

**FANNIN COUNTY, GEORGIA**

**ANNUAL FINANCIAL REPORT  
(WITH INDEPENDENT AUDITOR'S REPORT)**

**Year Ended December 31, 2019**

**FANNIN COUNTY, GEORGIA  
ANNUAL FINANCIAL REPORT  
For The Year Ended December 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

July 23, 2020

Board of Commissioners  
FANNIN COUNTY, GEORGIA  
Blue Ridge, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of FANNIN COUNTY, GEORGIA, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the FANNIN COUNTY WATER AUTHORITY, a component unit of the County, as of and for the year then ended June 30, 2019, which represent 68.80%, 0.73%, and 38.75%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the FANNIN COUNTY WATER AUTHORITY, is based solely on the report of the other auditors. We did not audit the financial statements of the FANNIN COUNTY HEALTH DEPARTMENT, a component unit of the County, as of and for the year then ended June 30, 2019, which represent 5.22%, (0.05)%, and 45.95%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the FANNIN COUNTY HEALTH DEPARTMENT, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial

audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of FANNIN COUNTY, GEORGIA, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof 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, Schedule of the Net Pension Liability - Fannin County Defined Benefit Plan, Schedule of Contributions - Fannin County Defined Benefit Plan, Schedule of Notes to Required Supplementary Information - Fannin County Defined Benefit Plan, Budgetary Comparison Schedule - General Fund, and Budgetary Comparison Schedule - Excise Lodging Tax listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency

with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise FANNIN COUNTY, GEORGIA's basic financial statements. The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, Schedule of Projects Constructed with Special Sales Tax Proceeds which is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and the Schedule of State Contractual Assistance, and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, Schedule of Projects Constructed with Special Sales Tax Proceeds, and Schedule of State Contractual Services 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements 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 July 23, 2020 on our consideration of FANNIN COUNTY, GEORGIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of FANNIN COUNTY, GEORGIA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FANNIN COUNTY, GEORGIA's internal control over financial reporting and compliance.

*Bates, Carter & Co., LLP*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Fannin County, Georgia (the "County"), we provide this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2019. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### FINANCIAL HIGHLIGHTS

The County's assets exceeded its liabilities by \$47,573,933 (net position) for the year reported. This represents an increase of \$4,949,242 from the previous year.

Total net position is comprised of the following:

1. Net investment in capital assets equaled \$30,266,175.
2. Net position of \$7,850,977 are restricted for debt service, capital outlay, or by other constraints imposed by law or regulations.
3. At the end of 2019, unrestricted net position balance increased by \$152,325 from \$9,304,456 to \$9,456,781.

The County's governmental funds reported total ending fund balance of \$21,712,062. This compares to the prior year ending fund balance of \$20,121,215 showing a increase of \$1,590,847 during the current year.

At the end of 2019, unassigned fund balance for the County's governmental funds was \$11,172,284.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis introduces the County's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government – wide statements and fund financial statements. This report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

#### Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances and are more comparable to the financial statements of private-sector businesses. The government-wide statements provide both short and long-term information about the County's financial status as a whole. Government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and total liabilities. Changes in net position indicate the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

The first of these government-wide statements is the *Statement of Net Position*. This statement presents information that includes all of the County's assets and liabilities, with the difference reported as total net position.

The second government-wide statement is the *Statement of Activities* which indicates how the County's net position changed during the current fiscal year. This report is designed to show the financial reliance of the County's activities and functions on revenues provided by County taxpayers.

The government-wide statements are divided into governmental activities and component units.

**Governmental activities** include most of the County's basic services such as general administration, public safety, public works, court systems, culture and recreation, health and welfare, and housing and development. Property taxes, sales taxes, and state and federal grants finance most of these activities.

**Component Units** for the County include the Development Authority and the Fannin County Department of Public Health. Separate financial statements are issued for both component units. See page 11 of the financial statements for more information

### **Fund Financial Statements**

Fannin County, like all other governmental entities in Georgia, uses fund accounting to ensure compliance with finance-related laws and regulations. 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. All of the funds of the County can be classified as governmental funds, proprietary funds, or fiduciary funds.

**Governmental funds** are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next fiscal year. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are financial resources available to finance the County's programs. Most of the County's basic services are accounted for in governmental funds.

**Fiduciary Funds** are used to account for resources held for the benefit of parties outside the Government. Fannin County's fiduciary funds are considered agency funds.

**Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data presented in both the government-wide and fund financial statements. The notes to the financial statements begin on page 11 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The table below presents the County's condensed *Statement of Net Position*. Comparison analysis is made from the year ended December 31, 2019 to the year ended December 31, 2018 as required by GASB Statement No. 34.

## Comparative Schedule of Net Position December 31

	2019	Governmental Activities	2018
Capital assets (net of depreciation)	\$ 33,052,455		\$ 25,630,908
Current and other assets	<u>21,136,194</u>		<u>19,263,326</u>
Total Assets	<u>54,188,649</u>		<u>50,386,843</u>
Total deferred outflows of resources	<u>2,190,442</u>		<u>1,809,450</u>
Long-term liabilities	5,982,476		5,367,346
Other liabilities	<u>2,822,682</u>		<u>3,014,054</u>
Total liabilities	<u>8,805,158</u>		<u>8,381,400</u>
Total deferred inflows of resources	<u>-</u>		<u>1,190,202</u>
Net Position:			
Net investment in capital assets	30,266,175		26,680,936
Restricted	7,850,977		6,639,299
Unrestricted	<u>9,456,781</u>		<u>9,304,456</u>
Total net position	<u>\$ 47,573,933</u>		<u>\$ 42,624,691</u>

Over time, net position serves as a useful indicator of a government's financial position. The County's net position totaled \$47,573,933 at December 31, 2019 compared to \$42,624,691 at December 31, 2018. The total increase was \$4,949,242.

The largest portion of net position, \$30,266,175 (64%), reflects the County's investment in capital assets (land, buildings, machinery and equipment) less accumulated depreciation and any related debt still outstanding that was issued to acquire those assets. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investments in capital assets are reported net of outstanding debt, the resources needed to repay the debt must be provided by other sources as the capital assets cannot be liquidated to pay the liabilities. The County has \$7,850,977 (17%) of restricted net position that is subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net position represents \$9,456,781 (20%) of unrestricted net position.

The table below presents the County's condensed *Statement of Activities* for the year ended December 31, 2019 with comparative amounts for the year ended December 31, 2018.

**Comparative Schedule of Changes in Net Position  
December 31**

	Governmental Activities	
	2019	2018
<b>REVENUES</b>		
<b>Program revenues</b>		
Charges for services	\$ 3,215,416	\$ 4,359,897
Operating grants and contributions	1,475,648	476,761
Capital grants and contributions	1,466,629	663,621
<b>Subtotal for program revenues</b>	<u>6,157,693</u>	<u>5,500,279</u>
<b>General revenues</b>		
Property taxes	8,333,005	7,852,820
Sales taxes	10,726,985	9,849,026
Insurance premium tax	1,451,903	1,354,031
Other taxes	456,230	611,668
Interest and investment earnings	28,466	16,427
Other revenue	2,169,764	228,223
Gain on sale of capital assets	34,933	70,335
Miscellaneous	-	1,878,994
<b>Subtotal for general revenues</b>	<u>23,201,286</u>	<u>21,861,524</u>
<b>Total revenues</b>	<u>29,358,979</u>	<u>27,361,803</u>
<b>EXPENSES</b>		
<b>Program expenses</b>		
General government	4,955,451	4,412,903
Judicial	2,255,697	2,299,961
Public safety	8,292,991	8,260,548
Public works	5,639,803	7,525,189
Health & welfare	357,823	580,201
Recreation & culture	1,382,507	1,392,297
Housing and development	1,436,283	1,581,847
Interest and paying agent fees	89,182	114,480
<b>Total expenses</b>	<u>24,409,737</u>	<u>26,167,426</u>
<b>Change in net position</b>	<u>4,949,242</u>	<u>1,194,377</u>
Net position, beginning of year	42,624,691	41,430,314
<b>Net position, end of year</b>	<u>\$ 47,573,933</u>	<u>\$ 42,624,691</u>

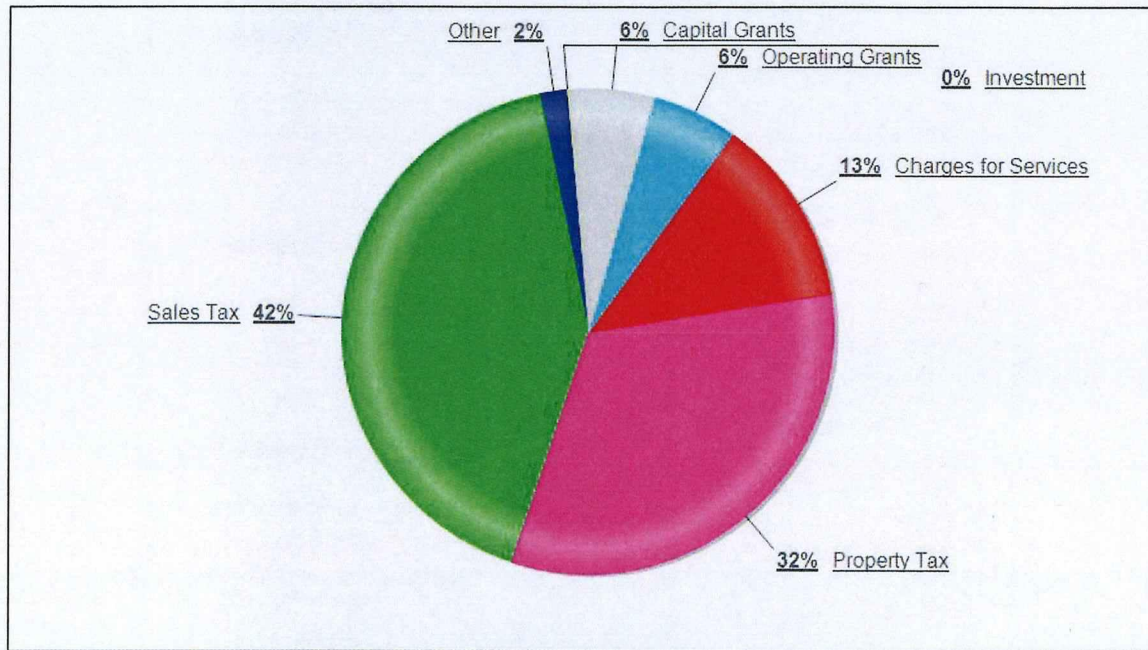
Governmental Activities Revenues such as property taxes, insurance premium tax and other taxes, continue as the main source of revenue for governmental activities which totaled \$23,201,286 in 2019 compared to \$21,861,524 in 2018. This change is an increase of 6.13%.

**Governmental Activities Expenses** by function as reflected in the table above show that during 2019, the County expended 34% for Public Safety, 9% for Judicial, 23% for Public Works, 20% for General Government, 6% for Culture and Recreation, 6% for Housing and Development, 1% for Health and Welfare, and 1% for Interest on Long-term debt.

As a comparative, during fiscal year 2018, the County expended 32% for Public Safety, 9% for Judicial, 29% for Public Works, 17% for General Government, 5% for Culture and Recreation, 6% for Housing and Development, 2% for Health and Welfare, and 1% for Interest on Long-term debt.

## Revenues by Source

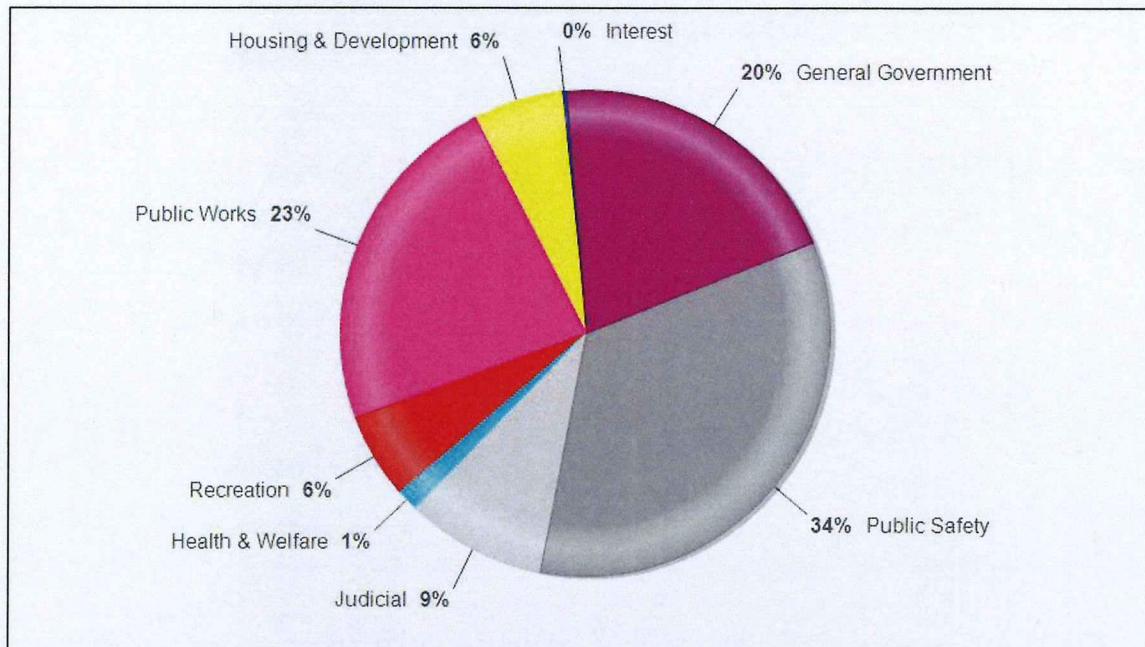
Government-Wide Activities



\*Due to rounding, charts may not always equal 100%

## Expenses by Function

Government-Wide Activities



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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. This information is useful in assessing the Government's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

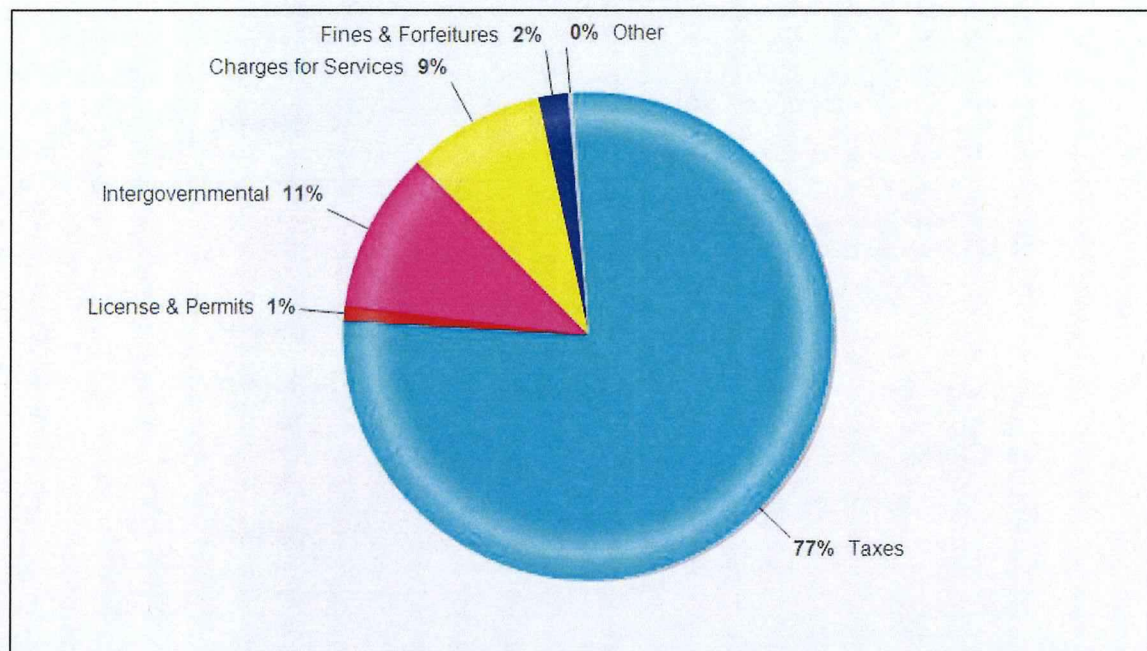
The major governmental funds are the General Fund and SPLOST. The General Fund is the chief operating fund of the County. It is used to account for all governmental financial resources not restricted by state or federal laws, local ordinances, or other imposed requirements. The County's total governmental funds reported ending fund balance of \$11,355,778. This compares to the prior year ending fund balance of \$10,488,838 showing an increase of \$866,940 during the current year. At the end of fiscal year 2019, unassigned fund balance for the County's governmental funds was \$11,172,284.

