

**CHATTOOGA COUNTY, GEORGIA**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**JASON WINTERS, COUNTY COMMISSIONER**  
**MARTHA TUCKER, COUNTY CLERK**



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Trion, Georgia

**INDEPENDENT AUDITOR'S REPORT**

To the Commissioner  
Chattooga County, Georgia

**Report on the Financial Statements**

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

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the component unit, Chattooga County Health Department, which represent 4 percent, .07 percent, and 3.6 percent, respectively, of the assets, net position, and revenues of the County. 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 Chattooga County Health Department, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chattooga County, Georgia as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 12), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors 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 Chattooga County, Georgia's financial statements. The combining and individual fund statements and schedules, the schedules of special purpose local option sales tax expenditures, as required by the Official Code of Georgia 48-8-121, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, the schedules of special purpose local option sales expenditures, 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 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 non-major fund financial statements the schedules of special purpose local option sales expenditures, 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 June 16, 2021 on our consideration of Chattooga County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chattooga County, Georgia's internal control over financial reporting and compliance.



CHRYSAN THOMAS  
Certified Public Accountant

Trion, Georgia  
June 16, 2021

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**CHATTOOGA COUNTY, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

Our discussion and analysis of Chattooga County, Georgia's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2020. 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 total net assets increased by \$2,531,000 as a result of this year's operations. The net assets of our business-type activities increased by \$673,000 while the assets of our governmental activities increased by \$1,858,000.
- During the year, the County had expenses that were \$1,858,000 less than the \$16.5 million generated in tax and other revenues for total governmental programs.
- In the County's business-type activities, revenues increased to \$2.2 million and expenses remained comparable at \$1.53 million.
- Total cost of all of the County's programs was \$16.2 million, compared to \$15.7 million for 2019, with no new programs added this year.
- The County's governmental activities reported an increase in net assets this year of \$1,858,000.

**Overview of the Financial Statements**

Management's Discussion and Analysis introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The County also includes in this report additional information to supplement the basic financial statements.

**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 eliminating and/ or reclassifying internal activities.

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

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

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by taxes and user charges, and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, court system, cultural and recreational, sanitation, and health and welfare. Business-type activities include the Chattooga County Water District. 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). Component units operate independently or provide services directly to the citizens, though the County remains accountable for their activities. A board of directors that the County has the authority to make all or some of the appointments governs component units. Chattooga County has one component unit, the County Health Department, is reported separately from the primary government though included in the County's overall reporting entity.

## **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.

The County has three kinds of 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 accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

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

Budgetary comparison statements are included in the basic financial statements for the general fund. Budgetary comparison schedules for special revenue funds and the capital project funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the County charges customers a fee. There are two kinds of proprietary funds. These are enterprise funds and internal service funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization such as the Chattooga County Water District. Internal service funds provide services and charges fees to customers (i.e., other funds) within the County organization. The County does not have any internal service funds. Proprietary fund statements and statements for discretely presented component units (reporting is similar to proprietary funds) provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statement but with more detail for major enterprise funds and individual component units. Individual fund information for non-major enterprise funds is found in combining and individual fund statements in a later section of this report.

*Fiduciary funds* (i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the 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.

### **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.

### **Other information**

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

## Financial Analysis of the County as a Whole

As noted previously, net position may serve over time as a useful indicator of a government's financial positions. The County's combined net position (governmental and business-type activities) totaled \$19.3 million at December 31, 2020.

The following table provides a summary of the County's governmental and business-type net position for the years 2020 and 2019.

**Table 1**

### Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other						
Assets	\$ 4,524,619	\$ 4,116,398	\$ 104,035	\$ (20,785)	\$ 4,628,654	\$ 4,095,613
Capital assets - net	<u>7,244,743</u>	<u>7,118,344</u>	<u>16,224,822</u>	<u>15,881,047</u>	<u>23,469,565</u>	<u>22,999,391</u>
Total Assets	<u>11,769,362</u>	<u>11,234,742</u>	<u>16,328,857</u>	<u>15,860,262</u>	<u>28,098,219</u>	<u>27,095,004</u>
Long-term debt						
Outstanding	195,570	78,830	7,723,061	7,892,790	7,918,631	7,971,620
Other liabilities	<u>594,567</u>	<u>2,034,345</u>	<u>291,500</u>	<u>326,662</u>	<u>886,067</u>	<u>2,361,007</u>
Total liabilities	<u>790,137</u>	<u>2,113,175</u>	<u>8,014,561</u>	<u>8,219,452</u>	<u>8,804,698</u>	<u>10,332,627</u>
Net Position:						
Net investment						
In Capital Assets	6,936,644	6,357,853	8,285,119	7,776,168	15,221,763	14,134,021
Restricted	1,415,153	2,144,561	-	-	1,415,153	2,144,561
Unrestricted	<u>2,627,428</u>	<u>619,153</u>	<u>29,177</u>	<u>(135,358)</u>	<u>2,656,605</u>	<u>483,795</u>
Total Net Position	<u>\$10,979,225</u>	<u>\$ 9,121,567</u>	<u>\$ 8,314,296</u>	<u>\$ 7,640,810</u>	<u>\$19,293,521</u>	<u>\$16,762,377</u>

For the year ended December 31, 2020, the County's net position increased from 2019. Our analysis focuses on the net position (Table 1 above) and changes in net position (Table 2 below) of the County's governmental and business-type activities.

The major infrastructures (roads, streets, and bridges) that the County owns or is responsible for maintaining has been included in the capital assets and net position of the County for 2020 and 2019. Capital assets are used to provide services to the County's citizens; therefore, are not available for future spending. Although the County's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current year, the County is able to report positive balances in all categories of net position for both governmental and business-types activities.

## Changes in Net Position

Governmental and business-type activities increased the County's net position by \$2,531,144 during 2020. The prior year increase in the County's property tax millage rate is reflected in the increase in tax revenues. Also included is the Covid -19 Relief Funds of \$925,664 to reimburse for emergency personnel. State LMIG money of \$628,939 was received in December 2019 and was spent in 2020 for road improvements. The 2021 LMIG had not been received by year end.

The following table indicates the changes in net assets for governmental and business-type activities during 2020 and 2019.

**Table 2**  
**Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business Activities</u>		<u>Total Primary</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 2,314,831	\$ 2,552,815	\$ 1,420,724	\$ 1,248,697	\$ 3,735,555	\$ 3,801,512
Operating grants	1,153,185	1,163,859	-	-	1,153,185	1,163,859
Capital grants	34,782	2,684	778,336	123,807	813,118	2,684
General revenues						
Property taxes	10,028,422	9,612,214	-	-	10,028,422	9,612,214
Sales taxes	2,978,153	2,460,747	-	-	2,978,153	2,460,747
Other revenues	9,537	20,524	26	20	9,563	20,544
Total revenues	<u>16,518,910</u>	<u>15,812,843</u>	<u>2,199,086</u>	<u>1,372,524</u>	<u>18,717,996</u>	<u>17,185,367</u>
<b>Program expenses</b>						
General government	1,853,443	1,908,860	-	-	1,853,443	1,908,860
Public safety	5,102,364	5,413,938	-	-	5,102,364	5,413,938
Public works	3,934,656	3,239,740	-	-	3,934,656	3,239,740
Court system	1,621,276	1,539,658	-	-	1,621,276	1,539,658
Cultural & recreational	944,257	765,136	-	-	944,257	765,136
Sanitation	912,399	871,402	-	-	912,399	871,402
Health and welfare	270,230	390,019	-	-	270,230	390,019
Interest Expense	22,627	14,803	-	-	22,627	14,803
Water and sewer	-	-	1,525,600	1,538,772	1,525,600	1,538,772
Total expenses	<u>14,661,252</u>	<u>14,143,556</u>	<u>1,525,600</u>	<u>1,538,772</u>	<u>16,186,852</u>	<u>15,682,328</u>
<b>Excess (deficiency) before transfers and other items</b>	1,857,658	1,669,287	673,486	(166,248)	2,531,144	1,503,039
Transfers-in (Out)	-	-	-	-	-	-
<b>Increase (decrease)</b>						
<b>Change in net position</b>	<u>1,857,658</u>	<u>1,669,287</u>	<u>673,486</u>	<u>(166,248)</u>	<u>2,531,144</u>	<u>1,503,039</u>
<b>Net position - beginning</b>	<u>9,121,567</u>	<u>7,452,280</u>	<u>7,640,810</u>	<u>7,807,058</u>	<u>16,762,377</u>	<u>15,259,338</u>
<b>Net position - ending</b>	<u>\$10,979,225</u>	<u>\$ 9,121,567</u>	<u>\$ 8,314,296</u>	<u>\$ 7,640,810</u>	<u>\$ 19,293,521</u>	<u>\$ 16,762,377</u>

## Financial Analysis of the County's Funds

### Governmental Activities

To aid in the understanding of the Government-wide Statement of Activities on pages 14 and 15 some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenues, Expenses, and Changes in Fund Balance. Expenses are listed in the first column and revenues from that particular program are reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the County's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. All other governmental revenues are reported as general at the bottom of the statement. It is important to note that all taxes are classified as general revenues even if restricted for a specific purpose.

Table 3 presents the cost of each of the County's departments as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

**Table 3**

#### Governmental Activities

	<u>2020</u>		<u>2019</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General Government	\$ 1,876,070	\$ 1,643,439	\$ 1,923,663	\$ 1,579,101
Sheriff and Jail, 911 and Fire	5,102,364	2,580,065	5,413,938	3,492,077
Public Works	3,934,656	3,869,551	3,239,740	2,437,745
Court System	1,621,276	1,621,276	1,539,658	1,539,658
Cultural and Recreation	944,257	764,010	765,136	551,288
Sanitation	912,399	412,322	871,402	437,310
Health and Welfare	<u>270,230</u>	<u>267,791</u>	<u>390,019</u>	<u>387,019</u>
Total	<u>\$ 14,661,252</u>	<u>\$ 11,158,454</u>	<u>\$ 14,143,556</u>	<u>\$ 10,424,198</u>

## Business-type Activities

Revenues of the County's business-type activities (see Table 2) increased by \$266,258 for 2019 over 2018. Expenses increased by \$43,621 for 2019 over 2018. A summary of activity follows in Table 4.

**Table 4**

	<u>Water and Sewer</u>	
	<u>2020</u>	<u>2019</u>
Revenues:		
Charges for Services	\$ 1,420,724	\$ 1,248,697
Capital Grants	700,925	64,459
Other Revenues	<u>26</u>	<u>20</u>
Total Revenues	<u>2,121,675</u>	<u>1,313,176</u>
Expenses:		
Operating Expenses Other than Depreciation	805,079	804,096
Depreciation	458,119	467,894
Interest Expense	<u>262,402</u>	<u>266,782</u>
Total Expenses	1,525,600	1,538,772
Capital Contributions	77,411	59,348
Net Income(Loss)	<u>\$ 673,486</u>	<u>\$ (166,248)</u>

## The County's Funds

The County completed the year with its governmental funds (as presented in the balance sheet on page 16) reporting a *combined* fund balance of \$ 3,530,933 compared to \$ 2,216,894 for 2019.

The County received \$2.98 million in SPLOST revenue for various projects of the Cities and County. The amounts paid to the Cities were as follows:

Summerville	\$ 905,439	Menlo	\$ 120,325
Trion	\$ 345,713	Lyerly	\$ 123,619

The Cities receive payments from the County government as reimbursement for operations of the fire departments. The amount provided was \$96,000 in 2020 and \$100,000 in 2019.

In addition, the County government made reimbursement payments to the Cities to assist in providing recreation. The amount provided was \$155,000 in 2020 and 2019.

There were no significant variations in budget revenues. The General Fund actual charges (expenditures) were even to the final budget amounts.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of December 31, 2020, the County had \$23.5 million invested in a broad range of capital assets, including police and administrative equipment, buildings, vehicles, water lines, and infrastructure. (See Table 5 below). These amounts include infrastructure cost of the governmental activities and are net of \$60 million in accumulation depreciation.

**Table 5**

**Capital Assets at Year-End  
(Net of Depreciation)**

	2020			2019
	Governmental Activities	Business-type Activities	Primary Government Total	Primary Government Total
Land and CIP	\$ 480,787	\$ 69,499	\$ 550,286	\$ 614,761
Buildings	2,480,548	43,473	2,524,021	2,643,840
Equipment	911,061	42,022	953,083	634,095
Infrastructure	<u>3,372,347</u>	<u>16,069,828</u>	<u>19,442,175</u>	<u>19,106,695</u>
Total	<u>\$ 7,244,743</u>	<u>\$ 16,224,822</u>	<u>\$ 23,469,565</u>	<u>\$ 22,999,391</u>

### Debt

At December 31, 2020, the County had \$8.2 million in bonds, loans and long-term leases payable as presented in Table 6 below.

**Table 6**

**Outstanding Debt  
at December 31, 2020**

	2020			2019
	Governmental Activities	Business Type Activities	Primary Government Total	Primary Government Total
Revenue Bonds (secured by specific fee revenues of the water system)	\$ -	\$ 6,792,464	\$ 6,792,464	\$ 6,910,725
Revenue Bonds (secured Sales tax proceeds)	-	-	-	575,000
GEFA Loans (secured by water system)	-	1,147,239	1,147,239	1,194,154
Promissory Note (secured by equipment)	229,269	-	229,269	69,866
Lease payable(secured by equipment)	<u>78,830</u>	<u>-</u>	<u>78,830</u>	<u>115,625</u>
Total	<u>\$ 308,099</u>	<u>\$ 7,939,703</u>	<u>\$ 8,247,802</u>	<u>\$ 8,865,370</u>



Details of capital assets and debt are disclosed in Notes 6 through 10 of the Notes to the Financial Statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County is an average size county for Georgia but it is not located on a major interstate highway. The County population has been stable and the economic environment has stabilized resulting in lower unemployment rates both in the county and region. The tax base has remained constant with major industries being in the area of textile manufacturing. Major projects have been in the water utility fund.

