	1,191,378	1,164,489	26,889
Total public works	1,750,364	2,177,764	2,148,999	28,765

(Continued)

# LONG COUNTY, GEORGIA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
<b>Expenditures (Continued):</b>				
<b>Health and welfare:</b>				
Public welfare	\$ 123,000	\$ 123,000	\$ 2,112	\$ 120,888
Meals programs	163,400	163,400	159,164	4,236
Transportation services	79,948	79,948	56,776	23,172
Total health and welfare	<u>366,348</u>	<u>366,348</u>	<u>218,052</u>	<u>148,296</u>
<b>Culture and recreation:</b>				
Recreation	311,872	311,872	273,845	38,027
Total culture and recreation	<u>311,872</u>	<u>311,872</u>	<u>273,845</u>	<u>38,027</u>
<b>Housing and development:</b>				
County extension	37,807	37,807	25,033	12,774
Forestry conservation	23,627	23,627	22,788	839
Planning and zoning	57,617	57,617	33,627	23,990
Code enforcement	266,895	783,495	395,041	388,454
Total housing and development	<u>385,946</u>	<u>902,546</u>	<u>476,489</u>	<u>426,057</u>
<b>Debt service:</b>				
Principal	55,250	55,250	172,972	(117,722)
Interest and fiscal charges	-	-	26,266	(26,266)
Total debt service	<u>55,250</u>	<u>55,250</u>	<u>199,238</u>	<u>(143,988)</u>
<b>Capital outlay</b>	<u>-</u>	<u>-</u>	<u>680,462</u>	<u>(680,462)</u>
<b>Intergovernmental assistance</b>	<u>80,300</u>	<u>80,300</u>	<u>80,300</u>	<u>-</u>
<b>Total expenditures</b>	<u>10,083,666</u>	<u>12,538,391</u>	<u>12,141,260</u>	<u>397,131</u>
<b>Excess of revenues over expenditures</b>	<u>50,250</u>	<u>50,250</u>	<u>1,261,518</u>	<u>1,211,268</u>
<b>Other financing sources (uses)</b>				
Sale of general capital assets	22,250	22,250	66,467	44,217
Capital leases	-	-	687,269	687,269
Transfers out	(72,500)	(72,500)	(410,480)	(337,980)
Total other financing sources (uses)	<u>(50,250)</u>	<u>(50,250)</u>	<u>343,256</u>	<u>393,506</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>1,604,774</u>	<u>1,604,774</u>
<b>Fund balance, beginning of year</b>	<u>2,181,562</u>	<u>2,181,562</u>	<u>2,181,562</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 2,181,562</u>	<u>\$ 2,181,562</u>	<u>\$ 3,786,336</u>	<u>\$ 1,604,774</u>

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

# LONG COUNTY, GEORGIA

## E911 FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 275,000	\$ 275,000	\$ 256,565	\$ (18,435)
<b>Total revenues</b>	<u>275,000</u>	<u>275,000</u>	<u>256,565</u>	<u>(18,435)</u>
<b>Expenditures</b>				
Current:				
Public safety	275,000	275,000	298,690	(23,690)
<b>Total expenditures</b>	<u>275,000</u>	<u>275,000</u>	<u>298,690</u>	<u>(23,690)</u>
<b>Net change in fund balances</b>	-	-	(42,125)	(42,125)
<b>Fund balance, beginning of year</b>	<u>53,862</u>	<u>53,862</u>	<u>53,862</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 53,862</u>	<u>\$ 53,862</u>	<u>\$ 11,737</u>	<u>\$ (42,125)</u>

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

# LONG COUNTY, GEORGIA

## DEVELOPMENT AUTHORITY FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 167,036	\$ 167,036
Investment earnings	-	-	320	320
Miscellaneous	-	-	5,000	5,000
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>172,356</u>	<u>172,356</u>
<b>Expenditures</b>				
Current:				
Housing and development	70,920	70,920	42,776	28,144
Capital outlay	-	-	217,481	(217,481)
Debt service:				
Principal	-	-	24,849	(24,849)
Interest	-	-	14,299	(14,299)
<b>Total expenditures</b>	<u>70,920</u>	<u>70,920</u>	<u>299,405</u>	<u>(228,485)</u>
<b>Deficiency of revenues under expenditures</b>	<u>(70,920)</u>	<u>(70,920)</u>	<u>(127,049)</u>	<u>(56,129)</u>
<b>Other financing sources:</b>				
Transfers in	70,920	70,920	72,500	1,580
<b>Total other financing sources</b>	<u>70,920</u>	<u>70,920</u>	<u>72,500</u>	<u>1,580</u>
<b>Net change in fund balances</b>	-	-	(54,549)	(54,549)
<b>Fund balance, beginning of year</b>	<u>580,380</u>	<u>580,380</u>	<u>580,380</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 580,380</u>	<u>\$ 580,380</u>	<u>\$ 525,831</u>	<u>\$ (54,549)</u>

