

CRISP COUNTY, GEORGIA

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

CRISP COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents.....	i and ii
List of Principal Officials.....	iii

FINANCIAL SECTION

Independent Auditor’s Report	1 – 3
Management’s Discussion And Analysis.....	4 – 13

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Statement of Net Position.....	14 and 15
Statement of Activities.....	16

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP) Basis and Actual – General Fund	20 and 21
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP) Basis and Actual – Special Service District Fund.....	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP) Basis and Actual – T-SPLOST Special Revenue Fund.....	23
Statement of Net Position – Proprietary Funds.....	24 and 25
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds.....	27 and 28
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	29
Notes to Financial Statements	30 – 59

CRISP COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS (CONTINUED)

Page

REQUIRED SUPPLEMENTARY INFORMATION

Defined Benefit Retirement Plan	
Schedule of Changes in the County's Net Pension Liability and Related Ratios.....	60
Schedule of County Contributions	61
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	62 and 63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	64 and 65
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds	66 – 68
Combining Statement of Assets and Liabilities – Agency Funds	69 and 70

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	71 and 72
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	73 and 74
Schedule of Expenditures of Federal Awards	75
Note to Schedule of Expenditures of Federal Awards	76
Schedule of Findings and Questioned Costs	77 – 79
Schedule of Prior Year Findings	80
Management's Corrective Action Plan	81

CRISP COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2020

ELECTED

Sam Farrow, Jr., Chairman

Authur James Nance, Vice Chairman

Wallace Mathis, County Commissioner

James R. Dowdy, III, County Commissioner

Larry Felton, County Commissioner

STAFF

Clark Harrell, County Administrator

Sherrie Leverett, Finance Director

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Crisp County, Georgia
Cordele, Georgia**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Crisp Regional Health Services, Inc. or the Crisp County Department of Public Health, which represents 64%, 57%, and 70%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Crisp Regional Health Services, Inc. and the Crisp County Department of Public Health, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented Crisp Regional Health Services, Inc. were not audited in accordance with *Government Auditing Standards*.

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 reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, the Special Service District Fund, and the Transportation Special Purpose Local Option Sales Tax ("T-SPLOST") Special Revenue 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 (on pages 4 through 13), the Schedule of Changes in the County's Net Pension Liability and Related Ratios and the Schedule of County Contributions (on pages 60 and 61) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the County.

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

Other Reporting Required by Government Auditing Standards

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 21, 2020

CRISP COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

As management of Crisp County Georgia, (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County, for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

The County's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$64,446,597 (net position). Of this amount, \$9,313,466 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.

- The County's total assets decreased by \$854,557 for the fiscal year ended June 30, 2020.
- Included in the total net position of the Primary Government, is a net investment of \$42,349,756 in capital assets net of accumulated depreciation and related debt.
- The General Fund recorded a net decrease in total fund balance of \$519,552, dropping it to \$11,190,437 at June 30, 2020. The unassigned fund balance, which represents amounts not yet constrained for specific purposes, decreased by \$899,131 to \$3,416,521. This equates to 21% of total General Fund expenditures.
- The fund balances of \$8,547,159 from the Special Service District Fund, Special Purpose Local Option Sales Tax ("SPLOST") Funds and other nonmajor governmental funds brings the County's combined ending fund balance to \$19,737,596 as of the close of fiscal year 2020. This represents a .62% increase of \$121,879 in the total Governmental Funds fund balance from the previous fiscal year.
- Capital leases, notes payable, bonds payable, compensated absences, net pension liability, along with landfill closure and post-closure cost accounts for a total of \$15,682,538 in long-term debt at June 30, 2020. Capital leases, notes and revenue bonds payable decreased by \$2,584,513. That, combined with an increase of \$180,156 in compensated absences, pension liability, closure and post-closure care, provided the County with a net reduction in long term debt of \$2,404,357 over the last 12 months.

Overview of the Financial Statements

This Management Discussion and Analysis ("MD&A") is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information and a section on compliance.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the County. There are two government-wide statements, the statement of net position and the statement of activities, which are described next.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The statement of net position presents information on all of the County's assets, deferred inflows of resources, liabilities, and deferred inflows of resources, 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 is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through administrative fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, parks and recreation, community and economic development. The business-type activities of the County include the water distribution system and the municipal solid waste landfill.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate board of health, a hospital authority, and an electric power commission. The County is financially accountable for each of these entities.

The government-wide financial statements can be found on pages 14 - 16 of this report.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended June 30, 2020, the County maintained 18 individual governmental funds to account for the following activities: General Fund, Accounts Payable Fund, Law Library Fund, Asset Forfeiture Fund, DARE/DATEF Fund, Jail Maintenance Fund, E-911 Fund, Hotel/Motel Tax Fund, Fixed Asset Fund, CDBG Revolving Loan Fund, Special Services District Fund, CDBG17 Willow Lake Water Project Fund, CDBG20 Meadow Park Street Drainage Project Fund, 2005, 2011 and 2017 Special Local Option Sales Tax Funds, T-SPLOST Special Revenue Fund and T-SPLOST Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Special Service District Fund and the T-SPLOST Special Revenue Fund and the 2017 Special Local Option Sales Tax Fund, all of which are considered to be major funds for fiscal year 2020. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all General and Special Revenue Funds. Budgetary comparison statements have been provided for the General Fund and Major Special Revenue Funds to demonstrate compliance with budget. Budgets for capital project funds are adopted on a project-length basis, however, they are reviewed and updated as needed during the annual budget process.

Proprietary Funds. There are two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for water distribution and solid waste operations.

Internal service funds are an accounting device used to accumulate and allocate cost internally among the County's various departments and divisions. There are no internal service funds included in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water System Fund and the Landfill Fund, both are considered major funds of the County.

The basic proprietary fund financial statements can be found on pages 24 - 28 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held by agencies for benefit of parties outside the government. They are referred to as agency funds in the County's financial report and include the Clerk of Superior Court, the Probate Judge, the Crisp County Sheriff, the Jail Inmate Fund, the Tax Commissioner and the Magistrate Court. Agency funds are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Statement of Fiduciary Assets and Liabilities – Agency funds financial statements can be found on page 29 of this report. The combining statement of assets and liabilities for agency funds is located on pages 69 and 70.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 – 59 of this report.

Required Supplementary Information. The schedule of changes in the County's defined benefit retirement plan that is presented immediately following the notes to the financial statements on pages 60 and 61, shows the calculation of the County's net pension liability as a percentage of covered employee payroll as 96.1% at June 30, 2020

Other Information. The combining schedules and statements referred to earlier in connection with nonmajor governmental funds are presented next on pages 62 - 65 and include the fiscal year's activity for the following funds: Law Library Fund; Asset Forfeiture Fund; DARE Fund; Jail Fund; E-911 Fund; Hotel/Motel Tax Fund; CDBG Revolving Loan Fund; CDBG Willow Lake Water Project Fund; the 2005 and the 2011 SPLOST Funds; and the T-SPLOST Capital Project Fund.

Following that, on pages 66 – 68, are the schedules of expenditures for fiscal year June 30, 2020 on each of the County's Special Local Option Sales Tax Funds.

Government-Wide Financial Analysis

Net position amounts generally serve over time as a useful indicator of a government's financial status. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources leaving it with \$64,446,597 in total net position at the close of the most recent fiscal year.

The largest portion of the County's net position (72%) reflects its net investment in capital assets of \$46,401,063 (e.g., land, buildings, machinery, and equipment) less depreciation and any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CRISP COUNTY'S NET POSITION JUNE 30, 2020

	Governmental Activities		Business-type Activities		Total	
	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020
Current and other assets	\$ 22,107,962	\$ 22,840,504	\$ 6,033,795	\$ 6,432,344	\$ 28,141,758	\$ 29,872,337
Capital assets	44,556,999	42,349,756	8,767,132	8,767,132	53,324,131	50,738,995
Total assets	\$ 66,664,961	\$ 65,411,856	\$ 14,800,928	\$ 15,199,476	\$ 81,465,889	\$ 80,611,332
Deferred outflows of resources	\$ 2,607,645	\$ 2,497,790	\$ 105,657	\$ 90,238	\$ 2,713,302	\$ 2,588,028
Long-term liabilities outstanding	\$ 9,737,743	\$ 201,600	\$ 5,739,135	\$ 5,143,686	\$ 15,476,878	\$ 5,345,286
Other liabilities	3,856,011	11,302,049	609,541	820,775	4,465,552	12,122,824
Total liabilities	\$ 13,593,754	\$ 11,503,649	\$ 6,348,676	\$ 5,964,461	\$ 19,942,430	\$ 17,468,110
Deferred inflows of Resources	\$ 458,476	\$ 1,239,860	\$ 18,577	\$ 44,793	\$ 477,053	\$ 1,284,653
Net position:						
Net investment in capital assets	\$ 41,216,977	\$ 41,117,233	\$ 5,184,709	\$ 5,283,830	\$ 46,401,686	\$ 46,401,063
Restricted	7,917,220	8,684,330	46,213	47,738	7,963,433	8,732,068
Unrestricted	6,086,179	5,364,574	3,308,410	3,948,892	9,394,589	9,313,466
Total net position	\$ 55,220,376	\$ 55,166,137	\$ 8,539,332	\$ 9,280,460	\$ 63,759,708	\$ 64,446,597

The balance of unrestricted net position of \$9,313,466 is available for use to meet the government's ongoing obligations to citizens and creditors.

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

Governmental Activities. As indicated by the following table, governmental activities expenses exceeded total revenues by approximately .20% resulting in a decrease of \$54,240 in net position for the 12-month period of July 1, 2019 through June 30, 2020.

Business-type activities. Business-type activities increased the County's net position over the prior year by \$741,128 for fiscal year 2020. Excluding transfers and investment earnings, charges for services represented 95% of the total revenues. The following table also indicates the changes in net position for business-type activities for the 2020 fiscal year:

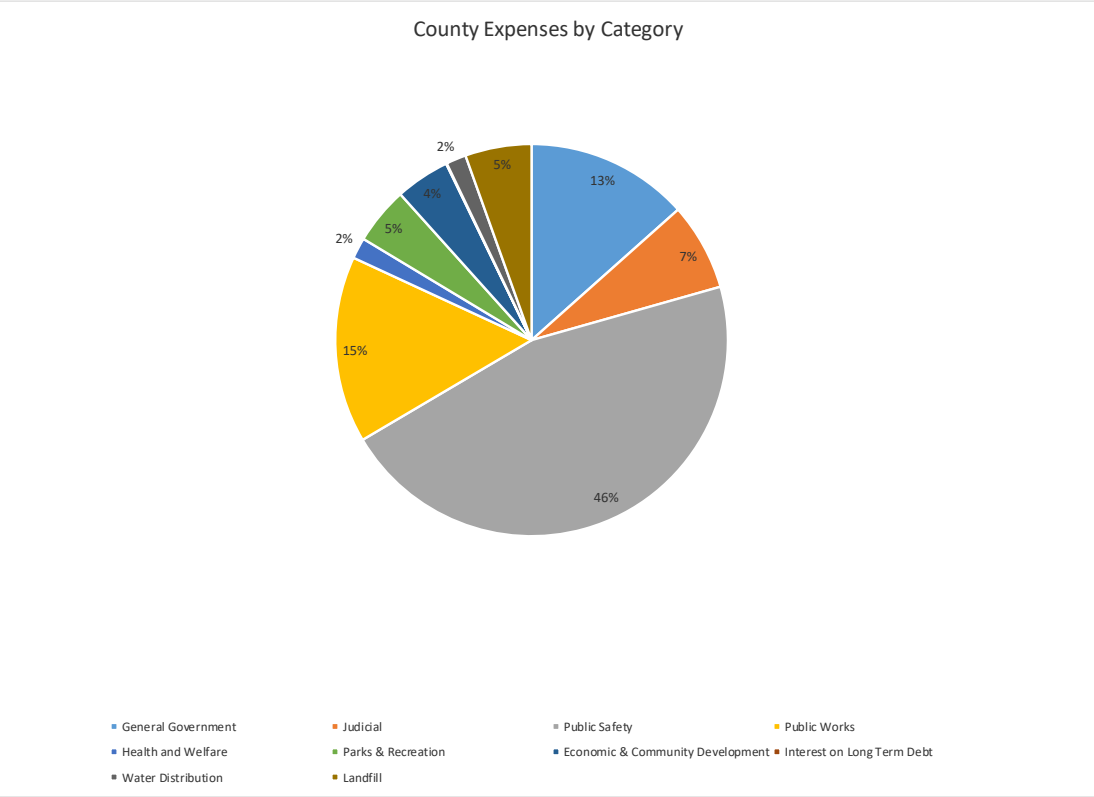
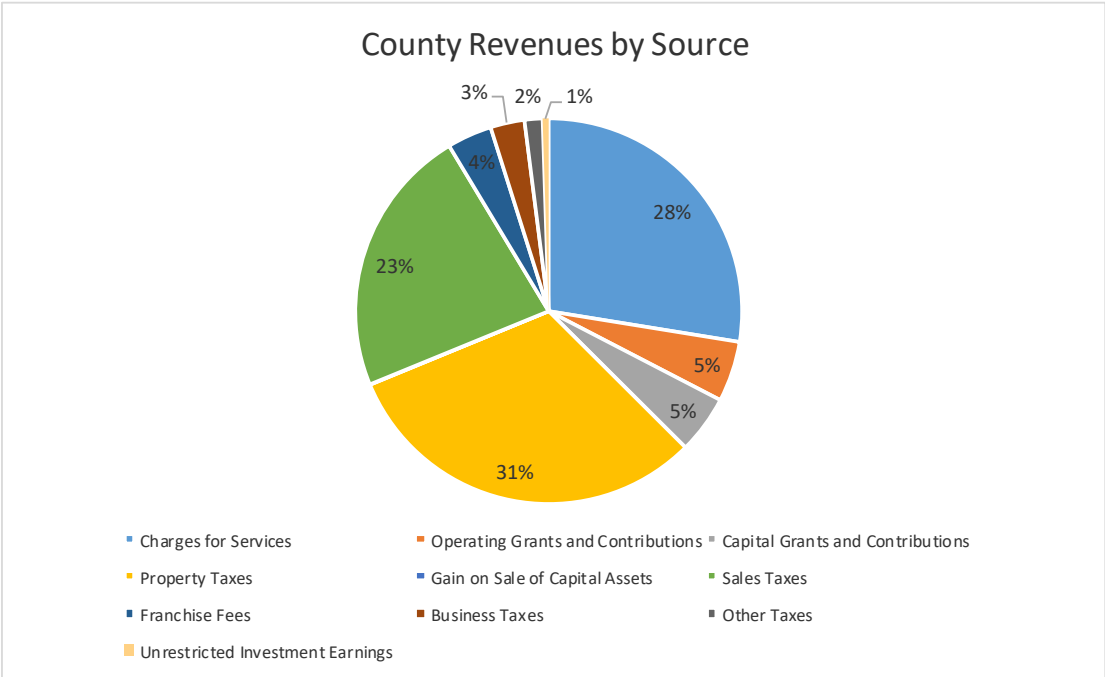
MANAGEMENT'S DISCUSSION AND ANALYSIS