The County's other major governmental fund is the SPLOST fund. The fund balance of the SPLOST fund increased by \$851,361 during the current fiscal year. Collections for 2014 SPLOST began on July 1, 2014. Based on the approved 2014 SPLOST referendum, the majority of the 2014 SPLOST revenues are allocated for capital road projects and public safety. The SPLOST fund has an ending fund balance of \$6,456,185 which is restricted for capital projects as outlined in the 2014 SPLOST referendum.

In 2019, governmental revenues increased \$2,167,051 from 2018. This increase is primarily due to activity in the General Fund related to an increase in revenues from taxes, licenses and permits and charges for services. There was an 13.2% increase in revenues in the SPLOST fund.

**Revenues by Source**

Fund Level - Governmental



## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** The County's capital assets for governmental activities as of December 31, 2019 total \$33,052,455 (net of accumulated depreciation). These assets include land, land improvements, infrastructure, buildings, machinery and equipment, furniture and fixtures, vehicles and construction in progress.

Fannin County's Capital Assets (Net of depreciation)			
	Governmental Activities		
	2019		2018
Land and improvements	\$ 2,253,633	\$	2,253,633
Construction in progress	1,363,418		3,204,168
Buildings	16,840,957		13,439,699
Machinery & equipment	3,100,962		3,324,083
Furniture & fixtures	-		-
Vehicles	-		-
Infrastructure	9,493,485		8,867,124
Total Assets	<u>\$ 33,052,455</u>	<u>\$</u>	<u>31,088,707</u>

Detailed information on the County's capital assets can be found in Note 6 of the basic financial statements.

**Long-term Debt.** During 2019, the long-term debt of Fannin County's governmental activities decreased \$(305,586). The inception of capital leases for the purchase of vehicles and equipment totaled \$137,234 during 2019, and the inception of notes from direct borrowings for the purchase of emergency vehicles totaled \$35,079 during 2019. The net pension liability increased by \$1,805,422, and the net OPEB obligation decreased by \$(961,266).

Fannin County's Outstanding Debt Bonds Payable, Capital Leases, Notes Payable, Claims, and Other Debts			
	Governmental Activities		
	2019		2018
Installment Sale Agreement	2,184,094		3,234,564
Capital leases	797,331		916,682
Notes from direct borrowings	20,079		-
Net pension liability	4,301,130		2,495,708
Net OPEB liability	797,331		1,758,597
Totals	<u>\$ 8,099,965</u>	<u>\$</u>	<u>8,405,551</u>

Additional information regarding Fannin County's long-term debt can be found in Note 7 of the basic financial statements

## ECONOMIC FACTORS AND THE 2020 BUDGET

- The 2019 millage rate decreased from 4.176 to 3.938 per \$1,000 of valuation. The 2019 millage rate was a decrease of 0.24%, however the 2019 tax digest reflected an increase in overall valuation. The 2019 total County taxes levied increased \$229,508 as compared to 2018. The County property tax digest is assessed and recorded as revenue in the same fiscal period. The budget for fiscal year 2020 is created using historical trends and future projections.

- The 2020 budget was approved and adopted by the Board of Commissioners on December 10, 2019. The 2020 operating budget increased from \$27,710,456 to \$28,564,665, an increase of \$854,209. The majority of the revenue increase is in tax revenues, title ad valorem tax, license and permit fees. The majority of expenditure increase is in purchased services and salaries and benefits.
- Monthly budgetary reports are provided to all department heads, elected officials and the Board of Commissioners.
- As referred to in Note 18 of the Financial Statements, the first quarter of 2020 will have some unexpected differences in the upcoming financials due to the spread of a strain of coronavirus. This outbreak is expected to negatively impact operating results in 2020 due to operational disruptions caused by the pandemic.

Fannin County management continues to monitor revenue collection rates and control budgetary spending in an effort to provide services at or above current levels without further burdening the county taxpayers.

## **REQUESTS FOR INFORMATION**

This report is designed to provide the reader a general overview of the County's finances and demonstrate Management's commitment to public accountability. Questions concerning any of the information found in this report or requests for additional information should be directed to Robin Gazaway, Finance Director for Fannin County Board of Commissioners, 400 West Main Street, Suite 100, Blue Ridge, Georgia 30513.

**FANNIN COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**December 31, 2019**

	<b><u>PRIMARY</u></b> <b><u>GOVERNMENT</u></b>	
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>COMPONENT UNITS</b>
<b>ASSETS</b>		
Cash	\$ 18,071,634	\$ 701,250
Receivables (net of allowance for uncollectibles)	2,849,257	198,480
Inventories	31,422	1,208,790
Prepaid items	183,881	10,310
Restricted assets:		
Cash	-	605,253
Non-current assets:		
Property held for resale	-	3,300
Net pension obligation	-	48,857
Capital assets:		
Capital assets not being depreciated	3,617,051	1,086,300
Capital assets being depreciated	66,530,704	6,475,732
Less: accumulated depreciation	<u>(37,095,300)</u>	<u>(1,351,743)</u>
Capital assets, net of depreciation	<u>33,052,455</u>	<u>6,210,289</u>
<b>TOTAL ASSETS</b>	<u><b>54,188,649</b></u>	<u><b>8,986,529</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension expense	2,190,442	131,787
OPEB expense	-	83,839
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>2,190,442</b></u>	<u><b>215,626</b></u>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<u><b>56,379,091</b></u>	<u><b>9,202,155</b></u>
<b>LIABILITIES</b>		
Accounts payable	884,833	55,501
Accrued interest payable	14,595	2,268
Other accrued items	282,842	14,822
Due to other governments	-	38,457
Amounts held in trust	-	16,875
Noncurrent liabilities:		
Due within one year		
Compensated absences payable	-	24,789
Estimated claims payable	320,254	-
Notes from direct borrowings	11,693	53,183
Capital leases payable	233,492	-
Revenue bonds payable	-	28,367
Installment sale agreement	1,074,973	-
Due in more than one year		
Compensated absences payable	-	24,788
Net pension liability	4,301,130	266,005
Net OPEB liability	-	482,265
Notes from direct borrowings	8,386	889,653
Capital leases payable	563,839	-
Revenue bonds payable	-	1,779,431
Installment sale agreement	<u>1,109,121</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u><b>8,805,158</b></u>	<u><b>3,676,404</b></u>

CONTINUED...

The accompanying notes are an integral part of this statement.

**FANNIN COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**December 31, 2019**

	<u><b>PRIMARY GOVERNMENT</b></u>	
...CONTINUED	<b>GOVERNMENTAL ACTIVITIES</b>	<b>COMPONENT UNITS</b>
DEFERRED INFLOWS OF RESOURCES		
Pension expense	-	11,475
OPEB expense	-	139,840
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>151,315</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>8,805,158</u>	<u>3,827,719</u>
NET POSITION		
Net investment in capital assets	30,266,175	3,437,764
Restricted for:		
Debt service	-	123,805
Capital outlay projects	6,457,506	576,097
Judicial programs	379,541	-
Public safety programs	531,769	-
Health and welfare programs	-	73,772
Housing and development programs	482,161	1,402,638
Unrestricted	<u>9,456,781</u>	<u>(239,640)</u>
TOTAL NET POSITION	<u>\$ 47,573,933</u>	<u>\$ 5,374,436</u>

The accompanying notes are an integral part of this statement.

**FANNIN COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2019**

					.....NET (EXPENSE) AND CHANGES IN NET POSITION....	
					.....PRIMARY GOVERNMENT.....	
					GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS		
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES						
General government	\$ 4,955,451	\$ 62,052	\$ 1,031,441	\$ -	\$ (3,861,958)	\$ -
Judicial	2,255,697	507,954	163,810	-	(1,583,933)	-
Public safety	8,292,991	2,051,782	262,886	-	(5,978,323)	-
Public works	5,639,803	88,489	46	1,465,672	(4,085,596)	-
Public health and welfare	357,823	-	17,465	-	(340,358)	-
Recreation and culture	1,382,507	278,306	-	957	(1,103,244)	-
Housing and development	1,436,283	226,833	-	-	(1,209,450)	-
Interest	89,182	-	-	-	(89,182)	-
Total Governmental Activities	<u>24,409,737</u>	<u>3,215,416</u>	<u>1,475,648</u>	<u>1,466,629</u>	<u>(18,252,044)</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 24,409,737</u>	<u>\$ 3,215,416</u>	<u>\$ 1,475,648</u>	<u>\$ 1,466,629</u>	<u>(18,252,044)</u>	<u>-</u>
COMPONENT UNITS						
Health Department	\$ 613,853	\$ 378,413	\$ 337,526	\$ -	-	102,086
Water Authority	513,535	194,333	-	408,376	-	89,174
Development Authority	175,743	163,652	74,250	-	-	62,159
TOTAL COMPONENT UNITS	<u>\$ 1,303,131</u>	<u>\$ 736,398</u>	<u>\$ 411,776</u>	<u>\$ 408,376</u>	<u>-</u>	<u>253,419</u>
GENERAL REVENUES						
Property taxes					8,333,005	-
Sales taxes					10,726,985	-
Insurance premium taxes					1,451,903	-
Real estate recording taxes					456,230	-
Other taxes					2,169,764	-
Total taxes					23,137,887	-
Unrestricted investment earnings					28,466	1,587
Gain on sale of capital assets					34,933	-
TOTAL GENERAL REVENUES AND TRANSFERS					<u>23,201,286</u>	<u>1,587</u>
CHANGES IN NET POSITION					4,949,242	255,006
NET POSITION, Beginning					42,624,691	5,119,430
NET POSITION, Ending					<u>\$ 47,573,933</u>	<u>\$ 5,374,436</u>

The accompanying notes are an integral part of this statement.

**FANNIN COUNTY, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2019**

	GENERAL	EXCISE TAX LODGING	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash	\$ 10,645,188	\$ 353,379	\$ 6,232,868	\$ 840,201	\$ 18,071,636
Receivables (net of allowance for uncollectibles)	1,842,330	239,732	575,099	192,095	2,849,256
Interfund receivables	332,531	243,336	-	-	575,867
Prepaid items	170,931	-	-	12,950	183,881
Inventories	12,563	-	18,859	-	31,422
<b>TOTAL ASSETS</b>	<b>13,003,543</b>	<b>\$ 836,447</b>	<b>6,826,826</b>	<b>1,045,246</b>	<b>21,712,062</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 13,003,543</b>	<b>\$ 836,447</b>	<b>\$ 6,826,826</b>	<b>\$ 1,045,246</b>	<b>\$ 21,712,062</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 359,824	\$ 231,206	\$ 270,625	\$ 23,180	\$ 884,835
Other accrued items	282,842	-	-	-	282,842
Interfund payables	243,336	232,350	100,016	165	575,867
Estimated claims payable	320,254	-	-	-	320,254
<b>TOTAL LIABILITIES</b>	<b>1,206,256</b>	<b>463,556</b>	<b>370,641</b>	<b>23,345</b>	<b>2,063,798</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	369,255	-	-	-	369,255
Unavailable revenue - ambulance	72,254	-	-	-	72,254
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>441,509</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>441,509</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>1,647,765</b>	<b>463,556</b>	<b>370,641</b>	<b>23,345</b>	<b>2,505,307</b>
<b>FUND BALANCES</b>					
<b>Nonspendable:</b>					
Prepaid expenditure	170,931	-	-	12,950	183,881
Inventories	12,563	-	18,859	-	31,422
<b>Restricted:</b>					
Capital outlay projects	-	-	6,437,326	1,321	6,438,647
Judicial programs	-	-	-	379,541	379,541
Public safety programs	-	-	-	518,819	518,819
Housing and development programs	-	372,891	-	109,270	482,161
Unassigned	11,172,284	-	-	-	11,172,284
<b>TOTAL FUND BALANCES</b>	<b>11,355,778</b>	<b>372,891</b>	<b>6,456,185</b>	<b>1,021,901</b>	<b>19,206,755</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 13,003,543</b>	<b>\$ 836,447</b>	<b>\$ 6,826,826</b>	<b>\$ 1,045,246</b>	<b>\$ 21,712,062</b>

The accompanying notes are an integral part of this statement.

**FANNIN COUNTY, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2019**

<b>Total Fund Balances for Governmental Funds (page 4)</b>	\$ 19,206,755
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.	33,052,455
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Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.

Property Taxes	369,255	
Ambulance Charges	72,254	
		441,509

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Accrued interest	(14,595)	
Net pension liability	(4,301,130)	
Net deferred inflows (outflows) - pension expense	2,190,442	
Capital leases	(797,331)	
Notes from direct borrowings	(20,079)	
Agreement for sale	(2,184,094)	
		(5,126,787)

Rounding	1
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<b>Total net position of governmental activities (page 2)</b>	<b>\$ <u>47,573,933</u></b>
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The accompanying notes are an integral part of this statement.