The 2021 budget has been prepared with no increase in the millage rate. At December 31, 2020, the general fund had a fund balance of \$2,115,780 compared to \$71,984 from the prior year. Prior year increase in the tax millage rate, Covid Relief Funds and decreases in expenditures during 2020 had a positive effect on fund balance. During 2020 transfers to capital projects were to supplement tax proceeds used for projects. With final bond payment in March 2020 additional funds should not be needed and there should be a reduction in transfers for these SPLOST projects in the future.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or would like to request additional financial information, please contact:

Chattooga County Commissioner's Office  
10102 Commerce Street  
Summerville, Georgia 30747

Telephone: 706-857-0700  
Website: [www.chattoogacountyga.com](http://www.chattoogacountyga.com)



Blake Elsberry, Commissioner  
Chattooga County, Georgia

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## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

### Government Financial Statements

Statement of Net Position

Statement of Activities

### Fund Financial Statements

Governmental Funds

Proprietary (Enterprise) Funds

### Notes to Basic Financial Statements

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**CHATTOOGA COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**December 31, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and Cash Investments	\$ 2,689,290	\$ 301,543	\$ 2,990,833	\$ 718,737
Receivables (Net of Allowance for Doubtful Accounts)				
Ad Valorem Taxes	945,045	-	945,045	-
Other Taxes	247,727	-	247,727	-
Accounts	186,712	199,387	386,099	3,029
Due from Other Governments	861	-	861	84,408
Internal Balances	454,984	(454,984)	-	-
Inventories	-	27,189	27,189	5,373
Prepaid Items	-	5,000	5,000	1,017
<b>Restricted Assets</b>				
Cash and Cash Investments	-	25,900	25,900	-
<b>Capital Assets:</b>				
Construction in Process	-	12,600	12,600	-
Land	480,787	56,899	537,686	-
Buildings	4,767,301	145,810	4,913,111	-
Equipment	5,240,030	905,746	6,145,776	-
Infrastructure	50,341,455	21,525,386	71,866,841	-
Accumulated Depreciation	(53,584,830)	(6,421,619)	(60,006,449)	-
Total Assets	11,769,362	16,328,857	28,098,219	812,564
<b>Deferred Outflows of Resources</b>	-	-	-	197,457
<b>Liabilities</b>				
Accounts Payable	273,705	6,448	280,153	-
Due to Other Governments	208,333	-	208,333	25,689
Deferred Revenue	-	-	-	39,233
Deposits	-	68,410	68,410	-
Current Portion of Long-term Debt	112,529	216,642	329,171	-
<b>Non-Current Liabilities</b>				
Capital leases	40,315	-	40,315	-
Notes payable	155,255	-	155,255	-
Bonds Payable	-	7,723,061	7,723,061	-
Net pension liability	-	-	-	559,104
Net other post-employment benefits	-	-	-	85,317
Compensated absences	-	-	-	52,092
Total Liabilities	790,137	8,014,561	8,804,698	761,435
<b>Deferred Inflows of Resources</b>	-	-	-	234,502
<b>Net Position</b>				
Net investment in Capital Assets	6,936,644	8,285,119	15,221,763	-
<b>Restricted for</b>				
Capital projects	857,527	-	857,527	-
Special Programs	557,626	-	557,626	-
Unrestricted	2,627,428	29,177	2,656,605	14,084
Total Net Position	\$ 10,979,225	\$ 8,314,296	\$ 19,293,521	\$ 14,084

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities	\$ 1,853,443	\$ 175,905	\$ 56,726	\$ -
General Government	5,102,364	1,548,559	941,240	32,500
Public Safety	3,934,656	62,823	-	2,282
Public Works	1,621,276	-	-	-
Court System	944,257	27,467	152,780	-
Cultural and Recreational	912,399	500,077	-	-
Sanitation	270,230	-	2,439	-
Health and Welfare	22,627	-	-	-
Interest Expense	-	-	-	-
Total Governmental Activities	<u>14,661,252</u>	<u>2,314,831</u>	<u>1,153,185</u>	<u>34,782</u>
Business-Type Activities	1,525,600	1,420,724	-	778,336
Water and Sewer District	1,525,600	1,420,724	-	778,336
Total Business-Type Activities	<u>1,525,600</u>	<u>1,420,724</u>	<u>-</u>	<u>778,336</u>
Total Government	<u>\$ 16,186,852</u>	<u>\$ 3,735,555</u>	<u>\$ 1,153,185</u>	<u>\$ 813,118</u>
Component Unit				
Health and Welfare	\$ 640,085	\$ 214,800	\$ 368,876	\$ -

General Revenues:  
Ad Valorem Tax  
Sales Tax  
County Fundings  
Miscellaneous  
Investment earnings  
Gain from sale of assets  
Transfers  
Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year, as originally stated  
Prior Period Adjustment  
Net Position at Beginning of Year, as restated  
Net Position at End of Year

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2020**

**Net (Expenses) Revenue and Changes in Net Position**

Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (1,620,812)	\$ -	\$ (1,620,812)	
(2,580,065)	-	(2,580,065)	
(3,869,551)	-	(3,869,551)	
(1,621,276)	-	(1,621,276)	
(764,010)	-	(764,010)	
(412,322)	-	(412,322)	
(267,791)	-	(267,791)	
(22,627)	-	(22,627)	
(11,158,454)	-	(11,158,454)	
-	673,460	673,460	
-	673,460	673,460	
\$ (11,158,454)	\$ 673,460	\$ (10,484,994)	
			\$ (56,409)
\$ 10,028,422	\$ -	\$ 10,028,422	\$ -
2,978,153	-	2,978,153	-
-	-	-	78,466
-	-	-	207
493	26	519	7,270
9,044	-	9,044	-
-	-	-	-
13,016,112	26	13,016,138	85,943
1,857,658	673,486	2,531,144	29,534
9,121,567	7,640,810	16,762,377	(93,916)
-	-	-	78,466
9,121,567	7,640,810	16,762,377	(15,450)
\$ 10,979,225	\$ 8,314,296	\$ 19,293,521	\$ 14,084

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2020**

	<u>General</u>	<u>Capital Project Sales Tax Funds</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and Cash Investments	\$ 1,309,183	\$ 825,936	\$ 554,171	\$ 2,689,290
Receivables (net where applicable of allowance for doubtful accounts)				
Ad Valorem Taxes	945,045	-	-	945,045
Other Taxes	-	247,727	-	247,727
Other	151,756	-	34,956	186,712
Due from other funds	454,984	-	-	454,984
Due from other governments	-	-	861	861
<b>Total Assets</b>	<u>\$ 2,860,968</u>	<u>\$ 1,073,663</u>	<u>\$ 589,988</u>	<u>\$ 4,524,619</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 233,540	\$ 7,803	\$ 32,362	\$ 273,705
Due to other governments	-	208,333	-	208,333
Deferred Inflows of Resources				
Unavailable revenues	511,648	-	-	511,648
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>745,188</u>	<u>216,136</u>	<u>32,362</u>	<u>993,686</u>
<b>Fund Balances</b>				
Restricted for:				
Construction and capital outlay	-	857,527	-	857,527
Judicial	-	-	18,663	18,663
Public Safety	-	-	485,947	485,947
Culture and Recreation	-	-	53,016	53,016
Unassigned	2,115,780	-	-	2,115,780
<b>Total Fund Balance</b>	<u>2,115,780</u>	<u>857,527</u>	<u>557,626</u>	<u>3,530,933</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 2,860,968</u>	<u>\$ 1,073,663</u>	<u>\$ 589,988</u>	<u>\$ 4,524,619</u>

See accompanying notes to basic financial statements.



**CHATTOOGA COUNTY, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO STATEMENT OF NET POSITION**  
**December 31, 2020**

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<b>Total Governmental Fund Balances</b>	<b>\$</b>	<b>3,530,933</b>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		7,244,743
Unavailable revenue from taxes not collected within 60 days after the end of the fiscal year.		511,648
Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		
Due within one year	\$ (112,529)	
Due after one year	<u>(195,570)</u>	
		<u>(308,099)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>10,979,225</u></b>

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2020**

	<u>General Fund</u>	<u>Capital Project Sales Tax Funds</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes				
Ad Valorem	\$ 10,063,594	\$ -	\$ -	\$ 10,063,594
Sales Taxes	-	2,978,153	-	2,978,153
Charges for Services	644,162	-	641,645	1,285,807
Licenses and Permits	19,534	-	-	19,534
Investment Income	-	2,282	493	2,775
Fines and Forfeitures	534,227	-	69,588	603,815
Miscellaneous	113,257	62,823	74,394	250,474
Intergovernmental	1,301,621	-	6,765	1,308,386
<b>Total Revenues</b>	<u>12,676,395</u>	<u>3,043,258</u>	<u>792,885</u>	<u>16,512,538</u>
<b>Expenditures</b>				
<b>Current</b>				
General Government	1,702,240	-	-	1,702,240
Public Safety	3,987,906	-	982,745	4,970,651
Public Works	217,360	1,906,991	-	2,124,351
Sanitation	894,592	-	-	894,592
Cultural and Recreational	919,263	-	24,994	944,257
Court System	1,613,214	-	8,062	1,621,276
Health and Welfare	259,353	-	-	259,353
<b>Debt Service</b>				
Principal	129,355	615,522	36,795	781,672
Interest	5,645	11,577	5,405	22,627
<b>Intergovernmental payments</b>	-	1,495,096	-	1,495,096
<b>Capital Outlay</b>	<u>479,675</u>	<u>270,377</u>	<u>-</u>	<u>750,052</u>
<b>Total Expenditures</b>	<u>10,208,603</u>	<u>4,299,563</u>	<u>1,058,001</u>	<u>15,566,167</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,467,792</u>	<u>(1,256,305)</u>	<u>(265,116)</u>	<u>946,371</u>
<b>Other Financing Sources (Uses)</b>				
Sale of assets	9,044	-	-	9,044
Proceeds from loan	358,624	-	-	358,624
Transfers (Out)/In	(791,664)	596,164	195,500	-
<b>Total Other Financing Sources (Uses)</b>	<u>(423,996)</u>	<u>596,164</u>	<u>195,500</u>	<u>367,668</u>
<b>Net Changes in Fund Balance</b>	2,043,796	(660,141)	(69,616)	1,314,039
<b>Fund Balances - Beginning</b>	<u>71,984</u>	<u>1,517,668</u>	<u>627,242</u>	<u>2,216,894</u>
<b>Fund Balances - End of Year</b>	<u>\$ 2,115,780</u>	<u>\$ 857,527</u>	<u>\$ 557,626</u>	<u>\$ 3,530,933</u>

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2020**

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<b>Net Changes in Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<b>1,314,039</b>
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount of capital recorded in the current period net of disposals.		511,405
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(385,006)
The issuance of long-term debt (e.g. bonds) provides current resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net of these differences in the treatment of long-term debt and related items.		452,392
Some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues in the governmental funds.		<u>(35,172)</u>
<b>Changes In Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>1,857,658</u></b>

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 8,839,075	\$ 9,839,075	\$ 10,063,594	\$ 224,519
Intergovernmental	346,075	20,600	1,301,621	1,281,021
Charges for Services	611,400	585,000	644,162	59,162
Licenses and Permits	20,600	1,246,075	19,534	(1,226,541)
Fines and Forfeitures	585,000	611,400	534,227	(77,173)
Miscellaneous	5,100	105,100	113,257	8,157
<b>Total Revenues</b>	<u>10,407,250</u>	<u>12,407,250</u>	<u>12,676,395</u>	<u>269,145</u>
<b>Expenditures</b>				
General Government	1,763,207	1,762,000	1,760,191	1,809
Public Safety	4,774,600	4,135,500	4,135,418	82
Health and Welfare	280,370	1,613,900	259,353	1,354,547
Sanitation	709,051	217,000	1,303,804	(1,086,804)
Culture and Recreation	597,809	259,520	919,263	(659,743)
Court System	1,614,137	919,700	1,613,214	(693,514)
Public Works	32,450	1,304,000	217,360	1,086,640
<b>Total Expenditures</b>	<u>9,771,624</u>	<u>10,211,620</u>	<u>10,208,603</u>	<u>3,017</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>635,626</u>	<u>2,195,630</u>	<u>2,467,792</u>	<u>272,162</u>
<b>Other Financing Sources (Uses)</b>				
Sale of assets	-	-	9,044	9,044
Proceeds from borrowing	-	-	358,624	358,624
Transfers Out	(635,626)	(800,000)	(791,664)	8,336
<b>Total Other Financing Sources (Uses)</b>	<u>(635,626)</u>	<u>(800,000)</u>	<u>(423,996)</u>	<u>376,004</u>
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses</b>	<u>\$ -</u>	<u>\$ 1,395,630</u>	<u>2,043,796</u>	<u>\$ 648,166</u>
<b>Fund Balances - Beginning</b>			<u>71,984</u>	
<b>Fund Balances - End of Year</b>			<u>\$ 2,115,780</u>	

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA  
BALANCE SHEET  
PROPRIETARY FUND  
December 31, 2020**

