

EARLY COUNTY, GEORGIA

**Financial Statements and Supplemental Information
For the Fiscal Year Ended June 30, 2019**

and

Auditor's Report

EARLY COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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EARLY COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Early County, Georgia
Blakely, 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 Early County, Georgia as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hospital Authority of Early County, or the Early County Health Department, which statements reflect total assets of \$493,836 and \$779,214 as of June 30, 2019 and total revenues of \$3,516,735 and \$677,042 as of June 30, 2019, respectfully. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for discrete component units of the County, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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 Early County, Georgia as of June 30, 2019, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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MEMBERS:

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS / GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Other Matters

Required Supplementary Information

Management has omitted *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 this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (pages 49-56) and the required supplementary information about retirement plans (pages 43-46) be presented to supplement the basic financial statements. This information, although not a part of the basic financial statements, is required by accounting principles generally accepted in the United States of America, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to the auditor's inquiries, the basic financial statements, and other knowledge the auditor obtained during the audit of the basic financial statements. However, we do not express an opinion or provide any assurance on the information because the limited procedures do not provide the auditor with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Early County, Georgia's basic financial statements. The combining and individual non-major fund financial statements found on pages 57-63, the State Reporting Requirements found on pages 64-66, and the other information found on pages 67-69 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements found on pages 57-63, the State Reporting Requirements found on pages 64-66, and the other information found on pages 67-69 are the responsibility of management and was derived from and relates 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 procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019, on our consideration of Early 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Early County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Early County, Georgia's internal control over financial reporting and compliance.

Burke, Worsham & Harrell, LLC

Burke, Worsham & Harrell, LLC

Donalsonville, Georgia

December 27, 2019



EARLY COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government	Component Units			
	Governmental Activities	Development Authority	Hospital Authority	Health Department	Dept of Public Safety
ASSETS					
Cash	\$ 7,067,445	\$ 269,635	\$ 6,984	\$ 705,850	\$ 369,920
Taxes Receivable	739,510	-	-	-	-
Accounts Receivable	113,471	-	-	22,243	8,027
City of Blakely Receivable	-	-	-	-	294,661
Other Assets	1,007	-	-	-	-
Notes Receivable (RLF)	-	780,054	-	-	-
Capital Assets:					
Capital Assets Not Being Depreciated	890,856	680,784	-	-	-
Capital Assets Being Depreciated, net of Depreciation	11,520,149	-	486,852	51,121	247,889
Total Assets	20,332,438	1,730,473	493,836	779,214	920,497
DEFERRED OUTFLOWS					
Deferred Outflows Related to:					
OPEB Related Items	-	-	-	113,090	-
Pension Related Items	345,602	-	-	90,688	1,652,180
Total Deferred Outflows	345,602	-	-	203,778	1,652,180
LIABILITIES					
Accounts Payable	509,308	-	3,000	13,123	12,010
Employee Withholdings Payable	24,988	-	-	-	-
Due to Others	-	-	-	24,211	-
Compensated Absences Payable	234,686	-	-	20,586	-
Notes Payable - Due in One Year	93,745	-	-	-	-
Notes Payable - Due After One Year	357,354	-	-	-	-
Net OPEB Liability	-	-	-	163,251	-
Net Pension Liability	408,587	-	-	314,535	1,806,171
Total Liabilities	1,628,668	-	3,000	535,706	1,818,181
DEFERRED INFLOWS					
Deferred Inflows Related to:					
OPEB Related Items	-	-	-	190,192	-
Pension Related Items	327,449	-	-	89,234	121,141
Total Deferred Inflows	327,449	-	-	279,426	121,141
NET POSITION					
Net Investment in Capital Assets	11,959,906	680,784	486,852	51,121	247,889
Restricted:					
Restricted for E-911 Purposes	253,977	-	-	-	-
Restricted for Law Library Purposes	67,214	-	-	-	-
Restricted for Special Purpose Sales Tax Projects	1,419,265	-	-	-	-
Restricted for Development Authority Purposes	-	1,049,689	-	-	-
Restricted for Health and Welfare Purposes	-	-	3,984	295,009	-
Restricted for Public Safety Purposes	-	-	-	-	385,466
Unrestricted	5,021,561	-	-	(178,270)	-
Total Net Position	\$ 18,721,923	\$ 1,730,473	\$ 490,836	\$ 167,860	\$ 633,355

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

EARLY COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Position		Component Units			
	Expenses	Fees, Fines Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Development Authority	Hospital Authority	Health Department	Dept of Public Safety
					Governmental Activities	Total				
Primary Government:										
Governmental Activities:										
General Government	\$ 2,785,672	\$ 222,939	\$ 459,047	\$ -	\$ (2,103,686)	\$ (2,103,686)				
Court System	551,873	225,174	-	-	(326,699)	(326,699)				
Public Safety	3,665,912	506,892	-	-	(3,159,020)	(3,159,020)				
Roads and Bridges	1,845,607	105,319	-	806,001	(934,287)	(934,287)				
Health and Welfare	948,444	-	-	-	(948,444)	(948,444)				
Culture and Recreation	301,269	-	-	-	(301,269)	(301,269)				
Housing and Development	215,382	12,940	-	-	(202,442)	(202,442)				
Interest on Long-Term Debt	24,183	-	-	-	(24,183)	(24,183)				
Total Governmental Activities	10,338,342	1,073,264	459,047	806,001	(8,000,030)	(8,000,030)				
Total Primary Government	10,338,342	1,073,264	459,047	806,001	(8,000,030)	(8,000,030)				
Component Units:										
Early County Development Authority	-	-	-	-	-	-	-	-	-	-
Early County Hospital Authority	3,565,885	3,516,735	-	-	-	-	(49,150)	-	-	-
Early County Health Department	500,973	264,581	412,461	-	-	-	-	176,069	-	(341,667)
Early County Board of Public Safety	3,008,821	192,946	2,474,208	-	-	-	-	-	-	-
Total Component Units	7,075,679	3,974,262	2,886,669	-	-	-	(49,150)	176,069	(341,667)	-
General Revenues										
Property Tax					4,488,574	4,488,574	-	-	-	-
TAVT Tax					396,381	396,381	-	-	-	-
Insurance Premium Tax					330,413	330,413	-	-	-	-
Beer, Wine & Liquor Tax					40,879	40,879	-	-	-	-
Intangible Recording Tax					17,918	17,918	-	-	-	-
Real Estate Transfer Tax					16,773	16,773	-	-	-	-
Railroad Equipment Tax					38,120	38,120	-	-	-	-
Local Option Sales Tax					731,666	731,666	-	-	-	-
Special Purpose Sales Tax					2,329,514	2,329,514	-	-	-	-
Excise Tax					277,907	277,907	-	-	-	-
Interest Income					63,652	63,652	27,163	-	-	-
Gain on Disposition pf Capital Assets					615	615	-	-	-	-
Miscellaneous					43,084	43,084	-	-	-	-
Total General Revenues and Transfers					8,775,496	8,775,496	27,163	-	-	-
Change in Net Position					775,466	775,466	27,163	(49,150)	176,069	(341,667)
Net Position - Beginning					17,946,457	17,946,457	1,777,362	539,986	(8,209)	975,022
Prior Period Adjustment					-	-	(74,052)	-	-	-
Net Position - Ending					\$ 18,721,923	\$ 18,721,923	\$ 1,730,473	\$ 490,836	\$ 167,860	\$ 633,355

**EARLY COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General Fund	Transportation Special Purpose Sales Tax Fund	2018 Special Purpose Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 5,585,269	\$ 522,746	\$ 586,034	\$ 373,396	\$ 7,067,445
Taxes Receivable	296,801	211,084	231,625	-	739,510
Accounts Receivable	-	-	-	17,229	17,229
Due from Other Agencies and Individuals	96,244	-	-	-	96,244
Other Assets	1,007	-	-	-	1,007
Total Assets	5,979,321	733,830	817,659	390,625	7,921,435
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	306,690	70,717	78,447	52,494	508,348
Payroll Withholdings	24,988	-	-	-	24,988
Total Liabilities	331,678	70,717	78,447	52,494	533,336
Deferred Inflows of Resources:					
Property Taxes Uncollected	105,208	-	-	-	105,208
Total Deferred Inflows of Resources	105,208	-	-	-	105,208
Fund Balances:					
Restricted:					
E-911 Purposes	-	-	-	253,977	253,977
Law Library Purposes	-	-	-	67,214	67,214
Special Purpose Sales Tax Projects	-	663,113	739,212	16,940	1,419,265
Unassigned	5,542,435	-	-	-	5,542,435
Total Fund Balances	5,542,435	663,113	739,212	338,131	7,282,891
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,979,321	\$ 733,830	\$ 817,659	\$ 390,625	\$ 7,921,435

**EARLY COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2019**

Total Fund Equity per Balance Sheet of Governmental Funds	\$ 7,282,891
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Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:

Capital Assets:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of the assets	18,312,820
Accumulated depreciation	(5,901,815)

Deferred Outflows:

Deferred outflows related to employer pension contributions are not reported as fund assets, but are reported in the Statement of Net Position

345,602

Revenues:

Some of the government's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

105,208

Long-term Liabilities:

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:

Notes Payable	(451,099)
Accrued Interest Payable	(962)
Net Pension Liability	(408,587)
Compensated Absences	(234,686)

Deferred Inflows Related to Pensions:

(327,449)