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



# LONG COUNTY, GEORGIA

## ARPA FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	-	-	-	-
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>Net change in fund balances</b>	-	-	-	-
<b>Fund balance, beginning of year</b>	-	-	-	-
<b>Fund balance, end of year</b>	\$ -	\$ -	\$ -	\$ -

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

# LONG COUNTY, GEORGIA

## STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS JUNE 30, 2021

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	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 509,093
Taxes receivable	<u>806,546</u>
Total assets	<u>1,315,639</u>
<b>LIABILITIES</b>	
Due to others	456,525
Uncollected taxes	<u>806,546</u>
Total liabilities	<u>1,263,071</u>
<b>NET POSITION</b>	
Restricted:	
Individuals, organizations and other governments	<u>52,568</u>
Total net position	<u>\$ 52,568</u>

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

**LONG COUNTY, GEORGIA**

**STATEMENT OF CHANGES IN  
FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Taxes	\$ 18,461,311
Fines and fees	<u>2,881,112</u>
Total additions	<u>21,342,423</u>
<b>DEDUCTIONS</b>	
Taxes and fees paid to other governments	18,461,311
Other custodial disbursements	<u>2,852,535</u>
Total deductions	<u>21,313,846</u>
Change in fiduciary net position	28,577
<b>NET POSITION, beginning of year, as restated</b>	<u>23,991</u>
<b>NET POSITION, end of year</b>	<u><u>\$ 52,568</u></u>

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

**LONG COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Government-wide and Fund Financial Statements**

The government-wide statements (i.e. the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Long County, Georgia (the "County") does not maintain any business-type activities. Likewise, the primary government is reported separately from its legally separate component units for which the primary government is financially accountable.

**B. Reporting Entity**

The County was incorporated in 1921 under the provisions of the laws of the State of Georgia. The County operates under a Board of Commissioners, which consists of a Chairman and four Commissioners and provides the following services: public safety, highways and streets, public improvements, and general and administrative services. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units are reported in a separate column of the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

**Blended component unit** – Long County Development Authority (the "Authority") – included based on funding of budget requirements and the Authority provides services almost entirely to the benefit of the County. This unit is blended into the financial statements as a special revenue fund.

**Discretely presented component unit** – Long County Board of Health D/B/A Long County Public Health Center (the "Center") – The Center provides various health services for citizens in the County under a contract with the Georgia Department of Human Resources ("DHR"). The County Commission approves a majority of the board members of the Board of Health and approves the budget for its operations.

Complete financial statements for the Long County Board of Health may be obtained at the following address: Long County Board of Health, District Health Director, District 9, Unit 1, 150 Scranton Connector, Brunswick, Georgia 31525-0540.

**C. Basis of Presentation – Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Basis of Presentation – Government-wide Financial Statements (Continued)

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

#### D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary fund. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The **E911 Fund** accounts for all financial resources related to the Enhanced 911 system ("E911") that are legally restricted to expenditures for operation of the system.

The **Development Authority ("DDA") Fund** accounts for the promotion and expansion of industry and trade within Long County.

The **American Rescue Plan Act ("ARPA") Fund** accounts for the revenues and expenditures associated with the U.S. Department of Treasury's Coronavirus State and Local Recovery Funds established by the American Rescue Plan Act of 2021.

The **Special Purpose Local Option Sales Tax ("SPLOST") Fund** is used to account for 1% sales tax proceeds restricted for the acquisition or construction of specific capital projects as authorized by local referendum.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Basis of Presentation – Fund Financial Statements (Continued)

Additionally, the government reports the following fund types:

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

***Capital Projects Funds*** – used to account for expenditures for capital improvements made by the County. Financing is provided by the Transportation Special Purpose Local Option Sales Tax (“TSPLOST”) proceeds and impact fees.

***Custodial Funds*** – used to account for, on a temporary basis, amounts collected by the sheriff, tax commissioner, clerk of court, magistrate court and probate court that ultimately are transferred to the general fund or distributed to others.

#### E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting as are the fiduciary funds. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of 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 grantor 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Measurement Focus and Basis of Accounting (Continued)

Property taxes, sales taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

#### F. 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.

State statutes authorize the County to invest in obligations of the United States Government and agencies or corporations of the United States Government; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC of FSLIC; prime bankers acceptances; repurchase agreements; and Georgia Fund 1. The local government investment pool, ("Georgia Fund 1"), created by the Official Code of Georgia Annotated ("O.C.G.A.") §36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. Georgia Fund 1 is not registered with the Securities and Exchange Commission ("SEC") as an investment company. Georgia Fund 1's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. Georgia Fund 1 distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. Georgia Fund 1 is exempt from any disclosure of custodial credit risk. All investments are stated at fair value.

