

**CANDLER COUNTY, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Candler County, 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 Candler County, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Candler County Board of Health, a discretely presented component, which represents 2.8% and 0.7% respectively, of the assets and net position of Candler County, Georgia. We did not audit the financial statements of the Candler County Hospital Authority, a discretely presented component, which represents 37.1% and 15.8% respectively, of the assets and net position of Candler County, Georgia.

### *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 Candler County Board of Health, a discretely presented component, which represents 2.8% and 0.7% respectively, of the assets and net position of Candler County, Georgia. We did not audit the financial statements of the Candler County Hospital Authority, a discretely presented component, which represents 37.1% and 15.8% respectively, of the assets and net position of Candler County, Georgia. Those financial 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 Candler County Board of Health and the Candler County Hospital Authority, 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 Candler County, Georgia, as of June 30, 2020, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Candler County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and schedule of projects paid with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2021, on our consideration of Candler County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Candler County, Georgia's internal control over financial reporting and compliance.

*Lanier, Deal & Proctor*

Statesboro, Georgia  
January 22, 2021

**CANDLER COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Primary Government	Component Units	
	Governmental Activities	Candler County Board of Health	Candler County Hospital Authority
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 5,849,532	\$ 421,680	\$ 2,022,172
Certificates of deposit	1,985,130	-	-
Receivables:			
Accounts	53,994	-	1,923,459
Taxes	675,444	-	-
Intergovernmental	203,615	131,787	-
Interest	1,313	-	-
Prepaid items	76,933	-	-
Supplies inventory	-	-	185,873
Other current assets	-	-	649,261
Noncurrent Assets:			
Externally restricted cash for debt service	-	-	70,104
Capital Assets:			
Nondepreciable capital assets	453,905	-	603,205
Depreciable capital assets, net	11,288,140	13,691	2,179,302
<b>Total Assets</b>	<b>20,588,006</b>	<b>567,158</b>	<b>7,633,376</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Proportionate share of collective deferred outflows of resources	-	130,856	-
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	306,045	-	4,008,660
Accrued payroll	87,832	-	-
Other accrued expenses	-	-	612,988
Unearned revenue	900	-	-
Compensated absences payable	28,445	5,606	-
Notes payable	25,000	-	653,261
Capital leases payable	249,053	-	-
Estimated third-party payor settlements	-	-	964,218
Long-Term Liabilities:			
Compensated absences payable (net of current portion)	113,781	22,426	-
Notes payable (net of current portion)	100,000	-	4,007,206
Capital leases payable (net of current portion)	301,004	-	-
Net pension obligation	-	307,468	-
Net OPEB liability	-	60,400	-
Landfill closure and postclosure care costs	2,868,224	-	-
<b>Total Liabilities</b>	<b>4,080,284</b>	<b>395,900</b>	<b>10,246,333</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Proportionate share of collective deferred inflows of resources	-	185,076	-
<b>NET POSITION</b>			
Net investment in capital assets	11,066,988	13,691	1,454,681
Restricted for:			
Capital projects	1,591,015	-	-
Debt service	258,421	-	70,104
Other purposes	1,599,041	108,946	-
Unrestricted	1,992,256	(5,599)	(4,137,742)
<b>Total Net Position</b>	<b>\$ 16,507,722</b>	<b>\$ 117,038</b>	<b>\$ (2,612,957)</b>

See accompanying notes to the basic financial statements.

**CANDLER COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Program/Function	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit	
					Governmental Activities	Candler County Board of Health	Candler County Hospital Authority
<b>Primary Government</b>							
General government	\$ 1,733,765	\$ 111,966	\$ 37,090	-	\$ (1,584,709)		
Judicial	691,326	112,574	-	-	(578,752)		
Public safety	3,807,386	1,389,249	131,095	-	(2,287,042)		
Public works	3,153,605	956,211	-	\$ 606,573	(1,590,821)		
Health and welfare	471,190	424	50,000	-	(420,766)		
Culture and recreation	343,764	25,015	-	-	(318,749)		
Housing and development	207,296	-	-	-	(207,296)		
Interest	25,641	-	-	-	(25,641)		
<b>Total Governmental Activities - Primary Government</b>	<b>\$ 10,433,973</b>	<b>\$ 2,595,439</b>	<b>\$ 218,185</b>	<b>\$ 606,573</b>	<b>(7,013,776)</b>		
<b>Component Units:</b>							
Candler County Board of Health	\$ 427,727	\$ 130,794	\$ 306,780	\$ -		\$ 9,847	-
Candler County Hospital Authority	15,807,880	14,404,179	2,705,499	-		-	\$ 1,301,798
<b>Total Component Units</b>	<b>\$ 16,235,607</b>	<b>\$ 14,534,973</b>	<b>\$ 3,012,279</b>	<b>\$ -</b>		<b>9,847</b>	<b>1,301,798</b>
<b>General Revenues</b>							
Property taxes levied for general purposes					4,386,587	-	-
Sales taxes					2,322,185	-	-
Insurance premium tax					460,489	-	-
Other taxes					230,868	-	-
Interest earned					92,660	-	1,799
Gain on settlements					-	-	490,220
Miscellaneous					25,629	-	725,689
<b>Total General Revenues</b>					<b>7,518,418</b>	<b>-</b>	<b>1,217,708</b>
<b>Change in Net Position</b>					<b>504,642</b>	<b>9,847</b>	<b>2,519,506</b>
<b>Net Position, July 1, 2019</b>					<b>16,003,080</b>	<b>107,191</b>	<b>(5,132,463)</b>
<b>Net Position, June 30, 2020</b>					<b>\$ 16,507,722</b>	<b>\$ 117,038</b>	<b>\$ (2,612,957)</b>

See accompanying notes to the basic financial statements.