	<b>Water Fund</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Investments	\$ 301,543
Receivables (Net Where Applicable of Allowance for Doubtful Accounts)	
Accounts	199,387
Inventories	27,189
Prepaid Expenses	5,000
Total Current Assets	533,119
Current Assets - Restricted	
Cash and Cash Investments	25,900
<b>Noncurrent Assets</b>	
Capital Assets	
Construction in Process	12,600
Land	56,899
Buildings	145,810
Equipment	905,746
Infrastructure	21,525,386
Accumulated Depreciation	(6,421,619)
Total Capital Assets Net of Accumulated Depreciation	16,224,822
Total Noncurrent Assets	16,224,822
<b>Total Assets</b>	<b>\$ 16,783,841</b>

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**BALANCE SHEET**  
**PROPRIETARY FUND**  
**December 31, 2020**

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	<u>Water Fund</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 6,448
Deposits	68,410
Due to general fund	454,984
Bonds and notes payable	<u>216,642</u>
Total Current Liabilities	<u>746,484</u>
<b>Noncurrent Liabilities</b>	
Bonds and notes payable	<u>7,723,061</u>
<b>Total Liabilities</b>	<u>8,469,545</u>
<b>Fund Equity</b>	
Net investment in capital assets	8,285,119
Unrestricted	<u>29,177</u>
Total Fund Equity	<u>8,314,296</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 16,783,841</u>

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**Year Ended December 31, 2019**

	<b>Water Fund</b>
<b>Operating Revenues</b>	
Charges for Services	\$ 1,420,724
<b>Total Operating Revenues</b>	1,420,724
<b>Operating Expenses</b>	
Personal Services	344,049
Supplies	434,818
Contractual Services	26,212
Depreciation	458,119
<b>Total Operating Expenses</b>	1,263,198
<b>Operating Income (Loss)</b>	157,526
<b>Nonoperating Revenues (Expenses)</b>	
Investment Income	26
Interest Expense	(262,402)
Grant Revenue	700,925
<b>Total Nonoperating Revenues (Expenses)</b>	438,549
<b>Income (Loss) before other revenues</b>	596,075
<b>Capital Contributions</b>	77,411
<b>Change in Net Position</b>	673,486
<b>Net Position - Beginning of Year</b>	7,640,810
<b>Net Position - End of Year</b>	\$ 8,314,296

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**Year Ended December 31, 2020**

	<b>Water Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 1,337,383
Cash payments to suppliers for goods and services	(458,603)
Cash payments to employees for services	(344,049)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>534,731</b>
<b>Cash Flows from Noncapital Financing Activities</b>	
Loan from (payment to) general fund	55,636
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(724,483)
Reduction of Bond Debt Principal - Net	(165,176)
Interest Paid on Bonds and Notes	(262,402)
Grant and Donation revenue	700,925
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(451,136)</b>
<b>Cash Flows from Investing Activities</b>	
Interest on Cash and Cash Investments	26
<b>Increase (Decrease) in Cash and Cash Investments</b>	<b>139,257</b>
<b>Cash and Cash Investments - Beginning of Year</b>	<b>188,186</b>
<b>Cash and Cash Investments - End of Year</b>	<b>\$ 327,443</b>
 Non-cash capital contributions were received from the following:	
Capital Project Sales Tax Funds - water line extensic	\$ 13,957
Capital Project Sales Tax Funds - construction costs	63,454
Total non-cash capital contributions	<b>\$ 77,411</b>

See accompanying notes to the basic financial statements.



**CHATTOOGA COUNTY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2020**

	<b>Water Fund</b>
<b>Reconciliation of Income (Loss) from operations to net cash provided (used) by operating activities</b>	
Operating Income (Loss)	\$ 157,526
Depreciation	458,119
Change in operating assets and liabilities:	
(Increase) Decrease in Accounts Receivable	(45,601)
Increase (Decrease) in Accounts Payable	(1,975)
(Increase) Decrease in Prepaid Expense	-
(Increase) Decrease in Inventory	4,402
(Increase) Decrease in Deposits	(37,740)
Net Cash Provided (Used) by Operating Activities	<b>\$ 534,731</b>
 <b>Reconciliation of Total Cash and Cash Investments:</b>	
Current Assets - Cash and Cash Investments	\$ 301,543
Restricted Assets - Cash and Cash Investments	25,900
Total Cash and Cash Investments	<b>\$ 327,443</b>

See accompanying notes to the basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**December 31, 2020**

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	<u>AGENCY FUNDS</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 194,498
Receivables	
Taxes	<u>636,803</u>
 Total Assets	 <u>\$ 831,301</u>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 140,890
Due to Other Governments	<u>690,411</u>
 Total Liabilities	 <u>\$ 831,301</u>

See accompanying notes to basic financial statements.

**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**1. Summary of Significant Accounting Policies**

**A. General Statement**

The accounting and reporting policies of Chattooga County, Georgia relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the County has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. During 2003, the County implemented the new financial reporting requirements of GASB Statement Nos. 33 and 34, with the exception of the area dealing with infrastructure assets of the Governmental Activities Fund, which was implemented in the 2005 year. The more significant accounting policies of the County are described below.

**B. Financial Reporting Entity**

Chattooga County, Georgia (the primary government) operates under a Single Commissioner form of government and provides the following services: public safety, highway and streets, sanitation, health and social services, culture-recreation, and general administrative services.

The County's basic financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Based on the aforementioned criteria the Industrial Development Authority, Hospital Authority, Board of Education, Library, and Department of Family and Children's Services did not meet the criteria for inclusion in these financial statements. The State of Georgia has concluded that the Department of Health should be included as a discretely presented component unit of the primary government.

**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**1. Summary of Significant Accounting Policies - continued**

**C. Basis of Presentation**

**Government-wide Financial Statements**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the County. The effect of interfund activity, within the governmental and business-type activities columns has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The fiduciary funds of the government are not included in the government-wide financial statement.

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

**Fund Financial Statements**

The County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The County has presented the following major governmental funds:

**General Fund -**

General Fund is the main operating fund of the County. The fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Capital Projects Fund - Sales Tax**

The Sales Tax Fund is used to account for funds received and expended for the construction and renovation of roads and bridges and special projects financed through Special Purpose Sales Tax revenue.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The County has presented the following major proprietary fund:

CHATTOOGA COUNTY, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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1. **Summary of Significant Accounting Policies** - continued

**Fund Financial Statements – continued**

**Water Fund -**

The Water Fund is used to account for the provision of water services to the residents of the County. Activities of the fund include administration, operations, and maintenance of the water system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water debt. All costs are financed through charges to utility customers with rates reviewed and adjusted, if necessary, to ensure integrity of the funds.

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

**Fiduciary Fund (Not included in Government-wide statements) -**

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and other governmental units.

**Agency Funds-**

Agency funds account for assets held by the County in a purely custodial capacity. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The agency funds are as follows:

**Tax Commissioner** - Collects and remits taxes collected for other governments and the County. The portion collected for the County is included in the County's General Fund.

**Clerk of Court** - Collects and remits fines and forfeitures authorized by the Courts for other governments, individuals, entities, and the County. The portion collected for the County is included in the County's General Fund.

**Probate Court** - Collects charges for various licenses and death certificates issued to the citizens of the County and remits them to other government agencies and the County. The portion collected for the County is included in the County's General Fund.

**Magistrate Court** - Collects fines and forfeitures authorized by the Court and remits them to other governments, individuals, entities, and the County. The portion collected for the County is included in the County's General Fund.

**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**1. Summary of Significant Accounting Policies - continued**

**Fund Financial Statements – continued**

**Major and Non-major Funds**

The funds are further classified as major or non-major as follows:

<b>Major Funds</b> (See above for descriptions)	<u>Description</u>
<u>Fund</u>	
Capital Projects Fund - Sales Tax	
Proprietary Fund - Water	
<b>Non-major Funds:</b>	
Special Revenue Funds	Used for accounting for revenues and expenditures of contracts and special projects.

**D. Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

**Measurement Focus**

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income, and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**1. Summary of Significant Accounting Policies - continued**

**D. Measurement Focus and Basis of Accounting – continued**

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary fund types utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unbilled water funds utility service receivables are accrued at year-end by prorating actual subsequent billings.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The **discretely presented component unit (County Health Department)** uses the accrual basis of accounting for government-wide financial statements. At the fund reporting level, governmental funds use the modified accrual basis of accounting. The account group records acquisition cost of all capital assets owned by the Health Department as of the reporting period. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The fiscal year used by the component unit ends June 30. The fiscal year ended June 30, 2020 is included in these financial statements. Copies of the audited financial statements can be obtained at 60 Farrar Drive, Summerville, Georgia, 30747.

**CHATTOOGA COUNTY, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**1. Summary of Significant Accounting Policies - continued**

**E. Budgetary Control**

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

- a. Prior to October 1, the department heads submit to the County Commissioner a proposed operating budget for the year commencing the following January 1. The operating budget identifies the proposed expenditures for each department.
- b. After receipt of the department operating budgets, the Commissioner develops the County's budget. The County's budget includes proposed expenditures and the means of financing them.
- c. The budget is published in the local newspaper two weeks prior to a public hearing.
- d. Public hearing is conducted to obtain taxpayer comments.
- e. The budget is formally adopted after the public hearing.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Capital Projects Funds, and Special Revenue Funds. Formal budgets are also adopted for the Water District. Budgets for the General, Capital Projects, and Special Revenue Funds are adopted on the modified accrual (or GAAP) basis.

Budgeted amounts are as originally adopted, or as amended, by the Commissioner. Individual amendments were not material in relation to the original appropriations, which were amended. Unencumbered appropriations lapse at year-end.

The County does not employ encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

There were no material supplementary appropriations made during the year.

The actual results of operations as compared with the budget are presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis).

**F. Cash and Cash Equivalents**

Cash and cash equivalents, as authorized by statutes, include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County, stated at cost. The County has no custodial or foreign risk policy other than the requirement that deposits should be in federally insured depositories.



**CHATTOOGA COUNTY, GEORGIA  
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**1. Summary of Significant Accounting Policies– continued**

**G. Inventory**

Enterprise Fund inventory consists of supplies and is stated at the lower of cost or market using the FIFO (first-in, first-out) method.

**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 other subsequent expenditures.

**I. Interfund Receivables and Payables**

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances.”

**J. Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds as follows:

<u>FUNDS</u>	<u>Amount</u>	
General Fund to E-911 Emergency	\$ 195,500	(For Operations)
General Fund to Capital Projects	\$ 596,164	(For Operations)

Transfers to Capital Projects were to supplement tax proceeds used for projects. With final bond payment in March 2020 additional funds should not be needed and there should be a reduction in transfers for these SPLOST projects in the future.

**K. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment. See Note 1-N for the deferral method of reporting infrastructure assets (roads, bridges, etc.) for the governmental activities fund.

Assets capitalized, not including infrastructure assets, have an original cost of \$1,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of \$5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and Improvements	20 - 50 Years
Water and Sewer System	30 - 50 Years
Infrastructure	20 - 40 Years
Machinery and Equipment	5 - 10 Years

**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**1. Summary of Significant Accounting Policies - continued**

**L. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts**

National Council on Governmental Accounting Statement 4, "Accounting and Financial Reporting Principles for claims and Judgments and Compensated Absences," concludes that vacation and sick pay costs (and other employee benefit amounts) should be accrued. All material amounts of employee benefits including compensated absences have been paid during the year negating any requirement for accruals.

**M. Fund Equity**

At the governmental fund financial reporting level, fund equity is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

**Fund Balance** - Generally, fund balance represents the difference between the current assets and current liabilities. Amounts are classified as nonspendable, restricted, committed, assigned, or unassigned. The nonspendable fund balance includes amounts that are not available to fund expenditures such as inventories and prepaid amounts. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource provider, or through enabling legislation. The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Commissioner). Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purpose for which amounts have been restricted, committed, or assigned.

**Net Position** - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on the use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. In governmental funds, the County's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The County does not have any items that qualify for reporting in this category.

**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**1. Summary of Significant Accounting Policies - continued**

**M. Fund Equity – continued**

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County reports one of these items. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**N. Implementation of New Accounting Principles**

The County elected to utilize the infrastructure transition option in the implementation of GASB Statement No. 34 (GASB 34), "Basis Financial Statements – Management's Discussion and Analysis – for State and Local Governments" and in fiscal year 2003 began capitalizing major infrastructure networks completed during the year. The County implemented infrastructure assets already in place at January 1, 2003 in 2005. In the absence of actual cost information, the County used a weighted average age calculation for estimating the historical cost of these infrastructure networks.

**2. Cash and Cash Equivalents**

Deposits consist of cash and short-term certificates of deposit and money market accounts. The county's policy and state statutes require all deposits be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2020, all of the County's deposits were insured or collateralized. The County has no foreign risk or interest rate risk policies.

**3. Property Tax**

Property taxes attach as an enforceable lien on property 30 days after the due date. Property taxes are billed on or about October 20 of each year and are payable in sixty days. The property taxes for 2020 were levied on October 1, 2020, billed on October 1, 2020 with a due date of December 1, 2020. Liens can be attached on January 1, 2021.

The County bills and collects its own taxes and collects various taxes for the Chattooga County Board of Education, the City of Summerville, Town of Trion, City of Menlo, Town of Lyerly, and the State of Georgia. Collection of the taxes for the County and the other government agencies is the responsibility of the Tax Commissioner's office, which is accounted for in the Agency Fund. County property tax revenues are recognized when levied to the extent that they result in current receivables in accordance with Interpretation #3 issued by the National Council on Government Accounting. Current receivables include those property tax receivables expected to be collected within sixty days after year-end.