#### G. Receivables

In the fund financial statements, material receivables include revenue accruals such as property taxes, franchise fees, grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are reported as deferred inflows of resources in the fund financial statements. Accounts receivable includes unpaid sanitation charges. Property taxes and trade receivables are shown net of an allowance for uncollectibles.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### H. Prepaid Items

Prepaid balances are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for the subsequent expenditures.

#### I. Capital Assets

In the government-wide financial statements, capital assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported as assets in the governmental activities statement of net position. Capital assets, other than infrastructure 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 three years. Infrastructure assets are defined by the County as assets with a cost of more than \$100,000. Pursuant to the Governmental Accounting Standards Board ("GASB") Statement 34, the County has reported infrastructure completed during the year and included construction in progress in its capital assets. Infrastructure completed prior to implementation of GASB 34 has not been reported. As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical costs. The reported value excludes normal maintenance and repairs which are essentially the amount spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the County values these capital assets at their acquisition value on the date of donation.

Depreciation has been calculated on each class of depreciable property, using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	20 – 50 years
Infrastructure	20 – 35 years
Machinery, equipment and vehicles	5 – 10 years

#### J. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position. The capitalized lease obligations are stated at the original fair market value of leased assets capitalized, less payments since the inception of the lease, discounted at the implicit rate of interest in the lease.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had no items that required reporting in this category.

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 the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and franchise fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### L. Equity Classifications

Equity is classified as net position and displayed in three components in the government-wide financial statements.

- **Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- **Restricted net position** consist of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets”. In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either: a) not in spendable form – prepaid costs or inventories; or b) legally or contractually required to be maintained intact.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### L. Equity Classifications (Continued)

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

- **Non-spendable fund balance** reflects the amounts reported as non-spendable 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 balance** reflects the constraints imposed on resources either: a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** can only be used for specific purposes pursuant to constraints imposed by formal resolution or ordinances of the County Commission – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the County Commission removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- **Assigned fund balance** reflects the amounts constrained by the County's "intent" to be used for a specific purpose, but are neither restricted nor committed. The County Commission and the County Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.
- **Unassigned fund balance** is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

At June 30, 2021, the County did not have committed amounts. The County's restricted fund balance consisted of SPLOST and TSPLOST resources restricted for capital projects and fines and forfeitures resources restricted for judiciary and public safety purposes. The County's assigned fund balance consisted of resources assigned to economic development.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **M. Net Position Flow Assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### **N. Fund Balance Flow Assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **O. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Accordingly, actual results could differ from these estimates.

#### **P. Program Revenues**

Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenue.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Q. Property Taxes

Property taxes were levied on September 15, 2020, on property values assessed as of January 1, 2020. A millage rate of 15.695 was adopted on August 18, 2020. Property tax bills were mailed on October 20, 2020 and were considered past due on January 7, 2021, at which time the applicable property was subject to lien, and penalties and interest are assessed.

#### R. Compensated Absences

Employees can earn vacation leave at the rate of five days during the first two years of employment; ten days after three through six years of employment; and 15 days after seven years of employment. Vacation leave may not be carried from one anniversary year to the next. Unused vacation is forfeited. Employees resigning voluntarily and in good standing from County service will be paid for earned, unused vacation leave. Employees dismissed or not resigning in good standing will not be paid for earned, unused vacation leave. The County does not record a liability for vested vacation leave. Expenses are recognized in the financial statements at the time of payment.

Employees can earn sick leave at the rate of five days during the first two years of employment and ten days after two years of service. Ten days is the maximum leave which can be earned per year. Sick leave may be accumulated up to a maximum of 60 days. Unused sick leave will not be paid upon the employee's termination. Accumulated sick leave benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee, and the amount of such payments cannot be reasonably estimated.

### NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgets and Budgetary Accounting

State law requires that the County adopt by ordinance or resolution an annual balanced budget for the General Fund and all special revenue funds. A budget is balanced when the sum of estimated revenues and appropriated fund balance is equal to appropriations. The legal level of budgetary control over expenditures is exercised by the County at the department level for its General and special revenue funds. Appropriations lapse at year-end.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to year-end, the Finance Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at the County Courthouse to obtain taxpayer comments.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

#### A. Budgets and Budgetary Accounting (Continued)

- Prior to July 1, the budget is legally enacted through approval by the Board of Commissioners.
- Budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles ("GAAP").