**FANNIN COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2019**

	GENERAL	EXCISE TAX LODGING	SPLOST	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 14,987,007	\$ 1,998,768	\$ 6,093,393	\$ -	\$ 23,079,168
Licenses and permits	264,480	-	-	-	264,480
Intergovernmental	1,298,267	-	1,465,672	150,860	2,914,799
Fines and forfeitures	469,721	-	-	82,995	552,716
Charges for services	1,889,050	-	-	588,457	2,477,507
Contributions and donations	17,861	-	-	9,617	27,478
Investment income	12,101	245	12,446	3,678	28,470
Miscellaneous	24,134	-	-	-	24,134
<b>TOTAL REVENUES</b>	<b>18,962,621</b>	<b>1,999,013</b>	<b>7,571,511</b>	<b>835,607</b>	<b>29,368,752</b>
EXPENDITURES					
Current Expenditures					
General government	4,724,371	-	-	-	4,724,371
Judicial	2,145,018	-	-	88,321	2,233,339
Public safety	6,677,824	-	7,306	778,227	7,463,357
Public works	1,530,784	-	2,249,074	-	3,779,858
Public health and welfare	239,271	-	-	-	239,271
Recreation and culture	1,262,018	-	-	-	1,262,018
Housing and development	429,769	995,412	-	-	1,425,181
Intergovernmental	28,054	-	762,876	49,000	839,930
Capital outlay	192,700	-	3,700,987	189,066	4,082,753
Debt service					
Principal	1,322,055	-	-	-	1,322,055
Interest	97,298	-	-	-	97,298
<b>TOTAL EXPENDITURES</b>	<b>18,649,162</b>	<b>995,412</b>	<b>6,720,243</b>	<b>1,104,614</b>	<b>27,469,431</b>
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	313,459	1,003,601	851,268	(269,007)	1,899,321
OTHER FINANCING SOURCES (USES)					
Sale of county property	34,933	-	-	-	34,933
Issuance of notes payable	35,079	-	-	-	35,079
Capital lease proceeds	137,234	-	-	-	137,234
Transfers in	1,003,712	430,570	93	226,851	1,661,226
Transfers out	(657,477)	(1,003,712)	-	(37)	(1,661,226)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>553,481</b>	<b>(573,142)</b>	<b>93</b>	<b>226,814</b>	<b>207,246</b>
NET CHANGE IN FUND BALANCES	866,940	430,459	851,361	(42,193)	2,106,567
FUND BALANCES, Beginning of year	10,488,838	(57,568)	5,604,824	1,064,094	17,100,188
FUND BALANCES, End of year	\$ 11,355,778	\$ 372,891	\$ 6,456,185	\$ 1,021,901	\$ 19,206,755

The accompanying notes are an integral part of this statement.

**FANNIN COUNTY, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2019**

<b>Net change in fund balances (page 6)</b>		<b>\$ 2,106,567</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	4,082,753	
Depreciation expense	<u>(2,118,935)</u>	1,963,818
In the statement of activities, only the gain/loss on the sale of various capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.		
Net book value of capital assets sold/disposed	<u>(70)</u>	(70)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	58,719	
Ambulance charges	<u>(103,422)</u>	(44,703)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.		
Proceeds from borrowing including premiums and discounts	(172,313)	
Principal payments on long-term debt	1,322,055	
Accrued interest on bonds, current year	(14,595)	
Accrued interest on bonds, prior year	<u>22,711</u>	1,157,858
Changes in the ACCG pension plan actuarial assumptions are reported in deferred outflows.		
End of year	2,190,442	
Beginning of year	<u>(1,809,450)</u>	380,992
Changes in the ACCG pension plan actuarial assumptions are reported in deferred inflows.		
End of year	-	
Beginning of year	<u>1,190,202</u>	1,190,202
Net pension liability is not available during the current period and therefore is not reported in the funds.		
End of year	(4,301,130)	
Beginning of year	<u>2,495,708</u>	(1,805,422)
<b>Changes in net position of governmental activities (page 3)</b>		<b><u>\$ 4,949,242</u></b>

The accompanying notes are an integral part of this statement.

**FANNIN COUNTY, GEORGIA**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**December 31, 2019**

	<b>AGENCY FUNDS</b>
ASSETS	
Cash	\$ <u>4,721,120</u>
TOTAL ASSETS	\$ <u><u>4,721,120</u></u>
LIABILITIES	
Amount held in trust	\$ <u>4,721,120</u>
TOTAL LIABILITIES	\$ <u><u>4,721,120</u></u>

The accompanying notes are an integral part of this statement.

**FANNIN COUNTY, GEORGIA**  
**COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**  
**December 31, 2019**

	HEALTH DEPARTMENT	DEVELOPMENT AUTHORITY	WATER AUTHORITY	TOTAL
<b>ASSETS</b>				
Cash	\$ 336,428	\$ 297,467	\$ 67,355	\$ 701,250
Receivables (net of allowance for uncollectibles)	64,958	-	133,522	198,480
Inventories	380	1,199,020	9,390	1,208,790
Prepaid items	563	9,747	-	10,310
Cash	-	-	605,253	605,253
Non-current assets:				
Property held for resale	-	-	3,300	3,300
Net pension obligation	48,857	-	-	48,857
Capital assets:				
Capital assets not being depreciated	-	142,371	943,929	1,086,300
Capital assets being depreciated	45,763	1,371,576	5,058,393	6,475,732
Less: accumulated depreciation	(27,828)	(685,871)	(638,044)	(1,351,743)
Capital assets, net of depreciation	17,935	828,076	5,364,278	6,210,289
<b>TOTAL ASSETS</b>	<b>469,121</b>	<b>2,334,310</b>	<b>6,183,098</b>	<b>8,986,529</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension expense	131,787	-	-	131,787
OPEB expense	83,839	-	-	83,839
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>215,626</b>	<b>-</b>	<b>-</b>	<b>215,626</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>684,747</b>	<b>2,334,310</b>	<b>6,183,098</b>	<b>9,202,155</b>
<b>LIABILITIES</b>				
Accounts payable	763	-	54,738	55,501
Accrued interest payable	-	-	2,268	2,268
Other accrued items	-	-	14,822	14,822
Due to other governments	-	37,974	483	38,457
Amounts held in trust	-	3,000	13,875	16,875
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	24,789	-	-	24,789
Notes from direct borrowing	-	36,087	17,096	53,183
Revenue bonds payable	-	-	28,367	28,367
Due in more than one year				
Compensated absences payable	24,788	-	-	24,788
Net OPEB liability	266,005	-	-	266,005
Net pension liability	482,265	-	-	482,265
Notes from direct borrowing	-	530,947	358,706	889,653
Revenue bonds payable	-	-	1,779,431	1,779,431
<b>TOTAL LIABILITIES</b>	<b>798,610</b>	<b>608,008</b>	<b>2,269,786</b>	<b>3,676,404</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension expense	11,475	-	-	11,475
OPEB expense	139,840	-	-	139,840
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>151,315</b>	<b>-</b>	<b>-</b>	<b>151,315</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>949,925</b>	<b>608,008</b>	<b>2,269,786</b>	<b>3,827,719</b>
<b>NET POSITION</b>				
Net investment in capital assets	17,935	261,042	3,158,787	3,437,764
Restricted for:				
Debt service	-	-	123,805	123,805
Capital outlay projects	-	-	576,097	576,097
Housing and development	-	1,402,638	-	1,402,638
Public health and welfare	73,772	-	-	73,772
Unrestricted	(356,885)	62,622	54,623	(239,640)
<b>TOTAL NET POSITION</b>	<b>\$ (265,178)</b>	<b>\$ 1,726,302</b>	<b>\$ 3,913,312</b>	<b>\$ 5,374,436</b>

The accompanying notes are an integral part of this statement.

**FANNIN COUNTY, GEORGIA  
COMPONENT UNITS  
COMBINING STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2019**

.....PROGRAM REVENUES.....					....NET (EXPENSE) AND CHANGES IN NET POSITION....			
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	HEALTH DEPARTMENT	DEVELOPMENT AUTHORITY	WATER AUTHORITY	TOTAL
COMPONENT UNITS								
GOVERNMENTAL ACTIVITIES								
Health Department	\$ 613,853	\$ 378,413	\$ 337,526	\$ -	\$ 102,086	\$ -	\$ -	\$ 102,086
Water Authority	513,535	194,333	-	408,376	-	-	89,174	89,174
Development Authority	175,743	163,652	74,250	-	-	62,159	-	62,159
TOTAL COMPONENT UNITS	<u>\$ 1,303,131</u>	<u>\$ 736,398</u>	<u>\$ 411,776</u>	<u>\$ 408,376</u>	<u>102,086</u>	<u>62,159</u>	<u>89,174</u>	<u>253,419</u>
GENERAL REVENUES								
Unrestricted investment earnings					95	463	1,029	1,587
TOTAL GENERAL REVENUES AND TRANSFERS					95	463	1,029	1,587
CHANGES IN NET POSITION					102,181	62,622	90,203	255,006
NET POSITION, Beginning					(367,359)	1,663,680	3,823,109	5,119,430
NET POSITION, Ending					<u>\$ (265,178)</u>	<u>\$ 1,726,302</u>	<u>\$ 3,913,312</u>	<u>\$ 5,374,436</u>

The accompanying notes are an integral part of this statement.

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

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

The financial statements of FANNIN COUNTY, GEORGIA have been prepared in conformity with generally accepted accounting principles (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.

**REPORTING ENTITY**

The County is a political subdivision of the State of Georgia, located about 60 miles north of Atlanta. The County is governed by three elected Commissioners. In addition, there are four Constitutional Officers: the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected county wide. The Board of County Commissioners budgets and approves all funding used by the separate Constitutional Officers. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable and for which a financial benefit or burden relationship is present. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the County.

Blended component units, although legally separate entities, are, in substance, part of the Government's operations. A brief description of the blended component unit follows:

**FANNIN COUNTY BUILDING AUTHORITY:** The Building Authority is governed by a board appointed by the County Commissioners who have the ability to impose their will on the Building Authority. Although it is legally separate from the County, the Building Authority is reported as if it is a part of the primary government, as a blended component unit, because its primary purpose is to acquire, construct, and maintain capital projects for use by the County. Separate financial statements for the Building Authority are not prepared. Financial information related to the Fannin County Building Authority may be obtained from the Office of the County Clerk of Fannin County, Georgia.

Brief descriptions of discretely presented component units follow:

**FANNIN COUNTY DEPARTMENT OF PUBLIC HEALTH:** The Health Department is governed by a seven member board comprised of a Fannin County Commission representative, the Fannin County school superintendent, a licensed physician practicing in Fannin County, a City of Blue Ridge Council representative, and two members appointed by the City of Blue Ridge Council. The Health Department is reported as a component unit of the County because it is fiscally accountable. The Health Department

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

provides health related services to residents of Fannin County. The County provides the Health Department with its building space, liability insurance, maintenance on the building, and janitorial services. The presentation of the Health Department's financial information was taken from its audited financial report as of June 30, 2019. Separate financial statements for the Health Department can be obtained from their administrative offices at Georgia Department of Health Resources, Northwest Health District, 111 Bryant Crossing, Suite AA, Dalton, Georgia 30720.

DEVELOPMENT AUTHORITY OF FANNIN COUNTY: The Development Authority provides a means to develop and promote trade, commerce, industry, and employment opportunities within the County. The Development Authority is used as a flow through for grant monies and expenditures for real estate development projects. All nine board members are appointed by the County and the County has a significant financial relationship with the Development Authority. Separate financial statements for the Development Authority are not prepared. Financial information for the Fannin County Development Authority may be obtained from the Office of the County Clerk of Fannin County, Georgia.

FANNIN COUNTY WATER AUTHORITY: The Water Authority acquires, constructs, equips, maintains, and operates adequate water supply, treatment, and distribution facilities and sewerage collection, treatment, and distribution facilities, making such facilities and services available to public and private consumers and users located in the County. The Water Authority receives SPLOST allocated for water purposes from the County. All seven board members are appointed by the County and the County has a significant financial relationship with the Water Authority. The presentation of the Water Authority's financial information was taken from its audited financial report as of June 30, 2019. Separate financial statements for the Water Authority may be obtained from their administrative offices at 400 West Main Street, Suite 101 B, Blue Ridge, Georgia 30513.

**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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

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

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

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements (fiduciary funds use the economic resources measurement focus to indicate that agency funds have no measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes as available if they are collected by the end of the current fiscal year. Other revenues susceptible to accrual are considered available if they are collected within 60 days of the end of the current fiscal period for which they are imposed. 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.

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

Property taxes, sales tax, franchise taxes, charges for services, and interest 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 *Excise Tax Lodging Fund* is used to account for collection of special sales tax to be used for tourism promotion within the County.

The *SPLOST Capital Projects Fund* accounts for funds received from a local 1% sales tax, passed by the 2011 and 2017 Special Purpose Local Option Sales Tax referendums, which are reserved for construction of various capital projects.

Additionally, the County reports the following fund types:

*Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specified purposes.

*Capital projects funds* account for acquisition and construction of the County's capital assets.

*Agency funds* are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff hold for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used which are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges 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.

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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.

**ASSETS, LIABILITIES AND NET POSITION OR EQUITY**

***Deposits and Investments***

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

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

All trade and property tax receivables are shown net of an allowance of uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. The 2019 taxes were levied August 30, 2019, and were due December 20, 2019. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien 90 days after the due date. Property taxes levied during 2019 are to fund operations for the County's fiscal year beginning January 1, 2019.

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

**FANNIN COUNTY, GEORGIA**  
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***Inventories and Prepaid Items***

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

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. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

***Bond Premiums and Discounts***

Premiums and discounts, if applicable, are deferred and amortized over the lives of the bonds and loans on a straight-line basis, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

***Restricted Assets***

Certain proceeds of the County's capital leases or debt issues may be classified as restricted assets on the balance sheet if they are maintained in separate bank accounts and their use is limited by applicable lease or debt agreements.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, culverts, and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of three years or an acquisition of land at any cost. Roads, bridges, culverts, and other infrastructure are defined by the County as projects with an individual cost of \$50,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Roads, bridges, and culverts acquired prior to July 1, 1980 have not been reported.

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.

**FANNIN COUNTY, GEORGIA**  
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Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings & Improvements	20-50	Vehicles	2-15
Machinery and Equipment	2-15	Infrastructure	30
		Land	N/A

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. This item consists of the deferred charge in pension expense. The deferred charge in pension expense represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next fiscal year.

In addition to liabilities, the statement of financial 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 net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category. These two items consist of unavailable revenue and deferred inflows related to pension expense. Unavailable revenue, arises under the modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and fines. The deferred inflows related to pension expense represents differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability and changes of assumptions about future economic or demographic factors or of other inputs. These deferred inflows will be recognized in pension expense using a systematic and rational method over a closed five-year period, beginning with the current reporting period.

**FANNIN COUNTY, GEORGIA**  
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***Compensated Absences***

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated. Vacation leave is forfeited if not taken by December 31st of each calendar year. Therefore, it is expensed as incurred.

***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 statement of net position.

***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 Fannin County Defined Benefit Plan (Plan) and additions to/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 are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Fund Equity/Net Position***

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 current assets and current liabilities. 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 the 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 like inventories and prepaid items) or (b) legally or contractually required to be maintained intact.

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

*Committed* - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.

*Assigned* - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's finance director 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 other governmental funds.