**CANDLER COUNTY, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	General	2011 SPLOST Fund	2018 SPLOST Fund	T-SPLOST Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 2,886,692	\$ 190,049	\$ 617,583	\$ 776,696	\$ 1,378,512	\$ 5,849,532
Certificates of deposit	1,829,841	-	-	-	155,289	1,985,130
Receivables:						
Accounts	49,117	-	-	-	4,877	53,994
Taxes	594,163	-	-	-	81,281	675,444
Intergovernmental	26,191	-	120,784	41,476	15,164	203,615
Interest	-	-	-	-	1,313	1,313
Prepaid items	72,457	-	4,199	-	277	76,933
<b>TOTAL ASSETS</b>	<b>\$ 5,458,461</b>	<b>\$ 190,049</b>	<b>\$ 742,566</b>	<b>\$ 818,172</b>	<b>\$ 1,636,713</b>	<b>\$ 8,845,961</b>
<b>LIABILITIES</b>						
Accounts payable	114,087	21,611	137,011	1,150	32,186	306,045
Accrued payroll liabilities	87,832	-	-	-	-	87,832
Unearned revenue	900	-	-	-	-	900
<b>TOTAL LIABILITIES</b>	<b>202,819</b>	<b>21,611</b>	<b>137,011</b>	<b>1,150</b>	<b>32,186</b>	<b>394,777</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	446,840	-	-	-	47,926	494,766
<b>FUND BALANCES</b>						
Nonspendable	72,457	-	4,199	-	277	76,933
Restricted	300,861	168,438	601,356	817,022	1,556,324	3,444,001
Assigned	1,754,172	-	-	-	-	1,754,172
Unassigned	2,681,312	-	-	-	-	2,681,312
<b>TOTAL FUND BALANCES</b>	<b>4,808,802</b>	<b>168,438</b>	<b>605,555</b>	<b>817,022</b>	<b>1,556,601</b>	<b>7,956,418</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 5,458,461</b>	<b>\$ 190,049</b>	<b>\$ 742,566</b>	<b>\$ 818,172</b>	<b>\$ 1,636,713</b>	<b>\$ 8,845,961</b>

See accompanying notes to the basic financial statements.

**CANDLER COUNTY, GEORGIA**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

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

Total Governmental Fund Balances			\$ 7,956,418
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Cost	\$ 22,744,002		
Less accumulated depreciation	<u>(11,001,957)</u>	11,742,045	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:			
Property taxes		494,766	
Liabilities, including capital leases, notes payable, compensated absences and accrued landfill closure and postclosure care costs are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net position			
Capital leases payable	\$ (550,057)		
Notes payable	(125,000)		
Landfill closure and postclosure care costs	(2,868,224)		
Compensated absences	<u>(142,226)</u>	<u>(3,685,507)</u>	
<b>Net Position Of Governmental Activities</b>			<b><u>\$ 16,507,722</u></b>

See accompanying notes to the basic financial statements.



**CANDLER COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	General	2011 SPLOST Fund	2018 SPLOST Fund	T-SPLOST Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 5,094,360	-	\$ 1,370,440	\$ 280,004	\$ 618,242	\$ 7,363,046
Licenses and permits	18,340	-	-	-	25,160	43,500
Charges for services	1,681,480	-	-	-	596,389	2,277,869
Fees, fines and forfeitures	285,397	-	-	-	8,329	293,726
Intergovernmental	218,184	-	-	119,178	476,789	814,151
Interest	66,682	\$ 3,483	7,123	9,132	16,846	103,266
Other	25,629	-	-	-	-	25,629
Total revenues	<u>7,390,072</u>	<u>3,483</u>	<u>1,377,563</u>	<u>408,314</u>	<u>1,741,755</u>	<u>10,921,187</u>
<b>EXPENDITURES</b>						
Current:						
General government	1,571,126	-	-	-	70	1,571,196
Judicial	688,014	-	-	-	2,920	690,934
Public safety	2,860,137	-	-	-	462,047	3,322,184
Public works	1,370,287	-	-	-	326,955	1,697,242
Health and welfare	197,102	-	-	-	-	197,102
Culture and recreation	250,412	-	-	-	51,072	301,484
Housing and development	77,702	-	-	-	129,594	207,296
Capital outlay	-	83,560	310,275	296,105	512,017	1,201,957
Debt service:						
Principal	18,750	103,974	137,712	-	-	260,436
Interest	-	4,652	20,989	-	-	25,641
Intergovernmental	-	-	756,483	-	-	756,483
Total expenditures	<u>7,033,530</u>	<u>192,186</u>	<u>1,225,459</u>	<u>296,105</u>	<u>1,484,675</u>	<u>10,231,955</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>356,542</u>	<u>(188,703)</u>	<u>152,104</u>	<u>112,209</u>	<u>257,080</u>	<u>689,232</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of capital assets	2,800	-	-	-	-	2,800
Transfers in	11,020	-	-	-	-	11,020
Transfers out	-	-	-	-	(11,020)	(11,020)
Total other financing sources (uses)	<u>13,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,020)</u>	<u>2,800</u>
NET CHANGE IN FUND BALANCES	370,362	(188,703)	152,104	112,209	246,060	692,032
FUND BALANCES, JULY 1, 2019	<u>4,438,440</u>	<u>357,141</u>	<u>453,451</u>	<u>704,813</u>	<u>1,310,541</u>	<u>7,264,386</u>
FUND BALANCES, JUNE 30, 2020	<u>\$ 4,808,802</u>	<u>\$ 168,438</u>	<u>\$ 605,555</u>	<u>\$ 817,022</u>	<u>\$ 1,556,601</u>	<u>\$ 7,956,418</u>

See accompanying notes to the basic financial statements.

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

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

Net Change In Fund Balances - Total Governmental Funds		\$ 692,032
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.

Depreciation expense	\$ (1,396,470)	
Capital outlay	<u>1,068,012</u>	(328,458)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Property taxes:		
Unavailable revenue at 6/30/20	494,766	
Unavailable revenue at 6/30/19	<u>(477,336)</u>	17,430

Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities.		(7,139)
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Repayment of capital lease and notes payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		260,436
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Some expenses reported in the statement of activities, such as compensated absences and landfill closure and postclosure care costs, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in compensated absences	1,654	
Change in landfill closure and postclosure care costs	<u>(131,313)</u>	<u>(129,659)</u>

<b>Change In Net Position of Governmental Activities</b>		<u><u>\$ 504,642</u></u>
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See accompanying notes to the basic financial statements.

**CANDLER COUNTY, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property	\$ 4,268,100	\$ 4,268,100	\$ 4,349,503	\$ 81,403
Local option sales tax	640,000	640,000	671,741	31,741
Other	75,000	75,000	73,116	(1,884)
Licenses and permits	30,500	30,500	18,340	(12,160)
Charges for services	1,632,500	1,632,500	1,681,480	48,980
Fees, fines and forfeitures	295,400	295,400	285,397	(10,003)
Intergovernmental	169,928	167,928	218,184	50,256
Interest	55,000	55,000	66,682	11,682
Other	7,500	7,500	25,629	18,129
Total revenues	7,173,928	7,171,928	7,390,072	218,144
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	48,650	50,802	46,967	3,835
Executive	201,220	203,241	200,054	3,187
Elections	89,567	90,248	72,717	17,531
Financial administration	394,201	396,381	369,315	27,066
Information technology	190,587	186,587	157,836	28,751
Tax commissioner	241,429	246,881	254,773	(7,892)
Tax assessor	233,855	237,754	228,082	9,672
Equalization	6,700	6,700	4,033	2,667
Public buildings	224,568	235,568	237,349	(1,781)
Total general government	1,630,777	1,654,163	1,571,126	83,037
Judicial:				
Superior Court	206,200	206,200	202,915	3,285
Clerk of Court	165,569	172,825	168,756	4,069
State Court	114,245	114,245	109,188	5,057
Magistrate Court	86,686	87,468	84,570	2,898
Probate Court	121,627	126,813	122,585	4,228
Total judicial	694,327	707,552	688,014	19,538
Public safety:				
Sheriff	1,252,292	1,268,211	1,181,131	87,080
Detention center	617,216	623,739	615,025	8,714
Emergency medical service	1,058,854	1,069,288	1,036,993	32,295
Coroner	11,894	11,944	14,380	(2,436)
Emergency management	9,590	9,590	12,608	(3,018)
Total public safety	2,949,846	2,982,772	2,860,137	122,635

See accompanying notes to the basic financial statements.