The Board of Commissioners has the authority to amend its budget as follows:

Any increase in appropriation for a department, whether accomplished through a change in anticipated revenue or through a transfer of appropriations in any fund among the various accounts within a department shall require only the approval of the budget officer.

#### B. Excess Expenditures over Appropriations

For the fiscal year ended June 30, 2021, expenditures exceeded appropriations at the legal level of budgetary control (department) as follows:

<b>General Fund</b>	
<b>General government</b>	
Elections	\$ 2,797
Financial administration	358
Tax commissioner	2,497
<b>Judicial</b>	
Clerk of superior court	1,291
Solicitor	215
Magistrate/Probate court	2,737
<b>Debt service</b>	
Principal	117,722
Interest	26,266
<b>Capital outlay</b>	680,462
<b>E911 Fund</b>	
Public safety	23,690
<b>Development Authority Fund</b>	
Capital outlay	217,481
Debt service	39,148

Overspending in the General Fund was funded by underspending in other departments. Overspending in the E911 Fund and the DDA Fund will be funded by transfers from the General Fund.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. CASH AND INVESTMENTS

At year-end the carrying amount of the County's deposits, including its custodial funds, was \$8,317,508. As of June 30, 2021, the entire bank balance was insured and collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The O.C.G.A. §45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of depository insurance. The County has no custodial credit risk policy that would require additional collateral requirements.

As of June 30, 2021, the County had the following investment:

<u>Investment</u>	<u>Average Credit Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (in days)</u>
Georgia Fund 1	AAAf	\$ 11,337	36

Deposit and investment transactions are subject to a variety of risks. The County seeks to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform to legal requirements.

Interest rate risk is the risk that changes in interest rates that will adversely affect the value of an investment. The County does not have a policy that addresses this risk.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County does not have a policy that addresses this risk.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES

Receivables as of June 30, 2021, including the applicable allowances for uncollectible accounts are as follows:

Receivable	General	E911	SPLOST	Nonmajor Governmental	Total
Taxes	\$ 978,026	\$ -	\$ -	\$ -	\$ 978,026
Due from other governments	57,475	-	85,785	-	143,260
Accounts	149,160	25,951	-	59,097	234,208
Gross Receivables	1,184,661	25,951	85,785	59,097	1,355,494
Less: Allowances for uncollectibles	(173,514)	-	-	-	(173,514)
Net Receivables	<u>\$ 1,011,147</u>	<u>\$ 25,951</u>	<u>\$ 85,785</u>	<u>\$ 59,097</u>	<u>\$ 1,181,980</u>

### NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances as of June 30, 2021 are as follows:

Receivable Fund	Payable Fund	Amount
ARPA fund	General fund	\$ 1,899,553
Nonmajor governmental funds	General fund	20,084
General fund	Nonmajor governmental funds	40
		<u>\$ 1,919,677</u>

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund transfers for the year ended June 30, 2021 consisted of the following:

Transfers In	Transfers Out	Amount
Development Authority fund	General fund	\$ 72,500
SPLOST fund	General fund	337,980
		<u>\$ 410,480</u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in the other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 873,755	\$ 220,969	\$ -	\$ 1,094,724
Total	<u>873,755</u>	<u>220,969</u>	<u>-</u>	<u>1,094,724</u>
Capital assets, being depreciated				
Buildings and improvements	4,221,260	426,583	-	4,647,843
Machinery, equipment and vehicles	7,046,766	1,610,059	-	8,656,825
Infrastructure	7,302,833	18,850	-	7,321,683
Total	<u>18,570,859</u>	<u>2,055,492</u>	<u>-</u>	<u>20,626,351</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,464,755)	(135,801)	-	(2,600,556)
Machinery, equipment and vehicles	(4,925,282)	(839,952)	-	(5,765,234)
Infrastructure	(1,722,256)	(183,042)	-	(1,905,298)
Total	<u>(9,112,293)</u>	<u>(1,158,795)</u>	<u>-</u>	<u>(10,271,088)</u>
Total capital assets, being depreciated, net	<u>9,458,566</u>	<u>896,697</u>	<u>-</u>	<u>10,355,263</u>
Governmental activities capital assets, net	<u>\$ 10,332,321</u>	<u>\$ 1,117,666</u>	<u>\$ -</u>	<u>\$ 11,449,987</u>

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

General government	\$ 50,217
Judicial	7,195
Public safety	488,567
Public works	441,172
Health and welfare	29,461
Culture and recreation	141,117
Housing and development	<u>1,066</u>
Total depreciation expense - governmental activities	<u>\$ 1,158,795</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT

#### A. Note Payable

In April 2020, the County entered into a note payable agreement with Ameris Bank to finance the acquisition of public safety radio and phone equipment. Payments in the amount of \$2,796 are due monthly through May 10, 2035. The note bears interest at a rate of 3%.