***Net Position*** - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

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

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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***Net Investment in Capital Assets***

The "Net investment in capital assets" reported on the government-wide statement of net position as of December 31, 2019 are as follows:

	Governmental Activities	Component Unit Development Authority
Net investment in capital assets		
Cost of capital assets	\$ 70,147,755	\$ 1,513,947
Less accumulated depreciation	<u>(37,095,300)</u>	<u>(685,871)</u>
Book value	33,052,455	828,076
Less capital related debt	(2,771,325)	(567,034)
Less capital related accounts payable	<u>(14,955)</u>	<u>-</u>
Net investment in capital assets	<u><u>\$ 30,266,175</u></u>	<u><u>\$ 261,042</u></u>

***Management Estimates***

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

**NOTE 2 - FUND BALANCE/NET POSITION**

The governmental activities statement of net position reports \$7,850,977 of restricted net position, of which \$654,953 is restricted by enabling legislation.

Additional details related to fund balances at the governmental fund level are presented below:

**Restricted:**

**Excise Lodging Tax**

Housing & development - To account for Hotel/Motel Tax funds received to promote tourism, conventions, and trade shows. \$ 372,891

**SPLOST Fund**

*Capital outlay projects* - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum. 6,437,326

**FANNIN COUNTY, GEORGIA**  
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**Nonmajor Restricted Programs Funds**

*Judicial Programs -*

Law Library - Used to account for surcharges on fines and forfeitures which are for the operation of the County Law Library and other expenditures as restricted by the OCGA-36-15.	27,899
Victims Rights and Assistance Fund - To account for funds collected from fines and forfeitures to be used for assisting victims of crime.	8,505
Juvenile Fund - To account for funds collected from fines and forfeitures to be used for the juvenile court.	49,429

293,708

Subtotal - Restricted for Judicial Programs

379,541

*Public Safety Programs -*

Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5.	254,163
Drug Task Force - To account for funds received to operate multi-jurisdictional drug enforcement agency that actively pursues all levels of illegal drug activity.	78,283
Multiple Grant Fund - Used to account for public safety administered state reimbursement grants.	160,013
Donations/Special Projects Fund - To account for funds collected from donations to be used for the Sheriff.	4,814
Jail Fund - Used to account for funds collected from fines and forfeitures to be used for maintenance of the County Jail.	10,683
Inmate Welfare Fund - Used to account for funds legally restricted for the benefit of detainees in the County Jail.	3,802
Confiscated Assets Fund - to account for funds from seizures to be used for law enforcement activities.	<u>7,061</u>

Subtotal - Restricted for Public Safety Programs

518,819

*Housing and Development Programs -*

Revolving Loan Fund - Used to account for funds received to loan to business for economic development.	<u>109,270</u>
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*Capital Outlay Projects -*

Capital Improvements Fund - Used to account for funds received from issuance of bonds, intergovernmental grants, and transfers from other funds that have not been spent.	<u>1,321</u>
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**Total Restricted Fund Balance**

\$ 7,819,168

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

The County Commission adopts an annual budget for all governmental fund types prior to no later than the first County meeting in December.

Prior to September 1, the proposed budget is presented to the Board of Commissioners for review. The final budget must be prepared and adopted no later than the first County meeting in December. Public hearings are conducted by the Board of Commissioners to obtain taxpayer comments.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Any changes in total departmental expenditures/expenses must be approved by the Board of Commissioners.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year end.

**DEFICIT FUND BALANCES**

There are no funds with deficits.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

**PRIMARY GOVERNMENT**

***Custodial Credit Risk - Deposits***

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the government's deposits may not be returned. The County's policies permit it to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of December 31, 2019, all deposits of the County were insured or collateralized.

Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below:

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Under the *dedicated method*, a depository shall secure the deposits of each of its public depositors separately. State statutes require collateral pledged in the amount of 110% of deposits.

Under the *pooled method*, a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1. State statutes require collateral pledged in the amount of 110% of deposits under the single bank pooled method or at least 100% of amounts greater than 20% of the daily pool balance held by any one covered depository under the multibank pooled method.

The County utilized both methods to secure its deposits of public funds.

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. 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.

***Credit Risk***

State statutes authorize the County to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state or of other states and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation of the United States government. The County does not have an investment policy that would further limit these investment choices.

A hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs requiring that the most observable inputs be used when available was establish. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets in active markets. Level 2 within the hierarchy states that valuations are based on observable inputs other than Level 1 process, such as quoted prices for similar assets, quoted prices in inactive markets and other inputs that may be corroborated by observable market data. Level 3 assets are not actively traded, and their values can only be estimated using a combination of complex market prices, mathematical models, and

**FANNIN COUNTY, GEORGIA**  
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subjective assumptions. As of December 31, 2019, the County did not hold any assets that are measured at fair value on a recurring basis in periods subsequent to initial recognition.

***Concentration of Credit Risk***

The County places no limit on the amount it may invest in any one issuer.

***Foreign Currency Risk***

The County has no investments denominated in a foreign currency.

**NOTE 5 - RECEIVABLES**

**PRIMARY GOVERNMENT**

Receivables as of year-end for the County's individual major funds and nonmajor governmental funds in the aggregate including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Excise Lodging Tax</u>	<u>SPLOST</u>	<u>Nonmajor Governmental Funds</u>
Receivables:				
Property Taxes	\$ 899,501	\$ -	\$ 570,092	\$ -
Accounts	1,543,251	239,732	5,007	153,649
Intergovernmental	<u>521,889</u>	<u>-</u>	<u>-</u>	<u>38,446</u>
Total Gross Receivables	2,964,641	239,732	575,099	192,095
Less: Allowance for Uncollectibles	<u>(1,122,311)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Receivables	<u>\$ 1,842,330</u>	<u>\$ 239,732</u>	<u>\$ 575,099</u>	<u>\$ 192,095</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable (General Fund)	\$ 369,255
Ambulance Charges (General Fund)	<u>72,254</u>
Total unavailable revenue for governmental funds	<u>\$ 441,509</u>

**FANNIN COUNTY, GEORGIA**  
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Property taxes receivable at December 31, 2019, consist of the following:

Digest Year	General Fund
2019	\$ 757,325
2018	80,811
2017	22,938
2016	10,439
2015	11,679
2014	11,869
2013	4,440
Total	<u>\$ 899,501</u>

**DISCRETELY PRESENTED COMPONENT UNITS**

Receivables as of year-end for the County's component units, including the applicable allowances for uncollectible accounts are as follows:

	Water Authority	Health Department
Receivables:		
Accounts	\$ 22,730	\$ 58,007
Intergovernmental	110,792	6,951
Total Gross Receivables	<u>133,522</u>	<u>64,958</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Net Receivables	<u>\$ 133,522</u>	<u>\$ 64,958</u>

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 - CAPITAL ASSETS**

**PRIMARY GOVERNMENT**

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Non-Depreciable Assets:					
Land and improvements	\$ 2,253,633	\$ -	\$ -	\$ -	\$ 2,253,633
Construction in progress	3,204,168	1,642,902	(70)	(3,483,582)	1,363,418
Total non-depreciable capital assets	<u>5,457,801</u>	<u>1,642,902</u>	<u>(70)</u>	<u>(3,483,582)</u>	<u>3,617,051</u>
Depreciable Assets:					
Land improvements	-	-	-	-	-
Buildings and improvements	20,006,397	392,887	-	3,483,582	23,882,866
Vehicles and equipment	13,923,120	548,369	(7,018)	-	14,464,471
Infrastructure	26,684,772	1,498,595	-	-	28,183,367
Total depreciable capital assets	<u>60,614,289</u>	<u>2,439,851</u>	<u>(7,018)</u>	<u>3,483,582</u>	<u>66,530,704</u>
Less Accumulated Depreciation for:					
Land improvements	-	-	-	-	-
Buildings and improvements	6,566,698	475,211	-	-	7,041,909
Vehicles and equipment	10,599,037	771,490	(7,018)	-	11,363,509
Infrastructure	17,817,648	872,234	-	-	18,689,882
Total accumulated depreciation	<u>34,983,383</u>	<u>2,118,935</u>	<u>(7,018)</u>	<u>-</u>	<u>37,095,300</u>
Total depreciable capital assets, net	<u>25,630,906</u>	<u>320,916</u>	<u>-</u>	<u>3,483,582</u>	<u>29,435,404</u>
Governmental activities capital assets, net	<u>\$ 31,088,707</u>	<u>\$ 1,963,818</u>	<u>\$ (70)</u>	<u>\$ -</u>	<u>\$ 33,052,455</u>

Additions to governmental activities capital assets for the fiscal year ending December 31, 2019, consist of the following:

Capital Outlay	<u>\$ 4,082,753</u>
Total	<u>\$ 4,082,753</u>
Non-depreciable capital assets additions	\$ 1,642,902
Depreciable capital assets additions	<u>2,439,851</u>
Total	<u>\$ 4,082,753</u>

**FANNIN COUNTY, GEORGIA**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

General Government	\$ 195,934
Judicial	375
Public Safety	706,896
Public Works	1,056,508
Public Health and Welfare	41,497
Recreation and Culture	114,587
Housing and Development	3,138
Total depreciation expense-governmental activities	<u>\$ 2,118,935</u>

The County has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to December 31, 2019, and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	<u>Project</u> <u>Authorization</u>	<u>Expended to</u> <u>Date</u>	<u>Contracts</u> <u>in</u> <u>Progress</u>	<u>Authorized</u> <u>Not</u> <u>Obligated</u>	<u>Sources</u>
Governmental Activities:					
Public Defender Remodel	\$ 28,147	\$ 4,618	\$ 23,529	\$ -	SPLOST
HB Restrooms	53,680	25,105	28,575	-	SPLOST
Ballfield	186,000	13,700	-	172,300	SPLOST
Whitepath	3,500,000	1,319,995	17,058	2,162,947	SPLOST
Total Governmental Activities	<u>\$ 3,767,827</u>	<u>\$ 1,363,418</u>	<u>\$ 69,162</u>	<u>\$2,335,247</u>	

## DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
Depreciable Assets:				
Leasehold Improvements	\$ 6,580	\$ -	\$ -	\$ 6,580
Machinery and Equipment	39,183	-	-	39,183
Total depreciable capital assets	45,763	-	-	45,763
Less Accumulated Depreciation for:				
Leasehold Improvements	6,563	-	-	6,563
Machinery and Equipment	16,265	5,000	-	21,265
Total accumulated depreciation	22,828	5,000	-	27,828
Capital Assets, net	<u>\$ 22,935</u>	<u>\$ (5,000)</u>	<u>\$ -</u>	<u>\$ 17,935</u>

Activity for the *Development Authority* for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
Non-Depreciable Assets:				
Land	\$ 142,371	\$ -	\$ -	\$ 142,371
Total Non-Depreciable Assets	142,371	-	-	142,371
Depreciable Assets:				
Land improvements	5,000	-	-	5,000
Buildings and improvements	1,355,385	-	-	1,355,385
Equipment	11,191	-	-	11,191
Total Depreciable assets	1,371,576	-	-	1,371,576
Less Accumulated Depreciation for:				
Equipment	(592,886)	(92,985)	-	(685,871)
Total accumulated depreciation	(592,886)	(92,985)	-	(685,871)
Total depreciable capital assets, net	778,690	(92,985)	-	685,705
Capital Assets, net	<u>\$ 921,061</u>	<u>\$ (92,985)</u>	<u>\$ -</u>	<u>\$ 828,076</u>

Activity for the *Water Authority* for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
Non-Depreciable Assets:				
Land & Easements	\$ 75,517	\$ -	\$ -	\$ 75,517
Construction in progress	429,682	438,730	-	868,412
Total Non-Depreciable Assets	505,199	438,730	-	943,929
Depreciable Assets:				
Land improvements	83,822	-	-	83,822
Buildings	37,041	-	-	37,041
Infrastructure	4,585,867	-	-	4,585,867
Machinery & Equipment	386,047	1,071	(35,455)	351,663
Total Depreciable assets	5,092,777	1,071	(35,455)	5,058,393
Less Accumulated Depreciation for:				
Infrastructure	(356,841)	(115,734)	-	(472,575)
Land improvements	(13,970)	(4,191)	-	(18,161)
Buildings	(5,272)	(1,852)	-	(7,124)
Equipment	(131,510)	(32,885)	24,211	(140,184)
Total accumulated depreciation	(507,593)	(154,662)	24,211	(638,044)
Total depreciable capital assets, net	4,585,184	(153,591)	(11,244)	4,420,349
Capital Assets, net	\$ 5,090,383	\$ 285,139	\$ (11,244)	\$ 5,364,278

#### NOTE 7 - LONG TERM DEBT

Long-term liability activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<b>Governmental Activities:</b>						
Installment Sale Agreement	\$ 3,234,564	\$ -	\$ (1,050,470)	\$ 2,184,094	\$ 1,074,973	\$ 1,109,121
Notes from direct borrowings	-	35,079	(15,000)	20,079	11,693	8,386
Capital leases	916,682	137,234	(256,585)	797,331	233,492	563,839
Net pension liability	2,495,708	2,611,190	(805,768)	4,301,130	-	4,301,130
Governmental activities long-term liabilities	\$ 6,646,954	\$ 2,783,503	\$ (2,127,823)	\$ 7,302,634	\$ 1,320,158	\$ 4,873,355

#### GOVERNMENTAL ACTIVITIES

##### **Installment Sale Agreement**

The County has entered into an installment sale agreement with the Association of County Commissioners of Georgia ("ACCG") for the purpose of refunding outstanding certificates of participation and revenue bonds issued in 2001 in conjunction with the construction of a new courthouse and jail facilities and the purchase of land for a County park. The substance of the agreement provided for the sale and simultaneous repurchase of the County's courthouse and jail facilities for a cost of \$9,325,250 an amount sufficient to refund the

**FANNIN COUNTY, GEORGIA**  
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**December 31, 2019**

outstanding certificates and bonds and to cover other costs of the transaction. The ACCG has assigned this agreement to the Bank of America. The County has pledged the County Courthouse and Jail building for collateral for the agreement. The installment sale agreement bears an interest rate of 2.39%. At December 31, 2019, the outstanding balance was \$2,184,094. The loan will mature in 2021.

The annual requirements to amortize the installment sale agreement outstanding as of December 31, 2019, are as follows:

December 31,	Principal	Interest	Total
2020	\$ 1,074,973	\$ 45,777	\$ 1,120,750
2021	1,109,121	13,254	1,122,375
Total	<u>\$ 2,184,094</u>	<u>\$ 59,031</u>	<u>\$ 2,243,125</u>

**Notes from Direct Borrowings**

The County has entered into an agreement with the Fannin County Volunteer Fire & Rescue 501c(3) Organization to guarantee the purchase of emergency vehicles. The note is held at the United Community Bank by the Fannin County Board of Commissioners in the original amount of \$35,079 with an interest rate of 5.51%. The County has recorded a receivable to reflect the payments made by the Fannin County Volunteer Fire & Rescue. At December 31, 2019, the outstanding balance was \$20,079. The loan will mature in 2021.

The annual requirements to amortize notes payable outstanding as of December 31, 2019, are as follows:

December 31,	Principal	Interest	Total
2020	\$ 11,693	\$ 283	\$ 11,976
2021	8,386	46	8,432
Total	<u>\$ 20,079</u>	<u>\$ 329</u>	<u>\$ 20,408</u>

**Capital Leases**

The County has entered into an agreement for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Accounting Standards Codification 840 Leases, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. This year, \$240,906 was included in depreciation expense. The balance of these leases at December 31, 2019 is \$797,331 for governmental activities.