**CANDLER COUNTY, GEORGIA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Public works:				
Roads and bridges	\$ 961,879	\$ 972,514	\$ 933,590	\$ 38,924
Solid waste	453,647	479,291	436,697	42,594
Total public works	<u>1,415,526</u>	<u>1,451,805</u>	<u>1,370,287</u>	<u>81,518</u>
Health and welfare:				
Health department	1,000	1,000	1,000	-
Hospital	245,000	245,000	140,305	104,695
Family connections	50,000	50,000	49,797	203
Family and children services	6,000	6,000	6,000	-
Total health and welfare	<u>302,000</u>	<u>302,000</u>	<u>197,102</u>	<u>104,898</u>
Culture and recreation:				
Recreation department	<u>267,220</u>	<u>272,416</u>	<u>250,412</u>	<u>22,004</u>
Housing and development:				
Conservation	8,836	8,836	8,836	-
Agricultural resources	85,462	85,462	57,842	27,620
Code enforcement	11,033	11,033	11,024	9
Total housing and development	<u>105,331</u>	<u>105,331</u>	<u>77,702</u>	<u>27,629</u>
Debt service:				
Principal	<u>25,000</u>	<u>25,000</u>	<u>18,750</u>	<u>6,250</u>
Total debt service	<u>25,000</u>	<u>25,000</u>	<u>18,750</u>	<u>6,250</u>
Total expenditures	<u>7,390,027</u>	<u>7,501,039</u>	<u>7,033,530</u>	<u>467,509</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(216,099)</u>	<u>(329,111)</u>	<u>356,542</u>	<u>685,653</u>
OTHER FINANCING SOURCES				
Sale of capital assets	-	-	2,800	2,800
Transfers in	<u>-</u>	<u>-</u>	<u>11,020</u>	<u>11,020</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>13,820</u>	<u>13,820</u>
NET CHANGE IN FUND BALANCE	<u>\$ (216,099)</u>	<u>\$ (329,111)</u>	<u>370,362</u>	<u>\$ 699,473</u>
FUND BALANCE, BEGINNING OF YEAR			<u>4,438,440</u>	
FUND BALANCE, END OF YEAR			<u>\$ 4,808,802</u>	

See accompanying notes to the basic financial statements.

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

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**ASSETS**

Cash	<u>\$ 547,781</u>
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**LIABILITIES**

Due to other entities and individuals	<u>\$ 547,781</u>
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See accompanying notes to the basic financial statements.

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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Candler County, Georgia (the “County”) operates under a Commissioner – County Administrator form of Government. The County is governed by a board of five commissioners elected by the voters of the County.

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

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County’s accounting policies are described below.

**1-A. Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization’s governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization’s resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes, or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the County’s discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

A brief description of the County’s discretely presented component units follows:

**Candler County Board of Health** – The Candler County Board of Health provides health care services and health education to residents of Candler County. The Health Department receives financial support from Candler County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors. Complete financial statements for the Candler County Board of Health can be obtained from their administrative office at:

Candler County Board of Health  
428 North Rountree Street  
Metter, Georgia 30439

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Candler County Hospital Authority (The Hospital Authority)** - The Candler County Hospital Authority was created in November, 1958 by the Board of Commissioners of Candler County to operate, control, and manage all matters concerning the County's health care functions. The Hospital Authority operates Candler County Hospital, a critical access hospital. The County nominates the Board of Trustee members of the Hospital Authority and the County has guaranteed some debt of the Hospital Authority. The Hospital Authority issued audited financial statements with a fiscal year ended December 31, 2019. Copies of these financial statements may be obtained from their administrative office at:

Candler County Hospital Authority  
400 Cedar Street  
Metter, Georgia 30439

**1-B. Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** – The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes, grants and the County's general revenues, from business-type activities, generally financed in whole or part with service charges to external customers. The County had no business-type activities at June 30, 2020.

The statement of net position presents the financial position of the governmental and business-type activities of the County and its discretely presented component units.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining

CANDLER COUNTY, GEORGIA  
NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

**Fund Financial Statements** – During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental and fiduciary funds.

Major individual governmental funds are reported in separate columns with composite columns for non-major funds. Fiduciary funds are reported by type.

**Fund Accounting** – The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses governmental and fiduciary funds.

**Governmental Funds** – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

**The General Fund** – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

**2011 SPLOST and 2018 SPLOST Fund** – These capital projects funds account for the special purpose local option sales tax collected pursuant to a referendum for various capital improvements within the County.

**T-SPLOST Fund** – This capital projects fund accounts for the regional transportation special purpose local option sales tax proceeds received for transportation purposes within the County.

**Fiduciary Funds** – The County's fiduciary funds are agency funds. These agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Constitutional officers use these funds to temporarily hold assets.



**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1-C. Measurement Focus**

**Government-wide Financial Statements** – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

**Fund Financial Statements** – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

**1-D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

**Revenues – Exchange Transactions** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue – Non-exchange Transactions** – Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

**Expenses/Expenditures** – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

**1-E. Assets, Liabilities and Net Position**

**Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

**Receivables**

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. At June 30, 2020, the General Fund reported an allowance for uncollectibles of \$59,032 and \$229,025 for the property taxes receivable and EMS accounts receivable, respectively. The Shared Service District Fund reported an allowance of \$6,347 for property taxes receivable at June 30, 2020.

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The balance of the intergovernmental receivable from the Candler County Hospital Authority, a component unit, was \$1,324,793 at June 30, 2020. However, an allowance for uncollectibles equal to the full amount of the intergovernmental receivable was reported by the General Fund at June 30, 2020. As a result, no intergovernmental receivable is being reported at June 30, 2020 from the Candler County Hospital Authority, a component unit.

**Consumable Inventories**

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

**Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “due from/to other funds.” These amounts are eliminated in the governmental and business-type activities columns on the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances on this statement. These amounts are ultimately eliminated from the total column on the statement of net position.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable as this amount is not available for general appropriation.

**Capital Assets**

The County reports general capital assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the County fund financial statements.