CRISP COUNTY'S CHANGES IN NET POSITION JUNE 30, 2020

	Governmental Activities		Business-type Activities		Total	
	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020
Revenues						
Program revenues:						
Charges for services	\$ 5,551,182	\$ 5,679,182	\$ 3,040,332	\$ 2,731,970	\$ 8,591,514	\$ 8,411,152
Operating grants and contributions	1,641,868	1,545,935	-	-	1,641,868	1,545,935
Capital grants and contributions	1,602,436	1,351,782	-	134,651	1,602,436	1,486,433
General revenues:						
Property taxes	8,315,549	9,543,438	-	-	8,315,549	9,543,438
Sales taxes	6,746,167	6,893,418	-	-	6,746,167	6,893,418
Franchise taxes	1,065,749	1,144,922	-	-	1,065,749	1,144,922
Insurance premium tax	815,914	870,587	-	-	815,914	870,587
Other taxes	567,843	458,385	-	-	567,843	458,385
Unrestricted investment earnings	222,002	143,639	12,877	11,773	234,879	155,412
Gain on sale of capital assets	-	6,701	-	-	-	6,701
Transfers	(148,451)	17,584	148,451	(17,584)	-	-
Total revenues	<u>26,380,259</u>	<u>27,655,573</u>	<u>3,201,660</u>	<u>2,860,810</u>	<u>29,581,919</u>	<u>30,516,383</u>
Expenses						
General government	3,928,036	4,000,133	-	-	3,928,036	4,000,133
Judicial	2,079,988	2,146,671	-	-	2,079,988	2,146,671
Public safety	12,395,134	13,690,898	-	-	12,395,134	13,690,898
Public works	4,513,214	4,592,369	-	-	4,513,214	4,592,369
Health and welfare	575,606	519,258	-	-	575,606	519,258
Recreation	1,230,816	1,405,234	-	-	1,230,816	1,405,234
Housing and community development	1,072,706	1,337,523	-	-	1,072,706	1,337,523
Interest on long-term debt	25,541	17,727	-	-	25,541	17,727
Water	-	-	493,964	491,341	493,964	491,341
Landfill	-	-	1,780,252	1,628,341	1,780,252	1,628,341
Self insurance health benefit	-	-	2,417	-	2,417	-
Total expenses	<u>25,821,041</u>	<u>27,709,813</u>	<u>2,276,633</u>	<u>2,119,682</u>	<u>28,097,674</u>	<u>29,829,495</u>
Total increase (decrease) in net position	559,218	(54,240)	925,027	741,128	1,484,245	686,888
Net position, beginning of year	54,661,159	55,220,377	7,614,305	8,539,332	62,275,464	63,759,709
Net position, end of year	<u>\$ 55,220,377</u>	<u>\$ 55,166,137</u>	<u>\$ 8,539,332</u>	<u>\$ 9,280,460</u>	<u>\$ 63,759,709</u>	<u>\$ 64,446,597</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS

Approximately 28% of the County’s total revenue came from charges from services, 31% from property taxes, 23% from sales tax, while the remaining 18% came from various other revenues. The County’s expenses cover a range of services. The largest expenses, 46%, are related to providing public safety, which includes law enforcement, fire protection, E-911 services, ambulance services, animal control, coroner, and detention facility services.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the County's governmental funds reported an increase in combined ending fund balances from the previous year of \$121,879 pushing that number up to \$19,737,596.

The General Fund is the chief operating fund of the County and ended the fiscal year with a fund balance of \$11,190,437, which is down \$519,552 from the previous year. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance of \$3,416,521 to the fund's total expenditures of \$16,419,543 as a percentage. Unassigned fund balance represents 21% of total General Fund expenditures and is considered available to meet the County's ongoing service obligations to its citizens as well as fulfill all debt requirements.

The remaining governmental funds which include the Special Service District Fund, the T-SPLOST Special Revenue Fund and the 2017 Special Local Option Sales Tax Funds, all considered major funds for fiscal year 2020, and the Nonmajor Governmental Funds ended the year with a total combined fund balance of \$8,547,159, of which all but \$94,264 is restricted for specific uses.

Proprietary Funds. The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund at the end of the year amounted to \$3,364,081. The Water Fund recorded an operating income of \$292,640 for fiscal year 2020. Combining that with net non-operating expenses, capital contributions and transfers increased this fund's net position by \$376,272 during this fiscal year.

Unrestricted net position of the Landfill Fund at the end of the year amounted to \$584,811. The Landfill Fund's operating income of \$439,262 combined with net non-operating expenses and capital contributions provided an increase of \$364,856 over the previous year's net position balance.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$50,738,995 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Crisp County's Capital Assets (Net of Depreciation)

	Governmental Activities	Business-type Activities	Total
	2020	2020	
Land	\$ 2,536,632	\$ 765,223	\$ 3,301,855
Construction in progress	136,565	115,435	252,000
Land improvements	7,187,585	-	7,187,585
Infrastructure	12,183,729	-	12,183,729
Plant and buildings	15,444,854	7,113,556	22,558,410
Furniture, machinery and equipment	4,860,391	158,769	5,019,160
System improvements	-	31,409	31,409
Total	\$ 42,349,756	\$ 8,184,392	\$ 50,534,148

Major capital asset events during the current fiscal year included the following:

- \$594,575 in SPLOST and Georgia Department of Transportation (“GDOT”) funding was used to replace the bridge on Cannon Road.
- An additional \$363,224 in SPLOST and Federal Aviation Transportation Funds was expended on Crisp County-Cordele Airport runway safety improvements.
- E911 Fund Revenues, Asset Forfeiture and SPLOST Funds in the amount of \$455,334 combined to complete renovations and purchase equipment for the new E911 Center, which includes a new EMS Station, CDI Storage Facility and emergency generator.
- Another \$24,109 in Community Development Block Grant and Water Distribution Funds was used to complete construction of a water distribution system in Willow Lake Park at a total cost of 212,081.
- General fund dollars were used to build a new pool house at Pickens Pool at a cost of \$77,135.
- SPLOST, General and Asset Forfeiture Funds combined to purchase eleven vehicles for the Crisp County Sheriff's Department at a total cost of \$312,511.
- \$65,922 in SPLOST Funds was used to purchase and install generators at each of the two County Water Distribution well and tank facilities.
- Additional information on the County's capital assets can be found in Note 6 on pages 45 – 47 of this report.

Long-Term Debt. As of June 30, 2020, Crisp County's long-term debt consisted of notes payable, capital lease payable, compensated absences, revenue bonds payable, pension liability and landfill closure and post-closure care. The County recorded a net decrease in total long-term debt for its governmental funds of \$2,000,820. The business-type activities logged a net decrease in long term debt of \$403,537 during fiscal year ended June 30, 2020.

Additional information on the County's long-term debt can be found in Note 7 on pages 47 – 50 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors

- The County's unemployment increased significantly over the last 12 months, from 4.3% at June 30, 2019 to 7.4% at June 30, 2020. This was above the State of Georgia average of 4.4% but below the national average of 11.1%.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sherrie Leverett, Finance Director, 210 South 7th Street, Suite 309, Cordele, Georgia 31015 or sleverett@crispcounty.com.

CRISP COUNTY, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2020

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Crisp County Power Commission	Crisp Regional Health Services, Inc.	Crisp County Board of Health
ASSETS						
Cash and cash equivalents	\$ 10,259,670	\$ 6,467,010	\$ 16,726,680	\$ 10,833,292	\$ 15,161,000	\$ 904,286
Investments	7,169,021	-	7,169,021	34,528,380	-	-
Taxes receivable	1,158,651	-	1,158,651	-	-	-
Accounts receivable, net of allowances	42,424	168,660	211,084	3,652,604	18,714,000	4,604
Notes receivable	1,509,170	-	1,509,170	-	1,103,000	-
Internal balances	17,883	(17,883)	-	-	-	-
Due from other governments	2,276,445	21,546	2,297,991	-	-	-
Due from component unit	1,111	-	1,111	-	-	-
Inventories	15,587	-	15,587	1,196,823	2,191,000	-
Prepaid items	390,542	16,552	407,094	72,147	-	-
Other assets	-	-	-	4,185,568	2,360,000	-
Restricted assets:						
Cash	-	154,352	154,352	-	-	-
Assets limited as to use	-	-	-	657,123	48,748,000	-
Goodwill	-	-	-	-	10,822,000	-
Investment in affiliated companies	-	-	-	-	431,000	-
Capital assets:						
Nondepreciable	2,673,197	880,658	3,553,855	2,545,085	4,295,000	-
Depreciable, net of accumulated depreciation	39,676,559	7,508,581	47,185,140	18,326,909	33,033,000	9,158
Total assets	65,190,260	15,199,476	80,389,736	75,997,931	136,858,000	918,048
DEFERRED OUTFLOWS OF RESOURCES						
Pension	2,497,790	90,238	2,588,028	2,654,987	-	165,662
Total deferred outflows of resources	2,497,790	90,238	2,588,028	2,654,987	-	165,662

(Continued)

CRISP COUNTY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Crisp County Power Commission	Crisp Regional Health Service, Inc.	Crisp County Board of Health
LIABILITIES						
Accounts payable	\$ 1,266,104	\$ 41,864	\$ 1,307,968	\$ 2,668,924	\$ 8,234,000	\$ -
Accrued liabilities	265,403	15,153	280,556	618,826	6,637,000	-
Customer deposits payable	-	68,677	68,677	657,123	-	-
Other payables	-	-	-	-	1,251,000	-
Due to other governments	107,194	21,177	128,371	-	-	-
Capital leases due within one year	1,232,523	-	1,232,523	-	-	-
Notes payable due within one year	-	324,957	324,957	-	530,000	-
Notes payable due in more than one year	-	1,517,763	1,517,763	-	2,148,000	-
Bonds payable due within one year	-	47,738	47,738	-	870,000	-
Bonds payable due in more than one year	-	1,214,951	1,214,951	-	22,859,000	-
Compensated absences due within one year	200,642	3,875	204,517	-	-	12,457
Compensated absences due in more than one year	201,600	18,532	220,132	-	-	11,921
Closure and post-closure care costs	-	2,392,440	2,392,440	-	-	-
Net pension liability	8,230,183	297,334	8,527,517	3,574,417	-	291,704
Net OPEB liability	-	-	-	-	-	84,546
Total liabilities	<u>11,503,649</u>	<u>5,964,461</u>	<u>17,468,110</u>	<u>7,519,290</u>	<u>42,529,000</u>	<u>400,628</u>
DEFERRED INFLOWS OF RESOURCES						
Pension	1,239,860	44,793	1,284,653	197,140	-	178,801
Total deferred inflows of resources	<u>1,239,860</u>	<u>44,793</u>	<u>1,284,653</u>	<u>197,140</u>	<u>-</u>	<u>178,801</u>
NET POSITION						
Net investment in capital assets	41,117,233	5,283,830	46,401,063	20,871,994	10,921,000	9,158
Restricted for:						
Debt service	-	47,738	47,738	-	-	-
Judicial	122,010	-	122,010	-	-	-
Public safety	1,501,373	-	1,501,373	-	-	-
Economic development	2,179,100	-	2,179,100	-	-	-
Capital outlay	4,881,847	-	4,881,847	-	-	169,707
Unrestricted	5,364,574	3,948,892	9,313,466	50,064,494	83,408,000	325,416
Total net position	<u>\$ 55,166,137</u>	<u>\$ 9,280,460</u>	<u>\$ 64,446,597</u>	<u>\$ 70,936,488</u>	<u>\$ 94,329,000</u>	<u>\$ 504,281</u>