Total Adjustments

11,439,032

Net Position of Governmental Activities

\$ 18,721,923

EARLY COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Transportation Special Purpose Sales Tax Fund	2018 Special Purpose Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,755,343	\$ 965,737	\$ -	\$ -	\$ 7,721,080
Licenses and Permits	12,250	-	-	-	12,250
Fines and Forfeitures	32,868	-	-	8,127	40,995
Charges for Services	513,127	-	-	198,492	711,619
Intergovernmental revenue	834,199	-	1,363,777	-	2,197,976
Miscellaneous	98,111	1,349	2,377	4,212	106,049
Total Revenues	8,245,898	967,086	1,366,154	210,831	10,789,969
EXPENDITURES					
Current:					
General Government	1,656,477	-	-	-	1,656,477
Court System	538,200	-	-	1,140	539,340
Public Safety	2,861,692	-	-	252,598	3,114,290
Roads and Bridges	2,443,793	-	-	-	2,443,793
Health and Welfare	881,974	-	-	-	881,974
Culture and Recreation	273,599	-	-	-	273,599
Housing and Development	203,748	-	-	-	203,748
Capital Outlay:					
General Government	-	-	19,908	692,914	712,822
Public Safety	-	-	25,000	1,263	26,263
Roads and Bridges	-	5,346	191,378	7,836	204,560
Debt Service:	-	-	-	-	-
Principal	-	-	309,453	70,859.95	380,313
Interest	-	-	17,367	5,855.22	23,222
Intergovernmental	-	298,627	467,727	-	766,354
Total Expenditures	8,859,483	303,973	1,030,833	1,032,466	11,226,755
Excess (Deficiency) of Revenues Over Expenditures	(613,585)	663,113	335,321	(821,635)	(436,786)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	615	-	-	-	615
Proceeds from Long Term Financing	494,345	-	-	-	494,345
Transfers In	-	-	-	50,794	50,794
Transfers Out	(50,794)	-	-	-	(50,794)
Net Other Financing Sources (Uses)	444,166	-	-	50,794	494,960
Net Changes in Fund Balance	(169,419)	663,113	335,321	(770,841)	58,174
FUND BALANCE - BEGINNING	5,711,854	-	403,891	1,108,972	7,224,717
FUND BALANCE - ENDING	\$ 5,542,435	\$ 663,113	\$ 739,212	\$ 338,131	\$ 7,282,891

EARLY COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 58,174
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Amounts reported for governmental activities in the
Statement of Activities differ from amounts reported
in the Governmental Fund Statement of Revenues, Expenditures
and Changes in Fund Balances due to the following:

Capital assets:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of
those assets is depreciated over their estimated useful
lives and reported as depreciation expense. In addition,
in the Statement of Activities, only the gain or loss on the
sale of capital assets is reported. However, in governmental
funds, the proceeds from the sale increase financial
resources. Thus, the change in net position differs from the
change in fund balance by the net book value of the capital
assets sold.

Total capital outlays	\$	2,174,566	
Total depreciation		(745,002)	1,429,564

Long-term debt:

The issuance of bonds and similar long-term debt provides
current financial resources to governmental funds and
thus contributes to the change in fund balance. In the
Statement of Net Position, however, issuing debt increases
long-term liabilities and does not affect the Statement
Of Activities. Similarly, repayment of principal is an
expenditure in the governmental funds, but reduces the
liability in the Statement of Net Position. The amounts
of the items that make up these differences in the
treatment of long-term debt and related items are as
follows:

Debt issued or incurred	\$	(494,345)	
Principal paid by governmental funds		367,824	(126,521)

Under the modified accrual basis of accounting used in
governmental funds, expenditures are not recognized
for transactions that are not normally paid with expendable
available resources. In the Statement of Activities,
however, which is presented on the accrual basis, expenses
and liabilities are reported regardless of when financial
resources are available. The adjustment for these items are
as follows:

Compensated Absences	(234,686)
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Revenues:

Because some revenues will not be collected for several months
after the government's fiscal year end, they are not considered
available revenues and are deferred in the governmental funds.
Deferred revenues increased (decreased) by this amount during
the fiscal year.

14,826

Expenditures:

Some expenses reported in the Statement of Activities do not
require the use of current financial resources and, therefore,
are not reported as expenditures in governmental funds.

Pension Expenditure Changes	(364,929)
Accrued interest	(962)

Change in Net Position of Governmental Activities

\$ 775,466

EARLY COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

ASSETS	Agency Funds
Cash on Hand and in Banks	<u>\$ 374,599</u>
Total Assets	<u>374,599</u>
LIABILITIES	
Funds Held for Others	<u>374,599</u>
Total Liabilities	<u>\$ 374,599</u>

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting Entity

Early County operates under a County Commissioner form of government and provides the following services as authorized by state law; public safety (emergency management and fire), highway and streets, health and social services, recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the reporting entity include those of Early County, Georgia (the primary government) and its component unit. A component unit is a legally separate organization for which elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the County's reporting entity because of the significance of the operational and financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14, The Financial Reporting Entity, the financial statements of the component units have been included as a discretely presented component unit. The component unit column in the basic financial statements includes the financial data for the County's component units, as reflected in their most recent audited financial statements. This is reported in columns separate from the County's financial information to emphasize that they are legally separate from the County.

Development Authority of Early County - The members of the governing board of the Development Authority are appointed by the Early County Board of Commissioners. Although the County does not have the authority to approve or modify the budget of the Authority, the County periodically provides financial support to the Authority. Complete financial information for the Development Authority may be obtained at the administrative office in Early County, Georgia.

Hospital Authority of Early County, Georgia - The members of the governing board of the Hospital Authority are nominated by the Early County Board of Commissioners and appointed by the Hospital Authority. The County pays certain sums to the authority for the care of its indigent citizens. Complete financial information of the Hospital Authority may be obtained at the administrative office of the Hospital Authority.

Early County Health Department - The County Health Department provides health services to the citizenry of Early County, Georgia. The County Health Department is a legally separate entity. The Board of Commissioners of Early County appoints a voting majority of the Health Department. The County has the ability to impose its will on the Health Department in accordance with Georgia Laws O.C.G.A. 31-3-14. Complete financial statements of the Early County Health Department may be obtained at the offices in Early County, Georgia.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Early County Department of Public Safety - On November 13, 2000, the County executed, together with the City of Blakely, Georgia and the sheriff of Early County, Georgia, the "Intergovernmental Contract for Law Enforcement Cooperation." The purpose of this agreement is to consolidate each party's respective law enforcement services for economy, efficiency and other benefits. The agreement establishes the "Early County Department of Public Safety" (Department), which is now the common administrative unit of the parties for providing local law enforcement services in their respective jurisdictions. The law enforcement personnel, vehicles, equipment and facilities of the parties were brought together for consolidated ownership, supervision, activities and use through the department.

The Early County Board of Commissioners appoints two members of the seven member public safety board. Also, the chairman of the Early County Board of Commissioners is a member of the Board. The County has agreed to contribute sixty percent of the approved operating budget of the department. Complete financial information for the department may be obtained at the administrative office in Blakely, Georgia. The intergovernmental agreement between Early County, Georgia and the City of Blakely, Georgia creating the Early County Department of Public Safety was terminated effective November 30, 2018. The County and City are working on distributing the assets at this time.

Joint Ventures

In addition, Early County, Georgia, in conjunction with other cities and counties are members of the Southwest Georgia Regional Commission. Membership in a regional commission is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the regional commissions. Each county and municipality in the state is required by law to pay minimum annual dues to the regional commission. Early County, Georgia paid annual dues in the amount of \$ 5,779 to the regional commission for the fiscal year ended June 30, 2019. The regional commission board membership includes the chairman of each county (or his/her designee), a municipal representative from each county, three appointees named by the governor, and one each by the lieutenant governor and speaker of the House of Representatives. Complete financial statements of the Southwest Georgia Regional Commission may be obtained at the offices in Camilla, Georgia.

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

1-B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the County) and its component units. These statements include financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Operating income reported in proprietary fund financial statements include revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

The County reports the following major governmental funds:

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

Transportation Special Purpose Sales Tax Fund - This fund accounts for the county's proceeds for the Transportation Special Purpose Sales Tax.

2018 Special Purpose Sales Tax Fund - This fund accounts for the county's proceeds for the 2018 Special Purpose Sales Tax.

Additionally, the government reports the following fund types:

Non-Major Special Revenue Funds. These include the E-911 Fund and the Law Library Fund. These funds are used to account for proceeds to be used for a specific purpose.

Non-Major Capital Project Fund. This includes the 2012 Special Purpose Sales Tax Fund.

The County reports the following fund types:

Agency Funds - These funds account for monies received and disbursed by various elected and appointed officials.

Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs followed by categorical block grants, and then by general revenues.

Early County, Georgia has adopted GASB Statement No. 54 beginning with the fiscal year ended June 30, 2012. GASB Statement No. 54 redefined how net positions and fund balances of governmental funds are presented in financial statements. Net positions and fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors.

Committed - Amounts that can be used only for specific purposes determined by majority by vote of the county commission.

Assigned - Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes designated by majority vote of the county commission.

Unassigned - All amounts not included in other spendable classifications.

Early County, Georgia will typically use restricted net positions and fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

1-C. Assets, Liabilities, and Equity

Deposits and Investments

The cash and investment balances consist entirely of cash on hand, demand deposits, and money market accounts.

Cash and Cash Equivalents

The County considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, money market accounts, and certificates of deposit with maturities of less than three months.

Receivable and Payables

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

Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. Property taxes are levied on the date the millage rate is set (October 25, 2017) and are due and payable between October 20th and June 20th (typically). The lien date for property is January 1st (typically).

Inventories and Prepaid Items

The county maintains no significant inventories or prepaid items.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

As a Phase 3 government the County can elect to capitalize infrastructure from the date of inception forward. The County has elected to do so.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	40
Buildings and Improvements	25-50
Vehicles and Equipment	3-20

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Compensated Absences

Costs of vacation pay is not recorded until such benefits are paid. GASB Standards require that vacation pay be accrued when:

- (1) The employer's obligation to employees' right to receive compensation for future benefits is attributable to employees' service already rendered.
- (2) The obligation related to rights that vest or accumulate.
- (3) Payment of compensation is probable, and
- (4) the amount can be reasonably estimated.

Accumulated sick pay benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee and the amount of such payments cannot be reasonably estimated.

NOTE 2 - DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT

The following is a summary of the County's deposit and investment balances at June 30, 2019:

	Government-wide Statement Of Net Position	Fiduciary Funds Statement of Assets and Liabilities	Total
Cash	\$ 7,067,445	\$ 374,599	\$ 7,442,044
Total	\$ 7,067,445	\$ 374,599	\$ 7,442,044

The cash and investment balances consist entirely of cash on hand, demand deposits, and money market accounts. At June 30, 2019, the carrying amount of the County's cash balances was \$7,442,044 and the bank balance was \$7,446,714. Of the bank balance, \$750,000 was covered by federal depository insurance and \$6,696,714 was covered by collateral held by the pledging bank's agent in the County's name.

Early County did not maintain any investments during the year ended June 30, 2019. When applicable, investing is performed in accordance with investment policies complying with State Statutes. According to State Statutes, funds may be invested in (1) obligations of this state or of other states, (2) obligations issued by the United States Government, (3) obligations fully insured or guaranteed by the United States Government or by a government agency of the United States, (4) obligations of any corporation of the United States government, (5) prime bankers acceptances, (6) the Local Government Investment Pool established by the Georgia Code, (7) repurchase agreements, and (8) obligations of other political subdivisions of this State.