The debt service requirements for the County's note payable are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 19,077	\$ 8,886	\$ 27,963
2023	22,984	10,571	33,555
2024	23,666	9,889	33,555
2025	24,423	9,132	33,555
2026	25,176	8,379	33,555
2027 – 2031	138,000	29,775	167,775
2032 – 2035	125,089	11,927	137,016
	<u>\$ 378,415</u>	<u>\$ 88,559</u>	<u>\$ 466,974</u>

#### B. Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of land, buildings, vehicles, and other equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, the assets have been recorded at the present value of the future minimum lease payments as of the inception date in the general capital assets. The amortization of assets recorded under capital leases is included with depreciation expense in the amount of \$488,454.

The assets acquired through capital leases are as follows:

<u>Asset Class</u>	<u>Governmental Activities</u>
Machinery and equipment	\$ 3,387,981
Less: Accumulated depreciation	(1,034,632)
Total	<u>\$ 2,353,349</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### B. Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

Fiscal year ending June 30,	Governmental Activities
2022	\$ 636,455
2023	804,541
2024	761,669
2025	285,488
2026	275,347
2027 – 2031	183,581
2032	36,191
Total minimum lease payments	2,983,272
Less: Amounts representing interest	(262,550)
Present value of future minimum lease payments	2,720,722
Less current portion	(542,264)
Long-term portion of leases	\$ 2,178,458

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases payable	\$ 1,754,950	\$ 1,476,151	\$ (510,379)	\$ 2,720,722	\$ 542,264
Note payable from direct borrowing	403,264	-	(24,849)	378,415	19,077
Total long-term liabilities	\$ 2,158,214	\$ 1,476,151	\$ (535,228)	\$ 3,099,137	\$ 561,341

### NOTE 8. 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 workers compensation for which the County carries the following insurance coverages:

The County joined the Georgia Interlocal Risk Management Agency ("GIRMA"). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by County's management based on the anticipated needs. The County is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reduction and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims and representing the County in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The County has not compiled a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 8. RISK MANAGEMENT (CONTINUED)**

The County is unaware of any claims which the County is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2021. No provisions have been made in the financial statements for the year ended June 30, 2021, for any estimate of potential unpaid claims.

The County has elected to be a member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund ("GMAWCSIF"), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the County has no legal obligation to pay its own workers' compensation claims. The County is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the County's annual contribution, the County has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency the fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

The County pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

### **NOTE 9. COMMITMENTS AND CONTINGENCIES**

The County has participated in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Such audits could result in request for reimbursement by the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. The amount of expenditures which may be disallowed by granting agencies cannot be determined at this time; although, the County expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the County. The County estimates that the potential claims from the pending lawsuits against the County, not covered by insurance, would not materially affect the financial statements of the County.

In October 2003, the County entered into a third-party leasing arrangement with the Georgia Department of Human Services Division of Family and Children Services to fund the debt service on the building housing the Georgia Department of Family and Children Services in Long County. The arrangement is renewed on an annual basis. The County expects the arrangement to continue for the term of the debt obligation. In the event that the Georgia Department of Human Resources does not renew the third-party leasing arrangement, the County is obligated to make payments sufficient to pay the principal and interest on the debt obligation. Annual debt service on the building is \$111,541. The debt obligation matures on April 1, 2024. At June 30, 2021, the outstanding amount of the debt totaled \$295,564.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 10. EMPLOYEE RETIREMENT PLAN**

#### **ACCG 457(b) Deferred Compensation Plan for Long County Employees**

The County offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, a defined contribution plan, is available to all County employees and permits employees to defer a portion of their salary until future years. Plan provisions and contribution requirements are established/amended by the Long County Board of County Commissioners. The County matches the first \$20 of each employee's deferral. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Plan assets are held in trust for the benefit of the plan participants and their beneficiaries, and will not be diverted to any other purpose. The plan is administered by the Government Employee Benefits Corporation of Georgia. Actual contributions to the plan by plan members were \$78,293 and employer contributions were \$29,061 for the fiscal year ended June 30, 2021.