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

CRISP COUNTY, GEORGIA

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

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component units		
					Governmental Activities	Business-type Activities	Total	Crisp Co Power Commission	Crisp Regional Health Services, Inc.	Crisp Co Board of Health
Primary government										
Governmental activities:										
General government	\$ 4,000,133	\$ 1,109,222	\$ 1,138,743	\$ 51	\$ (1,752,117)	\$ -	\$ (1,752,117)	\$ -	\$ -	\$ -
Judicial	2,146,671	40,248	-	16	(2,106,407)	-	(2,106,407)	-	-	-
Public safety	13,690,898	4,484,774	298,858	645,054	(8,262,212)	-	(8,262,212)	-	-	-
Public works	4,592,369	-	108,334	654,003	(3,830,032)	-	(3,830,032)	-	-	-
Health and welfare	519,258	-	-	-	(519,258)	-	(519,258)	-	-	-
Parks and recreation	1,405,234	36,388	-	22	(1,368,824)	-	(1,368,824)	-	-	-
Housing and development	1,337,523	8,550	-	52,636	(1,276,337)	-	(1,276,337)	-	-	-
Interest on long-term debt	17,727	-	-	-	(17,727)	-	(17,727)	-	-	-
Total governmental activities	27,709,813	5,679,182	1,545,935	1,351,782	(19,132,914)	-	(19,132,914)	-	-	-
Business-type activities:										
Water system	491,341	742,134	-	-	-	250,793	250,793	-	-	-
Landfill	1,628,341	1,989,836	-	134,651	-	496,146	496,146	-	-	-
Total business-type activities	2,119,682	2,731,970	-	134,651	-	746,939	746,939	-	-	-
Total primary government	29,829,495	8,411,152	1,545,935	1,486,433	(19,132,914)	746,939	(18,385,975)	-	-	-
Component units:										
Crisp County Power Commission	\$ 40,692,928	\$ 47,586,544	\$ -	\$ -	-	-	-	6,893,616	-	-
Crisp Regional Health Services, Inc.	105,816,000	108,808,000	1,071,000	-	-	-	-	-	4,063,000	-
Crisp County Board of Health	829,639	339,852	479,766	-	-	-	-	-	-	(10,021)
Total component units	\$ 147,338,567	\$ 156,734,396	\$ 1,550,766	\$ -	-	-	-	6,893,616	4,063,000	(10,021)
General revenues:										
Property taxes					9,543,438	-	9,543,438	-	-	-
Sales taxes					6,893,418	-	6,893,418	-	-	-
Franchise fees					1,144,922	-	1,144,922	-	-	-
Business taxes					870,587	-	870,587	-	-	-
Other taxes					458,385	-	458,385	-	-	-
Unrestricted investment earnings					143,639	11,773	155,412	1,355,014	(398,000)	454
Gain on sale of capital assets					6,701	-	6,701	-	-	-
Transfers					17,584	(17,584)	-	-	-	-
Total general revenues and transfers					19,078,674	(5,811)	19,072,863	1,355,014	(398,000)	454
Change in net position					(54,240)	741,128	686,888	8,248,630	3,665,000	(9,567)
Net position, beginning of year					55,220,377	8,539,332	63,759,709	62,687,858	90,664,000	513,848
Net position, end of year	\$ 55,166,137	\$ 9,280,460	\$ 64,446,597	\$ 70,936,488	\$ 94,329,000	\$ 504,281				

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

CRISP COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2020

	General Fund	Special Service District Fund	T-SPLOST Special Revenue Fund	2017 Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,491,517	\$ 588,563	\$ 381,249	\$ 2,477,746	\$ 3,320,595	\$ 10,259,670
Investments	6,927,428	-	-	-	241,593	7,169,021
Receivables, net of allowance:						
Taxes	958,471	34,871	161,489	-	3,820	1,158,651
Accounts	28,966	9,892	-	-	3,566	42,424
Notes	-	-	-	-	1,509,170	1,509,170
Due from other funds	508,813	-	8,740	-	492,556	1,010,109
Due from other governments	812,970	-	-	1,418,526	44,949	2,276,445
Due from component unit	1,111	-	-	-	-	1,111
Prepaid items	314,100	31,463	1,704	-	43,275	390,542
Inventory	15,587	-	-	-	-	15,587
Total assets	<u>\$ 13,058,963</u>	<u>\$ 664,789</u>	<u>\$ 553,182</u>	<u>\$ 3,896,272</u>	<u>\$ 5,659,524</u>	<u>\$ 23,832,730</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 352,034	\$ 18,701	\$ 15,466	\$ 628,997	\$ 250,906	\$ 1,266,104
Accrued liabilities	217,572	30,063	1,968	-	15,800	265,403
Due to other funds	8,921	1,104	497,017	200	484,984	992,226
Due to other governments	107,194	-	-	-	-	107,194
Total liabilities	<u>685,721</u>	<u>49,868</u>	<u>514,451</u>	<u>629,197</u>	<u>751,690</u>	<u>2,630,927</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - property taxes	886,524	31,282	80,314	-	-	998,120
Unavailable revenue - intergovernmental	296,281	-	-	391,402	-	687,683
Total deferred inflow of resources	<u>1,182,805</u>	<u>31,282</u>	<u>80,314</u>	<u>391,402</u>	<u>-</u>	<u>1,685,803</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	314,100	31,463	1,704	-	43,275	390,542
Inventory	15,587	-	-	-	-	15,587
Restricted for:						
General government	24,440	-	4,998	-	-	29,438
Judicial	27,185	-	5,560	-	89,265	122,010
Public safety	102,539	552,176	20,970	-	825,688	1,501,373
Public works	26,270	-	5,373	-	-	31,643
Recreation	11,529	-	2,358	-	-	13,887
Economic development	7,483	-	1,530	-	-	9,013
Health and Welfare	3,884	-	794	-	2,174,422	2,179,100
Capital outlay	-	-	-	3,097,269	1,784,578	4,881,847
Committed for:						
General government	870,356	-	-	-	-	870,356
Judicial	968,108	-	-	-	-	968,108
Public safety	3,651,586	-	-	-	-	3,651,586
Public works	935,524	-	-	-	-	935,524
Recreation	410,559	-	-	-	-	410,559
Economic development	266,465	-	-	-	-	266,465
Health and Welfare	138,301	-	-	-	-	138,301
Unassigned	3,416,521	-	(84,870)	-	(9,394)	3,322,257
Total fund balances	<u>11,190,437</u>	<u>583,639</u>	<u>(41,583)</u>	<u>3,097,269</u>	<u>4,907,834</u>	<u>19,737,596</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 13,058,963</u>	<u>\$ 664,789</u>	<u>\$ 553,182</u>	<u>\$ 4,117,868</u>	<u>\$ 5,659,524</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	42,349,756
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,685,803
Deferred outflows of resources are not available to pay for current resources and, therefore, are not reported in the funds.	2,497,790
Certain long-term liabilities are not due and payable in the current period and are, therefore, not reported in the funds.	(1,634,765)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(8,230,183)
Deferred inflows of resources related to the net difference between expected and actual experience of economic/demographic gains are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(1,239,860)

Net position of governmental activities \$ 55,166,137

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

CRISP COUNTY, GEORGIA

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

	General	Special Service District Fund	T-SPLOST Special Revenue Fund	2017 Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 8,183,812	\$ 440,606	\$ -	\$ -	\$ -	\$ 8,624,418
Sales taxes	1,986,675	-	852,926	4,053,817	-	6,893,418
Franchise taxes	607,716	537,206	-	-	-	1,144,922
Business taxes	61,793	808,794	-	-	-	870,587
Other taxes	418,599	2,397	-	-	37,389	458,385
Licenses and permits	14,350	31,234	-	-	-	45,584
Intergovernmental	1,362,829	-	-	880,558	651,562	2,894,949
Charges for services	1,736,232	-	-	-	889,216	2,625,448
Fines and forfeitures	1,670,980	-	-	-	781,984	2,452,964
Interest income	94,875	-	1,701	1,069	48,762	146,407
Other revenues	325,527	78,160	12,209	106,989	32,301	555,186
Total revenues	<u>16,463,388</u>	<u>1,898,397</u>	<u>866,836</u>	<u>5,042,433</u>	<u>2,441,214</u>	<u>26,712,268</u>
Expenditures						
Current:						
General government	2,653,345	-	-	-	-	2,653,345
Judicial	2,079,868	-	-	-	45,165	2,125,033
Public safety	7,709,303	1,666,289	-	-	1,731,535	11,107,127
Public works	1,764,409	19,376	454,592	-	833	2,239,210
Health and welfare	490,233	-	-	-	-	490,233
Parks and recreation	1,094,473	-	-	-	-	1,094,473
Housing and development	627,912	197,133	-	-	116,018	941,063
Intergovernmental payments	-	-	-	1,197,826	-	1,197,826
Capital outlay	-	-	-	1,401,208	1,237,407	2,638,615
Debt service:						
Principal	-	-	-	1,873,301	234,198	2,107,499
Interest	-	-	-	3,299	16,951	20,250
Total expenditures	<u>16,419,543</u>	<u>1,882,798</u>	<u>454,592</u>	<u>4,475,634</u>	<u>3,382,107</u>	<u>26,614,674</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,845</u>	<u>15,599</u>	<u>412,244</u>	<u>566,799</u>	<u>(940,893)</u>	<u>97,594</u>
Other financing sources (uses)						
Proceeds from the sale of capital assets	5,301	1,400	-	-	-	6,701
Transfers in	60,328	-	-	155,939	1,108,008	1,324,275
Transfers out	(629,026)	-	(492,556)	-	(185,109)	(1,306,691)
Total other financing sources (uses)	<u>(563,397)</u>	<u>1,400</u>	<u>(492,556)</u>	<u>155,939</u>	<u>922,899</u>	<u>24,285</u>
Net change in fund balances	(519,552)	16,999	(80,312)	722,738	(17,994)	121,879
Fund balances, beginning of year	<u>11,709,989</u>	<u>566,640</u>	<u>38,729</u>	<u>2,374,531</u>	<u>4,925,828</u>	<u>19,615,717</u>
Fund balances (deficit), end of year	<u>\$ 11,190,437</u>	<u>\$ 583,639</u>	<u>\$ (41,583)</u>	<u>\$ 3,097,269</u>	<u>\$ 4,907,834</u>	<u>\$ 19,737,596</u>

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

CRISP COUNTY, GEORGIA

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

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

Net change in fund balances - total governmental funds	\$	121,879
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.		(2,207,243)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		919,020
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the principal payment on notes payable.		2,107,499
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(995,395)</u>
Net change in net position - governmental activities	\$	<u><u>(54,240)</u></u>

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

CRISP COUNTY, GEORGIA

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 7,844,000	\$ 8,183,806	\$ 8,183,812	\$ 6
Sales taxes	1,900,000	2,175,762	1,986,675	(189,087)
Franchise taxes	570,000	607,715	607,716	1
Business taxes	55,000	61,792	61,793	1
Other taxes	449,700	418,600	418,599	(1)
Licenses and permits	31,900	14,350	14,350	-
Intergovernmental	1,059,035	2,085,275	1,362,829	(722,446)
Charges for services	1,847,400	1,736,230	1,736,232	2
Fines and forfeitures	1,618,076	1,670,978	1,670,980	2
Interest revenue	100,000	94,875	94,875	-
Other revenues	244,000	325,526	325,527	1
Total revenues	15,719,111	17,374,909	16,463,388	(911,521)
Expenditures				
Current:				
General government:				
Legislative	390,194	382,559	382,559	-
Executive	213,712	210,368	210,368	-
Elections	109,651	144,433	144,433	-
Financial administration	484,672	451,917	451,917	-
Data processing	12,500	7,097	7,097	-
Human resources	85,874	79,470	79,470	-
Tax commissioner	331,914	273,189	273,189	-
Tax assessor	540,606	509,098	509,098	-
General government buildings and plant	570,279	595,188	595,214	(26)
Total general government	2,739,402	2,653,319	2,653,345	(26)
Judicial:				
Judicial administration	115,221	115,221	115,221	-
Drug court	147,847	194,192	194,102	90
Clerk of superior court	501,087	437,752	437,752	-
District attorney	395,740	358,260	358,259	1
Magistrate court	276,364	267,981	267,802	179
Probate court	353,021	340,667	340,667	-
Juvenile court	66,994	59,565	59,507	58
Grand jury	36,700	34,847	34,847	-
Public defender	306,891	271,720	271,711	9
Total judicial	2,199,865	2,080,205	2,079,868	337
Public safety:				
Sheriff	4,614,554	4,682,935	4,682,489	446
Jail operations	2,008,084	2,275,191	2,275,103	88
Fire	11,263	12,018	11,944	74
EMS	220,641	388,900	388,748	152
Coroner	47,156	43,078	42,927	151
Other protection	286,977	308,176	308,092	84
Total public safety	7,188,675	7,710,298	7,709,303	995