**CHATTOOGA COUNTY, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**3. Property Tax - continued**

The following is a summary of the estimated amount of property, and utility taxes for all governments collectible at December 31, 2020:

<u>TAX YEAR</u>	<u>TOTAL UNCOLLECTED</u>	<u>RESERVE FOR UNCOLLECTIBLE</u>	<u>ESTIMATED COLLECTIBLE</u>
2020	\$ 819,887	\$ 8,694	\$ 811,193
2019	130,627	9,215	121,412
2018	25,625	16,582	9,043
2017	9,742	9,113	629
2016	8,308	7,705	603
2015	8,048	6,060	1,988
2014	4,986	4,837	149
2013	3,515	3,505	10
2012	202	193	9
2011	<u>146</u>	<u>137</u>	<u>9</u>
Total	<u>\$ 1,011,086</u>	<u>\$ 66,041</u>	<u>\$ 945,045</u>

**4. Restricted Assets**

Restricted assets represent monies and other assets, which are restricted for use by legal or contractual requirements, amounts used in prior years for operating expenditures out of customer deposits, and amounts, deposited into the reserve account from unrestricted assets as required by the bond ordinances (Note 8).

Restricted assets were composed of the following at December 31, 2020:

Proprietary Funds:

Cash:

Renewal and Extension \$ 25,900

**5. Contingent Liabilities and Landfill Closure**

Legal proceedings and possible claims are pending or may be asserted in the future against the County. The County's insurance carrier is defending the proceedings where coverage is afforded. At this time, neither the County nor the County's legal counsel can estimate the outcome of the cases. However, they consider the likelihood of negative consequences to be minimal.

The County closed its only sanitation landfill in 1992 and the closure was completed in 1999. After closure, the site is required by state law to be monitored for a minimum of 25 years at an expected cost of \$25,000 per year. The estimated balance for future costs is \$500,000 over 20 years. The estimated remaining cost of closure and yearly cost of landfill monitoring is based on current effective rates. Future closure and monitoring costs are to be paid from revenues derived from the 1% special local option sales tax. The actual cost of closure and future monitoring is subject to change due to changes in inflation, technology, or applicable landfill laws and regulations. The County presently contracts with an independent company to transport its waste to another site operated by another municipality.

**CHATTOOGA COUNTY, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**6. Capital Assets**

Capital assets acquired prior to January 1, 1986 are shown at the fair market value as determined by the County Tax Assessors. Assets acquired after January 1, 1986 are recorded at cost.

**A summary of changes in Capital Assets is as follows:**

**Governmental Activities:**

	<u>Balance January 1</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>Balance December 31</u>
Capital Assets not being Depreciated:				
Land	\$ 480,787	\$ -	\$ -	\$ 480,787
Total	<u>480,787</u>	<u>-</u>	<u>-</u>	<u>480,787</u>
Capital Assets being Depreciated:				
Buildings	4,767,301	-	-	4,767,301
Equipment	4,856,909	512,175	129,054	5,240,030
Infrastructure	<u>50,341,455</u>	<u>-</u>	<u>-</u>	<u>50,341,455</u>
Total	<u>59,965,665</u>	<u>512,175</u>	<u>129,054</u>	<u>60,348,786</u>
Less Accumulated Depreciation:				
Buildings	2,170,357	116,396	-	2,286,753
Equipment	4,299,391	157,862	128,284	4,328,969
Infrastructure	<u>46,858,360</u>	<u>110,748</u>	<u>-</u>	<u>46,969,108</u>
Total	<u>53,328,108</u>	<u>385,006</u>	<u>128,284</u>	<u>53,584,830</u>
Total Capital Assets being Depreciated, Net	<u>6,637,557</u>	<u>127,169</u>	<u>(770)</u>	<u>6,763,956</u>
Total Governmental Activities, Capital Assets, Net	<u>\$ 7,118,344</u>	<u>\$ 127,169</u>	<u>\$ (770)</u>	<u>\$ 7,244,743</u>

	<u>Balance January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31</u>
<b><u>Business-type Activities:</u></b>				
Capital Assets not being Depreciated:				
Land	\$ 56,899	\$ -	\$ -	\$ 56,899
Construction in process	<u>77,075</u>	<u>12,600</u>	<u>77,075</u>	<u>12,600</u>
Total	<u>133,974</u>	<u>12,600</u>	<u>77,075</u>	<u>69,499</u>
Capital Assets being Depreciated:				
Buildings	145,810	-	-	145,810
Equipment	905,746	-	-	905,746
Infrastructure	<u>20,659,018</u>	<u>866,368</u>	<u>-</u>	<u>21,525,386</u>
Total	<u>21,710,574</u>	<u>866,368</u>	<u>-</u>	<u>22,576,942</u>
Less Accumulated Depreciation:				
Buildings	98,914	3,423	-	102,337
Equipment	829,169	34,555	-	863,724
Infrastructure	<u>5,035,418</u>	<u>420,140</u>	<u>-</u>	<u>5,455,558</u>
Total	<u>5,963,501</u>	<u>458,118</u>	<u>-</u>	<u>6,421,619</u>
Total Capital Assets being Depreciated, Net	<u>15,747,073</u>	<u>408,250</u>	<u>-</u>	<u>16,155,323</u>
Total Business-type Activities Capital Assets, Net	<u>\$15,881,047</u>	<u>\$ 420,850</u>	<u>\$ 77,075</u>	<u>\$16,224,822</u>

**CHATTOOGA COUNTY, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**6. Capital Assets - continued**

Depreciation for the year by functions was as follows:

General Government	\$ 74,218	
Public Safety	130,943	
Roads and Bridges	151,161	
Sanitation	17,807	
Health and Welfare	<u>10,877</u>	
 Total Government Activities		 \$ 385,006
Total Business-Type Activities – Water		<u>458,118</u>
 Total Depreciation		 <u>\$ 843,124</u>

**7. Leases**

The County has entered into lease transactions for equipment. The leases payable are capitalized and included in the liabilities.

**Following is a schedule of changes in capital lease agreements:**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease payable with interest at 4.675%, payable annually at \$42,200 secured by equipment	<u>\$ 115,625</u>	<u>\$ -</u>	<u>\$ 36,795</u>	<u>\$ 78,830</u>	<u>\$ 38,515</u>

The annual requirements to amortize the above leases over the five-year period succeeding December 31, 2020, including interest payments, is as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL PAYMENT</u>
2021	\$ 38,515	\$ 3,685	\$ 42,200
2022	<u>40,315</u>	<u>1,885</u>	<u>42,200</u>
 TOTAL	 <u>\$ 78,830</u>	 <u>\$ 5,570</u>	 <u>\$ 84,400</u>

**CHATTOOGA COUNTY, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**7. Leases – continued**

The assets acquired through capital leases are as follows:

Governmental Activities:

Asset:	
Equipment	\$ 154,790
Less Accumulated Depreciation	<u>(87,070)</u>
Net Book Value	<u>\$ 67,720</u>

Current amortization expense of these assets is included with depreciation expense.

Future minimum lease payments together with the net present value of minimum lease payments at December 31, 2020 is as follows:

	<u>AMOUNT</u>
Minimum lease payments for capital lease	\$ 84,400
Less amount representing interest at the County's incremental borrowing rate	<u>(5,570)</u>
Present value of minimum lease payments	<u>\$ 78,830</u>

**8. Long Term Debt**

During 2008, the Water District received a loan from the Georgia Environmental Facilities Authority (GEFA) for \$573,300 to finance the construction of a water expansion project in the Cloudland and the Gore/Subligna area. The loan is payable over 20 years at \$2,388.75 monthly at zero interest beginning November 2009.

On October 15, 2009, the County issued Chattooga County, Georgia Water System Revenue Bond, Series 2008B. The principal face amount is \$4,921,000, with monthly payments of \$21,554 including interest at 4.375% with the first payment due November 2010. This bond was issued for the purpose of refinancing the costs of the additions, extensions, and improvements to the existing water system of the County in the Gore/Subligna area. The bond was purchased by Rural Development, United States Department of Agriculture. This bond is secured by the revenues derived from operations of the water system.

In September 2011, the Water District received another GEFA loan in the amount of \$1,303,258 to help fund the construction of additional water lines to the Cloudland area. Construction was completed in 2013. Monthly payments began January 2015 of \$5,430 with zero percent interest.

During 2011, the Water District began construction on Phase 2 of the water expansion project in the east and south areas of the County. The county received a USDA loan in the amount of \$2,801,000 to assist with this project. Interim financing was provided by United Community Bank at 3.9% and repaid in March 2012. Water System Revenue Bonds Series 2011B were issued on March 22, 2012 in the amount of \$2,801,000 at 3.25% with repayment commencing April 2013 at an amount of \$10,588 per month for 40 years.

**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**8. Long Term Debt– continued**

On August 1, 2013, The County issued the Chattooga County, Georgia General Obligation Sales Tax Bonds, Series 2013 in the principal amount of \$3,250,000. Bonds are due in varying installments through 3/1/20 with interest at 1.77% and are secured by a special local option sales tax. The first principal payment is 3/1/15. The bonds were issued to finance capital projects for the County and municipalities.

On December 18, 2018, The County issued a promissory note in the principal amount of \$69,866 to finance vehicles for public works. The note is payable in two annual installments of \$38,426 including interest at 6.5%.

On October 26, 2020, the County issued a promissory note in the principal amount of \$99,412 to finance vehicles for the sheriff department. The note is payable in three annual installments of \$35,000 including interest at 5.5%.

On September 2, 2020, the County issued a promissory note in the principal amount of \$259,212 to finance a garbage truck for sanitation. The note is payable in five annual installments with the first payment being \$100,000 and \$48,000 thereafter including interest at 5.5%.

	<u>Balance</u> <u>12/31/2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Promissory Note	\$ 69,866	\$ 358,624	\$ 199,221	\$ 229,269	\$ 74,014
Sales Tax Bonds Series 2013	<u>575,000</u>	<u>-</u>	<u>575,000</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>\$ 644,866</u>	<u>\$ 358,624</u>	<u>\$ 774,221</u>	<u>\$ 229,269</u>	<u>\$ 74,014</u>
Business-Type Activities:					
Revenue Bonds Series 2008B	\$ 4,393,545	\$ -	\$ 71,116	\$ 4,322,429	\$ 74,235
GEFA Loan 2008	281,873	-	14,333	267,540	28,665
GEFA Loan 2011	912,281	-	32,582	879,699	65,163
Revenue Bonds Series 2011B	<u>2,517,180</u>	<u>-</u>	<u>47,145</u>	<u>2,470,035</u>	<u>48,579</u>
Total Business-Type Activities	<u>\$ 8,104,879</u>	<u>\$ -</u>	<u>\$ 165,065</u>	<u>\$ 7,939,703</u>	<u>\$ 216,642</u>

The series 2008B requires a reserve account with monthly deposits beginning November 2010 of \$2,155 to be made until the fund reaches an equivalent of 10% of the annual payments. As of December 31, 2020, this fund had been established at \$25,900.



**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**8. Long Term Debt– continued**

The annual requirements to amortize the long-term debt as of December 31, 2020, including interest payments, are as follows:

<u>YEAR</u>	<u>REVENUE BONDS</u>		<u>GEFA LOANS AND NOTE</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2021	\$ 122,814	\$ 257,850	\$ 93,828	\$ -
2022	127,548	253,116	93,828	-
2023	132,470	248,195	93,828	-
2024	137,585	243,079	93,828	-
2025	142,905	237,759	93,828	-
2026-2030	802,038	1,101,283	450,030	-
2031-2035	970,715	932,604	228,069	-
2036-2040	1,176,003	727,317	-	-
2041-2045	1,426,056	477,265	-	-
2046-2050	1,611,112	173,412	-	-
2051-2052	<u>143,218</u>	<u>2,767</u>	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<b><u>\$ 6,792,464</u></b>	<b><u>\$ 4,654,647</u></b>	<b><u>\$ 1,147,239</u></b>	<b><u>\$ -</u></b>

**9. Tax Anticipation Note**

The County issued a tax anticipation note in January in advance of property tax collections, depositing the proceeds in its general fund for operations. This note bears interest at 3%. Total payments of principal and interest were \$4,278,802. Short-term debt activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Repayments</u>	<u>Ending Balance</u>
Tax anticipation notes	\$ -	\$ 4,187,900	\$ 4,187,900	\$ -

**10. Risk Management/Self-Insurance Fund**

The County is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases insurance coverage from GIRMA to cover its risk of loss for all areas except workers' compensation claims. For workers' compensation coverage, the County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, and for other general insurance, the County participates in the Interlock Risk Management Agency risk pool, public entity risk pools currently operating as a common risk management and insurance program for member local governments.

As part of the risk pools, the County is obligated to pay GIRMA all contributions and assessment as prescribed by the pools, to cooperate with the pools agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools agents and attorneys to represent the County in investigation, settlement discussions and all levels of

**CHATTOOGA COUNTY, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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**10. Risk Management/Self-Insurance Fund - continued**

litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

Payments are made into these funds based on actuarial estimates needed to pay prior and current year claims. Insurance premiums are assessed the County to cover liabilities and property damages. There were no unpaid claims at the end of the current year, which would require accrual on the balance sheet. Also, settlement amounts have not exceeded coverage's in any of the last three years for either fund.

**11. Joint Venture**

Under Georgia law, the County, in conjunction with other cities and counties in the Northwest area, is Member of the Northwest Georgia Regional Commission (NWGRC). Membership in NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the NWGRC. Membership in the NWGRC includes the chief elected official of each county and municipality of the area. OCGA Section 50-8-39.1 provides that the member governments are liable for obligations of the NWGRC. During the year, the County paid \$34,789 in dues to the NWGRC. The financial requirements of the County related to the NWGRC are limited to the amount of its annual dues. Separate financial statements may be obtained from the NWGRC, Jackson Hill, Rome, GA 30161.