It is the policy of Early County to deposit any available excess funds into interest-bearing money market accounts or certificates of deposit.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

COMPONENT UNITS

Development Authority of Early County - At June 30, 2019, the carrying amount of the Authority's deposits was \$269,635 and the bank balances were \$269,635. Of the bank balances, \$250,000 was covered by Federal Depository Insurance and \$19,635 was covered by collateral held by the pledging bank in the Authority's name.

Hospital Authority of Early County - At June 30, 2019, the carrying amount of the Authority's deposits was \$6,984 and the bank balances were \$6,984. Of the bank balances, \$ 6,984 was covered by Federal Depository Insurance and \$ 0 was covered by collateral held by the pledging bank in the authority's name.

Early County Health Department - At June 30, 2019, the carrying amount of the Board's deposits was \$705,850 and the bank balances were \$709,252. Of the bank balances, \$ 709,252 was covered by Federal Depository Insurance and covered by collateral held by the pledging bank in the Health Department's name.

Early County Department of Public Safety - At June 30, 2019, the carrying amount of the Department's deposits was \$369,920 and the bank balances were \$370,752. Of the bank balances, \$272,731 was covered by Federal Depository Insurance and \$98,021 was covered by collateral held by the pledging bank in the Department's name.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 07/01/2018	Additions	Deletions	Balance 06/30/2019
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ -	\$ 152,695	\$ -	\$ 152,695
Construction in Progress	738,161	-	-	738,161
 Total Capital Assets Not Being Depreciated	 738,161	 152,695	 -	 890,856
Capital Assets Being Depreciated:				
Infrastructure	4,992,490	825,764	-	5,818,254
Building and Improvements	5,652,599	557,572	-	6,210,171
Equipment, Furniture and Vehicles	4,755,004	638,535	-	5,393,539
 Total Capital Assets Being Depreciated	 15,400,093	 2,021,871	 -	 17,421,964
Less Accumulated Depreciation For:				
Infrastructure	1,354,842	156,823	-	1,511,665
Building and Improvements	1,396,087	177,515	-	1,573,602
Equipment, Furniture and Vehicles	2,405,884	410,664	-	2,816,548
 Total Accumulated Depreciation	 5,156,813	 745,002	 -	 5,901,815
 Governmental Activity Assets, Net	 \$ 10,981,441	 \$ 1,429,564	 \$ -	 \$ 12,411,005

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 92,840
Public Safety	165,581
Roads and Bridges	345,669
Health and Welfare	66,471
Culture and Recreation	68,871
Housing and Development	5,570
	<hr/>
Total Governmental Activities Depreciation	<u>\$ 745,002</u>

COMPONENT UNITS

Development Authority of Early County - Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 07/01/2018	Additions	Deletions	Balance 06/30/2019
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 680,784	\$ -	\$ -	\$ 680,784
	<hr/>	<hr/>	<hr/>	<hr/>
Total Capital Assets Not Being Depreciated	680,784	-	-	680,784
	<hr/>	<hr/>	<hr/>	<hr/>
Capital Assets Being Depreciated:				
Building and Improvements	-	-	-	-
Equipment, Furniture and Vehicles	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Capital Assets Being Depreciated	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Less Accumulated Depreciation For:				
Building and Improvements	-	-	-	-
Equipment, Furniture and Vehicles	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Accumulated Depreciation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Type, Net	<u>\$ 680,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 680,784</u>

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Hospital Authority of Early County - Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 07/01/2018	Additions	Deletions	Balance 06/30/2019
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 42,534	\$ -	\$ -	\$ 42,534
Total Capital Assets Not Being Depreciated	42,534	-	-	42,534
Capital Assets Being Depreciated:				
Building and Improvements	5,025,957	-	-	5,025,957
Equipment, Furniture and Vehicles	6,398,372	-	-	6,398,372
Total Capital Assets Being Depreciated	11,424,329	-	-	11,424,329
Less Accumulated Depreciation For:				
Building and Improvements	4,576,981	37,744	-	4,614,725
Equipment, Furniture and Vehicles	6,356,645	8,642	-	6,365,287
Total Accumulated Depreciation	10,933,626	46,386	-	10,980,012
Total Governmental Type, Net	\$ 533,237	\$ (46,386)	\$ -	\$ 486,851

Early County Health Department - Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 07/01/2018	Additions	Deletions	Balance 06/30/2019
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total Capital Assets Not Being Depreciated	-	-	-	-
Capital Assets Being Depreciated:				
Building and Improvements	-	-	-	-
Equipment, Furniture and Vehicles	98,101	-	-	98,101
Total Capital Assets Being Depreciated	98,101	-	-	98,101
Less Accumulated Depreciation For:				
Building and Improvements	-	-	-	-
Equipment, Furniture and Vehicles	37,395	9,585	-	46,980
Total Accumulated Depreciation	37,395	9,585	-	46,980
Total Governmental Type, Net	\$ 60,706	\$ (9,585)	\$ -	\$ 51,121

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Early County Department of Public Safety - Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 07/01/2018	Additions	Deletions	Balance 06/30/2019
Governmental Activities:				
Capital Assets Being Depreciated:				
Building and Improvements	\$ 5,976	\$ -	\$ -	\$ 5,976
Equipment, Furniture and Vehicles	2,534,972	-	886,642	1,648,330
Total Capital Assets Being Depreciated	2,540,948	-	886,642	1,654,306
Less Accumulated Depreciation For:				
Building and Improvements	4,182	399	-	4,581
Equipment, Furniture and Vehicles	2,081,066	193,940	873,170	1,401,836
Total Accumulated Depreciation	2,085,248	194,339	873,170	1,406,417
Total Governmental Type, Net	\$ 455,700	\$ (194,339)	\$ 13,472	\$ 247,889

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Early County, Georgia did not have any interfund receivables and payables as of June 30, 2019.

A reconciliation of transfers is as follows:

	Transfer From	Transfer To
General Fund:		
E-911 Special Revenue Fund	\$ -	\$ 50,794
Total General Fund	-	50,794
E-911 Special Revenue Fund:		
General Fund	50,794	-
Total E-911 Special Revenue Fund	50,794	-
Totals	\$ 50,794	\$ 50,794

Transfers to and from other funds were for operating expenditures.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - SHORT-TERM DEBT

There was no short-term debt for Early County, Georgia for the fiscal year ended June 30, 2019.

NOTE 6 - LONG-TERM OBLIGATIONS

PRIMARY GOVERNMENT

Governmental Activities:

The following is a summary of the notes payable for Early County, Georgia for the fiscal year ended June 30, 2019:

Notes Payable:	Payable at July 1, 2018	Additions	Deletions	Payable at June 30, 2019	Portion Due Within One Year
(1) Motorola for E-911 Communication Equipment, Due in annual installments of \$ 273,615. each through June, 2019 at 3.08% interest, (Original Amount \$ 773,762.)	\$ 324,578	\$ -	\$ 324,578	\$ -	\$ -
(2) BB&T Governmental Finance for Motor grader, Due in monthly installments of \$2,774.24 each through September, 2023 at 3.51% interest, (Original Amount \$ 152,500.)	-	152,500	21,211	131,289	29,161
(3) BB&T Governmental Finance for Motor grader, Due in monthly installments of \$2,720.34 each through November, 2023 at 3.51% interest, (Original Amount \$ 149,500.)	-	149,500	16,122	133,378	28,417
(4) BB&T Governmental Finance for Compact Track Loader and Freightliner, Due in monthly installments of \$3,482.75 each through April, 2024 at 3.31% interest, (Original Amount \$ 192,345.)	-	192,345	5,913	186,432	36,167
Total Notes Payable	\$ 324,578	\$ 494,345	\$ 367,824	\$ 451,099	\$ 93,745

The annual requirements to amortize the note payable obligations as of June 30, 2019 are as follows:

	Notes Payable		Totals
	Principal	Interest	
6/30/2020	\$ 93,745	\$ 13,983	\$ 107,728
6/30/2021	97,011	10,717	107,728
6/30/2022	100,391	7,337	107,728
6/30/2023	103,889	3,839	107,728
6/30/2024	56,063	689	56,752
Totals	\$ 451,099	\$ 36,565	\$ 487,664

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

COMPONENT UNITS

Early County Health Department - The following is a summary of the liabilities for compensated absences for the year ended June 30, 2019:

	Payable at July 1, 2018	Additions	Deletions	Payable at June 30, 2019
Compensated Absences	<u>\$ 13,557</u>	<u>\$ 7,029</u>	<u>\$ -</u>	<u>\$ 20,586</u>
Totals	<u>\$ 13,557</u>	<u>\$ 7,029</u>	<u>\$ -</u>	<u>\$ 20,586</u>

The annual requirements to amortize the compensated absences as of June 30, 2019 are as follows:

6/30/2019	\$ 20,586
Thereafter	<u>-</u>
Totals	<u>\$ 20,586</u>

NOTE 7 - CONTRIBUTIONS TO PENSION PLAN

PRIMARY GOVERNMENT

A. DEFINED CONTRIBUTION PLAN

By authority of a resolution passed by the County Commission and state statute, the County has elected to participate in a retirement plan administered by GEBCorp. The plan is a deferred compensation (money-purchase) plan in which contributions made by an individual participant are credited to that individual participant's account.

Under the plan, the County allows employees the option of contributing up to 25% of their earnings to the plan. The County does not make any contributions to the plan.

Benefits depend upon the sum of the employee's contributions to the plan with investment earnings. Upon retirement or employment termination, employees are entitled to either a lump sum distribution of the employee and employer contributions with investment earnings or the option of receiving monthly, semi-annual or annual payments based on an amount equal to the amount of the employee contributions with investment earnings.

The County's total payroll was \$ 1,795,731. and the covered payroll was \$ 414,088 for the fiscal year ended June 30, 2019. Employee contributions to the plan amounted to \$ 13,758, or 3.32% of the total covered payroll for the fiscal year ended June 30, 2019. The employer does not make any contributions to the plan. Employee and employer contribution requirements can only be amended by a resolution passed by the county commissioners or state statute. There were no current changes in plan provisions or related-party transactions.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

B. Defined Benefit Plan

Plan Description and Benefits Provided

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain conditions are met.

The Association of County Commissioner Defined Benefit Plan issues a publicly available financial report that includes financial statements and required supplementary information for the statewide plan. That report may be obtained by contacting the Pension Service Company at 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

All full-time county employees are eligible to participate in the plan after completing three years of service. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 0.75% of average compensation up to \$6,600 plus 1.25% of average compensation in excess of \$6,600 plus \$36.00 for each year of credited service payable as a life annuity. Compensation is averaged over a five-year period prior to retirement or termination. Early retirement is possible upon reaching the age of 55, with 30 years of service, or 10 years on a reduced basis.