(Continued)

CRISP COUNTY, GEORGIA

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

Expenditures (Continued)	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public works:				
Public works administration	\$ 1,643,284	\$ 1,691,589	\$ 1,690,989	\$ 600
Intergovernmental payments of energy excise tax	86,625	73,422	73,420	2
Total public works	1,729,909	1,765,011	1,764,409	602
Health and welfare:				
Health	292,910	140,696	140,626	70
Welfare	14,500	3,476	3,475	1
Community services	248,650	345,260	345,189	71
Public education	-	943	943	-
Total health and welfare	556,060	490,375	490,233	142
Parks and recreation:				
Recreation	1,185,891	975,835	975,642	193
Parks	123,345	118,861	118,831	30
Total parks and recreation	1,309,236	1,094,696	1,094,473	223
Housing and development:				
Conservation	184,974	181,277	181,134	143
Economic development and assistance	444,136	472,609	445,429	27,180
Economic opportunity	3,900	1,400	1,349	51
Total housing and development	633,010	655,286	627,912	27,374
Total expenditures	16,356,157	16,449,190	16,419,543	29,647
Excess (deficiency) of revenues over (under) expenditures	(637,046)	925,719	43,845	(881,874)
Other financing sources (uses)				
Proceeds from sale of assets	-	5,301	5,301	-
Transfers in	215,900	60,330	60,328	(2)
Transfers out	(559,395)	(624,453)	(629,026)	(4,573)
Total other financing uses, net	(343,495)	(558,822)	(563,397)	(4,575)
Net change in fund balances	(980,541)	366,897	(519,552)	(886,449)
Fund balance, beginning of year	11,709,989	11,709,989	11,709,989	-
Fund balance, end of year	\$ 10,729,448	\$ 12,076,886	\$ 11,190,437	\$ (886,449)

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

CRISP COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP) BASIS AND ACTUAL SPECIAL SERVICE DISTRICT FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 517,333	\$ 440,606	\$ 440,606	\$ -
Franchise taxes	525,000	539,021	537,206	(1,815)
Business taxes	700,000	808,794	808,794	-
Other taxes	1,900	2,397	2,397	-
Licenses and permits	20,000	31,234	31,234	-
Other revenues	78,669	59,351	78,160	18,809
Total revenues	<u>1,842,902</u>	<u>1,881,403</u>	<u>1,898,397</u>	<u>16,994</u>
Expenditures				
Current:				
Public safety:				
Fire	1,597,344	1,666,293	1,666,289	4
Total public safety	<u>1,597,344</u>	<u>1,666,293</u>	<u>1,666,289</u>	<u>4</u>
Public works:				
Solid waste collection	40,000	19,376	19,376	-
Total public works	<u>40,000</u>	<u>19,376</u>	<u>19,376</u>	<u>-</u>
Housing and development:				
Planning and zoning	205,558	197,134	197,133	1
Total housing and development	<u>205,558</u>	<u>197,134</u>	<u>197,133</u>	<u>1</u>
Total expenditures	<u>1,842,902</u>	<u>1,882,803</u>	<u>1,882,798</u>	<u>5</u>
Excess (deficiency) of revenues over (under) expenditures	-	(1,400)	15,599	16,999
Other financing sources				
Proceeds from sale of assets	-	1,400	1,400	-
Total other financing sources	<u>-</u>	<u>1,400</u>	<u>1,400</u>	<u>-</u>
Net change in fund balances	-	-	16,999	16,999
Fund balance, beginning of year	<u>566,640</u>	<u>566,640</u>	<u>566,640</u>	<u>-</u>
Fund balance, end of year	<u>\$ 566,640</u>	<u>\$ 566,640</u>	<u>\$ 583,639</u>	<u>\$ 16,999</u>

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

CRISP COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP) BASIS AND ACTUAL T-SPLOST SPECIAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Sales taxes	\$ 775,000	\$ 933,239	\$ 852,926	\$ (80,313)
Interest revenue	2,400	1,701	1,701	-
Other revenues	-	12,209	12,209	-
Total revenues	<u>777,400</u>	<u>947,149</u>	<u>866,836</u>	<u>(80,313)</u>
Expenditures				
Current:				
Public works:				
Highways and streets	454,499	454,593	454,592	1
Total public works	<u>454,499</u>	<u>454,593</u>	<u>454,592</u>	<u>1</u>
Total expenditures	<u>454,499</u>	<u>454,593</u>	<u>454,592</u>	<u>1</u>
Excess of revenues over expenditures	322,901	492,556	412,244	(80,312)
Other financing uses				
Transfers out	(322,901)	(492,556)	(492,556)	-
Total other financing uses	<u>(322,901)</u>	<u>(492,556)</u>	<u>(492,556)</u>	<u>-</u>
Net change in fund balances	-	-	(80,312)	(80,312)
Fund balance, beginning of year	<u>38,729</u>	<u>38,729</u>	<u>38,729</u>	<u>-</u>
Fund balance, end of year	<u>\$ 38,729</u>	<u>\$ 38,729</u>	<u>\$ (41,583)</u>	<u>\$ (80,312)</u>

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

CRISP COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2020

ASSETS	Crisp County Water System	Crisp County Landfill	Totals
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,302,335	\$ 3,164,675	\$ 6,467,010
Accounts receivable, net of allowances	51,414	117,246	168,660
Due from other funds	-	181	181
Due from other governments	21,546	-	21,546
Prepaid expenses	4,632	11,920	16,552
Restricted assets, cash	154,352	-	154,352
Total current assets	3,534,279	3,294,022	6,828,301
NON-CURRENT ASSETS			
Capital assets:			
Nondepreciable	-	880,658	880,658
Depreciable, net of accumulated depreciation	2,679,453	4,829,128	7,508,581
Total non-current assets	2,679,453	5,709,786	8,389,239
Total assets	6,213,732	9,003,808	15,217,540
DEFERRED OUTFLOWS OF RESOURCES			
Pension	19,965	70,273	90,238
Total deferred outflows of resources	19,965	70,273	90,238
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	2,187	39,677	41,864
Accrued liabilities	2,193	12,960	15,153
Due to other funds	2,287	15,777	18,064
Due to other governments	-	21,177	21,177
Notes payable, current portion	-	324,957	324,957
Compensated absences, current portion	327	3,548	3,875
Payable from restricted assets:			
Customer deposits	56,315	12,362	68,677
Revenue bonds payable, current portion	47,738	-	47,738
Total current liabilities	111,047	430,458	541,505
NON-CURRENT LIABILITIES			
Notes payable, net of current portion	-	1,517,763	1,517,763
Revenue bonds payable, net of current portion	1,214,951	-	1,214,951
Compensated absences, net of current portion	3,422	15,110	18,532
Closure and post-closure care costs	-	2,392,440	2,392,440
Net pension liability	65,784	231,550	297,334
Total non-current liabilities	1,284,157	4,156,863	5,441,020
Total liabilities	1,395,204	4,587,321	5,982,525

(Continued)

CRISP COUNTY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	<u>Crisp County Water System</u>	<u>Crisp County Landfill</u>	<u>Totals</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	\$ 9,910	\$ 34,883	\$ 44,793
Total deferred inflows of resources	<u>9,910</u>	<u>34,883</u>	<u>44,793</u>
NET POSITION			
Net investment in capital assets	1,416,764	3,867,066	5,283,830
Restricted for debt service	47,738	-	47,738
Unrestricted	<u>3,364,081</u>	<u>584,811</u>	<u>3,948,892</u>
Total net position	<u>\$ 4,828,583</u>	<u>\$ 4,451,877</u>	<u>\$ 9,280,460</u>

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

CRISP COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Crisp County Water System	Crisp County Landfill	Totals
OPERATING REVENUES			
Charges for services	\$ 719,783	\$ 1,943,507	\$ 2,663,290
Other revenue	22,351	46,329	68,680
Total operating revenues	742,134	1,989,836	2,731,970
OPERATING EXPENSES			
Personnel services	98,090	393,370	491,460
Cost of sales and services	72,040	633,357	705,397
Supplies	64,470	116,197	180,667
Administration	20,000	90,000	110,000
Depreciation	194,894	317,650	512,544
Total operating expenses	449,494	1,550,574	2,000,068
Operating income	292,640	439,262	731,902
NON-OPERATING INCOME (EXPENSES)			
Interest income	8,412	3,361	11,773
Interest expense	(41,847)	(77,767)	(119,614)
Total non-operating expenses, net	(33,435)	(74,406)	(107,841)
Income before capital contributions and transfers	259,205	364,856	624,061
CAPITAL CONTRIBUTIONS	134,651	-	134,651
TRANSFERS			
Transfers out	(17,584)	-	(17,584)
Total transfers	(17,584)	-	(17,584)
Change in net position	376,272	364,856	741,128
NET POSITION, beginning of year	4,452,311	4,087,021	8,539,332
NET POSITION, end of year	\$ 4,828,583	\$ 4,451,877	\$ 9,280,460

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

CRISP COUNTY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Crisp County Water System</u>	<u>Crisp County Landfill</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other customers	\$ 734,855	\$ 2,123,438	\$ 2,858,293
Payments to suppliers	(160,182)	(698,886)	(859,068)
Payments to employees	(97,508)	(377,621)	(475,129)
	<u>477,165</u>	<u>1,046,931</u>	<u>1,524,096</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(17,584)	-	(17,584)
Net cash used in noncapital financing activities	<u>(17,584)</u>	<u>-</u>	<u>(17,584)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on bonds	(46,213)	-	(46,213)
Principal paid on notes payable	-	(430,801)	(430,801)
Interest paid	(41,855)	(79,132)	(120,987)
Net cash used in capital and related financing activities	<u>(88,068)</u>	<u>(509,933)</u>	<u>(598,001)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	8,412	3,361	11,773
Net cash provided by investing activities	<u>8,412</u>	<u>3,361</u>	<u>11,773</u>
Increase in cash and cash equivalents	379,925	540,359	920,284
Cash and cash equivalents:			
Beginning of year	<u>3,076,762</u>	<u>2,624,316</u>	<u>5,701,078</u>
End of year	<u>\$ 3,456,687</u>	<u>\$ 3,164,675</u>	<u>\$ 6,621,362</u>
Classified as:			
Cash and cash equivalents	\$ 3,302,335	\$ 3,164,675	\$ 6,467,010
Restricted assets, cash	154,352	-	154,352
	<u>\$ 3,456,687</u>	<u>\$ 3,164,675</u>	<u>\$ 6,621,362</u>

(Continued)

CRISP COUNTY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Crisp County Water System	Crisp County Landfill	Totals
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 292,640	\$ 439,262	\$ 731,902
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	194,894	317,650	512,544
Decrease in accounts receivable	5,321	133,682	139,003
(Increase) decrease in due from other funds	309	(181)	128
(Increase) decrease in due from other governments	(15,507)	26,144	10,637
Increase in prepaid expenses	(3,682)	(7,258)	(10,940)
Decrease in pension assumption change	5,566	9,853	15,419
Decrease in subsequent pension contributions	5,421	20,795	26,216
Increase in accounts payable	10	16,703	16,713
Increase in accrued liabilities	726	1,821	2,547
Increase in customer deposits	1,335	100	1,435
Increase in due to other funds	1,263	3,751	5,014
Increase in compensated absences	3,459	5,799	9,258
Decrease in net pension liability	(14,590)	(20,698)	(35,288)
Increase in closure and post-closure costs	-	99,508	99,508
Net cash provided by operating activities	\$ 477,165	\$ 1,046,931	\$ 1,524,096
Noncash investing, capital, and financing activities:			
Contributions of capital assets from outside sources	\$ 134,651	\$ -	\$ 134,651
	\$ 134,651	\$ -	\$ 134,651

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

CRISP COUNTY, GEORGIA

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

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 1,423,188
Accounts receivable	15,905
Taxes receivable	1,448,642
Total assets	<u>\$ 2,887,735</u>
LIABILITIES	
Due to others	\$ 1,439,093
Uncollected taxes	1,448,642
Total liabilities	<u>\$ 2,887,735</u>

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

CRISP COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Crisp County, Georgia was incorporated in the State of Georgia on August 17, 1905. The County is governed by an elected board of commissioners and an elected chairman of the board and provides the following services to the citizens of Crisp County: public safety (police and fire), public works, recreation, health and welfare services, education, judicial services, planning and community development, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County.