**12. Interfund Receivable/Payables**

Interfund balances at December 31, 2020, consisted of the following amounts for reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The county expects to repay all interfund balances within one year.

<u>Due to</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Water Fund	\$ 454,984

**13. Retirement Benefits**

The following pension and retirement plans are in effect but are not under the direct control of the County:

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

**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**13. Retirement Benefits - continued**

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

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund - The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

GASB Statement No. 68 valuation reports and schedules can be found on their respective web sites.

The county also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b) plan administered by MassMutual Financial Group. The plan, which is available to all full-time County employees, permits them to defer a portion of their salary until future years. If participants elect to contribute to the plan, the County will make a matching contribution of up to 3% in a 401(a) plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participants are 100% vested in the plan. The 457(b) plan was effective beginning in 2018. The county contributed 3% in the 401(a) plan in December 2020 in the amount of \$100,993.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, and rights (until paid or made available to the employee or other beneficiary) are solely the property and rights of the employees.

The County has only minor administrative involvement and does not perform any investing for the plan. Due to the face the County's role in management of the plan assets is basically limited to transmitting amounts withheld from payroll to an outside party responsible for administering the plan, the County does not report the assets of the Plan in the County's financial statements.

**14. Post Employment Benefits**

On January 1, 2014, the county adopted a resolution to provide health insurance benefits for certain employees upon their retirement. The benefit applies to any employee, including elected officials, who retire with 35 years of service. The retiree can continue their health insurance benefits with the county continuing the employer portion of the benefit until the retiree becomes eligible for Medicare. Currently there are no employees receiving this benefit.

**15. Tax Abatements**

In calendar year 2017, the county adopted Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires state and local governments to disclose tax abatement agreements entered by other governments that reduce the reporting government's tax revenues. The following information should be disclosed: (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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**15. Tax Abatements - continued**

Chattooga County, through the Development Authority of Chattooga County, allows for taxable revenue bond financing, pursuant to the Georgia Development Authorities law, under Title 36 Chapter 62 of the Official Code of Georgia, in order to promote the creation of jobs and stimulate development activity within Chattooga County. The taxable revenue bond financings result in the reduction of ad valorem (real and/or personal property) taxes.

The county offers a reduction in property taxes through the structure of these financing arrangements. Specifically, the Development Authority of Chattooga County, may enter into agreements with private individuals or entities in order to incentivize these businesses to build, relocate, expand, or renovate in Chattooga County. The agreements involve a bond issuance and sale-leaseback transaction, whereby the Development Authority takes title to property and leases it back to the company. The Business or individual is responsible for making ad valorem tax payments on its leasehold interest. The rental payments for the leasehold offset the debt service on the bonds over a fixed 10-year term, so that at the end of the incentive period the bonds are fully retired and the company regains title of the property through an option to purchase.

The Development Authority considers the fiscal impacts of a proposed project and weighs such benefits against the costs of reduced revenue impacts when considering whether to enter a taxable revenue bond deal with an individual or entity. Generally eligible projects involve a commitment of significant capital investment and/or the creation of net new jobs to the County, which propose a favorable return on investment for the County. There are no additional commitments other than to provide favorable tax treatment. There are provisions for recapturing some portion of the value of these incentives in the event capital investment and job creation numbers are not met during the incentive period; however, the Development Authority can immediately return title to a company for a non-performing project, which cancels the incentive going forward. There are no amounts receivable from other governments.

For the 2020 calendar year, Chattooga County abated property taxes that were levied on January 1, 2020 and due December 1, 2020 totaling \$23,165 from one manufacturing company of which \$8,974 was for the Chattooga County Board of Education.

**16. Coronavirus Aid**

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (Covid-19) pandemic. Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES Act) on March 27, 2020 to provide vital resources to governments, businesses, and individuals in combating Covid-19. President Trump signed the Act into law, and the government continues to provide guidance on the many federal funding streams included in the legislation.

Chattooga county was able to receive reimbursements from the State of Georgia in the Coronavirus Relief Fund for front line sheriff and emergency management employee salaries for the time period March-August 2020. The County received these reimbursements in August and September 2020 for a total of \$925,664.

## Combining Financial Statements

Non-Major Governmental Funds

CHATTOOGA COUNTY, GEORGIA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 December 31, 2020

	Special Revenue			
	Drug Confiscation	Jail Improvement	Date	E-911
<b>Assets</b>				
Cash and Cash Investments	\$ 186,042	\$ 202,006	\$ 10,332	\$ 746
Accounts Receivable - Other	-	-	-	34,956
Due from other governments	-	699	162	-
	<u>\$ 186,042</u>	<u>\$ 202,705</u>	<u>\$ 10,494</u>	<u>\$ 35,702</u>
<b>Total Assets</b>				
Liabilities and Fund Balances				
<b>Liabilities</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 13,999
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,999</u>
<b>Total Liabilities</b>				
<b>Fund Balances</b>				
Restricted for:				
Public Safety	186,042	202,705	10,494	21,703
Culture and Recreation	-	-	-	-
Judicial	-	-	-	-
	<u>186,042</u>	<u>202,705</u>	<u>10,494</u>	<u>21,703</u>
<b>Total Fund Balances</b>				
<b>Total Liabilities and Fund Balances</b>				
	<u>\$ 186,042</u>	<u>\$ 202,705</u>	<u>\$ 10,494</u>	<u>\$ 35,702</u>

CHATTOOGA COUNTY, GEORGIA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 December 31, 2020

Special Revenue

<u>Housing Prisoners</u>	<u>Law Library</u>	<u>Agricultural Fair</u>	<u>Total Other Governmental Funds</u>
\$ 83,366	\$ 18,663	\$ 53,016	\$ 554,171
-	-	-	34,956
<u>-</u>	<u>-</u>	<u>-</u>	<u>861</u>
<u>\$ 83,366</u>	<u>\$ 18,663</u>	<u>\$ 53,016</u>	<u>\$ 589,988</u>
\$ 18,363	\$ -	\$ -	\$ 32,362
<u>18,363</u>	<u>-</u>	<u>-</u>	<u>32,362</u>
65,003	-	-	485,947
-	-	53,016	53,016
<u>-</u>	<u>18,663</u>	<u>-</u>	<u>18,663</u>
<u>65,003</u>	<u>18,663</u>	<u>53,016</u>	<u>557,626</u>
<u>\$ 83,366</u>	<u>\$ 18,663</u>	<u>\$ 53,016</u>	<u>\$ 589,988</u>

**CHATTOOGA COUNTY, GEORGIA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2020**

	<u>Special Revenue</u>			
	<u>Drug Confiscation</u>	<u>Jail Improvement</u>	<u>Date Fund</u>	<u>E-911</u>
<b>Revenues</b>				
Investment Income	\$ 220	\$ 203	\$ -	\$ -
Fines and Forfeiture	-	31,710	26,628	-
Intergovernmental Revenue	6,765	-	-	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>641,645</u>
Total Revenues	<u>6,985</u>	<u>31,913</u>	<u>26,628</u>	<u>641,645</u>
<b>Expenditures</b>				
Current				
Public Safety	59,306	28,271	31,082	854,410
Culture and Recreation	-	-	-	-
Courts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>59,306</u>	<u>28,271</u>	<u>31,082</u>	<u>854,410</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(52,321)</u>	<u>3,642</u>	<u>(4,454)</u>	<u>(212,765)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	195,500
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,500</u>
Net Changes in Fund Balance	(52,321)	3,642	(4,454)	(17,265)
Fund Balances - Beginning of Year	<u>238,363</u>	<u>199,063</u>	<u>14,948</u>	<u>38,968</u>
Fund Balances - End of Year	<u>\$ 186,042</u>	<u>\$ 202,705</u>	<u>\$ 10,494</u>	<u>\$ 21,703</u>



**CHATTOOGA COUNTY, GEORGIA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2020**

**Special Revenue**

<u>Housing Prisoners</u>	<u>Law Library</u>	<u>Agricultural Fair</u>	<u>Total Other Governmental Funds</u>
\$ -	\$ 11	\$ 59	\$ 493
-	11,250	-	69,588
-	-	-	6,765
<u>60,536</u>	<u>-</u>	<u>13,858</u>	<u>716,039</u>
<u>60,536</u>	<u>11,261</u>	<u>13,917</u>	<u>792,885</u>
51,876	-	-	1,024,945
-	-	24,994	24,994
<u>-</u>	<u>8,062</u>	<u>-</u>	<u>8,062</u>
<u>51,876</u>	<u>8,062</u>	<u>24,994</u>	<u>1,058,001</u>
<u>8,660</u>	<u>3,199</u>	<u>(11,077)</u>	<u>(265,116)</u>
-	-	-	195,500
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>195,500</u>
8,660	3,199	(11,077)	(69,616)
<u>56,343</u>	<u>15,464</u>	<u>64,093</u>	<u>627,242</u>
<u>\$ 65,003</u>	<u>\$ 18,663</u>	<u>\$ 53,016</u>	<u>\$ 557,626</u>

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Schedule of Revenues, Expenditures and  
Changes in Fund Balance – Budget and Actual

Special Revenue Funds

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND - DRUG CONFISCATION ACCOUNT**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Intergovernmental Revenue	\$ 7,000	\$ 6,800	\$ 6,765	\$ (35)
Miscellaneous	<u>50</u>	<u>200</u>	<u>220</u>	<u>20</u>
Total Revenues	<u>7,050</u>	<u>7,000</u>	<u>6,985</u>	<u>(15)</u>
<b>Expenditures</b>				
Public Safety - Sheriff				
Crime Prevention	3,500	59,300	59,306	(6)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,500</u>	<u>59,300</u>	<u>59,306</u>	<u>(6)</u>
Net Change in Fund Balance	<u>\$ 3,550</u>	<u>\$ (52,300)</u>	(52,321)	<u>\$ (21)</u>
Fund Balance - Beginning of Year			<u>238,363</u>	
Fund Balance - End of Year			<u>\$ 186,042</u>	

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND - JAIL IMPROVEMENT FUND**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Interest income	\$ 200	\$ 200	\$ 203	\$ 3
Fines and Forfeitures	41,100	32,000	31,710	(290)
Total Revenues	<u>41,300</u>	<u>32,200</u>	<u>31,913</u>	<u>(287)</u>
<b>Expenditures</b>				
Public Safety - Sheriff Jail Maintenance	12,050	28,300	28,271	29
Total Expenditures	<u>12,050</u>	<u>28,300</u>	<u>28,271</u>	<u>29</u>
Net Change in Fund Balance	<u>\$ 29,250</u>	<u>\$ 3,900</u>	3,642	<u>\$ (258)</u>
<b>Fund Balance - Beginning of Year</b>			<u>199,063</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 202,705</u>	

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND - DATE FUND**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Fines and Forfeitures	\$ 53,500	\$ 26,600	\$ 26,628	\$ 28
Miscellaneous	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-			
Total Revenues	<u>53,600</u>	<u>26,600</u>	<u>26,628</u>	<u>28</u>
<b>Expenditures</b>				
Public Safety - Sheriff Crime Prevention	<u>50,100</u>	<u>31,100</u>	<u>31,082</u>	<u>18</u>
Total Expenditures	<u>50,100</u>	<u>31,100</u>	<u>31,082</u>	<u>18</u>
Net Change in Fund Balance	<u>\$ 3,500</u>	<u>\$ (4,500)</u>	<u>(4,454)</u>	<u>\$ 46</u>
<b>Fund Balance - Beginning of Year</b>			<u>14,948</u>	
<b>Fund Balance - End of Year</b>			<u>\$ 10,494</u>	

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND - E911 EMERGENCY FUND**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Miscellaneous				
911 Fees	\$ 551,182	\$ 640,000	\$ 641,645	\$ 1,645
Total Revenues	<u>551,182</u>	<u>640,000</u>	<u>641,645</u>	<u>1,645</u>
<b>Expenditures</b>				
Public Safety - E911				
Salaries	446,000	466,000	466,004	(4)
Benefits	152,900	170,000	169,964	36
Insurance	2,700	3,100	3,068	32
Supplies	4,250	4,200	4,205	(5)
Maintenance - Buildings & Equipment	30,250	61,000	60,960	40
Telephone	61,500	51,000	50,872	128
Training and Travel	4,000	1,000	1,035	(35)
Computer Expense	30,000	33,000	33,141	(141)
Utilities	23,400	22,000	21,895	105
Uniform and Laundry	500	200	160	40
Capital Outlay	500	43,000	43,106	(106)
Total Expenditures	<u>756,000</u>	<u>854,500</u>	<u>854,410</u>	<u>90</u>
Excess of Revenues Over Expenditures	<u>(204,818)</u>	<u>(214,500)</u>	<u>(212,765)</u>	<u>1,735</u>
<b>Other Financing Sources (Uses)</b>				
Transfers - In	<u>204,818</u>	<u>214,500</u>	<u>195,500</u>	<u>(19,000)</u>
Total Other Financing Sources (Uses)	<u>204,818</u>	<u>214,500</u>	<u>195,500</u>	<u>(19,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(17,265)</u>	<u>\$ (17,265)</u>
Fund Balance - Beginning of Year			<u>38,968</u>	
Fund Balance - End of Year			<u>\$ 21,703</u>	

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND - LAW LIBRARY**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Fines and forfeitures	\$ 8,500	\$ 8,500	\$ 11,250	\$ 2,750
Investment earnings	-	-	11	11
Total Revenues	<u>8,500</u>	<u>8,500</u>	<u>11,261</u>	<u>2,761</u>
<b>Expenditures</b>				
Court System	<u>16,200</u>	<u>16,200</u>	<u>8,062</u>	<u>8,138</u>
Total Expenditures	<u>16,200</u>	<u>16,200</u>	<u>8,062</u>	<u>8,138</u>
Net Change in Fund Balance	<u>\$ (7,700)</u>	<u>\$ (7,700)</u>	3,199	<u>\$ 10,899</u>
Fund Balance - Beginning of Year			<u>15,464</u>	
Fund Balance - End of Year			<u>\$ 18,663</u>	



Supplementary Individual Fund  
Financial Schedules

General Fund

The supplementary schedules are included to provide management additional information for financial analysis.