All capital assets with an estimated useful life in excess of two years are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County’s infrastructure consists of roads and bridges. For roads and bridges, the County has capitalized only infrastructure constructed after June 30, 2003. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County’s historical records of necessary improvements and replacement.

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	15-50 years
Improvements other than buildings	10-40 years
Machinery and equipment	4-15 years
Infrastructure	15 years

At the inception of capital leases at the governmental fund reporting level, expenditures and an “other financing source” of an equal amount are reported at the net present value of future minimum lease payments.

**Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

The total compensated absences liability is reported on the government-wide financial statements. Governmental funds report the compensated absences liability at the fund reporting level only “*when due*.”

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Notes payable and capital leases are recognized as a liability in the governmental fund financial statements when due.

**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(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources as of June 30, 2020. It does have a component unit that has deferred outflows of resources related to pensions and other post-employment benefits on the statement of net position.

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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has an item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*,

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County has a component unit that has deferred inflows of resources related to pensions and other post-employment benefits on the statement of net position.

**Fund Equity**

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

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

**Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

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

**Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution or ordinance. Only the Board of Commissioners may modify or rescind the commitment.

**Assigned** – Fund balances are reported as assigned when amounts are constrained by the Board of Commissioners’ intent to be used for specific purposes, but are neither restricted nor committed. Only the Board of Commissioners can assign fund balances.

**Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

The County’s policy is to maintain an adequate general fund unassigned fund balance to provide liquidity in the event of an economic downturn or natural disaster.

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

- Committed
- Assigned
- Unassigned

**Net Position** – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its 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. All other net position is reported as unrestricted.

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

**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental funds on the government-wide statement of activities are eliminated.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

The County adopts an annual operating budget for the general fund, special revenue funds, and capital projects funds. The budget resolution reflects the total of each department's appropriation in each fund.

All budgets are adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

During the year, the Board of Commissioners had three budget revisions.

All unexpended annual appropriations lapse at year-end.

**Excess of Expenditures Over Appropriations**

Expenditures exceeded appropriations for the year ended June 30, 2020 in the following departments for the general fund:

	<u>General Fund</u>
Tax commissioner	\$ 7,892
Public buildings	1,781
Coroner	2,436
Emergency management	3,018

The overexpenditures in these areas were funded by underexpenditures in other areas.

Expenditures exceeded appropriations in the following special revenue funds and these overexpenditures were funded by excess revenues over amounts budgeted and/or by available fund balance.

	<u>Overexpenditures</u>
Jail Store Fund	\$ 53,116
Law Library Fund	2,920

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 3 – DEPOSITS**

Custodial credit risk is risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law.

At June 30, 2020, the carrying amount of the County's deposits (checking and certificates of deposit) was \$8,382,443 and the bank balance was \$8,544,151. Of the bank balance, \$982,676 was covered by federal depository insurance and \$7,561,475 was collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Discretely Presented Component Units

The carrying amount of deposits for the Candler County Hospital Authority was \$2,092,276. As of December 31, 2019, the Authority's deposits were entirely insured, collateralized with securities held by a trustee in the Authority's name, or held by financial institutions that participate in the Georgia Secure Deposit Program.

The carrying amount of deposits for the Candler County Board of Health was \$421,580 as of June 30, 2020. The bank balance was \$473,943 which was covered by FDIC insurance and pledged securities.

**NOTE 4 – PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about October 20<sup>th</sup> of each year and are payable within sixty days. The County bills and collects its own property taxes and also collects taxes for the Candler County Board of Education, State of Georgia and cities within the County. Collection of the County's taxes and for the other government agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an Agency Fund.

County property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For the year ended June 30, 2020, property taxes were levied on August 5, 2019, and were due December 20, 2019.

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund transfers for the year ended June 30, 2020 consisted of \$11,020 in transfers to the general fund from the shared service district special revenue fund to cover code enforcement personnel costs.

No interfund balances existed as of June 30, 2020.



**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance 7/1/2019	Additions	Deductions	Balance 6/30/2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 204,591	-	-	\$ 204,591
Construction in progress	238,763	\$ 146,486	\$ 135,935	249,314
Total capital assets not being depreciated	<u>443,354</u>	<u>146,486</u>	<u>135,935</u>	<u>453,905</u>
Capital assets being depreciated:				
Buildings and improvements	7,970,420	77,009	3,730	8,043,699
Machinery and equipment	6,929,058	222,138	352,096	6,799,100
Infrastructure	3,693,307	745,515	-	4,438,822
Land improvements	3,015,799	12,800	20,123	3,008,476
Total capital assets being depreciated	<u>21,608,584</u>	<u>1,057,462</u>	<u>375,949</u>	<u>22,290,097</u>
Total capital assets	<u>22,051,938</u>	<u>1,203,948</u>	<u>511,884</u>	<u>22,744,002</u>
Accumulated depreciation:				
Buildings and improvements	2,830,152	197,519	3,730	3,023,941
Machinery and equipment	4,053,460	806,015	344,956	4,514,519
Infrastructure	637,309	261,877	-	899,186
Land improvements	2,453,375	131,059	20,123	2,564,311
Total accumulated depreciation	<u>9,974,296</u>	<u>1,396,470</u>	<u>368,809</u>	<u>11,001,957</u>
Governmental activities capital assets, net	<u>\$ 12,077,642</u>	<u>\$ (192,522)</u>	<u>\$ 143,075</u>	<u>\$ 11,742,045</u>

Governmental activities depreciation expense:

General government	\$ 135,185
Judicial	626
Public safety	451,500
Public works	771,906
Culture and recreation	<u>37,253</u>
Total governmental activities depreciation expense	<u>\$ 1,396,470</u>

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – CAPITAL ASSETS (Continued)**

Capital asset activity for the County's component units was as follows:

	Balance 7/1/2019	Additions	Deductions	Balance 6/30/2020
Component unit - Candler County Board of Health:				
Capital assets being depreciated:				
Equipment and vehicles	\$ 7,625	\$ 16,327	-	\$ 23,952
Accumulated depreciation:				
Equipment and vehicles	7,625	2,636	-	10,261
Component unit capital assets, net	<u>\$ -</u>	<u>13,691</u>	<u>-</u>	<u>\$ 13,691</u>
	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
Component unit - Candler County Hospital Authority:				
Capital assets not being depreciated:				
Land	\$ 168,940	-	-	\$ 168,940
Construction in progress	-	\$ 434,265	-	434,265
Total capital assets not being depreciated	<u>168,940</u>	<u>434,265</u>	<u>-</u>	<u>603,205</u>
Capital assets being depreciated:				
Land improvements	148,884	-	-	148,884
Buildings and improvements	6,985,111	-	-	6,985,111
Equipment	9,862,369	319,005	-	10,181,374
Total capital assets being depreciated	<u>16,996,364</u>	<u>319,005</u>	<u>-</u>	<u>17,315,369</u>
Total capital assets	17,165,304	753,270	-	17,918,574
Less accumulated depreciation	<u>14,457,549</u>	<u>678,518</u>	<u>-</u>	<u>15,136,067</u>
Component unit capital assets, net	<u>\$ 2,707,755</u>	<u>\$ 74,752</u>	<u>\$ -</u>	<u>\$ 2,782,507</u>

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – CAPITAL LEASES**

The County has entered into lease agreements as lessee for financing the acquisition of equipment costing \$1,695,683. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Amortization of the cost of the equipment is included in depreciation expense in the government-wide financial statements. Depreciation expense and accumulated depreciation on the leased equipment was \$284,531 and \$806,576, respectively, for the year ended June 30, 2020.