The Board of the **Crisp County Power Commission** (the "Commission") oversees the operations of the Crisp County Power Commission. Three of the seven board members are appointed by the Board of County Commissioners while the other four are appointed by the County grand jury and the County has the ability to impose its will over the organization. The Commission has a December 31 year-end. Complete financial statements can be obtained at the following address: Crisp County Power Commission, 202 South 7th Street, Cordele, GA 31015.

The **Crisp Regional Health Services, Inc.** (the "Corporation") oversees the hospital facilities and related healthcare support services for the citizens of the County. The board is appointed by the County Commissioners and the County has the ability to impose its will over the organization. Complete financial statements can be obtained at the following address: Crisp Regional Health Services, Inc., 902 7th Street North, Cordele, GA 31015.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The **Crisp County Board of Health** (the “Board of Health”) oversees the operations of the Crisp County Department of Public Health. The County provides financial support to the Department of Public Health and appoints a majority of the members of the Board of Health. Complete financial statements can be obtained at the following address: Crisp County Department of Public Health, 111 East 24th Avenue, Cordele, GA 31015.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The County reports the following major governmental funds:

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

The **Special Service District Fund** is a special revenue fund used to account for the receipt of taxes assessed to a special district that are restricted for expenditures of the district.

The **Transportation Special Purpose Local Option Sales Tax ("T-SPLOST") Special Revenue Fund** is a special revenue fund used to account for the collection of the discretionary portion of the T-SPLOST proceeds and expenditures, which are legally restricted for road maintenance and noncapital projects.

The **2017 Sales Tax Fund** is a capital projects fund used to account for the acquisition, construction, equipping and installation of certain capital outlay projects for the benefit of all Crisp County citizens. Financing is provided by a special purpose sales and use tax.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major proprietary funds:

The ***Crisp County Water System*** is an enterprise fund used to account for the provision of water services to the citizens of Crisp County. Activities of the fund include water administration, operations, billing and collections.

The ***Crisp County Landfill*** is an enterprise fund used to account for the revenues and expenses associated with the operation of the County's landfill.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted or committed for expenditures of specific purposes.

The ***capital project funds*** account for the acquisition or construction of capital facilities.

The ***agency funds*** are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds.

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Crisp Regional Health Services, Inc., a discretely presented component unit of the County, reports under the Financial Accounting Standards Board ("FASB") standards; including FASB Codification Topic 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

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

D. Cash, Cash Equivalents and Investments

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The investment in the Georgia Fund 1 represents the County's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, bankers' acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair market value.

E. Interfund Receivables and Payables

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

F. Inventory and Prepaid Items

Inventory in the governmental funds is valued at the lower of cost or market. The County accounts for inventory on the purchase basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. In accordance with GASB 34, infrastructure assets acquired after June 30, 1980 have been capitalized. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of assets constructed. No interest expense was capitalized during the fiscal year ended June 30, 2020.

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

<u>Asset Category</u>	<u>Years</u>
Furniture, machinery and equipment	5 – 15
System improvements	35
Plant and buildings	20 – 50
Infrastructure	20
Land improvements	2 – 50

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s), therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any items that qualify for reporting in this category other than the items related to the changes in the net pension liability which are discussed on the following page.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to a future period(s), therefore, will not be recognized as an inflow of resources (revenue) until that time. Other than the items related to the changes in the net pension liability which are discussed in the following paragraphs, the County has only two types of items, arising only under a modified accrual basis of accounting, that qualifies for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenues not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The County also has deferred outflows and deferred inflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. The County reports deferred outflows of resources for assumption changes which are amortized into pension expense over the average expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred inflows and outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members.

I. Pensions

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

NOTES TO FINANCIAL STATEMENTS

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

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

K. Compensated Absences

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

L. Fund Equity

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

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County Administrator to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Management Estimates

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

N. Tax Abatement Agreements

Effective June 30, 2017, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues. For the fiscal year ended June 30, 2020, the County did not have any such agreements, either entered into by the County or by other governments that exceeded the quantitative threshold for disclosure.

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

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

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

Capital leases	\$ (1,232,523)
Compensated absences	<u>(402,242)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at <i>net position - governmental activities</i>	<u>\$ (1,634,765)</u>

NOTES TO FINANCIAL STATEMENTS

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

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

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

Capital outlay	\$ 2,123,039
Depreciation expense	(4,330,282)
	(4,330,282)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ (2,207,243)

Another element of that reconciliation explains that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds”. The details of this difference are as follows:

Compensated absences	\$ (85,769)
Change in net pension liability and related deferred inflows and outflows of resources	(912,149)
Accrued interest	2,523
	(995,395)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ (995,395)

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

1. No later than January 15th of each year, the County Commission shall approve the subsequent fiscal year's budget calendar. This calendar shall include specific dates for completion of each task necessary to prepare, review and approve the County's operating budget. The budget calendar shall establish the date to have a completed budget approved and adopted.
2. After preparation of the departmental budgets by the department heads and the County Administrator, each department head formally presents the budget to the Board of Commissioners. The Board of Commissioners reviews each budget at this time.
3. After review of each departmental budget and revisions made by the department heads, the budget is adopted by the Board of Commissioners.
4. Formal budgetary integration is the management tool used as a control device during the year for the General Fund. The legal level of budgetary control is the department level.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and each special revenue fund.
6. The County budgets the capital projects funds on a project basis with the term of the project being longer than the County's fiscal period.
7. All appropriations lapse at fiscal year-end.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the County.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, expenditures exceeded budget as follows:

Department	Excess
General Fund:	
General Government Buildings and Plant	\$ (26)

Excess expenditures over budget were funded by under-expenditures in other departments.

D. Fund Deficit

The Jail Fund and T-SPLOST Special Revenue Fund reported a deficit fund balance of \$696 and \$41,583, respectively, at June 30, 2020. The deficit is intended to be eliminated through transfers from the General Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At June 30, 2020, the County had the following investments:

Investments	Maturities	Credit Rating	Fair Value
Primary government:			
Georgia Fund 1	38 day weighted average	AAAf	\$ 6,927,428
Certificates of deposit	17 month weighted average	(a)	241,593
			\$ 7,169,021

(a) These are certificates of deposits held at a local financial institution and are not rated.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2020, the County's investment in Georgia Fund 1 was rated AA Af by Standard & Poor's.

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

Custodial credit risk – Deposits. The County does not have a formal custodial credit risk policy. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2020, none of the County deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

Fair Value Measurements. The County categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose its position in the Georgia Fund 1 of \$6,927,428 within the fair value hierarchy. Certificates of deposit are investments carried at cost. As a result, the County does not disclose its position in certificates of deposits of \$241,593 within the fair value hierarchy.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

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

	<u>General Fund</u>	<u>Special Service District</u>	<u>T-SPLOST Special Revenue Fund</u>	<u>Nonmajor Governmental Funds</u>
Receivables:				
Taxes	\$ 1,008,917	\$ 36,706	\$ 161,489	\$ 3,820
Accounts	28,966	9,892	-	3,566
Notes	-	-	-	2,425,513
	<u>1,037,883</u>	<u>46,598</u>	<u>161,489</u>	<u>2,432,899</u>
Less allowance for uncollectibles	(50,446)	(1,835)	-	(916,343)
Total receivables	<u>\$ 987,437</u>	<u>\$ 44,763</u>	<u>\$ 161,489</u>	<u>\$ 1,516,556</u>

	<u>Crisp County Landfill</u>	<u>Crisp County Water System</u>	<u>Total</u>
Receivables:			
Taxes	\$ -	\$ -	\$ 1,210,932
Accounts	128,072	51,414	221,910
Notes	-	-	2,425,513
	<u>128,072</u>	<u>51,414</u>	<u>3,858,355</u>
Less allowance for uncollectibles	(10,826)	-	(979,450)
Total receivables	<u>\$ 117,246</u>	<u>\$ 51,414</u>	<u>\$ 2,878,905</u>

The County's property taxes were levied on the assessed values of all real and personal property with utilities, including mobile homes and motor vehicles, located in the County.

The tax billing cycle for fiscal year 2020 is as follows:

Levy date	May 27, 2019
Payment due date	February 20, 2020
Delinquency date	February 21, 2020

Notes receivable consist of community development loans to individuals and businesses. Financing has been provided by various federal and state grants.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

The County's capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 2,531,903	\$ 4,729	\$ -	\$ -	\$ 2,536,632
Construction in progress	112,470	24,095	-	-	136,565
Total	<u>2,644,373</u>	<u>28,824</u>	<u>-</u>	<u>-</u>	<u>2,673,197</u>
Capital assets, being depreciated:					
Land improvements	12,515,707	376,739	-	-	12,892,446
Infrastructure	75,601,054	594,575	-	-	76,195,629
Plant and buildings	26,613,142	539,880	(4,156)	-	27,148,866
Furniture, machinery and equipment	21,947,728	583,021	(532,601)	-	21,998,148
Total	<u>136,677,631</u>	<u>2,094,215</u>	<u>(536,757)</u>	<u>-</u>	<u>138,235,089</u>
Less accumulated depreciation for:					
Land improvements	(5,193,107)	(511,754)	-	-	(5,704,861)
Infrastructure	(62,576,407)	(1,435,493)	-	-	(64,011,900)
Plant and buildings	(10,761,816)	(946,352)	4,156	-	(11,704,012)
Furniture, machinery and equipment	(16,233,675)	(1,436,683)	532,601	-	(17,137,757)
Total	<u>(94,765,005)</u>	<u>(4,330,282)</u>	<u>536,757</u>	<u>-</u>	<u>(98,558,530)</u>
Total capital assets, being depreciated, net	<u>41,912,626</u>	<u>(2,236,067)</u>	<u>-</u>	<u>-</u>	<u>39,676,559</u>
Governmental activities capital assets, net	<u>\$ 44,556,999</u>	<u>\$ (2,207,243)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,349,756</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 765,223	\$ -	\$ -	\$ -	\$ 765,223
Construction in progress	303,407	24,109	-	(212,081)	115,435
Total capital assets, not being depreciated	<u>1,068,630</u>	<u>24,109</u>	<u>-</u>	<u>(212,081)</u>	<u>880,658</u>
Capital assets, being depreciated:					
Infrastructure	-	-	-	212,081	212,081
Plant and buildings	16,333,828	4,680	-	-	16,338,508
Furniture, machinery and equipment	4,612,951	105,862	-	-	4,718,813
System improvements	342,454	-	-	-	342,454
Total	<u>21,289,233</u>	<u>110,542</u>	<u>-</u>	<u>212,081</u>	<u>21,611,856</u>
Less accumulated depreciation for:					
Infrastructure	-	(7,234)	-	-	(7,234)
Plant and buildings	(8,957,684)	(267,268)	-	-	(9,224,952)
Furniture, machinery and equipment	(4,335,321)	(224,723)	-	-	(4,560,044)
System improvements	(297,726)	(13,319)	-	-	(311,045)
Total	<u>(13,590,731)</u>	<u>(512,544)</u>	<u>-</u>	<u>-</u>	<u>(14,103,275)</u>
Total capital assets, being depreciated, net	<u>7,698,502</u>	<u>(402,002)</u>	<u>-</u>	<u>212,081</u>	<u>7,508,581</u>
Business-type activities capital assets, net	<u>\$ 8,767,132</u>	<u>\$ (377,893)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,389,239</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities	
General government	\$ 414,931
Judicial	21,725
Public safety	1,548,726
Public works	1,570,814
Health and welfare	29,025
Parks and recreation	376,318
Housing and development	368,743
Total depreciation expense - governmental activities	<u>\$ 4,330,282</u>
Business-type activities	
Water system	\$ 194,894
Landfill	317,650
Total depreciation expense - business-type activities	<u>\$ 512,544</u>

NOTE 7. LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Capital leases payable	\$ 3,340,022	\$ -	\$ 2,107,499	\$ 1,232,523	\$ 1,232,523
Compensated absences	316,473	616,043	530,274	402,242	200,642
Net pension liability	8,209,273	20,910	-	8,230,183	-
Governmental activities long-term liabilities	<u>\$ 11,865,768</u>	<u>\$ 636,953</u>	<u>\$ 2,637,773</u>	<u>\$ 9,864,948</u>	<u>\$ 1,433,165</u>
Business-type activities					
Notes payable	\$ 2,273,521	\$ -	\$ 430,801	\$ 1,842,720	\$ 324,957
Revenue bonds payable	1,308,902	-	46,213	1,262,689	47,738
Compensated absences	13,149	13,997	4,739	22,407	3,875
Closure and post-closure care	2,292,932	99,508	-	2,392,440	-
Net pension liability	332,623	-	35,289	297,334	-
Business-type activities long-term liabilities	<u>\$ 6,221,127</u>	<u>\$ 113,505</u>	<u>\$ 517,042</u>	<u>\$ 5,817,590</u>	<u>\$ 376,570</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

For governmental activities, compensated absences and net pension liability are generally liquidated by the General Fund. For business-type activities, compensated absences and net pension liability are liquidated by the Crisp County Water System Fund and the Crisp County Landfill Fund.