**CHATTOOGA COUNTY, GEORGIA  
COMPARATIVE BALANCE SHEET  
GENERAL FUND  
December 31, 2020  
(with comparative totals for 2019)**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash	\$ 1,309,183	\$ 141,951
Accounts Receivable	151,756	76,062
Due from other funds	454,984	399,348
Taxes Receivable	945,045	1,177,712
 Total Assets	 \$ 2,860,968	 \$ 1,795,073
 <b>Liabilities and Fund Balance</b>		
Liabilities		
Accounts Payable	\$ 233,540	\$ 1,176,269
Deferred Inflows of Resources		
Unavailable Revenues	511,648	546,820
 Total Liabilities and Deferred Inflows of Resources	 745,188	 1,723,089
 <b>Fund Balance</b>		
Unassigned	2,115,780	71,984
 Total Fund Balance	 2,115,780	 71,984
 <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	 \$ 2,860,968	 \$ 1,795,073

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2020**  
**(with comparative totals for 2019)**

	2020			2019	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>					
Taxes	\$ 8,839,075	\$ 9,839,075	\$ 10,063,594	\$ 224,519	\$ 9,525,350
Licenses and Permits	20,600	20,600	19,534	(1,066)	35,884
Fines and Forfeitures	585,000	585,000	534,227	(50,773)	486,816
Intergovernmental	346,075	1,246,075	1,301,621	55,546	375,888
Charges for Services	611,400	611,400	644,162	32,762	575,888
Miscellaneous	5,100	105,100	113,257	8,157	269,783
<b>Total Revenues</b>	<u>10,407,250</u>	<u>12,407,250</u>	<u>12,676,395</u>	<u>269,145</u>	<u>11,269,609</u>
<b>Expenditures</b>					
Current					
General Government	1,763,207	1,762,000	1,760,191	1,809	1,838,356
Public Safety	4,774,600	4,135,500	4,135,418	82	4,349,501
Court System	1,614,137	1,613,900	1,613,214	686	1,529,238
Roads and Bridges	32,450	217,000	217,360	(360)	182,206
Health and Welfare	280,370	259,520	259,353	167	379,142
Culture and Recreation	597,809	919,700	919,263	437	632,484
Sanitation	709,051	1,304,000	1,303,804	196	871,401
<b>Total Expenditures</b>	<u>9,771,624</u>	<u>10,211,620</u>	<u>10,208,603</u>	<u>3,017</u>	<u>9,782,328</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>635,626</u>	<u>2,195,630</u>	<u>2,467,792</u>	<u>272,162</u>	<u>1,487,281</u>
<b>Other Financing Sources (Uses)</b>					
Sale of assets	-	-	9,044	9,044	21,489
Proceeds from borrowing	-	-	358,624	358,624	-
Transfers Out	(635,626)	(800,000)	(791,664)	8,336	(593,123)
<b>Total Other Financing Sources (Uses)</b>	<u>(635,626)</u>	<u>(800,000)</u>	<u>(423,996)</u>	<u>8,336</u>	<u>(571,634)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 1,395,630</u>	<u>2,043,796</u>	<u>\$ 280,498</u>	<u>\$ 915,647</u>
<b>Fund Balances - Beginning</b>			<u>71,984</u>		
<b>Fund Balanced - End of Year</b>			<u>\$ 2,115,780</u>		

**CHATTOOGA COUNTY GEORGIA**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENTS**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2020**  
(with comparative totals for 2019)

	2020			Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
<b>General Government</b>					
Commissioner's Office	\$ 374,546	\$ 440,000	\$ 439,838	\$ 162	\$ 410,177
General Expenses	128,100	144,000	143,475	525	238,099
Buildings and Grounds	353,000	247,000	246,324	676	369,026
Registrar	40,000	90,000	90,169	(169)	43,538
Code Enforcement	50,305	56,000	56,150	(150)	52,261
Tax Assessors	414,856	384,000	383,505	495	374,787
Tax Commissioner	402,400	401,000	400,730	270	350,468
<b>Total General Government</b>	<b>1,763,207</b>	<b>1,762,000</b>	<b>1,760,191</b>	<b>1,809</b>	<b>1,838,356</b>
<b>Public Safety</b>					
Sheriff					
General	2,143,935	2,149,000	2,148,585	415	2,006,508
Jail	2,010,000	1,387,000	1,387,259	(259)	1,710,467
Emergency Services	6,250	7,500	7,536	(36)	8,800
Community Oriented Police	261,288	205,000	204,507	493	244,713
<b>Total Sheriff</b>	<b>4,421,473</b>	<b>3,748,500</b>	<b>3,747,887</b>	<b>613</b>	<b>3,970,488</b>
Animal Control	124,622	100,000	100,294	(294)	115,533
Fire Departments	183,500	190,000	190,204	(204)	199,921
Civil Defense	3,400	4,000	4,333	(333)	3,530
Coroner	39,105	51,000	51,141	(141)	44,461
Local Emergency Planning	2,500	42,000	41,559	441	15,568
<b>Total Public Safety</b>	<b>4,774,600</b>	<b>4,135,500</b>	<b>4,135,418</b>	<b>82</b>	<b>4,349,501</b>
<b>Courts</b>					
Clerk of Courts	311,029	316,000	315,509	491	311,038
Probate Court	347,998	347,000	346,985	15	297,053
Magistrate Court	193,451	197,000	197,173	(173)	194,819
Juvenile Court	137,000	148,000	148,072	(72)	166,122
Superior Court	88,212	63,000	62,610	390	69,998
State Court	199,723	215,000	214,735	265	198,243
Court Reporter and Public Defender	133,004	133,000	133,138	(138)	133,176
District Attorney	196,000	187,000	187,047	(47)	150,445
Probation Office	7,720	7,900	7,945	(45)	8,344
<b>Total Courts</b>	<b>1,614,137</b>	<b>1,613,900</b>	<b>1,613,214</b>	<b>686</b>	<b>1,529,238</b>
<b>Roads and Bridges (Work Camp)</b>	<b>32,450</b>	<b>217,000</b>	<b>217,360</b>	<b>(360)</b>	<b>182,206</b>
<b>Health and Welfare</b>					
Board of Health	70,000	10,000	10,055	(55)	198,918
Public Welfare	99,320	99,320	99,320	-	74,490
County Agent	89,450	136,000	135,724	276	86,733
Crisis Centers	21,100	14,200	14,254	(54)	18,401
Indigent Care	500	-	-	-	600
<b>Total Health and Welfare</b>	<b>280,370</b>	<b>259,520</b>	<b>259,353</b>	<b>167</b>	<b>379,142</b>
<b>Culture and Recreation</b>					
Public Library	81,250	88,600	88,592	8	74,825
Public Transportation	123,018	169,000	169,047	(47)	156,849
Senior, Civic and other buildings	65,841	72,000	72,104	(104)	84,762
Economic Development	83,200	413,000	412,586	414	124,915
Boys and Girls Club	15,000	16,000	15,840	160	20,984
Agricultural Center	74,500	6,100	6,094	6	15,149
Recreation	155,000	155,000	155,000	-	155,000
<b>Total Culture and Recreation</b>	<b>597,809</b>	<b>919,700</b>	<b>919,263</b>	<b>437</b>	<b>632,484</b>
<b>Sanitation</b>					
Solid Waste and Water Project	709,051	1,304,000	1,303,804	196	871,402
<b>Total Sanitation</b>	<b>709,051</b>	<b>1,304,000</b>	<b>1,303,804</b>	<b>196</b>	<b>871,402</b>
<b>Total Expenditures</b>	<b>\$ 9,771,624</b>	<b>\$ 10,211,620</b>	<b>\$ 10,208,603</b>	<b>\$ 3,017</b>	<b>\$ 9,782,329</b>

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY ACCOUNTS**  
**GENERAL FUND**  
**Year Ended December 31, 2020**  
**(with comparative totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>EXPENDITURES</b>		
General Government -		
Commissioner's Office -		
Salaries - Commissioner	\$ 122,519	\$ 121,335
Salaries - Others	150,174	132,466
Benefits	62,103	59,947
Dues	5,340	5,877
Insurance	47,284	41,574
Office Expense	43,382	41,616
Telephone	5,527	2,319
Training and Travel	3,509	3,201
Capital Outlay	-	1,842
Total Commissioner's Office	<u>439,838</u>	<u>410,177</u>
General Expenses -		
Professional Services	52,573	76,914
Interest Expense	90,902	161,185
Total General Expenses	<u>143,475</u>	<u>238,099</u>
Building and Grounds -		
Salaries	107,747	109,015
Benefits	22,936	23,138
Insurance	843	797
Supplies	6,332	5,070
Maintenance	42,113	165,099
Utilities	66,353	65,907
Capital Outlay	-	-
Total Buildings and Grounds	<u>246,324</u>	<u>369,026</u>
Registrar -		
Salaries	64,865	30,237
Benefits	7,437	2,299
Insurance	526	498
Office Expense	12,445	2,780
Telephone	915	293
Training and Travel	-	4,035
Utilities	3,981	3,396
Capital Outlay	-	-
Total Registrar	<u>90,169</u>	<u>43,538</u>
Subtotal Carried Forward	<u>919,806</u>	<u>1,060,840</u>

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY ACCOUNTS**  
**GENERAL FUND**  
**Year Ended December 31, 2020**

(with comparative totals for 2019)

	<b>2020</b>	<b>2019</b>
Subtotal Brought Forward	\$ 919,806	\$ 1,060,840
<b>EXPENDITURES - continued</b>		
General Government - continued		
Code Enforcement -		
Salaries	37,584	37,728
Benefits	10,566	10,362
Insurance	1,768	1,596
Office Expense	2,081	1,904
Telephone	633	671
Capital Outlay	3,518	-
Total Code Enforcement	56,150	52,261
Tax Assessors -		
Salaries - Arbitrators	12,675	13,238
Salaries - Other	215,611	209,705
Benefits	92,235	81,421
Dues	3,006	986
Insurance	4,545	3,292
Legal	636	7,339
Office Expense	35,668	45,684
Telephone	2,233	2,341
Training and Travel	1,762	6,596
Capital Outlay	15,134	4,185
Total Tax Assessors	383,505	374,787
Tax Commissioner -		
Salaries - Tax Commissioner	61,352	63,234
Salaries - Others	154,459	136,199
Benefits	94,627	89,956
Auditors and Attorneys	26,761	21,177
Insurance	739	698
Office Expense	57,744	31,978
Telephone	1,478	1,481
Training and Travel	700	2,586
Capital Outlay	2,870	3,159
Total Tax Commissioner	400,730	350,468
<b>Total General Government</b>	<b>1,760,191</b>	<b>1,838,356</b>

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY ACCOUNTS**  
**GENERAL FUND**  
**Year Ended December 31, 2020**  
**(with comparative totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>EXPENDITURES - continued</b>		
Public Safety -		
Sheriff - General		
Salaries - Sheriff	\$ 77,365	\$ 75,993
Salaries - Others	1,257,367	1,259,445
Benefits	364,274	342,629
Auditors and Attorneys	4,457	5,114
Dues	2,499	4,143
Insurance	102,784	87,176
Supplies	29,371	28,550
Repairs and maintenance	5,484	3,472
Telephone	7,712	8,246
Training and Travel	3,039	3,781
Capital Outlay	107,400	37,031
Vehicle Expense	144,762	142,867
Debt service	35,000	-
Uniforms	7,071	8,061
Total Sheriff - General	<u>2,148,585</u>	<u>2,006,508</u>
Community Oriented Police -	<u>204,507</u>	<u>244,713</u>
Emergency Services -	<u>7,536</u>	<u>8,800</u>
Jail -		
Salaries	538,118	546,516
Benefits	155,347	166,608
Insurance	15,291	14,489
Supplies	34,869	30,438
Buildings and Grounds	51,001	50,740
Telephone	10,521	10,953
Training and Travel	-	317
Meals and Housing	321,161	711,877
Medical	257,527	175,471
Uniforms and Laundry	1,129	1,563
Capital Outlay	2,295	1,495
Total Jail	<u>1,387,259</u>	<u>1,710,467</u>
Total Sheriff	<u>3,747,887</u>	<u>3,970,488</u>
Animal Control -	<u>100,294</u>	<u>115,533</u>
Fire -	<u>190,204</u>	<u>199,921</u>
Civil Defense -	<u>4,333</u>	<u>3,530</u>
Subtotal Carried Forward	<u>4,042,718</u>	<u>4,289,472</u>

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY ACCOUNTS**  
**GENERAL FUND**  
**Year Ended December 31, 2020**

(with comparative totals for 2019)