The following is a schedule of future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2020:

<u>Year ending June 30</u>	
2021	\$ 267,702
2022	158,700
2023	158,700
Total minimum lease payments	585,102
Less amount representing interest	35,045
Present value of future minimum lease payments	<u>\$ 550,057</u>

**NOTE 8 – NOTES PAYABLE**

Notes payable at June 30, 2020 consisted of the following:

Note payable to OneGeorgia Authority for the construction of the Agricultural Regional Resources Construction Building, payable in quarterly installments of \$6,250 with 0% interest through July 1, 2025	<u>\$ 125,000</u>
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As of June 30, 2020, annual debt service requirements to maturity are as follows:

<u>Year ending June 30</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 25,000	\$ -	\$ 25,000
2022	25,000	-	25,000
2023	25,000	-	25,000
2024	25,000	-	25,000
2025	25,000	-	25,000
Total	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 125,000</u>

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 8 – NOTES PAYABLE (Continued)**

Component Unit - Candler County Hospital Authority

Notes payable at December 31, 2019 consisted of the following:

Note payable to Candler County, Georgia, incurring interest at the imputed rate of 4.00%, unsecured.	\$1,324,751
Taxable Note, Series 2014 with Queensborough National Bank dated December 17, 2014. Payable in 120 monthly payments of approximately \$35,000 including interest at the fixed rate of 4.15% through January 2017. Beginning with the February 2017 payment, interest will be accrued at the <i>Wall Street Journal</i> prime rate, plus 0.50%, adjusted daily. Secured by property of the Authority, due January 2025.	2,007,891
Promissory Note to United States Department of Agriculture (USDA) dated March 17, 2014. Payable in 120 monthly payments of approximately \$10,000 including interest at the fixed rate of 3.50%, secured by a pledge of various medical equipment, due April 2024.	462,948
Equipment finance agreement with a vendor with an outstanding balance of \$651,764. Payable in 60 monthly installments of approximately \$19,000 including interest at the imputed rate of 10.34%, secured by financed equipment, due March 2025.	651,764
Capital lease obligations, at varying rates of imputed interest from 3.50% to 8.86%, collateralized by leased equipment with an unamortized cost of approximately \$395,000.	213,113
	<u>\$4,660,467</u>

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – NOTES PAYABLE (Continued)**

Annual debt service requirements to maturity are as follows:

Year ending December 31	Component Unit - Hospital Authority		
	Principal	Interest	Total
2020	\$ 653,261	\$ 155,073	808,334
2021	1,976,541	124,886	2,101,427
2022	640,436	92,152	732,588
2023	674,266	58,322	732,588
2024	578,100	24,078	602,178
2025	137,863	526	138,389
Total	<u>\$ 4,660,467</u>	<u>\$ 455,037</u>	<u>\$ 5,115,504</u>

**NOTE 9 – LANDFILL CLOSURE AND POST CLOSURE CARE COST**

State and federal laws and regulations require that the County place a final cover on its landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. Although most closure and post closure care costs will be paid near or after the date the landfill stops accepting waste, the County reports a portion of the closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. As of June 30, 2020, the estimated liability for landfill closure and post closure care costs is \$2,868,224 and consists of the closure cost for Phase One of the landfill, closure cost for the C&D landfill, and closure and post closure costs for Phase Two of the landfill. The County will recognize the remaining estimated cost of closure and post closure care of approximately \$793,813 for the operating landfill as the remaining estimated capacity is filled. Used capacity for the operating Phase Two landfill is estimated to be 76.28% with an estimated remaining useful life of 9 years. All estimates are subject to change due to inflation or deflation, technology or changes in laws or regulations. The County has invested funds in a Certificate of Deposit and separate bank account for the landfill closure and post closure care costs with a standard amount being contributed quarterly to the bank account.

**NOTE 10 – CHANGES IN LONG-TERM DEBT**

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due In One Year
Governmental Activities:					
Compensated absences payable	\$ 143,880	-	\$ 1,654	\$ 142,226	\$ 28,445
Landfill closure & post closure care costs	2,736,911	\$ 131,313	-	2,868,224	-
Capital leases payable	791,743	-	241,686	550,057	249,053
Notes payable	143,750	-	18,750	125,000	25,000
Total Governmental Activities	<u>\$ 3,816,284</u>	<u>\$ 131,313</u>	<u>\$ 262,090</u>	<u>\$ 3,685,507</u>	<u>\$ 302,498</u>

The compensated absences liability will be paid from the General Fund, the fund from which the employees' salaries are paid. The capital lease obligations will be paid from the 2011 SPLOST and 2018 SPLOST capital projects funds, and the notes payable will be paid from the General Fund. The landfill closure and post closure care costs will be paid from the General Fund.

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 – CHANGES IN LONG-TERM DEBT (Continued)**

Component Unit – Candler County Board of Health

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due In One Year
Compensated absences	\$ 25,077	\$ 2,955	\$ -	\$ 28,032	\$ 5,606

Component Unit - Candler County Hospital Authority

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Amounts Due In One Year
Notes payable	\$ 4,385,348	\$ 834,557	\$ 559,438	\$ 4,660,467	\$ 653,261

**NOTE 11 – FUND BALANCES – GOVERNMENTAL FUNDS**

As of June 30, 2020, governmental fund balances are composed of the following:

	General Fund	2011 SPLOST Fund	2018 SPLOST Fund	T-SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	\$ 72,457	-	\$ 4,199	-	\$ 277	\$ 76,933
Restricted:						
E-911	-	-	-	-	293,376	293,376
Roads	-	-	-	\$ 817,022	588,196	1,405,218
Jail store	-	-	-	-	74,653	74,653
Law library	-	-	-	-	26,041	26,041
Drug education	-	-	-	-	44,677	44,677
Shared service district	-	-	-	-	529,381	529,381
County jail	42,440	-	-	-	-	42,440
Hospital debt service	258,421	-	-	-	-	258,421
Capital projects	-	\$ 168,438	601,356	-	-	769,794
Total restricted	300,861	168,438	601,356	817,022	1,556,324	3,444,001
Assigned:						
Landfill closure and post closure care costs	1,650,916	-	-	-	-	1,650,916
Subsequent year's budget	103,256	-	-	-	-	103,256
Total assigned	1,754,172	-	-	-	-	1,754,172
Unassigned	2,681,312	-	-	-	-	2,681,312
Total fund balances	\$ 4,808,802	\$ 168,438	\$ 605,555	\$ 817,022	\$ 1,556,601	\$ 7,956,418

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 – EMPLOYEE RETIREMENT PLANS**

Defined Contribution Plan

The County has adopted a prototype 401(a) Defined Contribution Plan for employees of Candler County (the 401(a) Plan) and a prototype 457 Deferred Compensation Plan for Candler County (the 457 Plan) administered by the Board of Commissioners through GEBCORP. The County has the authority to establish the Plans or amend the adoption agreement which defines the specific provisions of the plan as provided in the prototype document. The Plan covers substantially all employees who meet the minimum years of service requirement. The County matches up to 3% of employee's compensation. The total cost of the 401(a) Plan and the 457 Plan for the year ended June 30, 2020 was \$44,168. Total employee contributions to the plans for the year ended June 30, 2020 totaled \$131,211.

Probate Judges' Retirement Fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses be remitted to the state sponsored pension plan.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the state sponsored pension plan.

Sheriff's Retirement Fund/Peace Officers' Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Magistrate Court and Clerk of Superior Court to the state sponsored pension plans.

Georgia Judicial Retirement System

This system provides retirement benefits for Superior Court Judges, District Attorneys, State Court Judges, Solicitors-General of the State Courts, and Juvenile Court Judges.

Employee's Retirement System of Georgia

Candler County tax officials are covered under this retirement plan.

Candler County Board of Health (component unit)

The employees of the Candler County Board of Health participate in the Georgia State Employees Retirement System (ERS). The plan is administered by the State of Georgia. ERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov](http://www.ers.ga.gov). The retirement contributions for the year ended June 30, 2020 were \$46,646. Contributions are fully vested to employees after 10 years of continuous service.

At June 30, 2020, the Board of Health reported \$307,468 as a liability for its proportionate share of the net pension liabilities. For the year ended June 30, 2020, the Board of Health recognized pension expense of \$55,817.

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 – EMPLOYEE RETIREMENT PLANS (Continued)**

Candler County Hospital Authority (component unit)

The Candler County Hospital Authority maintains a defined contribution retirement plan covering substantially all employees. Employees are immediately vested 100% in all funds under the plan. Matching contributions have been suspended by the Authority. The contributions made by the Authority for the year ended December 31, 2019 were \$0. The Authority had no outstanding liability related to the plan at December 31, 2019.

The Authority has also established a deferred compensation plan that is offered to limited employees. The Authority makes no matching contributions and employees are immediately 100% vested in all funds under the plan. As of December 31, 2019, the Authority had no outstanding liability related to the plan.

**NOTE 13 – RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the Association of County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management insurance program for member local governments.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the 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.

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

**NOTE 14 – CONTINGENCIES**

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County attorney, the resolution of these matters probably will not have a material adverse effect on the financial condition of the County.



**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 14 – CONTINGENCIES (Continued)**

On December 17, 2014, the Candler County Hospital Authority issued a Series 2014 Taxable Note to repay other notes and obligations as well as cover issuance costs. It has an interest rate of 4.15% and will be paid with the Candler County Hospital Authority's general revenues over 120 months. The Series 2014 Taxable Note is secured by an intergovernmental agreement between the Candler County Hospital Authority and the County. As part of the intergovernmental agreement, the County guarantees to pay to the Authority an amount equal to the deficit of the Candler County Hospital Authority's net revenues or general funds compared to the payments due on the certificate and/or note. Further, the County has agreed to levy taxes on taxable property within the County up to six mills should it be required to do so.

Candler County Hospital Authority (component unit) – Financial Position

The Authority reported recurring operating losses including losses of \$502,853 and \$1,896,298 in 2019 and 2018, respectively. The Authority has a net position deficiency (liabilities exceed assets) of \$2,612,957 at December 31, 2019. The Authority's current liabilities exceed its current assets by \$1,458,362 at December 31, 2019. Management has evaluated whether there are conditions or events that raise substantial doubt about the Authority's ability to continue as a going concern. Management believes the Authority will be able to meet its obligations as they become due for a reasonable period of time, as defined by GASBS No. 56 and concludes substantial doubt is not raised.

Financial Support from Candler County

Beginning with the 2017 property tax collections, Candler County is subsidizing the Authority's long-term debt obligations to Queensborough National Bank with a one mil property tax. Also, with the 2018 SPLOST collections that began effective April, 2018, the County is allocating 20% of the monthly collections to retire the Authority's long-term debt.

Physician Coverage

Effective May 1, 2019, the Authority engaged a physician's group, Doctor's To Go, to cover the Emergency Room and Hospitalist program. This change has stabilized these areas with consistent quality care which has increased patient satisfaction and quality of care for its patients. In April 2020, the Authority added a full time surgeon to its staff and signed an agreement in August 2020 to increase the part time gastroenterologist to full time. With these changes, the Authority anticipates increased and improved surgical procedures. The Authority also plans to invest in new imaging equipment and surgical scope equipment to further enhance the surgery department.

Business Office Operations and Collections

Effective July 1, 2019, the Authority engaged Healthcare Resource Group (HRG) to act as the Authority's business office and early out self-pay provider. HRG has improved efficiency, maximized collections and implemented a variety of improvement processes. The Authority has also hired additional business office personal and identified internal personnel to transition into the business office manager role by the end of 2020.

Management Personnel

Effective September 1, 2018, the Authority and ERHospital, LLC (ERH) agreed to end the management agreement. As a result, the Authority hired a full-time CEO to manage the day-to-day operations of the hospital, and in June 2019, the Authority hired a full-time CFO to assist in managing the day-to-day operations. This has provided management stability and consistency in the operations of the Authority.

**CANDLER COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 15 – JOINT VENTURE**

Under Georgia law, the County, in conjunction with other cities and counties in the seventeen county East Middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2020, the County paid \$6,868 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Commission  
5405 Oak Street  
Eastman, Georgia 31023

**NOTE 16 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through January 22, 2021, which is the date the financial statements were available to be issued.