**FANNIN COUNTY, GEORGIA**  
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The County leases certain equipment under non-cancelable capital leases. The leases relate to equipment and vehicles for EMS, fire, and road. Ownership of the related assets will be transferred to the County at the end of the lease terms. The assets acquired through capital leases are as follows:

	Governmental Activities
Vehicles and equipment	\$ 1,196,681
Less: Accumulated Depreciation	<u>(424,742)</u>
Total	<u>\$ 771,939</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, were as follows:

<u>Year Ending December 31,</u>	Governmental Activities
2020	\$ 251,483
2021	159,867
2022	156,156
2023	152,446
2024	<u>121,300</u>
Total minimum lease payments	841,252
Less: amount representing interest (0.00% - 3.04%)	<u>(43,921)</u>
Present value of minimum lease payments	<u>\$ 797,331</u>

**DISCRETELY PRESENTED COMPONENT UNITS**

Long-term debt activity for the *Health Department* for the year ended December 31, 2019, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	\$ 48,992	\$ 25,081	\$ (24,496)	\$ 49,577	\$ 24,789	\$ 24,788
Net OPEB Liability	394,831	-	(128,826)	266,005	-	266,005
Net Pension Liability	450,158	110,177	(78,070)	482,265	-	482,265
Total long-term Liabilities	<u>\$ 893,981</u>	<u>\$ 245,435</u>	<u>\$ (180,636)</u>	<u>\$ 797,847</u>	<u>\$ 24,789</u>	<u>\$ 773,058</u>

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Long-term debt activity for the *Development Authority* for the year ended December 31, 2019, was as follows:

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>	<b>Due After One Year</b>
Notes from direct borrowings	\$ 602,916	\$ -	\$ (35,882)	\$ 567,034	\$ 36,087	\$ 530,947
Total long-term liabilities	<u>\$ 602,916</u>	<u>\$ -</u>	<u>\$ (35,882)</u>	<u>\$ 567,034</u>	<u>\$ 36,087</u>	<u>\$ 530,947</u>

The Development Authority implemented GASB 91, "Conduit Debt Obligations" in fiscal year 2019 which stipulates that conduit debt obligations should no longer be recognized as a liability. As a result of a change in accounting principle, notes from direct borrowings decreased \$(207,455), resulting in no effect to the stated net position.

During 2011, the Development Authority entered into \$500,000 of direct borrowings from the OneGeorgia Authority for the purpose of renovating a building purchased by the Authority. The agreement was awarded in two parts; Part One payments are due in quarterly installments with annual principal amounts of \$17,632 and a 0.00% interest rate, and Part Two payments are due in quarterly installments with annual principal amounts of \$9,880 and a 3.00% interest rate. As of December 31, 2019, the outstanding balance for Part One was \$255,490 and the outstanding balance for Part Two was \$99,256. These notes from direct borrowing will mature from October 2031 to October 2036.

During 2016, the Development Authority entered into \$229,500 of direct borrowings from the OneGeorgia Authority for the purpose of renovating a building purchased by the Authority. Debt service payments are due in quarterly installments with annual principal amounts of \$11,475 and a 0.00% interest rate. As of December 31, 2019, the outstanding balance is \$212,288. This note from direct borrowing will mature in April 2038.

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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The annual requirements to amortize long-term debt as of December 31, 2019, are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 36,087	\$ 2,900	\$ 38,987
2021	36,299	2,688	38,987
2022	36,517	2,470	38,987
2023	36,742	2,245	38,987
2024	36,974	2,013	38,987
2025-2029	188,597	6,338	194,935
2030-2034	142,518	651	143,169
2035-2039	53,300	-	53,300
Total	<u>\$ 567,034</u>	<u>\$ 19,305</u>	<u>\$ 586,339</u>

Long-term debt activity for the *Water Authority* for the year ended December 31, 2019, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Bonds payable	\$ 1,835,256	\$ -	\$ (27,458)	\$ 1,807,798	\$ 28,367	\$ 1,779,431
Notes payable	392,555	-	(16,753)	375,802	17,096	358,706
Total long-term liabilities	<u>\$ 2,227,811</u>	<u>\$ -</u>	<u>\$ (44,211)</u>	<u>\$ 2,183,600</u>	<u>\$ 45,463</u>	<u>\$ 2,138,137</u>

**NOTE 9 - INTERFUND BALANCES AND ACTIVITY**

The composition of interfund balances as of December 31, 2019, is as follows:

Due To	Due From				Total Due from Other Funds
	General Fund	Excise Lodging Tax	SPLOST	Other Nonmajor Governmental Funds	
General Fund	\$ -	\$ 232,350	\$ 100,016	\$ 165	\$ 332,531
Excise Lodging Tax	243,336	-	-	-	243,336
Total Due to Other Funds	<u>\$ 243,336</u>	<u>\$ 232,350</u>	<u>\$ 100,016</u>	<u>\$ 165</u>	<u>\$ 575,867</u>

These balances resulted from 1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, 2) the time lag between the dates that transactions are recorded in the accounting system, 3) the time lag between the dates that payments between funds are made, 4) short-term loans, and 5) to fund capital projects.

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

Interfund transfers as of the year ended December 31, 2019, are as follows:

<u>Transfers Out</u>	<u>Transfers in</u>				
	General Fund	Excise Lodging Tax	SPLOST	Other Nonmajor Governmental Funds	Total Transfers Out
General Fund	\$ -	\$ 430,570	\$ 56	\$ 226,851	\$ 657,477
Excise Lodging Tax	1,003,712	-	-	-	1,003,712
Nonmajor Governmental Funds	-	-	37	-	37
Total - Transfers in	<u>\$ 1,003,712</u>	<u>\$ 430,570</u>	<u>\$ 93</u>	<u>\$ 226,851</u>	<u>\$ 1,661,226</u>

Transfers are used to 1) supplement operating budgets, 2) help fund construction projects and debt service, and 3) move the County's matching portion on federal and state grants.

**NOTE 10 - RETIREMENT PLANS**

**DEFINED BENEFIT PENSION PLAN**

***Plan Description***

The County contributes to the Fannin County Defined Benefit Plan (the "Plan"), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 17.01 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 17.02 of the ACCG Plan Document. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Government Employees Benefits Corporation of Georgia, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

**FANNIN COUNTY, GEORGIA**  
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All full-time employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. The plan is closed to employees with a commencement date on or after July 1, 2018. Participants become eligible to retire with unreduced benefits at age 65 or the anniversary of the required years of service under which the ACCG Plan specifies. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1% of annual average compensation up to \$10,000 plus 1.5% of average annual compensation in excess of \$10,000 plus \$50 multiplied by years of service. Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death before retirement or early retirement subject to certain early retirement reduction factors. These benefit provisions were established by an adoption agreement executed by the County Commission.

Participant counts as of January 1, 2018, (the most recent actuarial valuation date) and covered compensation (base on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disabled participants receiving benefits	72
Terminated plan participants entitled to but not yet receiving benefits	90
Active employees participating in the Plan	<u>200</u>
Total number of Plan participants	<u><u>362</u></u>
Covered compensation for active participants	\$ 6,134,828
Contributions as a percentage of covered payroll	13.13%

***Contributions***

The County is required to contribute at an actuarially determined rate. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statutes. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans.

***Net Pension Liability***

The County's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability as of the January 1, 2018 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

Inflation	2.00%
Salary Increases	4.00% - 6.50%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected with Scale AA for Males and Females.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study dated February, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.07%
Domestic large equities	30.00	1.97
Domestic mid equities	5.00	0.86
Domestic small equities	5.00	0.30
REIT	5.00	0.52
International	15.00	0.47
Multi cap	5.00	0.51
Global allocation	5.00	0.58
<b>TOTAL</b>	<b>100.00%</b>	

\* Rates shown are net of inflation

The discount rate used to measure the total pension liability was 7.25%. Effective December 31, 2018, the expected long-term rate of return used to discount all projected benefit payments was revised from 7.25% to 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, 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

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Change in the Net Pension Liability***

	Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2018	\$ 14,288,601	\$ 11,792,893	\$ 2,495,708
Changes for the year:			
Service cost	339,715	-	339,715
Interest	1,015,466	-	1,015,466
Difference between expected and actual experience	646,438	-	646,438
Assumption Change	(73,057)	-	(73,057)
Contribution-employer	-	805,768	(805,768)
Net investment income	-	(550,260)	550,260
Benefit payments	(564,362)	(564,362)	-
Administrative expense	-	(34,313)	34,313
Other charges	-	(98,055)	98,055
Net changes	<u>1,364,200</u>	<u>(441,222)</u>	<u>1,805,422</u>
Balances at December 31, 2019*	<u>\$ 15,652,801</u>	<u>\$ 11,351,671</u>	<u>\$ 4,301,130</u>

\* Measurement date of December 31, 2018

The following presents the County's net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the 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	<u>\$ 6,424,192</u>	<u>\$ 4,301,130</u>	<u>\$ 2,536,650</u>

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

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

For the year ended December 31, 2019, the County recognized pension expense of \$1,007,158. The required contribution for the year ended December 31, 2019 was \$772,930.

At December 31, 2019, 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
Differences between expected and actual experience	\$ 1,039,052	\$ -
Changes of assumptions	378,460	-
Net difference between projected and actual earnings on pension plan investments	-	-
County contributions subsequent to the measurement date	772,930	-
<b>TOTAL</b>	<u><u>\$ 2,190,442</u></u>	<u><u>\$ -</u></u>

County contributions of \$772,930 subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year December 31, 2020.

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

Year Ended December 31,	
2020	\$ 401,901
2021	\$ 270,905
2022	\$ 283,627
2023	\$ 461,079
2024	\$ -
Thereafter	\$ -

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**DEFINED CONTRIBUTION PLAN**

***Plan Description***

The County contributes to two deferred compensation plans administered by independent plan administrators through an administrative agreement; Plan A is administered by Nationwide Retirement Solutions and Plan B is administered by GEBCorp. Both plans were established by the County in July, 2018 pursuant to Section 401(a) of the Internal Revenue Code of 1986 as a Money-Purchase Plan and Trust. Any employees hired after July 1, 2018 can enroll in the County's 401(a) defined contribution plan. The County will provide a match up to 4% of the employee's salary, which is deposited into the 401(a). Employees are eligible after six months of employment and are fully vested after five years. Plan provisions and contribution requirements are established and may be amended by resolution of the County Commissioners. Neither Plan A nor Plan B issue a stand alone report.

***Funding Policy***

Contributions totaling \$82,059 (\$0 employer and \$82,059 employee) were made in accordance with the Plan A guidelines and the designations by County Employees.

**DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Because the assets are held in trust for the employees, they are not assets of the County and are not reported in these financial statements.

**NOTE 11 - CONTINGENT LIABILITIES AND COMMITMENTS**

The County's encumbrances outstanding at the end of the fiscal year that will be honored in the next fiscal year are not significant for any of the major funds nor for the nonmajor funds in total.

Amounts received or receivable for grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

The County is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The County's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

**NOTE 12 - RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are ways the County handles these risks:

**WORKERS' COMPENSATION**

The County participates in the Association County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees who are representatives from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A. 34-9-150 et seq. and the Georgia Insurance Commissioner's Office. The members of ACCG-Group Self Insurance Workers' Compensation Fund are assessable if the losses that ACCG must pay exceed the assets of the pool. At December 31, 2019, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

As part of this risk pool (GSIWCF), the County is obligated to pay all contributions and assessments to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible, in accordance with any coverage descriptions issued, all incidents that could require the funds to pay any type of loss. The County is also to allow all the pools' agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the County.

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 worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**GROUP HEALTH INSURANCE**

The County provides health care benefits to its active employees and their dependents through a partially self-insured plan administered by Benefit Support, Inc. Under this arrangement, the County is responsible for paying all claims but purchases reinsurance policies through an insurance provider that is responsible for paying claims in excess of \$100,000. The County pays most of the coverage for eligible employees and their dependents. Employee contributions are used to pay claims and expenses of the plan incurred during the year.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At December 31, 2019, the County included in accrued expenses \$320,254 for unpaid claims. This liability was determined based on actual claims received for the first two months after year-end plus projected claims based on prior years activity. These claims are expected to be paid within 12 months of the year-end.

	Beginning of Year	Incurred Claims and Changes in Estimates	Claims Payments	End of Year
Year ended December 31, 2018	\$ 484,270	\$ 1,971,489	\$ (2,036,093)	\$ 419,666
Year ended December 31, 2019	\$ 419,666	\$ 2,390,790	\$ (2,490,202)	\$ 320,254

**OTHER**

The County also purchases combined automobile, crime, liability, and property insurance coverage from the Association County Commissioners of Georgia. The following is a summary of coverage at December 31, 2019:

Property Losses	\$ -	aggregate
Comprehensive General Liability	\$ 2,000,000	per occurrence
Automobile Liability	\$ 1,250,000	per occurrence
Law Enforcement Liability	\$ 2,000,000	per occurrence
Crime Coverage (theft/fraud)	\$ 150,000	per occurrence
Errors and Omission Liability	\$ 2,000,000	per occurrence
	\$ 4,000,000	aggregate

The County has no outstanding claims in excess of coverage for which a liability should be recorded as of December 31, 2019.

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

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 13 - NORTHWEST GEORGIA REGIONAL COMMISSION**

Under Georgia Law, the County, in conjunction with other cities and counties in the northwest Georgia area, is a member of the Northwest Georgia Regional Commission (NWGRC) and is required to pay annual dues thereto. During the year ended December 31, 2019, the County paid \$26,877 in such dues. Membership in the NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The NWGRC Board membership includes the chief elected official in each county and municipality of the area. The County Board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines regional commissions as “public agencies and instrumentalities of their members.” Georgia laws also provide that the member governments are liable for any debts or obligations of a regional commission beyond its resources. (O.C.G.A. 50-8-39.1)

Separate financial statements for the NWGRC can be obtained from NWGRC, P.O. Box 1798, Rome, Georgia 30162.

**NOTE 14 - RELATED PARTIES**

The County entered into a license agreement on June 25, 1986 with the Tennessee Valley Authority (TVA) whereby the County has use of four TVA houses and land adjoining the Lake Blue Ridge dam site. The County is responsible for the maintenance, upkeep, and security of these properties. During the current year, the County has discussed with the TVA a possible restructure of the license agreement under which the County would be able to use the property as a park for County residents.

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 15 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST**

State and federal laws and regulations require the County to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County elected an early closure date of April 10, 1994 when the solid waste landfill facility reached 80% capacity. In 1994, engineering studies estimated post closure costs of approximately \$66,121 to complete the closure of the landfill. These costs were based on the amounts that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of the expected date of closure of December 31, 1996. Amounts were expensed as closure of the landfill was completed. On February 1, 2000, the County received its closure certificate; therefore, no significant future expenditures are expected. At the end of the current year, no liability remains for the post closure care costs.