	<b>2020</b>	<b>2019</b>
Subtotal Brought Forward	<u>\$ 4,042,718</u>	<u>\$ 4,289,472</u>
<b>EXPENDITURES - continued</b>		
Public Safety - continued		
Coroner -		
Salaries	21,777	17,458
Benefits	16,733	14,275
Training	1,318	1,656
Inquest expense	9,160	8,898
Supplies	2,153	2,174
Total Coroner	<u>51,141</u>	<u>44,461</u>
Local Emergency Planning	<u>41,559</u>	<u>15,568</u>
<b>Total Public Safety</b>	<b><u>4,135,418</u></b>	<b><u>4,349,501</u></b>
 Courts -		
Clerk of Courts -		
Salaries - Clerk	75,454	70,296
Salaries - Others	138,120	143,023
Salaries - Arbitrators	2,612	4,550
Benefits	54,216	52,185
Auditors and Attorneys	3,974	6,037
Insurance	843	798
Office Expense	32,514	25,533
Telephone	2,147	1,960
Training and Travel	4,283	5,614
Capital Outlay	1,346	1,042
Total Clerk of Courts	<u>315,509</u>	<u>311,038</u>
Probate Court -		
Salaries - Judge	111,122	108,150
Salaries - Others	89,967	109,245
Benefits	42,846	45,502
Auditors and Attorneys	18,130	4,935
Insurance	525	498
Office Expense	11,153	8,483
Telephone	3,036	3,240
Training and Travel	2,344	6,846
Election Expense	17,585	2,682
Poll Workers	46,526	5,055
Capital Outlay	3,751	2,417
Total Probate Court	<u>346,985</u>	<u>297,053</u>
Subtotal Carried Forward	<u>662,494</u>	<u>608,091</u>



**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY ACCOUNTS**  
**GENERAL FUND**  
**Year Ended December 31, 2020**

(with comparative totals for 2019)

	2020	2019
Subtotal Brought Forward	\$ 662,494	\$ 608,091
<b>EXPENDITURES - continued</b>		
Courts - continued		
Juvenile Court -		
Salaries	49,347	50,991
Benefits	3,855	3,966
Office Expense	522	38
Court Appointed Attorneys	85,414	100,686
Court Reporters	8,934	10,441
Total Juvenile Court	148,072	166,122
Magistrate's Office -		
Salaries	145,644	142,582
Benefits	43,398	40,359
Auditors and Attorneys	1,500	3,663
Supplies	3,047	3,158
Insurance	421	398
Telephone	911	908
Training and Travel	150	2,122
Capital Outlay	2,102	1,629
Total Magistrate's Office	197,173	194,819
Superior Court -		
Salaries	10,653	11,938
Office Expense	909	1,175
Telephone	2,135	1,686
Court Reporters	8,839	23,316
Jurors	35,814	27,778
Witness Fees	-	25
Bailiffs and Administrators	4,260	4,080
Total Superior Court	62,610	69,998
Subtotal Carried Forward	1,070,349	1,039,030

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY ACCOUNTS**  
**GENERAL FUND**  
**Year Ended December 31, 2020**

(with comparative totals for 2019)

	<b>2020</b>	<b>2019</b>
Subtotal Brought Forward	\$ 1,070,349	\$ 1,039,030
<b>EXPENDITURES - continued</b>		
Courts - continued		
State Court -		
Salaries	137,871	130,498
Benefits	63,101	49,841
Insurance	317	299
Office Expense	3,104	2,548
Employee training	-	1,482
Telephone	357	293
Attorneys	7,132	6,739
Court Reporters	2,200	5,200
Witness Fees	653	1,343
Capital Outlay	-	-
Total State Court	214,735	198,243
District Attorney -		
Prorate Expenses	185,464	148,470
Office Expense	1,583	1,975
Capital Outlay	-	-
Total District Attorney	187,047	150,445
Probation Office -	7,945	8,344
Court Reporter and Public Defender -		
Salaries	17,230	17,296
Benefits	1,839	1,811
Attorney Fees	114,069	114,069
Total Court Reporter and Public Defender	133,138	133,176
<b>Total Courts</b>	<b>1,613,214</b>	<b>1,529,238</b>
Roads and Bridges-		
Salaries	110,940	88,608
Benefits	30,415	27,202
Gas, Oil, and Tires	4,504	5,710
Maintenance	30,414	20,356
Insurance	5,097	2,095
Supplies	21,332	23,422
Utilities	10,785	11,160
Telephone	3,393	3,653
Capital Outlay	480	-
<b>Total Roads and Bridges</b>	<b>217,360</b>	<b>182,206</b>

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES BY ACCOUNTS**  
**GENERAL FUND**  
**Year Ended December 31, 2020**  
**(with comparative totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>EXPENDITURES - continued</b>		
Health and Welfare -		
Board of Health	\$ 10,055	\$ 198,918
Public Welfare	99,320	74,490
County Agent	135,724	86,733
Child Advocacy Center	4,593	5,758
Family Crisis Center	4,360	5,432
Other Agencies	5,301	7,211
Hospital and Medical Care	-	600
	<u>259,353</u>	<u>379,142</u>
<b>Total Health and Welfare</b>		
Culture and Recreation -		
Public Library	88,592	74,825
Public Transportation	169,047	156,849
Civic, Senior, and Multi-purpose Centers	72,104	84,762
Economic Development	412,586	124,915
Boys and Girls Club	15,840	20,984
Agricultural Center	6,094	15,149
Recreation	155,000	155,000
	<u>919,263</u>	<u>632,484</u>
<b>Total Culture and Recreation</b>		
Sanitation -		
Solid Waste	348,246	366,064
Salaries	205,492	228,298
Benefits	54,887	53,760
Insurance	10,393	8,670
Supplies	10,807	6,865
Gas, Oil, and Repairs	98,179	100,647
Landfill Maintenance	35,450	35,450
Utilities	7,930	6,948
Equipment rental	93,300	64,700
Debt service	100,000	-
Capital Outlay	339,120	-
	<u>1,303,804</u>	<u>871,402</u>
<b>Total Sanitation</b>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 10,208,603</u>	<u>\$ 9,782,329</u>

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## Capital Projects Fund

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**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL PROJECT - SALES TAX FUND**  
**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues</b>				
<b>Intergovernmental</b>				
State Government -				
Special Project Local				
Option Sales Tax (SPLOST)	\$ 2,000,000	\$ 2,950,000	\$ 2,978,153	\$ 28,153
Interest Income	100	2,300	2,282	(18)
Intergovernmental	532,042	-	-	-
Miscellaneous Income	15,750	63,000	62,822	(178)
<b>Total Revenues</b>	<u>2,547,892</u>	<u>3,015,300</u>	<u>3,043,257</u>	<u>27,957</u>
<b>Expenditures</b>				
<b>Roads and Bridges</b>				
Personnel	435,000	335,000	334,369	631
Benefits	131,250	89,000	89,306	(306)
Insurance	52,000	52,000	51,298	702
Professional fees	30,500	44,000	43,847	153
Capital Expenditures	1,193,130	1,285,000	1,284,042	958
Materials	238,820	280,000	277,358	2,642
Maintenance	44,300	97,000	97,148	(148)
<b>Total Roads and Bridges</b>	<u>2,125,000</u>	<u>2,182,000</u>	<u>2,177,368</u>	<u>4,632</u>
<b>Intergovernmental Payments</b>				
Municipal Contracts	820,000	1,500,000	1,495,096	4,904
<b>Debt Service</b>				
Principal	-	624,000	615,522	8,478
Interest expense	-	12,000	11,577	423
<b>Total Expenditures</b>	<u>2,945,000</u>	<u>4,318,000</u>	<u>4,299,563</u>	<u>18,437</u>
Excess of Revenues over Expenditures	(397,108)	(1,302,700)	(1,256,306)	46,394
<b>Other Financing Sources (Uses)</b>				
Transfers-in	430,808	585,500	596,165	10,665
Net Change in Fund Balance	<u>\$ 33,700</u>	<u>\$ (717,200)</u>	<u>(660,141)</u>	<u>\$ (1,377,341)</u>
<b>Fund Balances - Beginning</b>			<u>1,517,668</u>	
<b>Fund Balances - Ending</b>			<u>\$ 857,527</u>	

See accompanying notes to basic financial statements.

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Proprietary Fund

**CHATTOOGA COUNTY, GEORGIA**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**WATER REVENUE FUND**  
**Year Ended December 31, 2020**  
**(with comparative totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current Assets		
Cash and Cash Investments	\$ 301,543	\$ 162,312
Accounts Receivable	199,387	153,786
Inventory	27,189	31,591
Prepaid Expenses	5,000	5,000
Total Current Assets	<u>533,119</u>	<u>352,689</u>
Current Assets - Restricted		
Cash and Cash Investments	25,900	25,874
Total Current Restricted Assets	<u>25,900</u>	<u>25,874</u>
Noncurrent Assets		
Capital Assets		
Construction in Process	12,600	77,075
Land	56,899	56,899
Buildings	145,810	145,810
Infrastructure	21,525,386	20,659,018
Equipment	905,746	905,746
Accumulated Depreciation	(6,421,619)	(5,963,501)
Total Capital Assets, Net of Depreciation	<u>16,224,822</u>	<u>15,881,047</u>
Total Noncurrent Assets	<u>16,224,822</u>	<u>15,881,047</u>
<b>Total Assets</b>	<b>\$ 16,783,841</b>	<b>\$ 16,259,610</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable	\$ 6,448	\$ 8,423
Deposits	68,410	106,150
Due to general fund	454,984	399,348
Bonds and Notes Payable	216,642	212,089
Total Current Liabilities	<u>746,484</u>	<u>726,010</u>
Noncurrent Liabilities		
Notes and Bonds Payable	7,723,061	7,892,790
Total Noncurrent Liabilities	<u>7,723,061</u>	<u>7,892,790</u>
<b>Total Liabilities</b>	<b>8,469,545</b>	<b>8,618,800</b>
<b>Net Position</b>		
Net investment in capital assets	8,285,119	7,776,168
Unrestricted	29,177	(135,358)
<b>Total Net Position</b>	<b>\$ 8,314,296</b>	<b>\$ 7,640,810</b>

**CHATTOOGA COUNTY, GEORGIA**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND NET POSITION**  
**WATER REVENUE FUND**  
**Year Ended December 31, 2020**  
**(with comparative totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>		
Charges for Services	\$ 1,420,724	\$ 1,248,697
Total Operating Revenues	<u>1,420,724</u>	<u>1,248,697</u>
<b>Operating Expenses</b>		
Personal Services	344,049	337,851
Supplies and Materials	434,818	441,419
Contractual Services	26,212	24,826
Depreciation	458,119	467,894
Total Operating Expenses	<u>1,263,198</u>	<u>1,271,990</u>
Income (Loss) from Operations	<u>157,526</u>	<u>(23,293)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest Earned	26	20
Interest Expense	(262,402)	(266,782)
Grant and Donation Revenue	700,925	64,459
Total Nonoperating Revenue (Expenses)	<u>438,549</u>	<u>(202,303)</u>
<b>Income (Loss) before other revenues</b>	596,075	(225,596)
Capital Contributions	<u>77,411</u>	<u>59,348</u>
Change in Net Position	673,486	(166,248)
<b>Net Position - Beginning of Year</b>	<u>7,640,810</u>	<u>7,807,058</u>
<b>Net Position - End of Year</b>	<u>\$ 8,314,296</u>	<u>\$ 7,640,810</u>

**CHATTOOGA COUNTY, GEORGIA**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**WATER REVENUE FUND**  
**Year Ended December 31, 2020**  
(with comparative totals for 2019)

	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 1,337,383	\$ 1,221,144
Cash payments to supplies for goods and services	(458,603)	(534,950)
Cash payments to employees for services	(344,049)	(337,851)
Net Cash Provided (Used) by Operating Activities	534,731	348,343
<b>Cash Flows from Noncapital Financing Activities</b>		
Loan from (payment to) general fund	55,636	147,861
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(724,483)	(49,075)
Reduction of Bond Debt Principal - Net	(165,176)	(207,710)
Interest Paid on Bonds and Notes	(262,402)	(266,782)
Grant and Donation Revenue	700,925	64,459
Net Cash Provided (Used) by Capital and Related Financing Activities	(451,136)	(459,108)
<b>Cash Flows from Investing Activities</b>		
Interest on Cash and Cash Investments	26	20
Increase (Decrease) in Cash and Cash Investments	139,257	37,116
<b>Cash and Cash Investments - January 1</b>	188,186	151,070
<b>Cash and Cash Investments - December 31</b>	\$ 327,443	\$ 188,186
Non-cash capital contributions were received from the following:		
Capital Project Sales Tax Funds - water line extension	\$ 13,957	
Capital Project Sales Tax Funds - construction costs	63,454	
Total non-cash capital contributions	\$ 77,411	

**CHATTOOGA COUNTY, GEORGIA**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**WATER REVENUE FUND**  
**Year Ended December 31, 2020**  
**(with comparative totals for 2019)**

	<u>2020</u>	<u>2019</u>
Reconciliation of Income (Loss) from operations to net cash provided (used) by operating activities		
Income (Loss) from operations	\$ 157,526	\$ (23,293)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities		
Depreciation	458,119	467,894
Change in assets and liabilities:		
(Increase) Decrease in Accounts Receivable	(45,601)	14,617
Increase (Decrease) in Accounts Payable	(1,975)	(54,594)
(Increase) Decrease in Prepaid Expense	-	(70)
(Increase) Decrease in Inventory	4,402	(14,041)
Increase (Decrease) in Deposits	<u>(37,740)</u>	<u>(42,170)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 534,731</u>	<u>\$ 348,343</u>
Reconciliation of Total Cash and Cash Investments		
Current Assets - Cash and Cash Investments	\$ 301,543	\$ 162,312
Restricted Assets - Cash and Cash Investments	<u>25,900</u>	<u>25,874</u>
Total Cash and Cash Investments	<u>\$ 327,443</u>	<u>\$ 188,186</u>