**CANDLER COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2020**

	Drug Abuse Treatment and Education Fund	E-911 Fund	Jail Store Fund	Law Library	Local Maintenance and Improvement Grant Fund	Shared Service District Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>							
Cash	\$ 44,677	\$ 125,781	\$ 69,776	\$ 26,715	\$ 615,537	\$ 496,026	\$1,378,512
Certificate of deposit	-	155,289	-	-	-	-	155,289
Receivables:							
Accounts	-	-	4,877	-	-	-	4,877
Intergovernmental	-	15,164	-	-	-	-	15,164
Taxes	-	-	-	-	-	81,281	81,281
Interest	-	1,313	-	-	-	-	1,313
Prepaid items	-	-	277	-	-	-	277
<b>TOTAL ASSETS</b>	<u>\$ 44,677</u>	<u>\$ 297,547</u>	<u>\$ 74,930</u>	<u>\$ 26,715</u>	<u>\$ 615,537</u>	<u>\$ 577,307</u>	<u>\$1,636,713</u>
<b>LIABILITIES</b>							
Accounts Payable	-	\$ 4,171	-	\$ 674	\$ 27,341	-	\$ 32,186
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	-	-	-	-	-	\$ 47,926	47,926
<b>FUND BALANCE</b>							
Nonspendable	-	-	\$ 277	-	-	-	277
Restricted	\$ 44,677	293,376	74,653	26,041	588,196	529,381	1,556,324
<b>TOTAL FUND BALANCES</b>	<u>44,677</u>	<u>293,376</u>	<u>74,930</u>	<u>26,041</u>	<u>588,196</u>	<u>529,381</u>	<u>1,556,601</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 44,677</u>	<u>\$ 297,547</u>	<u>\$ 74,930</u>	<u>\$ 26,715</u>	<u>\$ 615,537</u>	<u>\$ 577,307</u>	<u>\$1,636,713</u>

**CANDLER COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Drug Abuse Treatment and Education Fund	E-911 Fund	Jail Store Fund	Law Library	Local Maintenance and Improvement Grant Fund	Shared Service District Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>							
Taxes	-	-	-	-	-	\$ 618,242	\$ 618,242
Licenses and permits	-	-	-	-	-	25,160	25,160
Charges for services	-	\$ 185,920	\$ 30,641	-	-	379,828	596,389
Fees, fines and forfeitures	\$ 1,624	-	-	\$ 6,705	-	-	8,329
Intergovernmental	-	-	-	-	\$ 476,789	-	476,789
Interest	566	3,689	40	-	7,004	5,547	16,846
Total revenues	<u>2,190</u>	<u>189,609</u>	<u>30,681</u>	<u>6,705</u>	<u>483,793</u>	<u>1,028,777</u>	<u>1,741,755</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	70	70
Judicial	-	-	-	2,920	-	-	2,920
Public safety	145	166,140	3,160	-	-	292,602	462,047
Public works	-	-	-	-	-	326,955	326,955
Culture and recreation	-	-	-	-	-	51,072	51,072
Housing and development	-	-	-	-	-	129,594	129,594
Capital outlay	-	-	49,956	-	462,061	-	512,017
Total expenditures	<u>145</u>	<u>166,140</u>	<u>53,116</u>	<u>2,920</u>	<u>462,061</u>	<u>800,293</u>	<u>1,484,675</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,045	23,469	(22,435)	3,785	21,732	228,484	257,080
<b>OTHER FINANCING SOURCES</b>							
Transfers out	-	-	-	-	-	(11,020)	(11,020)
<b>NET CHANGE IN FUND BALANCE</b>	2,045	23,469	(22,435)	3,785	21,732	217,464	246,060
<b>FUND BALANCE, JULY 1, 2019</b>	<u>42,632</u>	<u>269,907</u>	<u>97,365</u>	<u>22,256</u>	<u>566,464</u>	<u>311,917</u>	<u>1,310,541</u>
<b>FUND BALANCE, JUNE 30, 2020</b>	<u>\$ 44,677</u>	<u>\$ 293,376</u>	<u>\$ 74,930</u>	<u>\$ 26,041</u>	<u>\$ 588,196</u>	<u>\$ 529,381</u>	<u>\$ 1,556,601</u>

**CANDLER COUNTY, GEORGIA**  
**DRUG ABUSE TREATMENT AND EDUCATION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	\$ 1,500	\$ 1,624	\$ 124
Interest	300	566	266
Total revenues	<u>1,800</u>	<u>2,190</u>	<u>390</u>
EXPENDITURES			
Current:			
Public safety	<u>1,800</u>	<u>145</u>	<u>1,655</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>2,045</u>	<u>\$ 2,045</u>
FUND BALANCE, BEGINNING OF YEAR		<u>42,632</u>	
FUND BALANCE, END OF YEAR		<u>\$ 44,677</u>	

**CANDLER COUNTY, GEORGIA**  
**E-911 SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 170,000	\$ 185,920	\$ 15,920
Interest	500	3,689	3,189
Total revenues	<u>170,500</u>	<u>189,609</u>	<u>19,109</u>
EXPENDITURES			
Current:			
Public safety	<u>175,000</u>	<u>166,140</u>	<u>8,860</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (4,500)</u>	23,469	<u>\$ 27,969</u>
FUND BALANCE, BEGINNING OF YEAR		<u>269,907</u>	
FUND BALANCE, END OF YEAR		<u>\$ 293,376</u>	

CANDLER COUNTY, GEORGIA  
JAIL STORE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ -	\$ 30,641	\$ 30,641
Interest	-	40	40
Total revenues	-	30,681	30,681
EXPENDITURES			
Current:			
Public safety	-	3,160	(3,160)
Capital Outlay	-	49,956	(49,956)
	-	53,116	(53,116)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	(22,435)	\$ (22,435)
FUND BALANCE, BEGINNING OF YEAR		97,365	
FUND BALANCE, END OF YEAR		\$ 74,930	

**CANDLER COUNTY, GEORGIA**  
**LAW LIBRARY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Fees, fines and forfeitures	\$ -	\$ 6,705	\$ 6,705
EXPENDITURES			
Current:			
Judicial	-	2,920	(2,920)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>3,785</u>	<u>\$ 3,785</u>
FUND BALANCE, BEGINNING OF YEAR		<u>22,256</u>	
FUND BALANCE, END OF YEAR		<u>\$ 26,041</u>	



**CANDLER COUNTY, GEORGIA**  
**LOCAL MAINTENANCE AND IMPROVEMENT GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 430,000	\$ 476,789	\$ 46,789
Interest	1,500	7,004	5,504
Total revenues	431,500	483,793	52,293
EXPENDITURES			
Capital Outlay	1,029,767	462,061	567,706
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (598,267)</u>	21,732	<u>\$ 619,999</u>
FUND BALANCE, BEGINNING OF YEAR		<u>566,464</u>	
FUND BALANCE, END OF YEAR		<u>\$ 588,196</u>	