**NOTE 16 - SIGNIFICANT ESTIMATES**

As discussed in Note 1, estimates are used in the preparation of these financial statements. Three of the estimates qualify as significant estimates in that it is reasonably possible that the estimates will change in the near term due to one or more future confirming events and this change will have a material effect on the financial statements.

These estimates are as follows:

The estimate for accumulated depreciation on capital assets. This estimate is based on the original or estimated cost of the assets, depreciated over the estimated useful lives using the straight line method and composite method.

The estimate for allowance for doubtful accounts relating to Fannin County EMS accounts receivable qualifies as a significant estimate. The estimate is calculated based on the previous year's collection percentage of accounts greater than one year old.

The amount reported as the estimated amounts for the net pension liability, and related deferred outflows and deferred inflows, qualify as significant estimates and are based on actuarial studies and projections.

**NOTE 17 - HOTEL/MOTEL TAX**

During the year ended December 31, 2019, the County had receipts of \$1,998,768 and spent \$995,412 to promote tourism, conventions, and trade shows. The total expenditures represent 50% of the tax receipts to be expended for these purposes under OCGA 48-13-51. The County has complied with the requirements of this law.

**FANNIN COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**NOTE 18 - SUBSEQUENT EVENT**

In December 2019, a novel strain of coronavirus was reported to have surfaced in China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” The spread of this virus (COVID-19) appeared in the United States and began to cause some operational disruptions in the first quarter of calendar year 2020. While this disruption is currently expected to be temporary, there is considerable uncertainty regarding the potential duration of the virus. Therefore, while management expects this matter could negatively impact operating results, the total financial impact and duration cannot be reasonably estimated at this time.

**FANNIN COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE NET PENSION LIABILITY -**  
**FANNIN COUNTY DEFINED BENEFIT PLAN**  
**For the Year Ended December 31, 2019**  
**"Unaudited"**

<u>For the Year Ended December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net pension liability	\$ 4,301,130	\$ 2,495,708	\$ 4,010,052	\$ 3,049,024	\$ 2,685,259
Covered payroll	\$ 6,134,828	\$ 5,847,302	\$ 5,950,065	\$ 5,024,137	\$ 5,377,003
Net pension liability as a percentage of its covered payroll	70.11%	42.68%	67.40%	60.69%	49.94%
Plan fiduciary net position as a percentage of the total pension liability	72.50%	82.53%	71.59%	75.17%	77.20%

*NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.*

**FANNIN COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS -**  
**FANNIN COUNTY DEFINED BENEFIT PLAN**  
**For the Year Ended December 31, 2019**  
**"Unaudited"**

<u>For the Year Ended December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 772,930	\$ 805,768	\$ 784,291	\$ 816,970	\$ 635,829
Contributions in relation to the contractually required contribution	772,930	805,768	784,291	816,970	635,829
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 6,269,273	\$ 6,134,828	\$ 5,847,302	\$ 5,950,065	\$ 5,024,137
Contributions as a percentage of covered payroll	12.33%	13.13%	13.41%	13.73%	12.66%

*NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available, data from 8 previous years presented.*

**FANNIN COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -**  
**FANNIN COUNTY DEFINED BENEFIT PLAN**  
**For the Year Ended December 31, 2019**  
**"Unaudited"**

**Method and Assumptions Used in Calculations of Actuarially Determined Contributions**

The actuarially determined contribution rates in the schedule of contributions are calculated as December 31, one year prior to the end of the fiscal year in which donations are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended December 31, 2019 reported in that schedule:

Valuation Date	January 1, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, open
Remaining Amortization period	30 years
Asset Valuation method	Five-year smoothed market
Inflation Rate	2.00%
Salary Increases	4.00% - 6.50%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation.

**FANNIN COUNTY, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended December 31, 2019**  
**(Required Supplementary Information)**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ 10,488,838	\$ 10,488,838	\$ 10,488,838	\$ -
RESOURCES (INFLOWS)				
Taxes	13,632,937	14,282,937	14,987,007	704,070
Licenses and permits	256,800	256,800	264,480	7,680
Intergovernmental	1,626,330	1,626,330	1,298,267	(328,063)
Fines and forfeitures	429,600	429,600	469,721	40,121
Charges for services	1,616,350	1,616,350	1,889,050	272,700
Contributions and donations	-	-	17,861	17,861
Investment income	13,700	13,700	12,101	(1,599)
Miscellaneous	20,200	20,200	24,134	3,934
Sale of county property	25,000	25,000	34,933	9,933
Proceeds from notes payable	25,000	-	35,079	35,079
Capital lease proceeds	-	-	137,234	137,234
Transfers in	550,000	550,000	1,003,712	453,712
Total Resources (Inflows)	18,195,917	18,820,917	20,173,579	1,352,662
AMOUNTS AVAILABLE FOR APPROPRIATION	28,684,755	29,309,755	30,662,417	1,352,662
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	2,228,286	2,886,286	2,885,788	498
General administration	22,000	23,100	23,053	47
Elections	208,383	199,283	171,268	28,015
Tax commissioner	400,094	400,094	377,526	22,568
Tax assessor	688,303	688,303	659,026	29,277
Buildings	632,650	632,650	615,109	17,541
Total General Government	4,179,716	4,829,716	4,731,770	97,946
Judicial				
Superior court	235,495	252,495	251,521	974
Clerk of Superior court	565,247	524,747	504,109	20,638
District attorney	353,176	343,176	330,455	12,721
Magistrate court	244,655	244,655	230,798	13,857
Probate court	302,937	312,937	312,339	598
Juvenile court	262,932	262,932	247,682	15,250
Public defender	279,785	279,785	272,732	7,053
Total Judicial	2,244,227	2,220,727	2,149,636	71,091
Public Safety				
Sheriff	2,212,371	2,212,371	2,190,847	21,524
Jail operation	1,410,262	1,526,262	1,510,513	15,749
Court services	124,709	128,709	128,682	27
Fire	613,484	628,484	626,206	2,278
Emergency medical services	2,160,885	2,280,885	2,277,716	3,169
Coroner/Medical Examiner	73,916	82,416	82,037	379
E-911/Communications center	527,048	22,048	418	21,630
Agencies	45,000	45,000	3,136	41,864
Emergency Management Agency	127,159	142,159	139,505	2,654
Animal control	199,963	199,963	197,301	2,662
Total Public Safety	7,494,797	7,268,297	7,156,361	111,936
Public Works				
Highways and streets	1,947,045	1,947,045	1,516,783	430,262
Other public works	1,135,500	1,135,500	1,135,500	-
Total Public Works	3,082,545	3,082,545	2,652,283	430,262

**FANNIN COUNTY, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For the Year Ended December 31, 2019**  
**(Required Supplementary Information)**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
CONTINUED.....				
Public Health and Welfare				
Health department	60,495	60,495	52,871	7,624
Public health and welfare	50,558	50,008	36,697	13,311
Senior citizens center	228,300	178,300	149,703	28,597
Agencies	27,554	28,104	28,054	50
Total Public Health and Welfare	<u>366,907</u>	<u>316,907</u>	<u>267,325</u>	<u>49,582</u>
Recreation and Culture				
Parks and recreation	845,233	895,233	893,373	1,860
Library	220,500	222,500	221,500	1,000
Agencies	32,757	30,757	24,307	6,450
Historical society	13,000	13,000	10,752	2,248
Other recreation and culture	114,696	114,696	112,086	2,610
Total Recreation and Culture	<u>1,226,186</u>	<u>1,276,186</u>	<u>1,262,018</u>	<u>14,168</u>
Housing and development				
Urban redevelopment and housing	274,769	274,769	263,271	11,498
Development authority	146,596	166,596	166,498	98
Total Housing and Development	<u>421,365</u>	<u>441,365</u>	<u>429,769</u>	<u>11,596</u>
Transfers out	-	230,000	657,477	(427,477)
TOTAL CHARGES TO APPROPRIATIONS	<u>19,015,743</u>	<u>19,665,743</u>	<u>19,306,639</u>	<u>359,104</u>
CHANGE IN FUND BALANCE	<u>(819,826)</u>	<u>(844,826)</u>	<u>866,940</u>	<u>1,711,766</u>
FUND BALANCE, End of year	<u>\$ 9,669,012</u>	<u>\$ 9,644,012</u>	<u>\$ 11,355,778</u>	<u>\$ 1,711,766</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**BUDGETARY COMPARISON SCHEDULE**  
**EXCISE LODGING TAX FUND**  
**For the Year Ended December 31, 2019**  
**(Required Supplementary Information)**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
FUND BALANCE, Beginning of year	\$ (57,568)	\$ (57,568)	\$ (57,568)	\$ -
RESOURCES (INFLOWS)				
Taxes	1,600,000	1,600,000	1,998,768	398,768
Investment income	80	80	245	165
Transfers in	-	-	430,570	430,570
Total Resources (Inflows)	<u>1,600,080</u>	<u>1,600,080</u>	<u>2,429,583</u>	<u>829,503</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>1,542,512</u>	<u>1,542,512</u>	<u>2,372,015</u>	<u>829,503</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development				
Economic development	1,600,080	1,600,080	995,412	604,668
Total Housing and Development	<u>1,600,080</u>	<u>1,600,080</u>	<u>995,412</u>	<u>604,668</u>
Transfers out	-	-	1,003,712	(1,003,712)
TOTAL CHARGES TO APPROPRIATIONS	<u>1,600,080</u>	<u>1,600,080</u>	<u>1,999,124</u>	<u>(399,044)</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>430,459</u>	<u>430,459</u>
FUND BALANCE, End of year	<u>\$ (57,568)</u>	<u>\$ (57,568)</u>	<u>\$ 372,891</u>	<u>\$ 430,459</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

**FANNIN COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2019

<b>SPECIAL REVENUE FUNDS</b>							
	<b>LAW LIBRARY FUND</b>	<b>CONFISCATED ASSETS FUND</b>	<b>MULTIPLE GRANT FUND</b>	<b>CRIME VICTIMS ASSISTANCE FUND</b>	<b>DRUG FUND</b>	<b>JAIL FUND</b>	<b>JUVENILE FUND</b>
<b>ASSETS</b>							
Cash	\$ 28,595	\$ 7,061	\$ 155,231	\$ 7,741	\$ 78,181	\$ 10,211	\$ 49,429
Receivables (net of allowance for uncollectibles)	-	-	22,528	764	520	472	-
Prepaid items	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 28,595</u>	<u>\$ 7,061</u>	<u>\$ 177,759</u>	<u>\$ 8,505</u>	<u>\$ 78,701</u>	<u>\$ 10,683</u>	<u>\$ 49,429</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 696	\$ -	\$ 17,581	\$ -	\$ 418	\$ -	\$ -
Interfund payables	-	-	165	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>696</u>	<u>-</u>	<u>17,746</u>	<u>-</u>	<u>418</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Prepaid expenditure	-	-	-	-	-	-	-
Restricted:							
Capital outlay projects	-	-	-	-	-	-	-
Judicial programs	27,899	-	-	8,505	-	-	49,429
Public safety programs	-	7,061	160,013	-	78,283	10,683	-
Housing and development programs	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>27,899</u>	<u>7,061</u>	<u>160,013</u>	<u>8,505</u>	<u>78,283</u>	<u>10,683</u>	<u>49,429</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 28,595</u>	<u>\$ 7,061</u>	<u>\$ 177,759</u>	<u>\$ 8,505</u>	<u>\$ 78,701</u>	<u>\$ 10,683</u>	<u>\$ 49,429</u>

**FANNIN COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2019**

	<b>SPECIAL REVENUE FUNDS</b>				<b><u>CAPITAL PROJECTS FUNDS</u></b>		
	<b>CLERKS TECHNOLOGY FUND</b>	<b>REVOLVING LOAN FUND</b>	<b>DONATIONS/ SPECIAL PROJECTS FUND</b>	<b>E-911 FUND</b>	<b>INMATE WELFARE FUND</b>	<b>CAPITAL IMPROVEMENTS FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>							
Cash	\$ 293,708	\$ 36,281	\$ 4,814	\$ 163,826	\$ 3,802	\$ 1,321	\$ 840,201
Receivables (net of allowance for uncollectibles)	-	72,989	-	94,822	-	-	192,095
Prepaid items	-	-	-	12,950	-	-	12,950
<b>TOTAL ASSETS</b>	<u>\$ 293,708</u>	<u>\$ 109,270</u>	<u>\$ 4,814</u>	<u>\$ 271,598</u>	<u>\$ 3,802</u>	<u>\$ 1,321</u>	<u>\$ 1,045,246</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 4,485	\$ -	\$ -	\$ 23,180
Interfund payables	-	-	-	-	-	-	165
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,485</u>	<u>-</u>	<u>-</u>	<u>23,345</u>
<b>FUND BALANCES</b>							
Prepaid expenditure	-	-	-	12,950	-	-	12,950
Restricted:							
Capital outlay projects	-	-	-	-	-	1,321	1,321
Judicial programs	293,708	-	-	-	-	-	379,541
Public safety programs	-	-	4,814	254,163	3,802	-	518,819
Housing and development programs	-	109,270	-	-	-	-	109,270
<b>TOTAL FUND BALANCES</b>	<u>293,708</u>	<u>109,270</u>	<u>4,814</u>	<u>267,113</u>	<u>3,802</u>	<u>1,321</u>	<u>1,021,901</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 293,708</u>	<u>\$ 109,270</u>	<u>\$ 4,814</u>	<u>\$ 271,598</u>	<u>\$ 3,802</u>	<u>\$ 1,321</u>	<u>\$ 1,045,246</u>

**FANNIN COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2019**

	<b>SPECIAL REVENUE FUNDS</b>							
	<b>LAW LIBRARY FUND</b>	<b>CONFISCATED ASSETS FUND</b>	<b>MULTIPLE GRANT FUND</b>	<b>CRIME VICTIMS ASSISTANCE FUND</b>	<b>DRUG FUND</b>	<b>JAIL FUND</b>	<b>JUVENILE FUND</b>	<b>CLERKS TECHNOLOGY FUND</b>
<b>REVENUES</b>								
Intergovernmental	-	-	112,826	-	-	-	-	38,034
Fines and forfeitures	11,103	27,478	-	13,433	14,478	15,884	619	-
Charges for services	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-	-
Investment income	39	8	318	12	150	26	99	186
<b>TOTAL REVENUES</b>	<u>11,142</u>	<u>27,486</u>	<u>113,144</u>	<u>13,445</u>	<u>14,628</u>	<u>15,910</u>	<u>718</u>	<u>38,220</u>
<b>EXPENDITURES</b>								
Current Expenditures								
Judicial	9,614	-	47,057	6,200	-	-	600	24,850
Public safety	-	8,551	14,148	-	10,743	8,718	-	-
Intergovernmental	-	-	49,000	-	-	-	-	-
Capital outlay	-	19,966	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>9,614</u>	<u>28,517</u>	<u>110,205</u>	<u>6,200</u>	<u>10,743</u>	<u>8,718</u>	<u>600</u>	<u>24,850</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES</b>	<u>1,528</u>	<u>(1,031)</u>	<u>2,939</u>	<u>7,245</u>	<u>3,885</u>	<u>7,192</u>	<u>118</u>	<u>13,370</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	818	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>818</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>1,528</u>	<u>(1,031)</u>	<u>2,939</u>	<u>7,245</u>	<u>3,885</u>	<u>8,010</u>	<u>118</u>	<u>13,370</u>
<b>FUND BALANCES, Beginning of year</b>	<u>26,371</u>	<u>8,092</u>	<u>157,074</u>	<u>1,260</u>	<u>74,398</u>	<u>2,673</u>	<u>49,311</u>	<u>280,338</u>
<b>FUND BALANCES, End of year</b>	<u>\$ 27,899</u>	<u>\$ 7,061</u>	<u>\$ 160,013</u>	<u>\$ 8,505</u>	<u>\$ 78,283</u>	<u>\$ 10,683</u>	<u>\$ 49,429</u>	<u>\$ 293,708</u>