Funding Policy

County employees are not required to contribute to the Plan. The County contributes the entire cost of Plan. The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

Plan membership at June 30, 2019 was as follows:

Active plan participants	31
Retirees, beneficiaries and disables currently receiving benefits	29
Terminated plan participants entitled to but not yet receiving benefits	<u>39</u>
Total number of plan participants	<u>99</u>

Actuarial Assumptions

The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of January 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Net Investment Rate of Return	7.00%
Projected Salary Increases	4.00%
Cost of Living Adjustments	0.0%
Date of Experience Study	February, 2019

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Mortality rates were based on the RP-2000 Combined Mortality Table. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The trustees shall rebalance the portfolio at least annually for asset allocation purposes. The guidelines for allocation are: equities shall not exceed 70% of plan assets, valued at cost. Fixed income shall be targeted at 30% of total plan assets, valued at cost. The guidelines for asset allocation are as follows:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The discount rate is determined through a blend of using a building blocks approach based on 20 year benchmarks (25%) and 30 year benchmarks (25%), as well as the forward looking capital market assumptions for a moderate asset allocation (50%) as determined by UBS. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The changes in the components of net pension liability for the year ended June 30, 2019 were as follows:

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2017	\$2,986,504	\$2,653,812	\$332,692
Changes for the year:			
Service Cost	40,591		40,591
Interest	211,207		211,207
Liability Experience (Gain)/Loss	(362,168)		(362,168)
Assumption Change	80,662		80,662
Employer Contributions		88,234	(88,234)
Transfer to Early DOPS			
Defined Benefit Plan	0	(18,469)	18,469
Net Investment Income		(127,364)	127,364
Benefit Payments	(146,618)	(146,618)	0
Administrative Expense		(8,434)	8,434
Other Changes		(39,570)	39,570
Net Changes	(176,326)	(252,221)	75,895
Balance at December 31, 2018	\$2,810,178	\$2,401,591	\$408,587

The following shows measures of the net pension liability using a discount rate that is 1 percentage higher and 1 percentage point lower in order to show sensitivity of the Net Pension Liability to changes in the discount rate:

	6.00%	8.00%
Total Pension Liability	\$ 3,105,782	\$ 2,558,558
Fiduciary Net Position	\$ 2,401,591	\$ 2,401,591
Net Pension Liability	<u>\$ 704,191</u>	<u>\$ 156,967</u>

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

The numbers shown below are based on a December 31, 2018 measurement date which would make them applicable to the fiscal year beginning July 1, 2018 and ending June 30, 2019.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Pension Expense
For the Measurement Period Ended December 31, 2018

Service Cost	\$40,591
Interest on TPL	211,207
Amortization of:	
Liability Experience (Gain)/Loss	(202,850)
Change in assumption	48,231
Asset (Gain)/Loss	60,231
Employee Contributions	0
Projected earnings on plan investments	(185,811)
Administration Expense	8,434
Other Change in FNP	26,744
Total Pension Expense	\$6,777

Summary of Net Deferred Outflows and Inflows
For the Measurement Period Ended December 31, 2018

	Net Deferred Outflows	Net Deferred Inflows
Asset (Gain)/Loss	\$ 303,088	(\$ 137,480)
Liability (Gain)/Loss	\$ 0	(\$ 189,969)
(Gain)/Loss due to Assumption Change	\$ 42,514	\$ 0
Total	\$ 345,602	(\$ 327,449)

The projected recognition of deferred outflow/inflows is as follows:

<u>Year Ended December 31,</u>	
2019	\$ (76,682)
2020	10,261
2021	19,373
2022	65,201

C. COST SHARING, MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS

Public safety personnel and certain elected county officials participate in various cost sharing, multiple employer defined benefit pension plans as defined in Governmental Accounting Standards Board (GASB) Statements No. 67 and 68. These plans include the Peace Officers' Annuity and Benefit Fund, Sheriff's Retirement Fund, Superior Court Clerks' Retirement Fund,

EARLY COUNTY, GEORGIA
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Judges of the Probate Courts Retirement Fund, and the Magistrate Judges Retirement Fund. The county has omitted all disclosures and pension expense amounts for these plans as they are immaterial to the government's financial statements.

COMPONENT UNITS

A - Early County Health Department

Plan Description

The Employees' Retirement System (ERS) was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. It is a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. ERS is directed by the Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov.

Benefits Provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average for the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement cost-of-living adjustments may also be made to members' benefits provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

EARLY COUNTY, GEORGIA
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Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$ 4,200, plus 6% of annual compensation in excess of \$ 4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2019 was 24.78% of annual covered payroll for old and new plan members and 21.78% for GSEPS members.

The employees of the Early County Health Department are covered by the Employees' Retirement System of the State of Georgia. Total retirement contributions for the year ended June 30, 2019 were \$61,206 based on qualifying salaries of \$ 254,960.

GASB 68

The following schedules reflect GASB Statement No. 68 reporting information:

**Contributions made during the measurement period (fiscal
Year ended June 30, 2018):** \$ 48,419

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

Employer's proportionate share of net pension liability	314,535
Employer's proportion of net pension liability	0.007651%
Increase/(decrease) from proportion measured as June 30, 2017	(0.003316%)
Employer's recognized pension expense	12,438

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual		
Experience	9,783	-
Changes of assumptions	14,819	-
Net difference between projected and actual earnings in pension plan investments	-	7,248
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,880	81,986
Employer contributions subsequent to the measurement date	61,206	-
Total	90,688	89,234

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ (22,717)
2021	(21,748)
2022	(12,049)
2023	(3,238)
2024	0
Thereafter	0

Actuarial Assumptions

The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25% - 7.00%, including inflation
Investment Rate of Return	7.30%, net of pension plan investment expenses, including inflation

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward two years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disability Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back seven years for males and set forward three years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the asset allocation percentage and by adding expected inflation.

EARLY COUNTY, GEORGIA
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Discount Rate

The discount rate used to measure the total pension liability was 7.30 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate:

	1% Decrease (6.3%)	Current discount rate (7.3%)	1% Increase (8.3%)
Employer's proportionate share Of the net pension liability	\$ 447,380	\$ 314,535	\$ 201,348

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees' Retirement Systems of Georgia Financial Report which is publicly available at www.ersga.com.

B - Early County Department of Public Safety

Plan Description and Benefits Provided

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The Association of County Commissioner Defined Benefit Plan issues a publicly available financial report that includes financial statements and required supplementary information for the statewide plan. That report may be obtained by contacting the Pension Service Company at 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

All full-time department employees are eligible to participate in the plan after completing three years of service. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 0.75% of average compensation up to \$6,600 plus 1.25% of average compensation in excess of \$6,600 plus \$36.00 for each year of credited service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over a five-year period prior to retirement or termination. The plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the Department.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Funding Policy

Department employees are not required to contribute to the Plan. The Department contributes the entire cost of Plan. The Department is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

Plan membership at June 30, 2019 was as follows:

Active plan participants	44
Retirees, beneficiaries and disables currently receiving benefits	14
Terminated plan participants entitled to but not yet receiving benefits	<u>23</u>
Total number of plan participants	<u>81</u>

Actuarial Assumptions

The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of January 1, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Net Investment Rate of Return	7.00%
Projected Salary Increases	4.50%
Cost of Living Adjustments	0.0%
Date of Experience Study	February, 2019

Mortality rates were based on the RP-2000 Combined Mortality Table. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The trustees shall rebalance the portfolio at least annually for asset allocation purposes. The guidelines for allocation are: equities shall not exceed 70% of plan assets, valued at cost. Fixed income shall be targeted at 30% of total plan assets, valued at cost. The guidelines for asset allocation are as follows:

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

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The discount rate is determined through a blend of using a building blocks approach based on 20 year benchmarks (25%) and 30 year benchmarks (25%), as well as the forward looking capital market assumptions for a moderate asset allocation (50%) as determined by UBS. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The changes in the components of net pension liability for the year ended June 30, 2019 were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2017	\$3,642,519	\$3,149,719	\$492,800
Changes for the year:			
Service Cost	94,767		94,767
Interest	261,008		261,008
Liability Experience (Gain)/Loss	520,094		520,094
Assumption Change	531,444		531,444
Employer Contributions		237,954	(237,954)
Transfer from Early County Defined Benefit Plan	0	18,469	(18,469)
Net Investment Income		(136,009)	136,009
Benefit Payments	(84,832)	(84,832)	0
Administrative Expense		(13,232)	13,232
Other Changes		(13,240)	13,240
Net Changes	<u>1,322,481</u>	<u>9,110</u>	<u>1,313,371</u>
Balance at December 31, 2018	<u>\$4,965,000</u>	<u>\$3,158,829</u>	<u>\$1,806,171</u>

The following shows measures of the net pension liability using a discount rate that is 1 percentage higher and 1 percentage point lower in order to show sensitivity of the Net Pension Liability to changes in the discount rate:

	6.00%	8.00%
Total Pension Liability	\$ 5,804,459	\$ 4,285,600
Fiduciary Net Position	\$ 3,158,829	\$ 3,158,829
Net Pension Liability	<u>\$ 2,645,630</u>	<u>\$ 1,126,771</u>

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The numbers shown below are based on a December 31, 2018 measurement date which would make them applicable to the fiscal year beginning July 1, 2018 and ending June 30, 2019.