### **NOTE 11. JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS**

Under Georgia law, the County, in conjunction with other cities and counties in the Coastal Georgia area, is a member of the Coastal Regional Commission of Georgia ("CRC") and is required to pay annual dues thereto. Membership in a CRC is automatic for each municipality and county of the State. The O.C.G.A. §50-8-34 (Georgia Planning Act of 1989) provides for the organization structure of the CRC's. Each county and municipality in the State is required by law to pay minimum annual dues to the CRC based on population. The Board of the CRC includes elected officials from Member counties and cities and nonpublic appointed members. The law defines CRC's as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of a CRC beyond its resources. Complete financial statements of the CRC can be obtained from: Coastal Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. RESTATEMENT

In fiscal year 2021, the County adopted GASB Statement No. 84, Fiduciary Activities. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on: 1) whether a government is controlling the assets of the fiduciary activity, and 2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The County restated beginning net position for the Custodial Funds for the cumulative effect of this accounting change. These changes are in accordance with generally accepted accounting principles:

Net Position, Custodial Funds, as previously reported	\$ -
Prior Period Adjustment - Implementation of GASB No. 84	23,991
Net Position, Custodial Funds, as restated	<u><u>\$ 23,991</u></u>

## **SUPPLEMENTARY INFORMATION**

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**LONG COUNTY, GEORGIA**  
**NONMAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS**

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

**Drug Abuse and Treatment Fund** is used to account for the collection of additional penalties for certain drug related crimes, donations related to drug education and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs relating to controlled substances.

**Seized Assets Fund** is used to account for monies confiscated under federal and state law by Long County law enforcement officers related to controlled substance offenses. Such monies are restricted to defray the cost of complex investigations and to purchase equipment relating to said investigations.

**CDBG Fund** is used to account for the receipt and expenditures of monies received from community block grants for improvements to the community.

**CAPITAL PROJECTS FUNDS**

**Impact Fees Fund** is used to account for the receipt and disbursement of impact fees collected in the County.

**TSPLOST Fund** is used to account for the collection of the Transportation Special Purpose Local Option Sales Tax funds collected by the County. These funds are used for transportation projects as approved by voter referendum.

# LONG COUNTY, GEORGIA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	Special Revenue				
	Law Library	Jail	Drug Abuse and Treatment	Seized Assets	CDBG
<b>ASSETS</b>					
Cash and cash equivalents	\$ 21,503	\$ 43,152	\$ 22,442	\$ 19,412	\$ 520
Receivables	-	-	97	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 21,503</u>	<u>\$ 43,152</u>	<u>\$ 22,539</u>	<u>\$ 19,412</u>	<u>\$ 520</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 20
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>
<b>FUND BALANCES</b>					
Restricted for:					
Judicial	21,503	-	-	-	-
Public safety	-	43,152	22,539	19,412	-
Capital projects	-	-	-	-	-
Housing and development	-	-	-	-	500
Assigned for:					
Industrial development	-	-	-	-	-
Total fund balances	<u>21,503</u>	<u>43,152</u>	<u>22,539</u>	<u>19,412</u>	<u>500</u>
Total liabilities and fund balances	<u>\$ 21,503</u>	<u>\$ 43,152</u>	<u>\$ 22,539</u>	<u>\$ 19,412</u>	<u>\$ 520</u>



Capital Projects		Total Nonmajor Governmental Funds
Impact Fees	TSPLOST	
\$ 292,905	\$ 564,027	\$ 963,961
59,000	-	59,097
20,084	-	20,084
<u>\$ 371,989</u>	<u>\$ 564,027</u>	<u>\$ 1,043,142</u>

\$ -	\$ 20	\$ 40
<u>-</u>	<u>20</u>	<u>40</u>

-	-	21,503
-	-	85,103
-	564,007	564,007
-	-	500
<u>371,989</u>	<u>-</u>	<u>371,989</u>
<u>371,989</u>	<u>564,007</u>	<u>1,043,102</u>
<u>\$ 371,989</u>	<u>\$ 564,027</u>	<u>\$ 1,043,142</u>

# LONG COUNTY, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue				
	Law Library	Jail	Drug Abuse and Treatment	Seized Assets	CDBG
<b>Revenues</b>					
Fines and forfeitures	\$ 13,319	\$ -	\$ 13,821	\$ 17,922	\$ -
Intergovernmental	-	-	-	-	31,050
Charges for services	-	60,364	-	-	-
Interest income	3	456	44	-	-
Total revenues	<u>13,322</u>	<u>60,820</u>	<u>13,865</u>	<u>17,922</u>	<u>31,050</u>
<b>Expenditures</b>					
Current:					
Judicial	8,053	-	-	-	-
Public safety	-	-	31,227	2,500	-
Housing and development	-	-	-	-	30,550
Capital outlay	-	200,656	-	-	-
Total expenditures	<u>8,053</u>	<u>200,656</u>	<u>31,227</u>	<u>2,500</u>	<u>30,550</u>
Net change in fund balances	5,269	(139,836)	(17,362)	15,422	500
<b>Fund balances, beginning of year</b>	<u>16,234</u>	<u>182,988</u>	<u>39,901</u>	<u>3,990</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 21,503</u>	<u>\$ 43,152</u>	<u>\$ 22,539</u>	<u>\$ 19,412</u>	<u>\$ 500</u>