**FANNIN COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2019**

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS	
	REVOLVING LOAN FUND	DONATIONS/ SPECIAL PROJECTS FUND	E-911 FUND	INMATE WELFARE FUND	CAPITAL IMPROVEMENTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES						
Intergovernmental	-	-	-	-	-	150,860
Fines and forfeitures	-	-	-	-	-	82,995
Charges for services	-	-	572,632	15,825	-	588,457
Contributions and donations	-	9,617	-	-	-	9,617
Investment income	2,208	9	493	-	130	3,678
TOTAL REVENUES	<u>2,208</u>	<u>9,626</u>	<u>573,125</u>	<u>15,825</u>	<u>130</u>	<u>835,607</u>
EXPENDITURES						
Current Expenditures						
Judicial	-	-	-	-	-	88,321
Public safety	-	-	682,798	18,135	35,134	778,227
Intergovernmental	-	-	-	-	-	49,000
Capital outlay	-	8,102	-	-	160,998	189,066
TOTAL EXPENDITURES	<u>-</u>	<u>8,102</u>	<u>682,798</u>	<u>18,135</u>	<u>196,132</u>	<u>1,104,614</u>
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	<u>2,208</u>	<u>1,524</u>	<u>(109,673)</u>	<u>(2,310)</u>	<u>(196,002)</u>	<u>(269,007)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	226,033	-	-	226,851
Transfers out	-	-	-	-	(37)	(37)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>226,033</u>	<u>-</u>	<u>(37)</u>	<u>226,814</u>
NET CHANGE IN FUND BALANCES	<u>2,208</u>	<u>1,524</u>	<u>116,360</u>	<u>(2,310)</u>	<u>(196,039)</u>	<u>(42,193)</u>
FUND BALANCES, Beginning of year	<u>107,062</u>	<u>3,290</u>	<u>150,753</u>	<u>6,112</u>	<u>197,360</u>	<u>1,064,094</u>
FUND BALANCES, End of year	<u>\$ 109,270</u>	<u>\$ 4,814</u>	<u>\$ 267,113</u>	<u>\$ 3,802</u>	<u>\$ 1,321</u>	<u>\$ 1,021,901</u>

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**LAW LIBRARY SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
FUND BALANCE, Beginning of year	\$ 26,371	\$ 26,371	\$ 26,371	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	7,000	10,000	11,103	1,103
Investment income	41	41	39	(2)
Total Resources (Inflows)	<u>7,041</u>	<u>10,041</u>	<u>11,142</u>	<u>1,101</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>33,412</u>	<u>36,412</u>	<u>37,513</u>	<u>1,101</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	<u>7,041</u>	<u>10,041</u>	<u>9,614</u>	<u>427</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>7,041</u>	<u>10,041</u>	<u>9,614</u>	<u>427</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>1,528</u>	<u>1,528</u>
FUND BALANCE, End of year	<u>\$ 26,371</u>	<u>\$ 26,371</u>	<u>\$ 27,899</u>	<u>\$ 1,528</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**CONFISCATED ASSETS SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
FUND BALANCE, Beginning of year	\$ 8,092	\$ 8,092	\$ 8,092	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	4,000	29,000	27,478	(1,522)
Investment income	9	9	8	(1)
Total Resources (Inflows)	<u>4,009</u>	<u>29,009</u>	<u>27,486</u>	<u>(1,523)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>12,101</u>	<u>37,101</u>	<u>35,578</u>	<u>(1,523)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	4,009	29,009	28,517	492
TOTAL CHARGES TO APPROPRIATIONS	<u>4,009</u>	<u>29,009</u>	<u>28,517</u>	<u>492</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(1,031)</u>	<u>(1,031)</u>
FUND BALANCE, End of year	<u>\$ 8,092</u>	<u>\$ 8,092</u>	<u>\$ 7,061</u>	<u>\$ (1,031)</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**MULIPLE GRANTS SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	\$ 157,074	\$ 157,074	\$ 157,074	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	108,000	111,500	112,826	1,326
Investment income	-	-	317	317
Total Resources (Inflows)	108,000	111,500	113,143	1,643
AMOUNTS AVAILABLE FOR APPROPRIATION	265,074	268,574	270,217	1,643
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	51,000	47,500	47,057	443
Public safety	8,500	14,500	14,147	353
Public health and welfare	48,500	49,500	49,000	500
TOTAL CHARGES TO APPROPRIATIONS	108,000	111,500	110,204	1,296
CHANGE IN FUND BALANCE	-	-	2,939	2,939
FUND BALANCE, End of year	\$ 157,074	\$ 157,074	\$ 160,013	\$ 2,939

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**CRIME VICTIMS ASSISTANCE SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	\$ 1,260	\$ 1,260	\$ 1,260	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	14,000	14,000	13,433	(567)
Investment income	14	14	12	(2)
Total Resources (Inflows)	14,014	14,014	13,445	(569)
AMOUNTS AVAILABLE FOR APPROPRIATION	15,274	15,274	14,705	(569)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	14,014	14,014	6,200	7,814
TOTAL CHARGES TO APPROPRIATIONS	14,014	14,014	6,200	7,814
CHANGE IN FUND BALANCE	-	-	7,245	7,245
FUND BALANCE, End of year	\$ 1,260	\$ 1,260	\$ 8,505	\$ 7,245

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**DRUG SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	\$ 74,398	\$ 74,398	\$ 74,398	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	17,000	17,000	14,478	(2,522)
Investment income	113	113	150	37
Total Resources (Inflows)	<u>17,113</u>	<u>17,113</u>	<u>14,628</u>	<u>(2,485)</u>
AMOUNTS AVAILABLE FOR APPROPRIATION	<u>91,511</u>	<u>91,511</u>	<u>89,026</u>	<u>(2,485)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	<u>17,113</u>	<u>17,113</u>	<u>10,743</u>	<u>6,370</u>
TOTAL CHARGES TO APPROPRIATIONS	<u>17,113</u>	<u>17,113</u>	<u>10,743</u>	<u>6,370</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>3,885</u>	<u>3,885</u>
FUND BALANCE, End of year	<u>\$ 74,398</u>	<u>\$ 74,398</u>	<u>\$ 78,283</u>	<u>\$ 3,885</u>

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**JAIL SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	\$ 2,673	\$ 2,673	\$ 2,673	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	14,000	14,000	15,884	1,884
Investment income	10	10	26	16
Transfer in	-	-	818	818
Total Resources (Inflows)	14,010	14,010	16,728	2,718
AMOUNTS AVAILABLE FOR APPROPRIATION	16,683	16,683	19,401	2,718
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Public safety	10,010	10,010	8,718	1,292
TOTAL CHARGES TO APPROPRIATIONS	10,010	10,010	8,718	1,292
CHANGE IN FUND BALANCE	4,000	4,000	8,010	4,010
FUND BALANCE, End of year	\$ 6,673	\$ 6,673	\$ 10,683	\$ 4,010

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**JUVENILE SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
FUND BALANCE, Beginning of year	\$ 49,311	\$ 49,311	\$ 49,311	\$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	600	600	619	19
Investment income	80	80	99	19
Total Resources (Inflows)	680	680	718	38
AMOUNTS AVAILABLE FOR APPROPRIATION	49,991	49,991	50,029	38
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	680	680	600	80
TOTAL CHARGES TO APPROPRIATIONS	680	680	600	80
CHANGE IN FUND BALANCE	-	-	118	118
FUND BALANCE, End of year	\$ 49,311	\$ 49,311	\$ 49,429	\$ 118

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**CLERKS TECHNOLOGY SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
FUND BALANCE, Beginning of year	\$ 280,338	\$ 280,338	\$ 280,338	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	25,000	25,000	38,034	13,034
Investment income	60	60	187	127
Total Resources (Inflows)	25,060	25,060	38,221	13,161
AMOUNTS AVAILABLE FOR APPROPRIATION	305,398	305,398	318,559	13,161
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	25,060	25,060	24,851	209
TOTAL CHARGES TO APPROPRIATIONS	25,060	25,060	24,851	209
CHANGE IN FUND BALANCE	-	-	13,370	13,370
FUND BALANCE, End of year	\$ 280,338	\$ 280,338	\$ 293,708	\$ 13,370

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**REVOLVING LOAN SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
FUND BALANCE, Beginning of year	\$ 107,062	\$ 107,062	\$ 107,062	\$ -
RESOURCES (INFLOWS)				
Investment income	14,000	14,000	2,208	(11,792)
Total Resources (Inflows)	14,000	14,000	2,208	(11,792)
AMOUNTS AVAILABLE FOR APPROPRIATION	121,062	121,062	109,270	(11,792)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Housing and development	14,000	14,000	-	14,000
TOTAL CHARGES TO APPROPRIATIONS	14,000	14,000	-	14,000
CHANGE IN FUND BALANCE	-	-	2,208	2,208
FUND BALANCE, End of year	\$ 107,062	\$ 107,062	\$ 109,270	\$ 2,208

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**DONATIONS / SPECIAL PROJECTS SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
FUND BALANCE, Beginning of year	\$ 3,290	\$ 3,290	\$ 3,290	\$ -
RESOURCES (INFLOWS)				
Contributions and donations	200	9,200	9,617	417
Investment income	6	6	10	4
Total Resources (Inflows)	206	9,206	9,627	421
AMOUNTS AVAILABLE FOR APPROPRIATION	3,496	12,496	12,917	421
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	-	9,000	8,103	897
Recreation and culture	206	206	-	206
TOTAL CHARGES TO APPROPRIATIONS	206	9,206	8,103	1,103
CHANGE IN FUND BALANCE	-	-	1,524	1,524
FUND BALANCE, End of year	\$ 3,290	\$ 3,290	\$ 4,814	\$ 1,524

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**E-911 SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	\$ 150,753	\$ 150,753	\$ 150,753	\$ -
RESOURCES (INFLOWS)				
Charges for services	375,000	475,000	572,632	97,632
Investment income	500	500	492	(8)
Transfer in	-	230,000	226,033	(3,967)
Total Resources (Inflows)	375,500	705,500	799,157	93,657
AMOUNTS AVAILABLE FOR APPROPRIATION	526,253	856,253	949,910	93,657
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	375,500	705,500	682,797	22,703
TOTAL CHARGES TO APPROPRIATIONS	375,500	705,500	682,797	22,703
CHANGE IN FUND BALANCE	-	-	116,360	116,360
FUND BALANCE, End of year	\$ 150,753	\$ 150,753	\$ 267,113	\$ 116,360

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE**  
**INMATE WELFARE SPECIAL REVENUE FUND**  
**For the Year Ended December 31, 2019**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
FUND BALANCE, Beginning of year	\$ 6,112	\$ 6,112	\$ 6,112	\$ -
RESOURCES (INFLOWS)				
Charges for services	16,000	15,800	15,825	25
Total Resources (Inflows)	16,000	15,800	15,825	25
AMOUNTS AVAILABLE FOR APPROPRIATION	22,112	21,912	21,937	25
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	20,000	19,800	18,135	1,665
TOTAL CHARGES TO APPROPRIATIONS	20,000	19,800	18,135	1,665
CHANGE IN FUND BALANCE	(4,000)	(4,000)	(2,310)	1,690
FUND BALANCE, End of year	\$ 2,112	\$ 2,112	\$ 3,802	\$ 1,690

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**FANNIN COUNTY, GEORGIA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**ALL FIDUCIARY FUNDS**  
**December 31, 2019**

	<b>TAX COMMISSIONER</b>	<b>CLERK OF SUPERIOR COURT</b>	<b>PROBATE COURT</b>	<b>MAGISTRATE COURT</b>	<b>SHERIFF</b>	<b>TOTAL</b>
<b>ASSETS</b>						
Cash	\$ 4,374,677	\$ 283,153	\$ 19,721	\$ 8,424	\$ 35,145	\$ 4,721,120
<b>TOTAL ASSETS</b>	<u>\$ 4,374,677</u>	<u>\$ 283,153</u>	<u>\$ 19,721</u>	<u>\$ 8,424</u>	<u>\$ 35,145</u>	<u>\$ 4,721,120</u>
<b>LIABILITIES</b>						
Amounts held in trust	\$ 4,374,677	\$ 283,153	\$ 19,721	\$ 8,424	\$ 35,145	\$ 4,721,120
<b>TOTAL LIABILITIES</b>	<u>\$ 4,374,677</u>	<u>\$ 283,153</u>	<u>\$ 19,721</u>	<u>\$ 8,424</u>	<u>\$ 35,145</u>	<u>\$ 4,721,120</u>

**FANNIN COUNTY, GEORGIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL FIDUCIARY FUNDS**  
**For the Year Ended December 31, 2019**

	<b>TAX COMMISSIONER</b>	<b>CLERK OF SUPERIOR COURT</b>	<b>PROBATE COURT</b>	<b>MAGISTRATE COURT</b>	<b>SHERIFF</b>	<b>TOTAL</b>
<b>ASSETS</b>						
Cash						
Balance, January 1, 2019	\$ 7,485,903	\$ 287,455	\$ 21,047	\$ 7,991	\$ 26,059	\$ 7,828,455
Additions	29,125,963	1,794,481	295,385	167,521	6,592	31,389,942
Deductions	<u>(32,237,189)</u>	<u>(1,798,783)</u>	<u>(296,711)</u>	<u>(167,088)</u>	<u>2,494</u>	<u>(34,497,277)</u>
Balance, December 31, 2019	4,374,677	283,153	19,721	8,424	35,145	4,721,120
<b>TOTAL ASSETS</b>	<u>\$ 4,374,677</u>	<u>\$ 283,153</u>	<u>\$ 19,721</u>	<u>\$ 8,424</u>	<u>\$ 35,145</u>	<u>\$ 4,721,120</u>
<b>LIABILITIES</b>						
Due to County						
Balance, January 1, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	10,174,219	716,759	183,286	61,625	123,607	11,259,496
Deductions	<u>(10,174,219)</u>	<u>(716,759)</u>	<u>(183,286)</u>	<u>(61,625)</u>	<u>(123,607)</u>	<u>(11,259,496)</u>
Balance, December 31, 2019	-	-	-	-	-	-
Amounts held in trust						
Balance, January 1, 2019	7,485,903	287,455	21,047	7,991	26,059	7,828,455
Additions	18,951,744	1,077,722	112,099	105,896	(117,015)	20,130,446
Deductions	<u>(22,062,970)</u>	<u>(1,082,024)</u>	<u>(113,425)</u>	<u>(105,463)</u>	<u>126,101</u>	<u>(23,237,781)</u>
Balance, December 31, 2019	4,374,677	283,153	19,721	8,424	35,145	4,721,120
Total Liabilities						
Balance, January 1, 2019	7,485,903	287,455	21,047	7,991	26,059	7,828,455
Additions	29,125,963	1,794,481	295,385	167,521	6,592	31,389,942
Deductions	<u>(32,237,189)</u>	<u>(1,798,783)</u>	<u>(296,711)</u>	<u>(167,088)</u>	<u>2,494</u>	<u>(34,497,277)</u>
Balance, December 31, 2019	4,374,677	283,153	19,721	8,424	35,145	4,721,120
<b>TOTAL LIABILITIES</b>	<u>\$ 4,374,677</u>	<u>\$ 283,153</u>	<u>\$ 19,721</u>	<u>\$ 8,424</u>	<u>\$ 35,145</u>	<u>\$ 4,721,120</u>