Pension Expense
For the Measurement Period Ended December 31, 2018

Service Cost	\$94,767
Interest on TPL	261,008
Amortization of:	
Liability Experience (Gain)/Loss	192,467
Change in assumption	134,489
Asset (Gain)/Loss	75,202
Employee Contributions	0
Projected earnings on plan investments	(228,700)
Administration Expense	13,232
Other Change in FNP	0
Total Pension Expense	\$542,465

Summary of Net Deferred Outflows and Inflows
For the Measurement Period Ended December 31, 2018

	Net Deferred Outflows	Net Deferred Inflows
Asset (Gain)/Loss	\$ 342,154	(\$ 115,767)
Liability (Gain)/Loss	\$ 755,430	(\$ 5,374)
(Gain)/Loss due to Assumption Change	\$ 554,596	\$ 0
Total	\$ 1,652,180	(\$ 121,141)

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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**NOTE 8 - OPEB LIABILITIES, OPEB EXPENSES, AND DEFERRED OUTFLOWS OF RESOURCES
AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB**

COMPONENT UNITS

Early County Health Department

A - Group Term Life Insurance

At June 30, 2019 the Early County health Department reported a liability (asset) of \$ (23,868) for its proportionate share of the OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2018. The total OPEB liability (asset) used to calculate the net OPEB liability (asset) was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability (asset) as of June 30, 2018 was determined using standard roll-forward techniques. The Early County Health Department's proportion of the net OPEB liability (asset) was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2018. At June 30, 2018, the Early County Health Department's proportion was 0.008819%, which was a decrease of 0.002566% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Early County Health Department's recognized OPEB expense of \$(810). At June 30, 2019, the Early County Health Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Contributions made during the measurement period (fiscal Year ended June 30, 2017):	\$ 0
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Other Post-Employment Benefits (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs:

Employer's proportionate share of net OPEB liability	(23,868)
Employer's proportion of net OPEB liability	0.008819%
Increase/(decrease) from proportion measured as June 30, 2016	(0.002566%)
Employer's recognized OPEB expense	(810)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual		
Experience	261	-
Changes of assumptions	1,226	-
Net difference between projected and actual earnings on OPEB investments	-	3,946
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,557	914
Employer contributions subsequent to the measurement date	-	-
Total	5,044	4,860

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

Year ended June 30:

2020	\$ 848
2021	871
2022	(1,205)
2023	(330)
2024	0
Thereafter	0

Actuarial Assumptions

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Includes inflation
ERS	3.25-7.00%
GJRS	4.50%
LRS	N/A
Investment Rate of Return	7.30%, net of OPEB plan investment expenses, including inflation

Postretirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the asset allocation percentage and by adding expected inflation.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.30 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate:

	1% Decrease (6.3%)	Current discount rate (7.3%)	1% Increase (8.3%)
Employer's proportionate share Of the net OPEB liability (asset)	\$(12,860)	\$(23,868)	\$(32,891)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Employees' Retirement Systems of Georgia Financial Report which is publically available at www.ers.ga.gov/financials.

B - State Health Benefits Plan

At June 30, 2019 the Early County health Department reported a liability of \$ 187,119 for its proportionate share of the OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2018. The total OPEB liability (asset) used to calculate the net OPEB liability (asset) was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability (asset) as of June 30, 2018 was determined using standard roll-forward techniques. The Early County Health Department's proportion of the net OPEB liability (asset) was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2018. At June 30, 2018, the Early County Health Department's proportion was 0.007154%, which was a decrease of 0.003067% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Early County Health Department's recognized OPEB expense of \$15,703. At June 30, 2019, the Early County Health Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Contributions made during the measurement period (fiscal Year ended June 30, 2018):	\$ 35,885
Other Post-Employment Benefits (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs:	
Employer's proportionate share of net OPEB liability	187,119
Employer's proportion of net OPEB liability	0.007154%
Increase/(decrease) from proportion measured as June 30, 2016	(0.003067%)
Employer's recognized OPEB expense	(15,703)

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual		
Experience	-	14,717
Changes of assumptions	-	67,828
Net difference between projected and actual earnings on OPEB investments	4,325	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	58,199	102,787
Employer contributions subsequent to the measurement date	45,522	-
	<hr/>	<hr/>
Total	108,046	185,332
	<hr/>	<hr/>

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

Year ended June 30:

2020	\$ (31,034)
2021	(31,034)
2022	(43,766)
2023	(16,974)
2024	0
Thereafter	0

Actuarial Assumptions

Costs were determined using the Projected Unit Credit Actuarial Cost Method. The annual service cost is the present value of the portion of the projected benefit attributable to participation service during the upcoming year, and the actuarial accrued liability (AAL) is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Service from hire date through the date of full retirement was used in allocating costs.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.60 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the Early County Health Department's share of the collective net OPEB liability to changes in the discount rate:

	<u>1% Decrease (4.22%)</u>	<u>Current discount rate (5.22%)</u>	<u>1% Increase (6.22%)</u>
Employer's proportionate share Of the net OPEB liability (asset)	\$222,304	\$187,119	\$158,050

Sensitivity of the Early County Health Department's share of the collective net OPEB liability to changes in the healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Employer's proportionate share Of the net OPEB liability (asset)	\$154,360	\$187,119	\$227,185

NOTE 9 - CHANGES IN RESTRICTIONS OF FUND BALANCE

The nature, purpose, and changes in amounts reported as restricted fund balances are as follows:

PRIMARY GOVERNMENT

<u>Fund</u>	<u>Purpose</u>	<u>Balance 7/1/2018</u>	<u>Increase (Decrease)</u>	<u>Balance 6/30/2019</u>
Special Revenue Funds:				
E-911 Fund	Restricted for E-911 Purposes	\$ 254,958	\$ (981)	\$ 253,977
Law Library	Restricted for Law Library Purposes	60,227	6,987	67,214
Capital Projects Fund:				
2012 Special Purpose Sales Tax	Restricted for Special Purpose Sales Tax Projects	793,787	(776,847)	16,940
2018 Special Purpose Sales Tax	Restricted for Special Purpose Sales Tax Projects	403,891	335,321	739,212
Transportation Special Purpose Sales Tax	Restricted for Special Purpose Sales Tax Projects	-	663,113	663,113
Totals		<u>\$ 1,512,863</u>	<u>\$ 227,593</u>	<u>\$ 1,740,456</u>

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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COMPONENT UNITS

<u>Fund</u>	<u>Purpose</u>	<u>Balance 7/1/2018</u>	<u>Increase (Decrease)</u>	<u>Balance 6/30/2019</u>
Development Authority of Early County	Restricted for Development Authority Purposes	\$ 1,096,578	\$ (46,889)	\$ 1,049,689
Hospital Authority of Early County	Restricted for Health and Welfare Purposes	6,749	(2,765)	3,984
Early County Board of Health	Restricted for Health and Welfare Purposes	211,357	83,652	295,009
Early County Department of Public Safety	Restricted for Public Safety Purposes	519,322	(133,856)	385,466
Totals		\$ 1,834,006	\$ (99,858)	\$ 1,734,148

NOTE 10 - BUDGETARY DATA AND BUDGETARY CONTROL

1. Prior to the start of the new fiscal year, the Chairman submits to the Commission a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.
2. The Commission holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Early County.
3. The budget is then revised and adopted or amended by the Commission.
4. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase shall be made therein without provision also being made for financing same.
5. Formal budgetary integration has not been employed. The budget for the General Fund and Special Revenue Funds is adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Budgeted amounts are as originally adopted, or as amended by the Commission.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by sources. Expenditures are budgeted by department and class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. The legal level of control is by department. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the County Commission. Within these control levels, management may transfer appropriations without commission approval.

NOTE 11 - ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized by the County. Encumbrance accounting is normally an extension of formal budgetary integration. The County has not reserved any fund balances for encumbrances of financial resources.

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2019, expenditures exceeded appropriations in the following areas. The over expenditures were funded by available fund balance.

Department	Budget	Actual	Excess
General Fund:			
Public Safety	\$ 2,846,444	\$ 2,861,692	\$ (15,248)
Public Works	2,278,139	2,443,793	(165,654)
Culture and Recreation	271,494	273,599	(2,105)
Special Revenue Funds:			
Law Library	-	1,140	(1,140)

NOTE 13 - INDIGENT CARE CONTRACT

At the end of each calendar year, Early County pays the Hospital Authority for the care of its indigent citizens. That payment is then paid from the Hospital Authority to the lessee of the hospital. For the fiscal year ended June 30, 2019, the County paid \$ 708,000 to the Hospital Authority.

NOTE 14 - LITIGATION

In the opinion of the Commissioners and legal counsel, there are no legal actions pending which would have a material effect on the County's financial position.

NOTE 15 - CONTINGENCIES

Grants from the Federal Government to Early County, Georgia amounted to \$ 28,198 for the year ending June 30, 2019. Therefore, the county is not required to comply with the provisions of the Single Audit Act Amendments of 1996.

NOTE 16 - 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 Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

Pursuant to provisions of the Official Code of Georgia Annotated, Early County became a member of the ACCG Interlocal Risk Management Agency. The agency established and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of government. The agency is to defend and protect in accordance with the member government contract and related coverage descriptions any member of the agency against liability or loss.

Early County, Georgia must participate at all times in at least one fund which is established by the agency. Other responsibilities of the County are as follows:

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

- (1) To pay all contributions, assessments or other sums due the agency at such times and in such amounts as shall be established by the agency.
- (2) To select a person to serve as a member representative.
- (3) To allow the agency and its agents reasonable access to all facilities of the County and all records, including but not limited to financial records, which relate to the purposes of the agency.
- (4) To allow attorneys appointed by the agency 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 fund established by the agency.
- (5) To assist and cooperate in the defense and settlement of claims against the County.
- (6) To furnish full cooperation to the agency's attorneys, claims adjusters, service company, and any agent, employee, officer or independent contractor of the agency relating to the purposes of the agency.
- (7) To follow all loss reduction and prevention procedures established by the agency.
- (8) To furnish to the agency such budget, operating and underwriting information as may be requested.
- (9) To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the agency or any fund established by the agency being required to pay claim for loss or injuries to County property or injuries to persons or property when such loss or injury is within the scope of the protection of a fund or funds in which the County participates.

Early County, Georgia retains the first \$ 5,000 of each risk of loss in the form of a deductible. The County files all claims with agency and the agency bills the County for any loss up to the \$ 5,000 deductible.

Pursuant to provisions of the Official Code of Georgia Annotated, Early County, Georgia became a member of the ACCG-GSIWCF (a Workers' Compensation Self Insurance Fund). The liability of the fund to the employees of any employer (Early County, Georgia) is specifically limited to such obligations as are imposed by the applicable state laws against the employer for workers' compensation and/or employers' liability.

As part of this risk pool, the County is obligated to pay all contributions and assessments prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund 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 fund.

The fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding of compensation therefor, although such suits, other proceedings, allegations or demands be wholly groundless, false, or fraudulent. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgement, and all expenses incurred for investigation, negotiation, or defense.