Capital Projects		Total Nonmajor Governmental Funds
Impact Fees	TSPLOST	
\$ -	\$ -	\$ 45,062
-	574,768	605,818
346,000	-	406,364
380	333	1,216
346,380	575,101	1,058,460
-	-	8,053
-	-	33,727
-	-	30,550
137,682	11,094	349,432
137,682	11,094	421,762
208,698	564,007	636,698
163,291	-	406,404
\$ 371,989	\$ 564,007	\$ 1,043,102

# LONG COUNTY, GEORGIA

## CUSTODIAL FUNDS

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### 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.

# LONG COUNTY, GEORGIA

## COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS JUNE 30, 2021

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash and cash equivalents	\$ 353,711	\$ 112,005	\$ 422	\$ 5,060	\$ 37,895	\$ 509,093
Taxes receivable	806,546	-	-	-	-	806,546
Total assets	1,160,257	112,005	422	5,060	37,895	1,315,639
<b>LIABILITIES</b>						
Due to others	353,711	60,981	422	3,516	37,895	456,525
Uncollected taxes	806,546	-	-	-	-	806,546
Total liabilities	1,160,257	60,981	422	3,516	37,895	1,263,071
<b>NET POSITION</b>						
Restricted:						
Individuals, organizations and other governments	-	51,024	-	1,544	-	52,568
Total net position	\$ -	\$ 51,024	\$ -	\$ 1,544	\$ -	\$ 52,568

# LONG COUNTY, GEORGIA

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<b>Tax Commissioner</b>	<b>Clerk of Superior Court</b>	<b>Probate Court</b>	<b>Magistrate Court</b>	<b>Sheriff</b>	<b>Total</b>
<b>ADDITIONS</b>						
Taxes	\$ 18,461,311	\$ -	\$ -	\$ -	\$ -	\$ 18,461,311
Fines and fees	-	2,155,706	92,141	80,756	552,509	2,881,112
Total additions	18,461,311	2,155,706	92,141	80,756	552,509	21,342,423
<b>DEDUCTIONS</b>						
Taxes and fees paid to other governments	18,461,311	-	-	-	-	18,461,311
Other custodial disbursements	-	2,112,948	97,681	79,212	562,694	2,852,535
Total deductions	18,461,311	2,112,948	97,681	79,212	562,694	21,313,846
Net increase (decrease) in fiduciary net position	-	42,758	(5,540)	1,544	(10,185)	28,577
<b>Net position, beginning of year, as restated</b>	-	8,266	5,540	-	10,185	23,991
<b>Net position, end of year</b>	\$ -	\$ 51,024	\$ -	\$ 1,544	\$ -	\$ 52,568

# LONG COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures			
			Prior Years	Current Year	Total	
SPLOST						
Road, street, bridge improvements:						
Long County	\$ 1,764,000	\$ 1,022,741	\$ 2,362,835	\$ 518,125	\$ 2,880,960	
City of Ludowici	336,000	336,000	530,465	107,593	638,058	
Long County Recreation Complex	875,000	580,449	747,722	47,400	795,122	
Public safety vehicles and equipment:						
Long County	441,000	341,469	780,596	735,288	1,515,884	
City of Ludowici	84,000	84,000	79,861	-	79,861	
Debt Service:						
Road, street and bridge equipment	-	741,259	1,052,329	-	1,052,329	
Recreation complex equipment	-	294,551	284,303	-	284,303	
Public safety vehicles and equipment	-	99,531	99,531	-	99,531	
Total	\$ 3,500,000	\$ 3,500,000	\$ 5,937,642	\$ 1,408,406	\$ 7,346,048	

Reconciliation of SPLOST schedule to financial statements:

Total of SPLOST Fund expenditures \$ 1,809,950

Less debt service payments on equipment included on schedule (401,544)

\$ 1,408,406

# LONG COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
<b>TSPLOST</b>					
Road, street and bridge purposes	\$ 1,760,000	\$ 1,760,000	\$ -	\$ 11,094	\$ 11,094
Total	<u>\$ 1,760,000</u>	<u>\$ 1,760,000</u>	<u>\$ -</u>	<u>\$ 11,094</u>	<u>\$ 11,094</u>



## **COMPLIANCE SECTION**

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## **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**

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**Board of Commissioners  
of Long County, Georgia  
Ludowici, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Long County, Georgia (the "County") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 25, 2022. Our report includes a reference to other auditors who audited the financial statements of the Long County Board of Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, as described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

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**Compliance and Other Matters**

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

**Long County, Georgia's Response to Finding**

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

**Purpose of this Report**

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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the letters "M", "J", and "L" being particularly large and stylized.