**CANDLER COUNTY, GEORGIA**  
**SHARED SERVICE DISTRICT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 567,000	\$ 567,000	\$ 618,242	\$ 51,242
Licenses and permits	17,200	17,200	25,160	7,960
Charges for services	275,000	275,000	379,828	104,828
Interest	3,500	3,500	5,547	2,047
Total revenues	862,700	862,700	1,028,777	166,077
<b>EXPENDITURES</b>				
Current:				
General government	-	-	70	(70)
Public safety	303,866	292,589	292,602	(13)
Public works	350,000	350,000	326,955	23,045
Culture and recreation	51,072	51,072	51,072	-
Housing and development	128,100	128,100	129,594	(1,494)
	833,037	821,761	800,293	21,468
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	29,663	40,939	228,484	187,545
<b>OTHER FINANCING SOURCES</b>				
Transfers out	(11,058)	(11,058)	(11,020)	38
NET CHANGE IN FUND BALANCE	\$ 18,605	\$ 29,881	217,464	\$ 187,583
FUND BALANCE, BEGINNING OF YEAR			311,917	
FUND BALANCE, END OF YEAR			\$ 529,381	

**CANDLER COUNTY, GEORGIA**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2020**

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	<u>Tax Commissioner</u>	<u>Probate Court</u>	<u>Clerk of Courts</u>	<u>Magistrate Court</u>	<u>Sheriff</u>	<u>Totals</u>
<b>ASSETS</b>						
Cash	<u>\$ 331,371</u>	<u>\$ 3,848</u>	<u>\$ 165,651</u>	<u>\$ 10,242</u>	<u>\$ 36,669</u>	<u>\$ 547,781</u>
<b>LIABILITIES</b>						
Due to other entities and individuals	<u>\$ 331,371</u>	<u>\$ 3,848</u>	<u>\$ 165,651</u>	<u>\$ 10,242</u>	<u>\$ 36,669</u>	<u>\$ 547,781</u>

**CANDLER COUNTY, GEORGIA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>Tax Commissioner</b>				
Assets				
Cash	\$ 317,273	\$ 12,384,130	\$ 12,370,032	\$ 331,371
Liabilities				
Due to other entities and individuals	\$ 317,273	\$ 12,384,130	\$ 12,370,032	\$ 331,371
<b>Probate Court</b>				
Assets				
Cash	\$ 2,281	\$ 61,204	\$ 59,637	\$ 3,848
Liabilities				
Due to other entities and individuals	\$ 2,281	\$ 61,204	\$ 59,637	\$ 3,848
<b>Clerk of Courts</b>				
Assets				
Cash	\$ 31,811	\$ 619,624	\$ 485,784	\$ 165,651
Liabilities				
Due to other entities and individuals	\$ 31,811	\$ 619,624	\$ 485,784	\$ 165,651
<b>Magistrate Court</b>				
Assets				
Cash	\$ 12,670	\$ 140,947	\$ 143,375	\$ 10,242
Liabilities				
Due to other entities and individuals	\$ 12,670	\$ 140,947	\$ 143,375	\$ 10,242
<b>Sheriff</b>				
Assets				
Cash	\$ 31,669	\$ 20,872	\$ 15,872	\$ 36,669
Liabilities				
Due to other entities and individuals	\$ 31,669	\$ 20,872	\$ 15,872	\$ 36,669
<b>Total Agency Funds</b>				
Assets				
Cash	\$ 395,704	\$ 13,226,777	\$ 13,074,700	\$ 547,781
Liabilities				
Due to other entities and individuals	\$ 395,704	\$ 13,226,777	\$ 13,074,700	\$ 547,781

**CANDLER COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS PAID**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**2011 Special Sales Tax**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Public buildings projects	\$ 575,000	\$ 345,893	\$ 316,535	\$ 26,431	\$ 342,966	99%
Recreation department projects	260,000	278,008	259,563	18,445	278,008	100%
Retirement of prior year debt	303,320	306,502	306,502	-	306,502	100%
Public works projects	15,000	559	559	-	559	100%
Road maintenance/improvements	469,930	22,000	22,000	-	22,000	100%
New equipment	2,408,750	3,115,356	2,796,081	147,310	2,943,391	94%
Candler County Industrial Authority	500,000	500,000	500,000	-	500,000	100%
City of Metter	2,880,000	2,883,410	2,883,410	-	2,883,410	100%
Town of Pulaski	288,000	288,331	288,331	-	288,331	100%
	<u>\$ 7,700,000</u>	<u>\$ 7,740,059</u>	<u>\$ 7,372,981</u>	<u>\$ 192,186</u>	<u>\$ 7,565,167</u>	<u>98%</u>

**2018 Special Sales Tax**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Retirement of general obligation debt	\$ 1,600,000	\$ 1,600,000	\$ 328,717	\$ 274,088	\$ 602,805	38%
Capital improvements and equipment for County buildings	200,000	200,000	-	97,152	97,152	49%
Roads and bridges	1,424,000	1,424,000	-	64,614	64,614	5%
Recreation department projects	250,000	250,000	-	-	-	0%
Public works projects including solid waste collection/disposal	50,000	50,000	-	-	-	0%
Sheriff's department projects	250,000	250,000	33,665	128,256	161,921	65%
Radio communication equipment	720,000	720,000	244,050	167,098	411,148	57%
County general vehicles	150,000	150,000	-	-	-	0%
Computer equipment	20,000	20,000	5,588	6,456	12,044	60%
Public safety projects	240,000	240,000	3,312	5,400	8,712	4%
Candler County Industrial Authority	500,000	500,000	-	-	-	0%
City of Metter	2,360,000	2,360,000	525,947	438,541	964,488	41%
Town of Pulaski	236,000	236,000	52,594	43,854	96,448	41%
	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 1,193,873</u>	<u>\$ 1,225,459</u>	<u>\$ 2,419,332</u>	<u>30%</u>

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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***

To the Board of Commissioners  
Candler County, 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 Candler County, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Candler County's basic financial statements and have issued our report thereon dated January 22, 2021. Our report includes a reference to other auditors who audited the financial statements of the Candler County Board of Health and the Candler County Hospital Authority, as described in our report on Candler 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 Candler 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 Candler County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Candler County, Georgia's internal control.

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

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

#### **2019-1 Tax Commissioner's Office – Unidentified funds**

The Tax Commissioner's Office has accumulated approximately \$95,000 of unidentified funds from prior years. Staff members should try to identify the sources of these accumulated funds and determine how the funds should be distributed or seek direction from the County attorney on how to disburse the unidentified funds.

County Response: We concur with this finding and the Tax Commissioner's Office personnel will try to determine the source of these funds and how they should be disbursed.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Candler 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

#### **Purpose of this Report**

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



Statesboro, Georgia  
January 22, 2021