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

EARLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 22 - SUBSEQUENT EVENTS

There are no subsequent events which would materially affect the financial statements and require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

EARLY COUNTY, GEORGIA
DEFINED BENEFIT PENSION TRUSTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
JUNE 30, 2019

	2018	2017	2016
Total pension liability:			
Service cost	40,591	46,375	44,879
Interest	216,522	202,978	216,471
Liability experience (gain)/loss	(362,168)	(5,494)	(305,501)
Assumption change	80,662	5,494	79,265
Benefit payments	(151,933)	(125,085)	(118,318)
Net change in total pension liability	(176,326)	124,268	(83,204)
Total pension liability, beginning	2,986,504	2,862,236	2,945,440
Total pension liability, ending (a)	2,810,178	2,986,504	2,862,236
Plan fiduciary net position:			
Contributions - employer	-	-	-
Contributions - employee	88,234	151,290	148,526
Transfer from Early County DOPS Defined Benefit Plan	(18,469)	-	-
Net investment income	(127,364)	404,714	165,936
Benefit payments	(146,618)	(125,085)	(118,318)
Administrative expense	(8,434)	(7,091)	(9,911)
Other	(39,570)	(46,891)	(262,114)
Net change in fiduciary net position	(252,221)	376,937	(75,881)
Plan fiduciary net position, beginning	2,653,812	2,276,875	2,352,756
Plan fiduciary net position, ending (b)	2,401,591	2,653,812	2,276,875
Net pension liability, ending (a) - (b)	408,587	332,692	585,361
Plan's fiduciary net position as a percentage of the total pension liability	85.5%	88.9%	79.5%
Covered employee payroll	806,273	901,284	771,748
Net pension liability as a percentage of covered employee payroll	50.7%	270.9%	131.8%

Changes since prior valuation

There have been no substantive changes since the last actuarial valuation.

EARLY COUNTY, GEORGIA
DEFINED BENEFIT PENSION TRUSTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
JUNE 30, 2019

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
2009	\$ 110,606	111.6%
2010	96,464	104.1%
2011	116,703	103.0%
2012	129,442	100.0%
2013	167,862	93.5%
2014	136,026	100.0%
2015	134,547	100.0%
2016	148,526	100.0%
2017	151,290	100.0%
2018	79,324	111.2%

Notes to Schedule:

Changes since prior valuation

There have been no substantive changes since the last actuarial valuation.

Valuation Date	12/31/2018
Actuarial cost method	Entry age normal
Remaining amortization period	4-9.9
Asset valuation method	5-year smoothed market value
Inflation rate	0.0%
Salary increases	4.0%
Long-term expected rate of return	7.00%
Retirement age	55-65
Mortality	RP-2000 projected with Scale AA

EARLY COUNTY, GEORGIA
DEFINED BENEFIT PENSION TRUSTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EARLY COUNTY HEALTH DEPARTMENT - COMPONENT UNIT
JUNE 30, 2019

	2019	2018	2017	2016
Employer's proportion of the net pension liability	0.007651%	0.010967%	0.010466%	0.010622%
Employer's proportionate share of the net pension liability	\$ 314,535	\$ 445,407	\$ 495,086	\$ 430,339
Employer's covered-employee payroll during the measurement period	\$ 254,960	\$ 224,277	\$ 283,209	\$ 256,420
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	123.37%	198.60%	174.81%	167.83%
Plan fiduciary net position as a percentage of the total pension liability	76.68%	71.92%	72.34%	76.20%

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

Notes to Schedule of Contributions

Changes of assumptions: On December 17, 2015 the Board adopted recommended changes to the economic and demographic assumptions utilized by the System Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases.

Methods and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2019 reported in that schedule:

Valuation Date	June 30, 2017
<i>Methods and assumptions used to determine contribution rates:</i>	
Actuarial Cost Method:	Entry age
Amortization Method	Level dollar, closed
Remaining Amortization Period	25.0 years
Asset Valuation Method	Five year smoothed market
Actuarial Assumptions:	
Inflation Rate	2.75%
Projected Salary Increases	3.25% - 7.00%
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

EARLY COUNTY, GEORGIA
DEFINED BENEFIT PENSION TRUSTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EARLY COUNTY DEPARTMENT OF PUBLIC SAFETY - COMPONENT UNIT
JUNE 30, 2019

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended 12/31	Annual Required Contribution	Percentage Contributed
2009	\$ 129,547	107.6%
2010	132,930	102.3%
2011	143,539	106.8%
2012	133,343	100.8%
2013	141,830	101.5%
2014	120,919	103.4%
2015	150,181	109.3%
2016	176,400	120.1%
2017	184,541	55.0%
2018	221,618	107.4%

SCHEDULE OF FUNDING PROGRESS

	(1)	(2)	(3)	(4)	(5)	(6)
Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension Liability (1) - (2)	Funded Ratio (2)/(1)	Annual Covered Payroll prior year	Net Pension Liability as a Percentage of Covered Payroll (3)/(5)
December 31, 2014	\$ 2,125,665	\$ 2,151,197	\$ (25,532)	101.2%	\$ 1,297,096	(2.0%)
December 31, 2015	2,636,694	2,242,607	394,087	85.1%	1,578,810	25.0%
December 31, 2016	3,389,609	2,738,898	650,711	80.8%	1,551,979	41.9%
December 31, 2017	3,642,519	3,149,719	492,800	86.5%	1,498,127	32.9%
December 31, 2018	4,965,000	3,158,829	1,806,171	63.6%	1,677,119	107.7%

Notes to Schedule:

Changes since prior valuation

There have been no substantive changes since the last actuarial valuation.

Valuation Date	12/31/18
Actuarial cost method	Entry age normal
Asset valuation method	5-year smoothed market value
Inflation rate	0.00%
Salary increases	4.50%
Long-term expected rate of return	7.00%
Retirement age	55-65
Mortality	RP-2000 projected with Scale AA

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

EARLY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes	\$ 7,407,500	\$ 7,407,500	\$ 6,755,343	\$ (652,157)
Licenses and Permits	12,250	12,250	12,250	-
Fines and Forfeitures	40,000	40,000	32,868	(7,132)
Charges for Services	473,700	473,700	513,127	39,427
State Government	789,000	789,000	806,001	17,001
Federal Government	50,000	50,000	28,198	(21,802)
Miscellaneous	992,196	992,196	98,111	(894,085)
Total Revenues	9,764,646	9,764,646	8,245,898	(1,518,748)
EXPENDITURES				
General Government	2,153,340	2,161,635	1,656,477	505,158
Court System	537,506	543,580	538,200	5,380
Public Safety	2,425,466	2,846,444	2,861,692	(15,248)
Public Works	2,195,914	2,278,139	2,443,793	(165,654)
Health and Welfare	882,499	882,499	881,974	525
Culture and Recreation	271,494	271,494	273,599	(2,105)
Housing and Development	229,874	229,874	203,748	26,126
Total Expenditures	8,696,093	9,213,665	8,859,483	354,182
Excess (Deficiency) of Revenues Over Expenditures	1,068,553	550,981	(613,585)	(1,164,566)
OTHER FINANCING SOURCES (USES)				
Sales of Capital Assets	140,000	140,000	615	(139,385)
Long-Term Debt Issued	-	-	494,345	494,345
Transfers Out to E-911 Special Revenue Fund	(50,795)	(50,795)	(50,794)	1
Net Other Financing Sources (Uses)	89,205	89,205	444,166	354,961
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,157,758	640,186	(169,419)	(809,605)
FUND BALANCE - BEGINNING	5,711,854	5,711,854	5,711,854	-
FUND BALANCE - ENDING	\$ 6,869,612	\$ 6,352,040	\$ 5,542,435	\$ (809,605)

EARLY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
TAXES				
Ad Valorem Taxes and Commissions	\$ 5,557,500	\$ 5,557,500	\$ 4,905,282	\$ (652,218)
TAVT Tax	350,000	350,000	396,385	46,385
1% Local Option Sales Tax	650,000	650,000	731,666	81,666
Insurance Premium Tax	331,000	331,000	330,413	(587)
Beer Tax	40,000	40,000	40,879	879
Railroad Equipment Tax	39,000	39,000	38,120	(880)
Intangible Recording Tax	20,000	20,000	17,918	(2,082)
Excise Tax	400,000	400,000	277,907	(122,093)
Real Estate Transfer Tax	20,000	20,000	16,773	(3,227)
Total Taxes	7,407,500	7,407,500	6,755,343	(652,157)
LICENSES AND PERMITS				
Alcohol Beverage Licenses	8,250	8,250	8,250	-
Business Licenses	4,000	4,000	4,000	-
Total Licenses and Permits	12,250	12,250	12,250	-
FINES AND FORFEITURES				
Drug Abuse Fines	15,000	15,000	11,274	(3,726)
Jail Construction Fines	15,000	15,000	13,706	(1,294)
Other Fines and Forfeitures	10,000	10,000	7,888	(2,112)
Total Fines and Forfeitures	40,000	40,000	32,868	(7,132)
CHARGES FOR SERVICES				
Aviation Fuel	38,000	38,000	30,974	(7,026)
Airport Hangar Fees	13,000	13,000	6,173	(6,827)
Solar Power Funds	5,000	5,000	34,300	29,300
Clerk of Superior Court Fees	165,000	165,000	155,097	(9,903)
Probate/Magistrate Court Fees	55,000	55,000	52,971	(2,029)
Probation Supervision Fees	9,000	9,000	8,028	(972)
Code Enforcement Fees	12,000	12,000	12,940	940
Juvenile Services	1,700	1,700	951	(749)
Solid Waste Tipping Fees	75,000	75,000	105,319	30,319
Emergency Management Fees	100,000	100,000	106,374	6,374
Total Charges for Services	\$ 473,700	\$ 473,700	\$ 513,127	\$ 39,427

EARLY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable
				(Unfavorable)
STATE GOVERNMENT				
Department of Transportation - LMIG	\$ 789,000	\$ 789,000	\$ 806,001	\$ 17,001
Total State Government	789,000	789,000	806,001	17,001
FEDERAL GOVERNMENT				
Emergency Management Performance Grant	50,000	50,000	28,198	(21,802)
Total Federal Government	50,000	50,000	28,198	(21,802)
MISCELLANEOUS				
Interest Income	48,675	48,675	55,713	7,038
Rent	10,900	10,900	100	(10,800)
Other	932,621	932,621	42,298	(890,323)
Total Miscellaneous	992,196	992,196	98,111	(894,085)
Grand Total Revenues	\$ 9,764,646	\$ 9,764,646	\$ 8,245,898	\$ (1,518,748)