Savannah, Georgia

May 25, 2022



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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**Board of Commissioners  
of Long County, Georgia  
Ludowici, Georgia**

### **Report on Compliance for Each Major Federal Program**

We have audited Long County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2021. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, Long County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

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### **Report on Internal Control Over Compliance**

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

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

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

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

*Mauldin & Jenkins, LLC*

# LONG COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<b>Federal Grantor/ Pass-Through Program Title</b>	<b>Federal AL Number</b>	<b>Grant ID Number</b>	<b>Federal Expenditures</b>	<b>Passed-Through to Subrecipients</b>
<b>U.S. Department of Housing and Urban Development Passed through Georgia Department of Community Affairs</b>				
Community Development Block Grant	14.228	T-03K-00	\$ 19,550	\$ -
Community Development Block Grant	14.228	A-21A-00	11,500	-
Total U.S. Department of Housing and Urban Development			<u>31,050</u>	<u>-</u>
<b>U.S. Department of the Treasury Passed through Georgia Governors Office of Planning and Budget</b>				
COVID-19 - Coronavirus Relief Fund	21.019	14629-CRF	904,349	-
Total U.S. Department of the Treasury			<u>904,349</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 935,399</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards.

# LONG COUNTY, GEORGIA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Long County, Georgia (the "County"), and is presented on the accrual basis of accounting. The County reporting entity is defined in Note 1 of the County's basic financial statements.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

#### Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurred.

#### Program Type Determination

Type A programs are defined as federal programs with federal expenditures exceeding the larger of \$750,000, or 3% of total federal expenditures. The threshold of \$750,000 was used in distinguishing between Type A and Type B programs.

#### Method of Major Program Selection

The risk-based approach was used in the selection of federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the fiscal year ended June 30, 2021.

#### De-Minimis Indirect Cost Rate

During 2021, the County did not use the de-minimis indirect cost rate.

# LONG COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### SECTION I SUMMARY OF AUDIT RESULTS

#### **Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
Material weaknesses identified? ☒ Yes ☐ No

Significant deficiencies identified not considered  
to be material weaknesses? ☐ Yes ☒ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

#### **Federal Awards**

Internal control over major programs:  
Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified not considered  
to be material weaknesses? ☐ Yes ☒ No

Type of auditor's report issued on compliance for  
major programs Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with 2 CFR part 200? ☐ Yes ☒ No

Identification of major programs:

CFDA Number  
21.019

Name of Federal Program  
**U.S. Department of the Treasury**  
Coronavirus Relief Fund

Dollar threshold used to distinguish between  
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No



# LONG COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

#### **2021-001.**      **Segregation of Duties**

**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/Context:** There is not appropriate segregation of duties among recording, distribution and reconciliation of cash accounts and other operational functions in the various funds possessed by the elected officials.

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

**Effect:** Failure to properly segregate duties among recording, distribution and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

**Cause:** The lack of segregation of duties is due to the lack of a properly developed integrated work plan with appropriate controls. In addition, in certain circumstances there are a limited number of trained 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 segregation of duties relative to: making deposits, opening mail, posting receipts, and signing of checks.

**Views of Responsible Officials and Planned Corrective Action:** We concur. The County is in the process of reviewing their respective systems and processes to evaluate and determine the most efficient and effective solution to properly segregate duties among all County functions to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

### SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

**LONG COUNTY, GEORGIA**  
**SUMMARY OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**STATUS OF PRIOR YEAR AUDIT FINDINGS**

**2020-001.      Segregation of Duties**

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

**Condition:** There is not appropriate segregation of duties among recording, distribution and reconciliation of cash accounts and other operational functions in the various funds possessed by the County and elected officials. Additionally, there is a lack of approval of manual journal entries posted to the accounting system.

**Context:** Several instances of overlapping duties were noted during interviews regarding internal control procedures. Journal entries are not approved or reviewed prior to posting.

**Auditee Response/Status:** Unresolved. See current year finding 2021-001.

**2020-002.      Due to Others – Agency Funds**

**Criteria:** Internal controls and effective procedures should be in place to ensure accurate supporting records are maintained to support financial statement amounts. Specifically, as to who cash amounts held by the elected official offices are owed at any given time.

**Condition/Context:** Records of who cash amounts on hand were owed are not maintained by the respective elected official offices of the County.

**Auditee Response/Status:** Resolved.