**FANNIN COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**Year Ended December 31, 2019**

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	CURRENT YEAR
<b>2011 Projects</b>				
<b>Roads and Bridges</b>				
Improvements	\$ 17,025,000	\$ 17,025,000	\$ 19,157,722	\$ 657,941
<b>Capital Improvements</b>				
Water	2,500,000	2,500,000	2,122,730	-
Capital Outlay	2,500,000	2,500,000	2,625,388	-
<b>Contractual Payments</b>				
City of Blue Ridge	1,575,000	1,575,000	1,632,921	-
City of McCaysville	1,400,000	1,400,000	1,436,017	-
Total SPLOST 2011 Projects	<u>\$ 25,000,000</u>	<u>\$ 25,000,000</u>	<u>\$ 26,974,778</u>	<u>\$ 657,941</u>
<b>2017 Projects</b>				
<b>Roads and Bridges</b>				
Improvements	\$ 17,370,000	\$ 17,370,000	\$ 116	\$ 1,373,947
<b>Capital Improvements</b>				
Water	2,100,000	2,100,000	497,479	462,709
Administrative Building and Parking Deck	3,150,000	3,150,000	-	1,343,416
Recreation	1,500,000	1,500,000	16,228	240,490
Public Safety	2,100,000	2,100,000	801,679	413,192
<b>Contractual Payments</b>				
City of Blue Ridge	2,100,000	2,100,000	497,479	423,820
City of McCaysville	1,680,000	1,680,000	369,465	339,056
Total SPLOST 2011 Projects	<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>	<u>\$ 2,182,446</u>	<u>\$ 4,596,630</u>
Total SPLOST Projects	<u>\$ 55,000,000</u>	<u>\$ 55,000,000</u>	<u>\$ 29,157,224</u>	<u>\$ 5,254,571</u>

(1) The County remits the tax collected to the City who is responsible for reporting on the expenditures in accordance with OCGA 48-8-121.

**FANNIN COUNTY, GEORGIA**  
**Reconciliation of Expenditures for SPLOST**  
**Year Ended December 31, 2019**

**Statement of Revenues, Expenditures and Changes in Fund Balance (page 5)**

	Expenditures	\$ 6,720,243
	Transfers out	-
Subtotal		<u>6,720,243</u>
Less items not included as expenditures on SPLOST schedule below:		
LMIG revenue used for expenditures first before SPLOST Funds		<u>(1,465,672)</u>
Subtotal of adjustments		<u>(1,465,672)</u>
<b>Expenditures reported on Splost schedule</b>		<b><u>\$ 5,254,571</u></b>
<b>Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (page 68)</b>		
	SPLOST - 2011 Projects	\$ 657,941
	SPLOST - 2017 Projects	4,596,630
<b>Total</b>		<b><u>\$ 5,254,571</u></b>

**FANNIN COUNTY, GEORGIA**  
**SCHEDULE OF STATE CONTRACTUAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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<u>State Program Name</u>	<u>Contract Number</u>	<u>Current Year</u>		<u>Amount Due from (to) State</u>
		<u>Received</u>	<u>Expended</u>	
Family Connections	42700-93-191900062	\$ 25,000	\$ 25,000	\$ -
Family Connections	42700-93-202000075	24,000	24,000	-
		<u>\$ 49,000</u>	<u>\$ 49,000</u>	<u>\$ -</u>

**The above schedule has been prepared on the modified accrual basis of accounting.**

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

July 23, 2020

Board of Commissioners  
 FANNIN COUNTY, GEORGIA  
 Blue Ridge, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of FANNIN COUNTY, GEORGIA, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the FANNIN COUNTY, GEORGIA's basic financial statements, and have issued our report thereon dated July 23, 2020. Our report includes a reference to other auditors who audited the financial statements of the FANNIN COUNTY HEALTH DEPARTMENT Health Department, as described in our report on FANNIN COUNTY, GEORGIA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other 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 FANNIN COUNTY, GEORGIA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FANNIN COUNTY, GEORGIA's internal control. Accordingly, we do not express an opinion on the effectiveness of the FANNIN COUNTY, GEORGIA's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control that we consider to be significant deficiencies, described below:

## PROBATE COURT

2019-001

**Statement of Condition:**

The Probate Court does not turn over the county's portion of fines and fees collected in a timely manner.

**Criteria:**

To ensure proper controls over receipts and disbursements, the county portion should be sent over in a timely manner, at least monthly.

**Effect of Condition:**

The risk of errors and misappropriation of assets increases the longer the funds are held.

**Cause of Condition:**

There is a lack of cross-training of employees to prevent disruption during key personnel absences.

**Recommendation:**

We recommend that the county portion of fines and fees collected should be disbursed at least on a monthly basis both to reduce the risk of loss and errors.

**Response:**

Over the 12 month period the occurrence that took place in which the fines and fees were not distributed to the county, we had a change in deposits. The time period in which direct deposit was introduced to our platform and it was a learning curve not only for me but for all of our employees. This is not an excuse simply an explanation of the circumstances that took place.

2019-002

**Statement of Condition:**

Appropriate segregation of duties does not exist among custody, receipting, recording, distribution, reconciliation of cash accounts and other operational functions in the Probate Court.

**Criteria:**

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

**Effect of Condition:**

Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

**Cause of Condition:**

This is caused by the limited number of employees in the office to perform all of the duties.

**Recommendation:**

We recommend the County segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts.

**Response:**

We are in the process of segregating duties. Our newest clerk is learning the position of chief clerk to help with responsibilities.

2019-003

**Statement of Condition:**

The judge pre-signs checks before an extended absence and are left in the custody of another employee.

**Criteria:**

To ensure proper controls and prevent misappropriation of assets, the checks should not be signed in advance and given to another employee.

**Effect of Condition:**

The risk of misappropriation of assets increases by pre-signing checks.

**Cause of Condition:**

The judge pre-signs checks before an extended absence.

**Recommendation:**

We recommend that the judge no longer pre-sign checks before an extended absence to reduce the risk of misappropriation of assets.

**Response:**

From this point forward, checks will not be signed in advance of an extended absence.

**CLERK OF COURT**

**2019-004**

**Statement of Condition:**

During the audit, we reviewed the expenditures of the Clerk of Court and noted that payments were not made on a timely basis.

**Criteria:**

A proper system of internal controls requires that accounting expenditures are remitted on a timely basis within the cutoff period.

**Effect of Condition:**

When expenditures are not paid within a month of the invoice, the account balance has a greater risk of misstatement. Since this office is maintained internally and transfers monies to the county, this could cause the county financial statements to become misstated.

**Cause of Condition:**

Monthly payments are not remitted on a timely basis.

**Recommendation:**

We recommend that all transactions be maintained in some type of accounting software which will more accurately maintain accounting records, this includes ensuring timely payments of expenditures.

**Response:**

The finance department has provided a copy of this finding to the Elected Official and they have not responded. The finance department concurs with this finding, and this will be followed up on throughout FY20.

**2019-005**

**Statement of Condition:**

The Clerk of Court does not balance actual disbursements made to and from the bank accounts to the computer system's reports. The disbursement report does not agree to the check register.

**Criteria:**

The reports used to summarize information for disbursing funds should be agreed to the bank deposits before checks are issued.

**Effect of Condition:**

If funds were misappropriated, the Court may not catch the difference in a timely manner. In addition, the Court would not know about errors in disbursements, and these errors may cause the bank account balance to be insufficient to cover payables.

**Cause of Condition:**

There is not a procedure in place for regular and timely review of the recorded disbursements.

**Recommendation:**

We recommend the Court reconcile disbursements made by using the computerized disbursement reports.

**Response:**

The finance department has provided a copy of this finding to the Elected Official and they have not responded. The finance department concurs with this finding, and this will be followed up on throughout FY20.

2019-006

**Statement of Condition:**

During audit procedures at the Clerk of Court's office, we noted there is no listing kept to reconcile the multiple funds within the cash accounts. The Clerk of Court is unable to determine to who these funds belong.

**Criteria:**

Proper internal controls require that all cash in agency funds be properly accounted for.

**Effect of Condition:**

Failure to account for all cash and to whom it is due subjects the assets of the County to greater risk of misappropriation.

**Cause of Condition:**

The Clerk of Court does not have the information available to reconcile to whom excess funds should be disbursed.

**Recommendation:**

The Clerk of Court should determine proper payee and disburse funds appropriately.

**Response:**

The finance department has provided a copy of this finding to the Elected Official and they have not responded. The finance department concurs with this finding, and this will be followed up on throughout FY20.

## SHERIFF

2019-007

**Statement of Condition:**

During the audit of the Sheriff's Department, we noted that there is a lack of internal controls regarding the financial reporting.

**Criteria:**

In order to ensure proper internal controls, a log should be maintained for all cash accounts to record in flows and outflows of monies related to each account.

**Effect of Condition:**

This risk of misstatement from arithmetic errors.

**Cause of Condition:**

Receipts recorded are not reconciled to deposits.

**Recommendation:**

We recommend that all financial records be kept in a digital log that is automatically calculated to ensure proper record keeping.

**Response:**

The only cash that is taken by our office is for criminal histories for the public. There is a \$20 charge for each one. We maintain a receipt book that is in sequential order. One copy is given to the individual and one copy is left in the book.

## TAX COMMISSIONER

2019-008

**Statement of Condition:**

The bank statements were not properly reconciled.

**Criteria:**

Bank accounts should be properly reconciled on a monthly basis.

**Effect of Condition:**

The balance per the reconciliation was overstated.

**Cause of Condition:**

The reconciliation did not include deposits in transit.

**Recommendation:**

We recommend the bank reconciliations be completed in entirety as soon as possible after the monthly bank statements arrive.

**Response:**

We will take your recommendation and try to include all in transit deposits. We will reconcile the bank statement completely as soon as possible after they arrive.

2019-009

**Statement of Condition:**

While performing audit procedures at the Tax Commissioner's office, we noted an excess of funds in the Escrow account. The Tax Commissioner has been unable to determine to whom the funds should be disbursed.

**Criteria:**

Proper internal controls require that all cash in agency funds be properly accounted for.

**Effect of Condition:**

Failure to account for all cash and to whom it is due subjects the assets of the County to greater risk of misappropriation.

**Cause of Condition:**

The Tax Commissioner does not have the information available to reconcile to whom excess funds should be disbursed.

**Recommendation:**

We recommend the Tax Commissioner should determine proper payee and disburse funds appropriately.

**Response:**

The excess funds in the Escrow have been carried over from previous administrations. To the best of our knowledge, these funds have not been identified or claimed by any proper payee. We plan to turn these excess funds over to the State of Georgia's Unclaimed Property Account. This will bring the Escrow Account into proper balance and accountability.

**DEVELOPMENT AUTHORITY**

2019-010

**Statement of Condition:**

Appropriate segregation of duties does not exist among custody, receipting, recording, distribution, reconciliation of cash accounts and other operational functions in the Development Authority.

**Criteria:**

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

**Effect of Condition:**

Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

**Cause of Condition:**

This is caused by the limited number of employees in each office to perform all of the duties.

**Recommendation:**

We recommend the County segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts.

**Response:**

The Development Authority consists of one full-time person, the executive director, and periodically a part-time intern. The intern is in high school and this person changes every couple of years. This person helps with bookkeeping in Quickbooks. Measures that are in place, include that a board member signs any checks and a staff member of the Chamber of Commerce initials deposits. The FCDA board also votes to approve financials at each meeting.

2019-011

**Statement of Condition:**

During fieldwork, we noted reconciliations were not completed for the operating bank account, the grant fund accounts, the One Georgia account, the retainage account, and the revolving loan account.

**Criteria:**

Reporting should be in place to ensure funds held are accurate.

**Effect of Condition:**

The risk of not knowing for whom the funds belong.

**Cause of Condition:**

Reconciliation of operating account may not be performed timely, and there are no reconciliation procedures in place for all other cash accounts.

**Recommendation:**

We recommend that reconciliations are completed on a monthly basis to present an accurate representation of the fund.

**Response:**

Noted to do this monthly. The main operating account is reconciled in Quickbooks. All other accounts are reconciled in a spreadsheet quarterly before board meetings.

## LAW LIBRARY

2019-012

**Statement of Condition:**

While performing audit procedures, we noted deposits were not being made on a timely basis. Receipts were held for more than seven days before depositing.

**Criteria:**

To insure proper internal controls, cash receipts should be deposited and recorded in a timely manner.

**Effect of Condition:**

Not only is there a risk of loss from burglary, misplacement, or misappropriation, but cash is not available for expenditures or investment.

**Cause of Condition:**

The Law Library is not depositing receipts on a weekly basis.

**Recommendation:**

We recommend deposits be made on a weekly basis both to improve cash flow and reduce the risk of loss.

**Response:**

The finance department has provided a copy of this finding to the Law Library and they have not responded. The finance department concurs with this finding, and this will be followed up on throughout FY20.

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether FANNIN COUNTY, GEORGIA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## DEVELOPMENT AUTHORITY

2019-013

**Statement of Condition:**

Fannin County Development Authority did not issue a 1099 for the \$6,000 bonus given to the Executive Director.

**Criteria:**

The IRS requires that Form 1099s are sent to all employees earning at least \$600 during the calendar year.

**Effect of Condition:**

The penalty for failure to file is \$110 for each required form not filed.

**Cause of Condition:**

The County did not want to run the bonus through payroll. Therefore, the Board directed the Executive Director to include the bonus in her personal tax return.

**Recommendation:**

We recommend that the County issue the required Form 1099 on a calendar year basis before January 31st of the following calendar year for all future payments to employees in excess of \$600.

**Response:**

Noted. This was an unintentional error. The preference would be for any bonus or salary increase to run through the County's payroll. The FCDA requested a salary increase for 2021 in this year's budget request.

**FANNIN COUNTY, GEORGIA'S RESPONSE TO FINDINGS**

The FANNIN COUNTY, GEORGIA's response to the findings identified in our audit are described above. The FANNIN COUNTY, GEORGIA's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**PURPOSE OF THIS REPORT**

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

*Bates, Carter & Co., LLP*