Governmental Activities Debt

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of various equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. Total cost of assets under capital lease as of June 30, 2020, is \$5,524,984, which is included in governmental activities capital assets on the statement of net position.

The County recorded depreciation expense of \$692,325 with accumulated depreciation of \$3,257,113 in the fiscal year ended June 30, 2020, on assets under capital leases.

Governmental Activities Debt (Continued)

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

	Governmental Activities
Fiscal year ending June 30,	
2021	\$ 1,232,738
Total minimum lease payments	1,232,738
Less amount representing interest	(215)
Present value of minimum lease payments	<u>\$ 1,232,523</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Business Activities Debt

Notes Payable. The County has also incurred debt to the Georgia Environmental Facilities Authority (“GEFA”) for landfill improvements. These notes are as follows at June 30, 2020:

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Balance at June 30, 2020</u>
Landfill improvements	\$ 1,289,280	2.00%	2021	\$ 43,679
Landfill improvements	1,417,970	3.98%	2025	401,253
Landfill improvements	2,766,304	3.89%	2027	1,397,816
				<u>1,842,720</u>
		Less current maturities		<u>(324,957)</u>
				<u>\$ 1,517,763</u>

Notes payable debt service requirements to maturity are as follows as of June 30, 2020:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 390,999	\$ 324,957	\$ 66,042
2022	346,874	292,451	54,423
2023	346,873	304,105	42,768
2024	346,874	316,225	30,649
2025	269,308	250,489	18,819
2026 and 2027	365,511	354,493	11,018
	<u>\$ 2,066,439</u>	<u>\$ 1,842,720</u>	<u>\$ 223,719</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Business Activities Debt (Continued)

Revenue Bonds Payable. The County issued Series 1997A Water Revenue bonds in the principal amount of \$1,941,340. These bonds matured and were reissued as Series 1999A Water Revenue Bonds in January 1999. Upon their maturity in December 1999, Series 1999B Water Revenue bonds were issued. These bonds were purchased by the United States Department of Agriculture and are being repaid over 40 years beginning December 28, 2000. These bonds are payable in monthly installments of \$7,399 including interest at 3.25%. Final payment is due September 28, 2039.

Debt service requirements to maturity on the bonds payable are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 88,068	\$ 47,738	\$ 40,330
2022	88,068	49,312	38,756
2023	88,068	50,939	37,129
2024	88,068	52,619	35,449
2025	88,068	54,355	33,713
2026 – 2030	440,340	299,886	140,454
2031 – 2035	440,340	352,723	87,617
2036 – 2040	440,343	355,117	85,226
	<u>\$ 1,761,363</u>	<u>\$ 1,262,689</u>	<u>\$ 498,674</u>

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Crisp County Water System Fund	\$ 2,287
General Fund	Special Service District Fund	1,104
General Fund	Nonmajor Governmental Funds	484,984
General Fund	Crisp County Landfill Fund	15,777
General Fund	T-SPLOST Special Revenue Fund	4,461
General Fund	SPLOST 2017 Fund	200
Landfill Fund	General Fund	181
Nonmajor Governmental Funds	T-SPLOST Special Revenue Fund	492,556
T-SPLOST Special Revenue Fund	General Fund	8,740
		<u>\$ 1,010,290</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Due to/from other funds (Continued):

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

Interfund transfers:

	Transfers Out				
Transfers In	General Fund	T-SPLOST Special Revenue Fund	Nonmajor Governmental Funds	Crisp County Water System	Total
Nonmajor Governmental Funds	\$ 597,868	\$ 492,556	\$ -	\$ 17,584	\$ 1,108,008
General Fund	-	-	60,328	-	60,328
2017 Sales Tax Fund	31,158	-	124,781	-	155,939
Total	\$ 629,026	\$ 492,556	\$ 185,109	17,584	\$ 1,324,275

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, 3) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 4) transfers out of the General Fund to 2017 Sales Tax Fund were made to be used for projects associated with SPLOST activities.

NOTE 9. LANDFILL CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require the County place a cover on its landfills when they are filled and perform certain maintenance and monitoring functions for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision is being recognized based on the estimated future closure and post-closure care costs to be incurred near or after the date the landfill no longer accepts waste. A liability equal to estimated future costs related to these requirements is recorded based on the percentage of landfill capacity used to date. The estimated total cost of the landfill closure and post-closure care costs is based on the amount that would be paid if all equipment facilities and services required to close, monitor and maintain the landfill were acquired or incurred as of June 30, 2020. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations.

At the present rate of disposal, it is estimated that the remaining lifespan of the Subtitle D Landfill is 20 years.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LANDFILL CLOSURE AND POST-CLOSURE CARE COST (CONTINUED)

A summary of the liability recorded at June 30, 2020 for closure and post-closure care costs is as follows:

	Vertical Landfill	Subtitle D Landfill	Total
Estimated closure costs	\$ -	\$ 4,494,324	\$ 4,494,324
Estimated post-closure care costs	582,399	2,591,014	3,173,413
	582,399	7,085,338	\$ 7,667,737
Percentage of capacity filled, June 30, 2020	100%	25.55%	
Closure and post-closure care cost liability	\$ 582,399	\$ 1,810,041	\$ 2,392,440

NOTE 10. DEFINED BENEFIT PENSION PLANS

Plan Description

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Plan Membership

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

Inactive plan members or beneficiaries currently receiving benefits	96
Inactive plan members entitled to but not receiving benefits	75
Active plan members	<u>152</u>
	<u>323</u>

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by the Plan participants. For the year ended June 30, 2020, the County's contribution rate was 16.39% of annual payroll. County contributions to the Plan were \$1,454,323 for the year ended June 30, 2020.

Net Pension Liability of the County

Effective July 1, 2014, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which significantly changed the County's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability of the County (Continued)

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

Inflation	3.00%
Salary increases	3.50% - 5.50%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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

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

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Range</u>
Fixed Income	30 %	25-35 %
Large Cap	30	25-35
Mid Cap	5	2.5-10
Small Cap	5	2.5-10
REIT	5	2.5-10
International	15	10-20
Multi Cap	5	2.5-10
Global Allocation	5	2.5-10
	<u>100 %</u>	

* Rates shown are net of the 3.00% assumed rate of inflation.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability of the County (Continued)

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

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 25,044,923	\$ 16,503,027	\$ 8,541,896
Changes for the year:			
Service cost	418,959	-	418,959
Interest	1,719,735	-	1,719,735
Experience differences	1,493,844	-	1,493,844
Assumption changes	1,079,902	-	1,079,902
Contributions - employer	-	1,454,323	(1,454,323)
Net investment income	-	3,425,155	(3,425,155)
Benefit payments, including refunds of employee contributions	(967,768)	(967,768)	-
Service Credit Transfer	13,189	13,189	-
Administrative expense	-	(50,344)	50,344
Other charges	-	(102,315)	102,315
Net changes	<u>3,757,861</u>	<u>3,772,240</u>	<u>(14,379)</u>
Balances at June 30, 2020	<u>\$ 28,802,784</u>	<u>\$ 20,275,267</u>	<u>\$ 8,527,517</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability of the County (Continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	\$ 12,173,908	\$ 8,527,517	\$ 5,477,645

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

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

For the year ended June 30, 2020, the County recognized pension expense of \$2,372,819. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 991,685
Pension assumption changes	1,424,731	-
Differences between expected and actual experience of economic/demographic (gains)/losses	1,163,297	292,968
	\$ 2,588,028	\$ 1,284,653

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

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

Year ending June 30,	
2021	\$ 724,899
2022	564,119
2023	458,544
2024	(444,187)
Total	<u>\$ 1,303,375</u>

NOTE 11. RISK MANAGEMENT

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

A. Litigation

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

B. Grant Contingencies

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

C. Crisp Regional Health Services, Inc. Debt Guarantee

Crisp Regional Health Services, Inc. issued Series 2008A Revenue Bonds in the original principal amount of \$10,000,000 and Series 2008B Revenue Bonds in the original principal amount of \$3,000,000. Principal payments are due July 1 each year through 2027 with interest rates varying from 3.13% to 4.00%. These bonds are collateralized by the Crisp Regional Health Services, Inc.'s gross revenues and are guaranteed by Crisp County and an insurance policy. Crisp Regional Health Services, Inc. issued Series 2013 Revenue Bonds in the original principal amount of \$16,500,000. Principal payments are due July 1 each year through 2043 with interest rates varying from 3.50% to 4.15%. These bonds are collateralized by the Crisp Regional Health Services, Inc.'s gross revenues and are guaranteed by the County and an insurance policy. Crisp Regional Health Services, Inc.'s revenue bonds outstanding at June 30, 2020 total \$23,729,000, which are guaranteed by The County.

NOTE 13. JOINT VENTURES

A. River Valley Regional Commission

Under Georgia law, the County, in conjunction with cities and counties in the 16-county west central Georgia area, is a member of the River Valley Regional Commission ("RVRC"). During its year ended June 30, 2020, the County paid \$11,443 in such dues. Membership in a regional commission is required by the Official Code of Georgia Annotated ("O.C.G.A.") §50-8-34, which provides for the organizational structure of the RVRC in Georgia. The RVRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the River Valley Regional Commission, 1428 Second Avenue, Columbus, Georgia 31902.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. JOINT VENTURES (CONTINUED)

B. Crisp/Dooly Joint Development Authority

The County, in conjunction with Dooly County, is a member of the Crisp/Dooly Joint Development Authority (the "Authority"). The Authority has fiscal responsibility relative to the strategic plan adopted for the Crisp/Dooly Enterprise Community. The Authority's board members are appointed in an equal number by the Crisp and Dooly County Commissioners. The County does not have an equity interest in the Crisp/Dooly Joint Development Authority, and the joint venture is not expected to provide a financial benefit or burden to the County. Information concerning the financial statements may be obtained from the Crisp/Dooly Joint Development Authority.

NOTE 14. RELATED ORGANIZATION

Solid Waste Management Authority of Crisp County

The Solid Waste Management Authority ("SWMA") is governed by a seven-member board consisting of the Board of Commissioners of the County and two members appointed by the Commissioners. The SWMA was formed to provide solid waste disposal and recycling services to the citizens of the County.

The SWMA recycling facility and equipment were placed in operation in October 1998. Soon thereafter, the facility proved to be inadequate in handling the volume of waste necessary to support itself. Upon default of the bond payments in August 2001, the operations of the SWMA were taken over by its bond insurers, Financial Security Assurance, Inc. Subsequent thereto, the County landfill stopped taking SWMA waste. Because the County has no influence over the operations of the SWMA, it does not have the ability to impose its will on the organization.

REQUIRED SUPPLEMENTARY INFORMATION

CRISP COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION DEFINED BENEFIT RETIREMENT PLAN SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 418,959	\$ 338,824	\$ 317,004	\$ 300,955	\$ 281,683	\$ 279,312
Interest on total pension liability	1,719,735	1,651,966	1,547,263	1,437,762	1,368,905	1,297,948
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	1,493,844	(637,634)	439,165	633,787	(246,743)	-
Changes of assumptions	1,079,902	1,368,871	46,511	627,846	631,117	-
Service Credit Transfer	13,189	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(967,768)	(925,667)	(885,892)	(771,991)	(730,879)	(631,169)
Net change in total pension liability	3,757,861	1,796,360	1,464,051	2,228,359	1,304,083	946,091
Total pension liability - beginning	25,044,923	23,248,563	21,784,512	19,556,153	18,252,070	17,305,979
Total pension liability - ending (a)	28,802,784	25,044,923	23,248,563	21,784,512	19,556,153	18,252,070
Plan fiduciary net position						
Contributions - employer	1,454,323	1,046,710	1,157,954	1,055,935	914,768	957,690
Net investment income	3,425,155	(784,375)	2,322,374	963,499	97,867	884,473
Benefit payments, including refunds of employee contributions	(967,768)	(925,667)	(885,892)	(771,991)	(704,462)	(608,356)
Service Credit Transfer	13,189	-	-	-	-	-
Administrative expenses	(50,344)	(35,127)	(30,744)	(34,721)	(31,198)	(28,961)
Other	(102,315)	(86,276)	(118,355)	(126,873)	(76,070)	(90,130)
Net change in Plan fiduciary net position	3,772,240	(784,735)	2,445,337	1,085,849	200,905	1,114,716
Plan fiduciary net position - beginning	16,503,027	17,287,762	14,842,425	13,756,576	13,555,671	12,440,955
Plan fiduciary net position - ending (b)	20,275,267	16,503,027	17,287,762	14,842,425	13,756,576	13,555,671
County's net pension liability - ending (a) - (b)	\$ 8,527,517	\$ 8,541,896	\$ 5,960,801	\$ 6,942,087	\$ 5,799,577	\$ 4,696,399
Plan fiduciary net position as a percentage of the total pension liability	70.4%	65.9%	74.4%	68.1%	70.3%	74.3%
Covered payroll	\$ 8,873,945	\$ 6,222,195	\$ 5,763,308	\$ 5,837,978	\$ 5,620,286	\$ 5,546,941
County's net pension liability as a percentage of covered payroll	96.1%	137.3%	103.4%	118.9%	103.2%	84.7%

Notes to the Schedule

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

CRISP COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION DEFINED BENEFIT RETIREMENT PLAN SCHEDULE OF COUNTY CONTRIBUTIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,454,323	\$ 1,046,710	\$ 1,157,954	\$ 1,055,935	\$ 914,768	\$ 957,690
Contributions in relation to the actuarially determined contribution	<u>1,454,323</u>	<u>1,046,710</u>	<u>1,157,954</u>	<u>1,055,935</u>	<u>914,768</u>	<u>957,690</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,873,945	\$ 7,548,070	\$ 5,992,752	\$ 5,800,643	\$ 5,729,132	\$ 5,583,614
Contributions as a percentage of covered payroll	16.4%	13.9%	19.3%	18.2%	16.0%	17.2%

Notes to the Schedule

Valuation Date	January 1, 2019
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	3.5% - 5.5% (including 3% for inflation)
Amortization Period	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

CRISP COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Law Library Fund is used to account for revenues generated through special filing charges in the County court system which are used to acquire and maintain law library materials.