EARLY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
GENERAL GOVERNMENT				
Board of Commissioners:				
Salaries	\$ 19,317	\$ 19,317	\$ 19,508	\$ (191)
Payroll Taxes	1,478	1,478	1,432	46
Other Operating	9,500	9,500	7,373	2,127
Total Board of Commissioners	30,295	30,295	28,313	1,982
County Administration:				
Salaries	142,213	148,722	153,462	(4,740)
Payroll Taxes	10,879	10,879	11,144	(265)
Other Operating	12,280	12,280	11,507	773
Total County Administration	165,372	171,881	176,113	(4,232)
Board of Elections:				
Salaries	72,360	72,360	75,130	(2,770)
Payroll Taxes	4,943	4,943	5,225	(282)
Other Operating	34,085	34,085	5,474	28,611
Total Board of Elections	111,388	111,388	85,829	25,559
Other Administrative:				
Legal and Professional	56,000	56,000	57,244	(1,244)
Employee Insurance	333,498	333,498	333,498	-
Employee Retirement	88,234	88,234	88,234	-
Insurance	51,893	51,893	51,893	-
Contingency	533,890	533,890	(96,161)	630,051
Other Operating	82,352	84,138	88,634	(4,496)
Total Other Administrative	1,145,867	1,147,653	523,342	624,311
Tax Commissioner:				
Salaries	117,789	117,789	122,564	(4,775)
Payroll Taxes	9,011	9,011	8,703	308
Other Operating	52,309	52,309	50,495	1,814
Total Tax Commissioner	179,109	179,109	181,762	(2,653)
Tax Assessor:				
Salaries	118,507	118,507	118,801	(294)
Payroll Taxes	8,590	8,590	8,860	(270)
Other Operating	80,310	80,310	77,628	2,682
Total Tax Assessor	\$ 207,407	\$ 207,407	\$ 205,289	\$ 2,118

EARLY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
GENERAL GOVERNMENT, (continued)				
Public Buildings:				
Salaries	\$ 89,523	\$ 89,523	\$ 88,383	\$ 1,140
Payroll Taxes	6,849	6,849	6,619	230
Other Operating	217,530	217,530	360,827	(143,297)
Total Public Buildings	313,902	313,902	455,829	(141,927)
Total General Government	2,153,340	2,161,635	1,656,477	505,158
COURT SYSTEM				
Superior Court and Court Administration:				
Public Defender	65,500	65,500	65,295	205
Other Operating	36,550	36,656	35,041	1,615
Total Superior Court and Court Administration	102,050	102,156	100,336	1,820
Clerk of Superior Court:				
Salaries	133,996	133,996	137,549	(3,553)
Payroll Taxes and Insurance	10,174	10,174	10,173	1
Other Operating	18,725	19,138	18,776	362
Total Clerk of Superior Court	162,895	163,308	166,498	(3,190)
District Attorney and State Court:				
Salaries	56,000	56,000	54,711	1,289
Payroll Taxes	2,785	2,785	1,537	1,248
Other Operating	17,100	18,253	18,843	(590)
Total District Attorney and State Court	75,885	77,038	75,091	1,947
Probate/Magistrate Court:				
Salaries	146,595	146,595	146,106	489
Payroll Taxes and Insurance	11,108	11,108	10,981	127
Other Operating	18,073	18,073	15,765	2,308
Total Probate/Magistrate Court	175,776	175,776	172,852	2,924
Juvenile Court:				
Other Operating	20,900	25,302	23,423	1,879
Total Juvenile Court	20,900	25,302	23,423	1,879
Total Court System	\$ 537,506	\$ 543,580	\$ 538,200	\$ 5,380

**EARLY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
PUBLIC SAFETY				
Board of Public Safety:				
Salaries	\$ -	\$ 113,969	\$ 145,166	\$ (31,197)
Payroll Taxes	-	8,355	11,870	(3,515)
Other Operating	-	775	1,416	(641)
Board of Public Safety	1,914,887	2,192,161	2,192,161	-
Total Sheriff	1,914,887	2,315,260	2,350,613	(35,353)
Rural Fire Administration:				
Other Operating	252,663	252,663	232,297	20,366
Total Rural Fire Administration	252,663	252,663	232,297	20,366
Coroner:				
Salaries	20,000	23,014	23,014	-
Payroll Taxes	800	800	555	245
Total Coroner	20,800	23,814	23,569	245
Emergency Management:				
Salaries	121,181	121,181	120,280	901
Payroll Taxes	9,270	9,270	9,201	69
Other Operating	106,665	124,256	125,732	(1,476)
Total Emergency Management	237,116	254,707	255,213	(506)
Total Public Safety	2,425,466	2,846,444	2,861,692	(15,248)
Public Works				
Roads and Bridges:				
Salaries	569,020	569,020	451,929	117,091
Payroll Taxes	43,530	43,530	33,866	9,664
Road Resurfacing	551,000	551,000	470,208	80,792
Other Operating	564,250	564,250	958,197	(393,947)
Total Roads and Bridges	1,727,800	1,727,800	1,914,200	(186,400)
Solid Waste Collection:				
Salaries	88,181	88,181	89,986	(1,805)
Payroll Taxes	6,746	6,746	6,775	(29)
Solid Waste Management	294,772	376,997	376,997	-
Other Operating	78,415	78,415	55,835	22,580
Total Solid Waste Collection	468,114	550,339	529,593	20,746

EARLY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
HEALTH AND WELFARE				
Health Centers:				
Mental Health Program	\$ 25,054	\$ 25,054	\$ 25,054	\$ -
Public Health Program	143,445	143,445	143,337	108
Total Health Centers	168,499	168,499	168,391	108
Indigent Medical Care:				
Hospital	708,000	708,000	708,000	-
Total Indigent Medical Care	708,000	708,000	708,000	-
General Assistance:				
Pataula Center for Children	5,000	5,000	4,583	417
Arlington Nutrition Program	1,000	1,000	1,000	-
Total General Assistance	6,000	6,000	5,583	417
Total Health and Welfare	882,499	882,499	881,974	525
CULTURE AND RECREATION				
Recreation Program	120,000	120,000	132,532	(12,532)
Other Operating	116,494	116,494	106,067	10,427
Library	35,000	35,000	35,000	-
Total Culture and Recreation	271,494	271,494	273,599	(2,105)
HOUSING AND DEVELOPMENT				
Extension Service:				
Salaries	66,096	66,096	58,977	7,119
Payroll Taxes and Retirement	18,870	18,870	15,815	3,055
Other Operating	23,190	23,190	17,753	5,437
Total Extension Service	\$ 108,156	\$ 108,156	\$ 92,545	\$ 15,611

**EARLY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
HOUSING AND DEVELOPMENT, (continued)				
Planning and Zoning:				
Salaries	\$ 3,060	\$ 3,060	\$ 2,440	\$ 620
Payroll Taxes	234	234	187	47
Other Operating	600	600	-	600
Total Planning and Zoning	3,894	3,894	2,627	1,267
Code Enforcement:				
Salaries	35,604	35,604	36,591	(987)
Payroll Taxes	2,724	2,724	2,684	40
Other Operating	8,399	8,399	4,642	3,757
Total Code Enforcement	46,727	46,727	43,917	2,810
Other:				
Soil Conservation	10,738	10,738	4,318	6,420
Georgia Forestry Commission	18,236	18,236	18,236	-
Economic Development	26,323	26,323	26,323	-
Regional Commission	5,800	5,800	5,782	18
Museum	10,000	10,000	10,000	-
Total Other	71,097	71,097	64,659	6,438
Total Housing and Development	229,874	229,874	203,748	26,126
Grand Total Expenditures	\$ 8,696,093	\$ 9,213,665	\$ 8,859,483	\$ 354,182

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Early County Law Library - This fund is used for the collection of an additional fee on court costs to be expensed for the purpose of establishing and maintaining the codification of county ordinances and other law library materials.

E-911 Fund - This fund is used for the collection of fees for the Enhanced Emergency Telephone Number 911 service and expended for its operating expenses.

Capital Project Funds

Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

SPLOST 2012 - This fund is used for the collection of special purpose local option sales tax to be used on capital purchases for the county.

**EARLY COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUND 2012 SPLOST	TOTAL ALL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS			
Cash	\$ 356,456	\$ 16,940	\$ 373,396
Accounts Receivable	17,229	-	17,229
Total Assets	373,685	16,940	390,625
LIABILITIES AND FUND BALANCES			
Accounts Payable	52,494	-	52,494
Total Liabilities	52,494	-	52,494
Fund Balances:			
Restricted for Law Library Purposes	67,214	-	67,214
Restricted for E-911 Purposes	253,977	-	253,977
Restricted for Special Purpose Sales Tax Purposes	-	16,940	16,940
Total Fund Balances	321,191	16,940	338,131
Total Liabilities and Fund Balances	\$ 373,685	\$ 16,940	\$ 390,625

EARLY COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUND 2012 SPLOST	TOTAL ALL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES			
Fines and Forfeitures	\$ 8,127	\$ -	8,127.00
Charges for Services	198,492	-	198,492
Miscellaneous	2,331	1,881	4,212
Total Revenues	208,950	1,881	210,831
EXPENDITURES			
General Government	-	692,914	692,914
Court System	1,140	-	1,140
Public Safety	252,598	1,263	253,861
Roads and Bridges	-	7,836	7,836
Debt Service	-	76,715	76,715
Total Expenditures	253,738	778,728	1,032,466
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(44,788)	(776,847)	(821,635)
OTHER FINANCING SOURCES (USES)			
Transfer In from General Fund	50,794	-	50,794
Net Other Financing Sources (Uses)	50,794	-	50,794
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	6,006	(776,847)	(770,841)
FUND BALANCE - BEGINNING	315,185	793,787	1,108,972
FUND BALANCE - ENDING	\$ 321,191	\$ 16,940	\$ 338,131

**EARLY COUNTY, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	E-911 Fund	Law Library Fund	Totals 2019
ASSETS			
Cash	\$ 289,932	\$ 66,524	\$ 356,456
Accounts Receivable	16,539	690	17,229
Total Assets	306,471	67,214	373,685
LIABILITIES AND FUND BALANCES			
Accounts Payable	52,494	-	52,494
Total Liabilities	52,494	-	52,494
Fund Balances:			
Restricted for E-911 Purposes	253,977	-	253,977
Restricted for Law Library Purposes	-	67,214	67,214
Total Fund Balances	253,977	67,214	321,191
Total Liabilities and Fund Balances	\$ 306,471	\$ 67,214	\$ 373,685