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Agency Funds

**CHATTOOGA COUNTY, GEORGIA  
COMBINING BALANCE SHEET  
TRUST AND AGENCY FUNDS  
December 31, 2020**

	Agency Funds				<u>Total</u>
	<u>Tax Commissioner</u>	<u>Clerk of Courts</u>	<u>Probate Judge</u>	<u>Magistrate Court</u>	
<b>Assets</b>					
Cash	\$ 104,265	\$ 69,797	\$ 3,505	\$ 16,931	\$ 194,498
Taxes Receivable (Net of Allowance for Uncollectible)	<u>636,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>636,803</u>
Total Assets	<u>\$ 741,068</u>	<u>\$ 69,797</u>	<u>\$ 3,505</u>	<u>\$ 16,931</u>	<u>\$ 831,301</u>
 <b>Liabilities</b>					
Accounts Payable	\$ 84,215	\$ 41,102	\$ -	\$ 15,573	\$ 140,890
Due to Other Governments	<u>656,853</u>	<u>28,695</u>	<u>3,505</u>	<u>1,358</u>	<u>690,411</u>
Total Liabilities	<u>\$ 741,068</u>	<u>\$ 69,797</u>	<u>\$ 3,505</u>	<u>\$ 16,931</u>	<u>\$ 831,301</u>



**CHATTOOGA COUNTY, GEORGIA**  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**Year Ended December 31, 2020**

	<u>Balance 1/1/2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2020</u>
<b><u>Tax Commissioner</u></b>				
Assets				
Cash	\$ 145,497	\$ 15,976,598	\$ 16,017,830	\$ 104,265
Taxes Receivable (net of Allowances for Uncollectible)	815,413	636,803	815,413	636,803
Total	<u>\$ 960,910</u>	<u>\$ 16,613,401</u>	<u>\$ 16,833,243</u>	<u>\$ 741,068</u>
Liabilities				
Accounts Payable	\$ 124,345	\$ 84,215	\$ 124,345	\$ 84,215
Due to Other Funds	-	8,002,851	8,002,851	-
Due to Other Governments	836,565	8,526,335	8,706,047	656,853
Total	<u>\$ 960,910</u>	<u>\$ 16,613,401</u>	<u>\$ 16,833,243</u>	<u>\$ 741,068</u>
<b><u>Clerk of Courts</u></b>				
Assets				
Cash	\$ 95,319	\$ 987,236	\$ 1,012,758	\$ 69,797
Total	<u>\$ 95,319</u>	<u>\$ 987,236</u>	<u>\$ 1,012,758</u>	<u>\$ 69,797</u>
Liabilities				
Accounts Payable	\$ 71,517	\$ 71,231	\$ 101,646	\$ 41,102
Due to Other Funds	-	737,690	737,690	-
Due to Other Governments	23,802	178,315	173,422	28,695
Total	<u>\$ 95,319</u>	<u>\$ 987,236</u>	<u>\$ 1,012,758</u>	<u>\$ 69,797</u>
<b><u>Probate Judge</u></b>				
Assets				
Cash	\$ 901	\$ 133,767	\$ 131,163	\$ 3,505
Total	<u>\$ 901</u>	<u>\$ 133,767</u>	<u>\$ 131,163</u>	<u>\$ 3,505</u>
Liabilities				
Accounts Payable	\$ -	\$ 7,500	\$ 7,500	\$ -
Due to Other Funds	-	90,121	90,121	-
Due to Other Governments	901	36,146	33,542	3,505
Total	<u>\$ 901</u>	<u>\$ 133,767</u>	<u>\$ 131,163</u>	<u>\$ 3,505</u>
<b><u>Magistrate Judge</u></b>				
Assets				
Cash	\$ 15,135	\$ 125,711	\$ 123,915	\$ 16,931
Total	<u>\$ 15,135</u>	<u>\$ 125,711</u>	<u>\$ 123,915</u>	<u>\$ 16,931</u>
Liabilities				
Accounts Payable	\$ 13,742	\$ 68,334	\$ 66,503	\$ 15,573
Due to Other Funds	-	44,070	44,070	-
Due to Other Governments	1,393	13,307	13,342	1,358
Total	<u>\$ 15,135</u>	<u>\$ 125,711</u>	<u>\$ 123,915</u>	<u>\$ 16,931</u>
<b><u>Total - All Agency Funds</u></b>				
Assets				
Cash	\$ 256,852	\$ 17,223,312	\$ 17,285,666	\$ 194,498
Taxes Receivable (Net of Allowances for Uncollectible)	815,413	636,803	815,413	636,803
Total	<u>\$ 1,072,265</u>	<u>\$ 17,860,115</u>	<u>\$ 18,101,079</u>	<u>\$ 831,301</u>
Liabilities				
Accounts Payable	\$ 209,604	\$ 231,280	\$ 299,994	\$ 140,890
Due to Other Funds	-	8,874,732	8,874,732	-
Due to Other Governments	862,661	8,754,103	8,926,353	690,411
Total	<u>\$ 1,072,265</u>	<u>\$ 17,860,115</u>	<u>\$ 18,101,079</u>	<u>\$ 831,301</u>

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## Federal and State Compliance

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**CHRYSAN THOMAS**  
Certified Public Accountant  
Professional Corporation  
**Member**  
**American Institute of**  
**Certified Public Accountants**  
Trion, Georgia

**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**

To the Honorable Commissioner  
Chattooga County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chattooga County, Georgia, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise Chattooga County, Georgia's basic financial statements and have issued our report thereon dated June 16, 2021. Our report includes a reference to other auditors who audited the financial statements of the component unit, Chattooga County Health Department, as described in our report on Chattooga County, Georgia'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 matter 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 Chattooga County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chattooga County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Chattooga County, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies described as 20-01, and 20-02.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Chattooga County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 20-03.

### **Chattooga County, Georgia's Response to Findings**

Chattooga County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Chattooga 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 results 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.



CHRYSAN THOMAS  
Certified Public Accountant

Trion, Georgia  
June 16, 2021

**CHRYSAN THOMAS**  
Certified Public Accountant  
Professional Corporation  
**Member**  
**American Institute of**  
**Certified Public Accountants**  
Trion, Georgia

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

To the Honorable Commissioner  
Chattooga County, Georgia

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

We have audited Chattooga County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Chattooga County, Georgia's major federal programs for the year ended December 31, 2020, Chattooga County, Georgia's major federal programs are 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 the 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 each of Chattooga County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations 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 Chattooga County, Georgia'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 each major federal program. However, our audit does not provide a legal determination of Chattooga County, Georgia's compliance.

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

In our opinion, the Chattooga County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

## Report on Internal Control Over Compliance

Management of Chattooga County, Georgia 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 Chattooga County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 Chattooga County, Georgia'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.



CHRYSAN THOMAS  
Certified Public Accountant

Trion, Georgia  
June 16, 2021



**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2020**

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<u>GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURE</u>
<b>U.S. Department of Housing &amp; Urban Development</b>			
Passed through Georgia Department of Community Affairs			
CDBG - Public Facility	14.218	18p-y-027-1-5988	\$ <u>700,925</u>
<b>U.S. Department of Transportation</b>			
Passed through Georgia Department of Transportation			
Transit Operating Assistance Grant	20.509	T006236	37,603
Transit Operating Assistance Grant	20.509	T006326-21-00	80,839
Covid-19 Transit Operating Assistance Grant	20.509	T006326-CARES 20	<u>34,338</u>
Total U.S. Department of Transportation			<u>152,780</u>
<b>U.S. Department of Homeland Security</b>			
Passed Through Governor's Office of Planning and Budget			
Covid 19 Covid Relief Funds	21.019	14575	<u>925,664</u>
<b>U.S. Department of Homeland Security</b>			
Passed Through Federal Emergency Management Agency			
Emergency Management Performance Grant	97.042	EM19-027	<u>8,811</u>
Total U.S. Department of Homeland Security			<u>8,811</u>
<b>Total Federal Awards</b>			<u>\$ 1,788,180</u>

**CHATTOOGA COUNTY, GEORGIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2020**

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NOTE 1. BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related fund liability is incurred.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report.

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

The County elected not to utilize the 10% de minimus indirect cost rate.

The County had no subrecipients.

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2020**

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**Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified? **No**

Significant deficiencies identified that are not considered to be material weakness(es)? **Yes**

Noncompliance material to the financial statements noted? **Yes**

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified: **No**

Significant deficiencies identified that are not considered to be material weakness(es)? **None reported**

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 section 200.516(a) : **No**

Major program:

**U.S. Department of the Treasury**  
**Covid Relief Funds**  
**CFDA #21.019**

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

Auditee qualified as a low-risk auditee? **No**

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2020**

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**Financial Statement Findings**

FS20-01 **Criteria:** Agency funds are used to account for resources held by the County, primarily the elected officials, in a purely custodial capacity, which means that all funds held are owed to other governments, organizations, or individuals. Due to the nature of these funds, it is important that adequate records be maintained to account for receipts, disbursements, and any residual funds that are held to be paid at a later date. Such listings should be reconciled to the respective cash balances maintained.

**Condition:** The bookkeeping function in the agency funds is being conducted without the use of general ledgers in the Probate Court, the Magistrate Court, and Clerk of Superior Court. We noted in the Clerk of Superior Court, there was no complete detail listing that could be provided to support a portion of the balance to whom the amount of funds being held needed to be distributed to as of December 31, 2020. Also in the Clerk of Court, ACH deposits were not receipted & recorded and went undetected. This resulted in an underpayment to other agencies. In these agency funds the controls are not in place to monitor that money collected is distributed in the correct amounts.

**Cause:** This unknown amount is due to the lack of maintenance of proper subsidiary listings and tracking of receipts and disbursements. Neither were there procedures in place for routine reviews of the reconciling balances on a monthly or annual basis. Therefore, the agency funds were unaware the bookkeeping was not being properly done on a timely basis and errors were occurring.

**Effect:** Accounting data could be misstated and amounts not disbursed timely.

**Recommendation:** We recommend general ledger be used by all agency funds and procedures be implemented to require reports be prepared and reconciled on a weekly, monthly, and annual basis. Reviews and monitoring of these procedures on a timely basis should also be implemented.

**Response:** We agree with the finding. We plan for all agency funds to begin using general ledgers. We are working on reconciling the detail listing to the cash balances and implementing an accounting system that will proper review and monitor our procedures. We will ensure that procedures are clearly conveyed to all employees.

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2020**

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**Financial Statement Findings - Continued**

FS20-02 **Criteria:** Segregation of employee's duties is a common practice in an effective internal control structure. Policies should be in place requiring the segregation of certain duties. With regard to segregation of duties, critical duties can be categorized in four types of functions: 1) authorization; 2) custody; 3) record keeping; and 4) reconciliation. In a perfect system, no one person should handle more than one type of function.

When duties cannot be separated, compensating controls should be in place. Compensating controls is an internal control that is intended to reduce the risk of an existing or potential control weakness.

**Condition:** There is lack of appropriate segregation of duties and a lack of appropriate reviews and approvals of transactions in some offices of the County.

**Cause:** The limited number of employees involved in the various offices and the resulting overlapping of duties causes segregation of duties to be difficult.

**Effect:** Without the implementation of the above internal control functions there is an increased risk of the misappropriation of funds.

**Recommendation:** Procedures be implemented which would provide for improved internal controls in the above areas. It is also recommended these procedures be reviewed periodically on a continuous basis.

**Response:** We agree with the finding. We are implementing procedures to improve our accounting system as well as separating duties of our employees when possible.

FS20-03 **Criteria:** The gratuity clause in the state constitution restricts the power of governments to grant donations and gratuities.

**Condition:** Noted a potential violation of the State of Georgia Constitution.

**Cause:** Work was performed as a part of economic development under the County's direction that may have been a benefit to a private industry.

**Effect:** The work performed may have been a violation of the gratuities clause.

**Recommendation:** Officials and employees should be instructed as to what types of projects are allowable for a government to perform. The county attorney should be notified of any areas in question.

**Response:** We agree with the finding. We will take steps to ensure this type of noncompliance does not occur again.

**CHATTOOGA COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**December 31, 2020**

<b>Contracts 2020 - 2025</b>	<b>Original Estimated Cost</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>	<b>Current Non-SPLOST Expenditures on SPLOST Projects</b>
<b>Roads and Bridges Projects</b>					
County	\$ 4,708,800	\$ -	\$ 1,919,693	\$ 1,919,693	\$ 658,987
<b>Buildings</b>					
County	1,569,600	-	76,985	76,985	-
<b>Water System Improvements</b>					
County	1,569,600	-	148,802	148,802	-
Summerville	3,960,000	-	905,439	905,439	-
Trion	1,512,000	-	345,713	345,713	-
Lyerly	540,000	-	123,619	123,619	-
Menlo	540,000	-	120,325	120,325	-
<b>Total</b>	<b>\$ 14,400,000</b>	<b>\$ -</b>	<b>\$ 3,640,576</b>	<b>\$ 3,640,576</b>	<b>\$ 658,987</b>

Note: Chattooga County, Georgia imposed a special purpose 1% local option sales and use tax with the proceeds limited to funding expenditures for specified water system improvements, building improvements, and roads and bridges projects. This is effective for a six year period from January 1, 2020 through December 31, 2025.