Asset Forfeiture Fund is used to account for confiscated assets awarded to the Sheriff's Department to be spent on law enforcement at the discretion of the Sheriff.

DARE Fund is used to account for the collection of additional penalties for certain drug related crimes and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs relating to controlled substances and marijuana (O.C.G.A. §15-21-100).

Jail Fund is used to account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

E-911 Fund is a special revenue fund used to account for the costs of operating and maintaining the 911 Emergency Communication System for the County. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in areas served by the County "911" service and by contributions from the City of Cordele.

Hotel/Motel Tax Fund is used to account for the collection and disbursement of hotel taxes.

CDBG Revolving Loan Fund is used to account for the operations of the County's revolving loans. Original funding was provided by the Department of Housing and Urban Development through the State of Georgia Department of Community Affairs.

CRISP COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

CDBG Cedar Lake Fund is used to account for activities related to the Cedar Lake project in the County.

CDBG Willow Lake Water Fund is used to account for activities related to the Willow Lake water project in the County and improvements to the water system.

2005 Sales Tax Fund is used to account for the acquisition, construction, equipping and installation of certain capital outlay projects for the benefit of all the County citizens. Financing is provided by a special purpose sales and use tax.

2011 Sales Tax Fund is used to account for the acquisition, construction, equipping and installation of certain capital outlay projects for the benefit of all the County citizens. Financing is provided by a special purpose sales and use tax.

T-SPLOST Capital Projects Fund is used to account for proceeds and disbursements of the Transportation Investment Act of 2010, 1% regional transportation sales and use tax authorized by Georgia House Bill 277.

CRISP COUNTY, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds					
	Law Library Fund	Asset Forfeiture Fund	DARE Fund	Jail Fund	E-911 Fund	Hotel/Motel Tax Fund
ASSETS						
Cash and cash equivalents	\$ 89,265	\$ 426,763	\$ 207,647	\$ 73,785	\$ 435,435	\$ 555
Investments	-	241,593	-	-	-	-
Taxes receivable	-	-	-	-	-	3,820
Accounts receivable	-	-	-	-	40	-
Notes receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	1,486	4,196	30,511	-
Prepaid items	-	1,000	-	8,698	33,577	-
Total assets	\$ 89,265	\$ 669,356	\$ 209,133	\$ 86,679	\$ 499,563	\$ 4,375
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 82,473	\$ -	\$ 16,283	\$ 6,116	\$ 3,881
Accrued liabilities	-	-	-	-	15,800	-
Due to other funds	-	-	15,000	71,092	398,398	494
Total liabilities	-	82,473	15,000	87,375	420,314	4,375
FUND BALANCES (DEFICIT)						
Nonspendable:						
Prepaid items	-	1,000	-	8,698	33,577	-
Restricted for:						
Judicial	89,265	-	-	-	-	-
Public safety	-	585,883	194,133	-	45,672	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unassigned	-	-	-	(9,394)	-	-
Total fund balances (deficit)	89,265	586,883	194,133	(696)	79,249	-
Total liabilities and fund balances	\$ 89,265	\$ 669,356	\$ 209,133	\$ 86,679	\$ 499,563	\$ 4,375

Capital Projects Funds						
CDBG Revolving Loan Fund	CDBG Meadow Park Street Drainage Project Fund	CDBG Willow Lake Sewer Project Fund	2005 Sales Tax Fund	2011 Sales Tax Fund	T-SPLOST Capital Projects Fund	Totals
\$ 662,269	\$ -	\$ -	\$ -	\$ 496,001	\$ 928,875	\$ 3,320,595
-	-	-	-	-	-	241,593
-	-	-	-	-	-	3,820
3,526	-	-	-	-	-	3,566
1,509,170	-	-	-	-	-	1,509,170
-	-	-	-	-	492,556	492,556
-	-	-	-	8,756	-	44,949
-	-	-	-	-	-	43,275
<u>\$ 2,174,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 504,757</u>	<u>\$ 1,421,431</u>	<u>\$ 5,659,524</u>
\$ 543	\$ -	\$ -	\$ -	\$ 78,642	\$ 62,968	\$ 250,906
-	-	-	-	-	-	15,800
-	-	-	-	-	-	484,984
<u>543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,642</u>	<u>62,968</u>	<u>751,690</u>
-	-	-	-	-	-	43,275
-	-	-	-	-	-	89,265
-	-	-	-	-	-	825,688
2,174,422	-	-	-	-	-	2,174,422
-	-	-	-	426,115	1,358,463	1,784,578
-	-	-	-	-	-	(9,394)
<u>2,174,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>426,115</u>	<u>1,358,463</u>	<u>4,907,834</u>
<u>\$ 2,174,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 504,757</u>	<u>\$ 1,421,431</u>	<u>\$ 5,659,524</u>

CRISP COUNTY, GEORGIA

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

	Special Revenue Funds					
	Law Library Fund	Asset Forfeiture Fund	DARE Fund	Jail Fund	E-911 Fund	Hotel/Motel Tax Fund
Revenues						
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,389
Intergovernmental	-	-	-	-	-	-
Charges for services	40,249	-	-	172,734	606,735	-
Fines and forfeitures	-	727,602	54,382	-	-	-
Interest revenue	-	2,529	-	-	124	35
Other revenues	-	-	-	-	8,192	-
Total revenues	<u>40,249</u>	<u>730,131</u>	<u>54,382</u>	<u>172,734</u>	<u>615,051</u>	<u>37,424</u>
Expenditures						
Current:						
Judicial	45,165	-	-	-	-	-
Public safety	-	339,020	7,695	232,963	1,151,857	-
Public works	-	-	-	-	-	-
Housing and development	-	-	-	-	-	35,976
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	24,756	-	-	-	-
Interest	-	1,721	-	-	-	-
Total expenditures	<u>45,165</u>	<u>365,497</u>	<u>7,695</u>	<u>232,963</u>	<u>1,151,857</u>	<u>35,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,916)</u>	<u>364,634</u>	<u>46,687</u>	<u>(60,229)</u>	<u>(536,806)</u>	<u>1,448</u>
Other financing sources (uses)						
Transfers in	-	-	-	60,229	536,806	-
Transfers out	-	(168,661)	(15,000)	-	-	(1,448)
Total other financing sources (uses)	<u>-</u>	<u>(168,661)</u>	<u>(15,000)</u>	<u>60,229</u>	<u>536,806</u>	<u>(1,448)</u>
Net change in fund balances	(4,916)	195,973	31,687	-	-	-
Fund balances (deficit), beginning of year	<u>94,181</u>	<u>390,910</u>	<u>162,446</u>	<u>(696)</u>	<u>79,249</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 89,265</u>	<u>\$ 586,883</u>	<u>\$ 194,133</u>	<u>\$ (696)</u>	<u>\$ 79,249</u>	<u>\$ -</u>

							Capital Projects Funds	
CDBG Revolving Loan Fund	CDBG Meadow Park Street Drainage Project Fund	CDBG Willow Lake Water Project Fund	2005 Sales Tax Fund	2011 Sales Tax Fund	TSPLOST Capital Projects Fund	Totals		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,389		
-	-	-	-	-	651,562	651,562		
-	-	-	-	69,498	-	889,216		
-	-	-	-	-	-	781,984		
44,731	-	-	77	1,266	-	48,762		
-	-	24,109	-	-	-	32,301		
<u>44,731</u>	<u>-</u>	<u>24,109</u>	<u>77</u>	<u>70,764</u>	<u>651,562</u>	<u>2,441,214</u>		
-	-	-	-	-	-	45,165		
-	-	-	-	-	-	1,731,535		
-	833	-	-	-	-	833		
80,042	-	-	-	-	-	116,018		
-	-	41,693	217,497	348,540	629,677	1,237,407		
-	-	-	-	209,442	-	234,198		
-	-	-	-	15,230	-	16,951		
<u>80,042</u>	<u>833</u>	<u>41,693</u>	<u>217,497</u>	<u>573,212</u>	<u>629,677</u>	<u>3,382,107</u>		
<u>(35,311)</u>	<u>(833)</u>	<u>(17,584)</u>	<u>(217,420)</u>	<u>(502,448)</u>	<u>21,885</u>	<u>(940,893)</u>		
-	833	17,584	-	-	492,556	1,108,008		
-	-	-	-	-	-	(185,109)		
<u>-</u>	<u>833</u>	<u>17,584</u>	<u>-</u>	<u>-</u>	<u>492,556</u>	<u>922,899</u>		
<u>(35,311)</u>	<u>-</u>	<u>-</u>	<u>(217,420)</u>	<u>(502,448)</u>	<u>514,441</u>	<u>(17,994)</u>		
<u>2,209,733</u>	<u>-</u>	<u>-</u>	<u>217,420</u>	<u>928,563</u>	<u>844,022</u>	<u>4,925,828</u>		
<u>\$ 2,174,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426,115</u>	<u>\$ 1,358,463</u>	<u>\$ 4,907,834</u>		

CRISP COUNTY, GEORGIA

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

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
<u>2005 REFERENDUM</u>				
Judicial Center Project	\$ 6,000,000	\$ 9,768,202	\$ -	\$ 9,768,202
Recreational Department Project	1,000,000	685,594	-	685,594
Airport Project	270,000	1,548,455	28,358	1,576,813
Sheriff Department Project	920,000	1,261,694	-	1,261,694
County Buildings Project	835,000	940,711	-	940,711
EMS Project	340,000	133,792	-	133,792
Emergency Management Project	200,000	418,066	-	418,066
Jail Project	295,000	106,715	-	106,715
Contingency Project	430,000	154,051	-	154,051
Development Authority Project	2,070,000	1,947,591	-	1,947,591
Cordele Industrial Project	1,000,000	-	-	-
City of Cordele Projects	2,350,000	3,499,969	-	3,499,969
Library Project	300,000	-	-	-
Emergency Signals Project	100,000	-	-	-
City of Arabi Projects	280,000	248,811	-	248,811
Fire Department Project	85,000	72,325	-	72,325
Animal Control Project	125,000	34,856	-	34,856
County Roads Project	3,400,000	5,438,773	189,139	5,627,912
Totals	<u>\$ 20,000,000</u>	<u>\$ 26,259,605</u>	<u>\$ 217,497</u>	<u>\$ 26,477,102</u>

**Reconciliation of the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds to the
Statement of Revenues, Expenditures and Changes in Fund Balance**

Total current year expenditures of special purpose local option sales tax proceeds.	\$ 217,497
Reimbursed costs related to public safety projects	<u>-</u>
Total expenditures, per the statement of revenues, expenditures and changes in fund balance	<u>\$ 217,497</u>

CRISP COUNTY, GEORGIA

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

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
<u>2011 REFERENDUM</u>				
Airport Project	\$ 90,000	\$ 13,245	\$ 75,735	\$ 88,980
County Buildings Project	380,000	-	-	-
Detention Center Project	2,100,000	2,102,712	-	2,102,712
E-911 Project	572,300	845,044	-	845,044
Health Department Project	90,000	85,685	-	85,685
Industrial Development Authority Project	9,000,000	8,328,392	-	8,328,392
Public Safety Project	456,029	304,604	-	304,604
EMS Project	711,000	445,858	6,077	451,935
Fire Department Project	1,152,683	903,431	12,690	916,121
Recreation Project	2,275,210	2,266,591	2,054	2,268,645
County Roads Project	1,000,000	384,788	177,879	562,667
Public Works Project	1,011,500	2,622,961	74,105	2,697,066
Sheriff's Department Project	697,000	693,068	-	693,068
Sanitary Solid Waste Project	607,000	-	-	-
City of Cordele Project	4,025,000	3,687,422	-	3,687,422
City of Arabi Project	290,000	248,655	-	248,655
Water/Storm Water Project	247,000	-	-	-
Contingency Project	570,278	-	-	-
Totals	<u>\$ 25,275,000</u>	<u>\$ 22,932,456</u>	<u>\$ 348,540</u>	<u>\$ 23,280,996</u>