**EARLY COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	E-911 Fund	Law Library Fund	Totals 2019
REVENUES			
Fines and Forfeitures	\$ -	\$ 8,127	\$ 8,127
Charges for Services	198,492	-	198,492
Miscellaneous	2,331	-	2,331
Total Revenues	200,823	8,127	208,950
EXPENDITURES			
Court System	-	1,140	1,140
Public Safety	252,598	-	252,598
Total Expenditures	252,598	1,140	253,738
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(51,775)	6,987	(44,788)
OTHER FINANCING SOURCES (USES)			
Transfer In from General Fund	50,794	-	50,794
Net Other Financing Sources (Uses)	50,794	-	50,794
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(981)	6,987	6,006
FUND BALANCE - BEGINNING	254,958	60,227	315,185
FUND BALANCE - ENDING	\$ 253,977	\$ 67,214	\$ 321,191

EARLY COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES -BUDGET AND ACTUAL -
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	E-911 Special Revenue Fund			
	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services	\$ 485,400	\$ 485,400	\$ 198,492	\$ (286,908)
Miscellaneous	2,500	2,500	2,331	(169)
Total Revenues	487,900	487,900	200,823	(287,077)
EXPENDITURES				
Public Safety	673,350	673,350	252,598	(420,752)
Total Expenditures	673,350	673,350	252,598	(420,752)
Excess (Deficiency) of Revenues Over Expenditures	(185,450)	(185,450)	(51,775)	133,675
OTHER FINANCING SOURCES (USES)				
Transfers In	90,573	90,573	50,794	(39,779)
Net Other Financing Sources (Uses)	90,573	90,573	50,794	(39,779)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(94,877)	(94,877)	(981)	93,896
FUND BALANCE-BEGINNING	254,958	254,958	254,958	-
FUND BALANCE-ENDING	\$ 160,081	\$ 160,081	\$ 253,977	\$ 93,896

EARLY COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES -BUDGET AND ACTUAL -
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Law Library Special Revenue Fund			
	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for Services	\$ -	\$ -	\$ 8,127	\$ 8,127
Total Revenues	-	-	8,127	8,127
EXPENDITURES				
Public Safety	-	-	1,140	1,140
Total Expenditures	-	-	1,140	1,140
Excess (Deficiency) of Revenues Over Expenditures	-	-	6,987	6,987
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	6,987	6,987
FUND BALANCE-BEGINNING	60,227	60,227	60,227	-
FUND BALANCE-ENDING	\$ 60,227	\$ 60,227	\$ 67,214	\$ 6,987

STATE REPORTING REQUIREMENTS

EARLY COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
SCHEDULE OF PROJECTS CONSTRUCTED
WITH 2012 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

<u>Projects</u>	<u>Original Estimated Cost</u>	<u>Expenditures</u>			<u>Estimated Percentage of Completion</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	
1. Road construction	\$ 2,339,304	\$ 504,555	\$ 7,836	\$ 512,391	21.9%
2. Machinery and equipment	1,652,000	1,944,610	-	1,944,610	117.7%
3. Rural fire capital outlay	552,500	607,651	1,263	608,914	110.2%
4. Recreation complex	205,200	205,201	-	205,201	100.0%
5. Library capital outlay	200,000	156,003	19,210	175,213	87.6%
6. Public safety capital outlay	750,000	1,211,033	-	1,211,033	161.5%
7. Administration capital outlay	27,123	495,142	521,008	1,016,150	3746.5%
8. Agricultural extension capital outlay	28,000	27,848	-	27,848	99.5%
9. Airport capital outlay	33,873	67,746	152,696	220,442	650.8%
10. Distributions to the cities:					
a. Blakely	2,700,000	2,451,545	-	2,451,545	90.8%
b. Jakin	165,000	148,543	-	148,543	90.0%
c. Arlington	247,000	223,908	-	223,908	90.7%
d. Damascus	100,000	91,708	-	91,708	91.7%
Grand Total Projects	<u>\$ 9,000,000</u>	<u>\$ 8,135,493</u>	<u>\$ 702,013</u>	<u>\$ 8,837,506</u>	<u>98.2%</u>
RECONCILING ITEMS					
1. Debt Service of General Obligation Debt	-	449,184	76,715	525,899	100.0%
Grand Totals	<u>\$ 9,000,000</u>	<u>\$ 8,584,677</u>	<u>\$ 778,728</u>	<u>\$ 9,363,405</u>	<u>104.0%</u>

* There have been no changes in original estimated costs.

EARLY COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
SCHEDULE OF PROJECTS CONSTRUCTED
WITH 2018 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

Projects	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
1. Capital outlay projects for county buildings	\$ 1,304,000	\$ -	\$ -	\$ -	0.0%
2. Capital outlay projects for roads, streets, and bridges	1,304,000	-	191,378	191,378	14.7%
3. Capital outlay projects for public safety	1,304,000	-	-	-	0.0%
4. Capital outlay projects for telecommunication infrastructure	1,304,000	-	19,908	19,908	1.5%
5. Capital outlay projects for rural fire facilities	1,304,000	-	25,000	25,000	1.9%
6. Distributions to the cities:					
a. Blakely	3,001,000	140,617	403,348	543,965	18.1%
b. Jakin	92,000	4,311	12,365	16,676	18.1%
c. Arlington	237,000	11,105	31,853	42,958	18.1%
d. Damascus	150,000	7,028	20,161	27,189	18.1%
Grand Totals	\$ 10,000,000	\$ 163,061	\$ 704,013	\$ 867,074	8.7%
RECONCILING ITEMS					
1. Debt Service of General Obligation Debt	-	-	326,820	326,820	100.0%
	\$ 10,000,000	\$ 163,061	\$ 1,030,833	\$ 1,193,894	11.9%

* There have been no changes in original estimated costs.

EARLY COUNTY, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
SCHEDULE OF PROJECTS CONSTRUCTED
WITH TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

Projects	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
1. Capital outlay projects for roads, streets, and bridges	\$ 3,586,000	\$ -	\$ 5,346	\$ 5,346	0.1%
2. Distributions to the cities:					
a. Blakely	1,650,550	-	257,523	257,523	15.6%
b. Jakin	50,600	-	7,895	7,895	15.6%
c. Arlington	130,350	-	20,337	20,337	15.6%
d. Damascus	82,500	-	12,872	12,872	15.6%
Grand Totals	\$ 5,500,000	\$ -	\$ 303,973	\$ 303,973	5.5%
RECONCILING ITEMS					
1. Debt Service of General Obligation Debt	-	-	-	-	100.0%
	\$ 5,500,000	\$ -	\$ 303,973	\$ 303,973	5.5%

* There have been no changes in original estimated costs.

AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

EARLY COUNTY, GEORGIA
FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2019

	<u>Tax Commissioner</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>	<u>Magistrate Court</u>	<u>Totals</u>
ASSETS					
Cash in Bank	<u>\$ 311,514</u>	<u>\$ 3,934</u>	<u>\$ 57,735</u>	<u>\$ 1,416</u>	<u>\$ 374,599</u>
Total Assets	<u>311,514</u>	<u>3,934</u>	<u>57,735</u>	<u>1,416</u>	<u>374,599</u>
LIABILITIES					
Funds Held for Others	<u>311,514</u>	<u>3,934</u>	<u>57,735</u>	<u>1,416</u>	<u>374,599</u>
Total Liabilities	<u>\$ 311,514</u>	<u>\$ 3,934</u>	<u>\$ 57,735</u>	<u>\$ 1,416</u>	<u>\$ 374,599</u>

EARLY COUNTY, GEORGIA
FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Tax Commissioner</u>				
ASSETS				
Cash	\$ 79,017	\$ 14,684,864	\$ 14,452,367	\$ 311,514
Total Assets	<u>79,017</u>	<u>14,684,864</u>	<u>14,452,367</u>	<u>311,514</u>
LIABILITIES				
Funds Held for Others	79,017	14,684,864	14,452,367	311,514
Total Liabilities	<u>79,017</u>	<u>14,684,864</u>	<u>14,452,367</u>	<u>311,514</u>
<u>Probate Court</u>				
ASSETS				
Cash	-	85,784	81,850	3,934
Total Assets	<u>-</u>	<u>85,784</u>	<u>81,850</u>	<u>3,934</u>
LIABILITIES				
Funds Held for Others	-	85,784	81,850	3,934
Total Liabilities	<u>-</u>	<u>85,784</u>	<u>81,850</u>	<u>3,934</u>
<u>Clerk of Superior Court</u>				
ASSETS				
Cash	2,665	440,789	385,719	57,735
Total Assets	<u>2,665</u>	<u>440,789</u>	<u>385,719</u>	<u>57,735</u>
LIABILITIES				
Funds Held for Others	2,665	440,789	385,719	57,735
Total Liabilities	<u>2,665</u>	<u>440,789</u>	<u>385,719</u>	<u>57,735</u>
<u>Magistrate Court</u>				
ASSETS				
Cash	-	192,782	191,366	1,416
Total Assets	<u>-</u>	<u>192,782</u>	<u>191,366</u>	<u>1,416</u>
LIABILITIES				
Funds Held for Others	-	192,782	191,366	1,416
Total Liabilities	<u>\$ -</u>	<u>\$ 192,782</u>	<u>\$ 191,366</u>	<u>\$ 1,416</u>

GOVERNMENT AUDITING STANDARDS REPORT

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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 County Commissioners
Early County, Georgia
Blakely, 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 Early County, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Early County, Georgia's basic financial statements, and have issued our report thereon dated December 23, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Early 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 Early County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Early County, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies below to be material weaknesses.

Item: 2019-1

Finding: Inadequate separation of duties in the Government Funds

Cause: The County does not employ enough staff to segregate the various functions.

Effect: This could result in misappropriation of assets.

Planned Corrective Action Plan: The County Commissioners take an active role in reviewing the monthly financials as well as other checks and balances.

Response by Responsible Officials: The County Commissioners are aware of this issue, but it is not economically feasible to correct.

Response by Auditor: We did not audit the auditee's response and, accordingly, express no opinion on it.

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. We consider the deficiencies described below to be significant deficiencies.

Item: 2019-2

Finding: Expenditures exceeded budgets in various departments and the Law Library.

Cause: The County amended the budget for the General Fund, but audit entries caused some departments to go over the budget. Special Revenue Fund budgets were not amended.

Effect: Expenditures exceeded budget in several departments and in one Special Revenue Funds.

Planned Corrective Action Plan: The County Commissioners will amend the budgets and try to allow for audit entries.

Response by Responsible Officials: The County Commissioners are aware of this issue, and will attempt to correct the problem.

Response by Auditor: We did not audit the auditee's response and, accordingly, express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Early County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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.

Burke, Worsham & Harrell, LLC

Burke, Worsham & Harrell, LLC

Donalsonville, Georgia

December 27, 2019