Reconciliation of the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds to the Statement of Revenues, Expenditures and Changes in Fund Balance

Total current year expenditures of special purpose local option sales tax proceeds.	\$ 348,540
Payment of principal and interest for expenditures previously included.	<u>224,672</u>
Total expenditures, per the statement of revenues, expenditures and changes in fund balance.	<u><u>\$ 573,212</u></u>

CRISP COUNTY, GEORGIA

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

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
<u>2017 REFERENDUM</u>				
Airport Project	\$ 90,000	\$ 284,101	\$ 311,585	\$ 595,686
County Buildings Project	380,000	-	-	-
Detention Center Project	2,100,000	23,132	127,322	150,454
E-911 Project	572,300	756	367,474	368,230
Public Safety Project	90,000	-	2,440	2,440
EMS Project	9,000,000	-	8,800	8,800
Fire Department Project	456,029	-	17,200	17,200
Finance Project	711,000	83,360	11,518	94,878
Recreation Project	1,152,683	308,554	18,503	327,057
Roads Project	2,275,210	8,900	227,557	236,457
Public Works Project	1,000,000	47,413	12,120	59,533
Sheriff's Department Project	1,011,500	280,848	260,251	541,099
Solid Waste Project	697,000	-	-	-
Water/Storm Water Project	607,000	-	36,437	36,437
City of Cordele Project	5,168,955	1,517,417	1,142,768	2,660,185
City of Arabi Project	249,000	73,109	55,059	128,168
Totals	<u>\$ 25,560,677</u>	<u>\$ 2,627,590</u>	<u>\$ 2,599,034</u>	<u>\$ 5,226,624</u>

Reconciliation of the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds to the Statement of Revenues, Expenditures and Changes in Fund Balance

Total current year expenditures of special purpose local option sales tax proceeds.	\$ 2,599,034
Payment of principal and interest for expenditures previously included.	<u>1,876,600</u>
Total expenditures, per the statement of revenues, expenditures and changes in fund balance.	<u>\$ 4,475,634</u>

CRISP COUNTY, GEORGIA

AGENCY FUNDS

Clerk of Superior Court	To account for all monies received by the Clerk of Court on behalf of individuals, private organizations, other governmental units, and other funds.
Probate Court	To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc., which are disbursed to other parties.
Sheriff's Office	To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.
Jail Inmate	To account for all monies held on behalf of the inmates of the County Jail.
Tax Commissioner	To account for the collection and payment to the County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of the County and other taxing units.
Magistrate Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.

CRISP COUNTY, GEORGIA

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

ASSETS	Clerk of Superior Court	Probate Court	Sheriff's Office
Cash and cash equivalents	\$ 430,383	\$ 91,821	\$ 378,376
Accounts receivable	-	15,905	-
Taxes receivable	-	-	-
Total assets	<u>\$ 430,383</u>	<u>\$ 107,726</u>	<u>\$ 378,376</u>
LIABILITIES			
Due to others	\$ 430,383	\$ 107,726	\$ 378,376
Uncollected taxes	-	-	-
Total liabilities	<u>\$ 430,383</u>	<u>\$ 107,726</u>	<u>\$ 378,376</u>

Jail Inmate	Tax Commissioner	Magistrate Court	Total
\$ 51,856	\$ 447,416	\$ 23,336	\$ 1,423,188
-	-	-	15,905
-	1,448,642	-	1,448,642
<u>\$ 51,856</u>	<u>\$ 1,896,058</u>	<u>\$ 23,336</u>	<u>\$ 2,887,735</u>
\$ 51,856	\$ 447,416	\$ 23,336	\$ 1,439,093
-	1,448,642	-	1,448,642
<u>\$ 51,856</u>	<u>\$ 1,896,058</u>	<u>\$ 23,336</u>	<u>\$ 2,887,735</u>

COMPLIANCE SECTION



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

**Board of Commissioners
of Crisp County, Georgia
Cordele, Georgia**

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

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described as item 2020-001 in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Crisp County, Georgia's Response to the Finding

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

Purpose of this Report

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



Macon, Georgia
December 21, 2020



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

**Board of Commissioners
of Crisp County, Georgia
Cordele, Georgia**

Report on Compliance for Each Major Federal Program

We have audited Crisp County, Georgia's ("the County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the fiscal year ended June 30, 2020. The County'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 the County'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 statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County 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 fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on 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 the County's internal control over compliance.

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

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 21, 2020

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Justice				
Direct Award				
Bulletproof Vest Partnership Program	16.607	2017BUBX1790627	\$ 1,948	\$ -
Total Bulletproof Vest Partnership Program			<u>1,948</u>	<u>-</u>
Passed through Drug Court Discretionary Grant Program				
Crisp County Adult Felony Drug Court	16.585	J20-8-016	179,102	-
			<u>179,102</u>	<u>-</u>
Passed through Criminal Justice Coordinating Council				
Crime Victims Assistance Program-VOCA Prosecution	16.575	C17-8-032	37,525	-
Crime Victims Assistance Program-VOCA Prosecution	16.575	C18-8-226	79,036	-
Crime Victims Assistance Program-VOCA Prosecution	16.575	C18-8-264	146,075	-
Crime Victims Assistance Program-VOCA Prosecution	16.575	C17-8-171	48,760	-
Total Crime Victims Assistance Program-VOCA Prosecution			<u>311,396</u>	<u>-</u>
Violence Against Women Act (VAWA Prosecution)	16.588	W18-8-009	35,247	-
Violence Against Women Act (VAWA Prosecution)	16.588	W19-8-016	25,059	-
Total Violence Against Women Act (VAWA Prosecution)			<u>60,306</u>	<u>-</u>
Justice Assistance Grant (JAG) MSNTF	16.803	B17-8-016	23,648	-
Justice Assistance Grant (JAG) MSNTF	16.803	B18-8-016	40,474	-
Total Justice Assistance Grant (JAG) MSNTF			<u>64,122</u>	<u>-</u>
Total U.S. Department Justice			<u>616,874</u>	<u>-</u>
U.S. Department of Transportation				
Passed through Georgia Department of Transportation				
Formula Grants for Rural Areas - Section 5311 Operating	20.509	T006334	229,716	229,716
Airport Improvement Program	20.106	AP020-9041-33(081)CRISP	20,602	-
Airport Improvement Program	20.106	AP-19-9036-32(081)	14,171	-
Airport Improvement Program	20.106	AP-19-9036-32(081)	128,366	-
Total Airport Improvement Program			<u>163,139</u>	<u>-</u>
Total U.S. Department of Transportation			<u>392,855</u>	<u>229,716</u>
U.S. Department of Homeland Security				
Passed through Georgia Emergency Management Agency				
Georgia Emergency Management Agency	97.042	OEM19-042	20,119	-
Office of Planning and Budgeting	97.036	FEMA-4400-DR-GA	169,411	-
Total U.S. Department of Homeland Security			<u>189,530</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Passed through Community Development Block Grant				
Water Improvements	14.228	17-p-y-040-1-5931	24,109	-
Total U.S Department of Housing and Urban Development			<u>24,109</u>	<u>-</u>
U.S. Department of Agriculture				
Passed through Rural Development GA State Office				
Federal Assistance	10.766	USDA#1	25,000	-
Federal Assistance	10.766	USDA#2	25,000	-
Federal Assistance	10.766	USDA#3	24,000	-
Total Community Facilities Loans and Grants Cluster			<u>74,000</u>	<u>-</u>
Total U.S Department of Agriculture			<u>74,000</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,297,368</u>	<u>\$ 229,716</u>

CRISP COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Measurement Focus

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

De Minimis Indirect Cost Rate

The County chose not to use the 10% de minimus cost rate for the fiscal year ended June 30, 2020.

CRISP COUNTY, GEORGIA

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? ___ Yes X No

Significant deficiencies identified not considered
to be material weaknesses? X Yes ___ None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:
Material weaknesses identified? ___ Yes X No

Significant deficiencies identified not considered
to be material weaknesses? ___ Yes X 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 the Uniform Guidance? ___ Yes X No

Identification of major program:

CFDA Number
16.575

Name of Federal Program or Cluster
U.S. Department of Justice – Crime Victims
Assistance Program – VOCA Prosecution

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

Auditee qualified as low-risk auditee? X Yes ___ No

CRISP COUNTY, GEORGIA

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

SECTION II FINANCIAL STATEMENTS FINDINGS AND RESPONSES

2020-001. Segregation of Duties

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

Condition: For the fiscal year ended June 30, 2020, we noted a lack of proper segregation of duties within several areas of the County's operations, including the Clerk of Court, Magistrate Court, Probate Court, Tax Commissioner's office, Sheriff's office, and County finance department. Examples of segregation of duties issues are as follows:

- ◆ Cash receipts are handled by the same individual(s) who also makes bank deposits, reconciles the bank accounts, and posts activity to the general ledger.
- ◆ Authorized check signers are not independent of voucher preparation and approval.
- ◆ Department heads are responsible for the purchasing function, receipt of goods and services and approval of invoices.
- ◆ Individuals responsible for maintaining personnel records are also responsible for the preparation of the County payroll.
- ◆ Individuals responsible for employee timekeeping also distribute paychecks.
- ◆ Property taxes and special assessments are billed by employees not independent of the collection function.
- ◆ Individuals responsible for monthly water system and landfill account billings are also involved in the receipt of customer payments and posting to customer accounts.
- ◆ Individuals responsible for the processing of invoices and related payables are also involved in the disbursement process and general ledger functions.
- ◆ Individuals responsible for maintaining the detail capital asset records are also involved with the general ledger, cash, purchasing, payable, and authorization functions.

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

Effect: The failure of the County to have a proper segregation of duties could lead to undetected misappropriation of funds or other irregularities.

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

Recommendation: The County should work to immediately eliminate the above deficiency.

Views of Responsible Officials and Planned Corrective Action: We concur. We will work with staff to segregate duties and apply compensating controls to the extent possible.

CRISP COUNTY, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

SECTION III

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

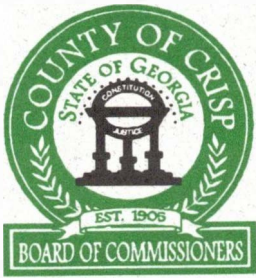
CRISP COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

2019-001. Segregation of Duties

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

Condition: For the fiscal year ended June 30, 2019, appropriate segregation of duties did not exist within several areas of the County's operations, including the Clerk of Court, Magistrate Court, Probate Court, Tax Commissioner's office, Sheriff's Office, and County finance department.

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



THE BOARD OF COMMISSIONERS OF CRISP COUNTY

210 SOUTH 7TH STREET
CORDELE, GEORGIA 31015

December 3, 2020

www.crispcounty.com

OFFICE
229.276.2672
FAX
229.276.2675

COUNTY
COMMISSIONERS

SAMMIE N. FARROW, JR.

AUTHUR JAMES NANCE

WALLACE MATHIS

LARRY D. FELTON

JAMES R. DOWDY, III

COUNTY
ADMINISTRATOR

CLARK HARRELL

COUNTY
ATTORNEY

RICK LAWSON

COUNTY
FINANCE DIRECTOR

SHERRIE LEVERETT

COUNTY CLERK

LINDA FINCH

State of Georgia
Department of Audits & Accounts
270 Washington Street S.W., Room 1-156
Atlanta, Georgia 30334-8400

ATTN: Jacqueline E. Neubert

Dear Ms. Neubert:

In response to the findings included in our Fiscal Year Ending June 30, 2020 Audited Financial Statements, please be advised of the following plan for corrective action:

1. 2020-001 Segregation of Duties.

The lack of segregation of duties is due to the limited number of individuals in each office. The offices listed are in the process of reviewing their respective systems to evaluate and determine the most effective solution to properly segregate duties among recording, distribution and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business. To the best of my knowledge, this has never resulted in any undetected misappropriation of funds or other irregularities.

2. Expenditures Exceeded Appropriations at the Legal Level of Control.

The budget to actual figures are periodically reviewed during the year and adjustments adopted as timely as possible for completion of year-end financials. All remaining deficits were funded by under expenditures in other line items within the same Fund. Please note these overage amounts were small and determined not to be material by our auditors.

If you have any questions or need additional information, please don't hesitate to let me know.

Sincerely,

Sherrie L. Leverett
Finance Director