

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

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FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS
915 HILL PARK
MACON, GEORGIA 31201

March 30, 2021

INDEPENDENT AUDITOR'S REPORT

**To the Board of County Commissioners
of Houston County
Warner Robins, Georgia**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Houston County Department of Public Health, a component unit of Houston County, Georgia, which statements reflect total assets and deferred outflows of resources of \$10,162,440 as of June 30, 2020 and total revenues of \$22,929,259 for the year ended June 30, 2020. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Houston County Department of Public Health, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Houston County, Georgia, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Cares Act Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Houston County, Georgia's basic financial statements. The combining and individual nonmajor fund statements and schedules, the agency funds combining statement of changes in assets and liabilities, and the state reporting section with the schedule of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund statements and schedules, the agency funds combining statement of changes in assets and liabilities, schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, , the agency funds combining statement of changes in assets and liabilities, schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 30, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the County's internal control over financial reporting and compliance.



Macon, Georgia

HOUSTON COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Houston County's financial performance provides an overview of the County's financial activities for the fiscal year ending June 30, 2020. Please read it in conjunction with the County's financial statements.

Using This Annual Report

This report consists of a series of financial statements. Houston County's basic financial statements are comprised of three components: (1) *government-wide financial statements*, (2) *fund financial statements*, and (3) *notes to the financial statements*. *Government-wide statements* provide information about the County as a whole and present an overall view of County finances. *Fund financial statements* provide information that is more detailed than what is reported in the government-wide financial statements. The remaining *notes to the financial statements* provide additional information concerning the County's finances that are not disclosed in the government-wide or the fund financial statements.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement which presents information on all the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. Net position is reported in three categories: (1) invested in capital assets, (2) restricted, and (3) unrestricted.

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

To assist in understanding the County's operations, both government-wide statements divide County expenses into three kinds of activities: *governmental activities*, *business-type activities*, and *component units*. Governmental activities include basic County services including public works, public safety, judicial, health and welfare and general administration. Property taxes, fees, and court fines finance most of these activities. Business-type activities include the County's water system and solid waste operations which are financed in whole, or in part, by user charges including water fees, landfill tipping fees, and garbage collection fees. Component units include the Houston County Development Authority, the Houston County Department of Public Health, and the Houston County Library System. Although legally separate, these component units are important because the County is financially accountable for them.

Separately issued financial statements for the Houston County Development Authority can be obtained at the Authority's administrative office in Warner Robins, Georgia. Separately issued financial statements for the Houston County Department of Public Health may be obtained at the Department's administrative office in Warner Robins, Georgia. Separately issued financial statements for the Houston County Public Library may be obtained at the Library's administrative office in Perry, Georgia.

The government-wide financial statements can be found on pages 12-15 of this report.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the County as a whole. Some funds are required to be established by State law. Other funds are established by the Board of Commissioners to help it control and manage money for specific purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. All of Houston County's funds are divided into three categories - governmental funds, proprietary funds, and fiduciary funds.

HOUSTON COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds - Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The governmental funds statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, SPLOST fund, and Cares Act Fund. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-23 of this report.

Proprietary funds - Houston County maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water system and its solid waste operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Houston County uses internal service funds to account for its workers' compensation, health and property and liability insurance programs. Because all three of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary funds financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. For the proprietary funds, a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows are presented. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Specifically, the County's proprietary fund financial statements provide separate information for the water system and the solid waste operations, both of which are considered to be major funds. Conversely, all three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

Fiduciary funds - Houston County is the trustee, or fiduciary, for numerous resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because these resources are not available to support Houston County's own programs. It is the County's responsibility to ensure that the resources reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is similar to that used for proprietary funds. A statement of fiduciary assets and liabilities is presented for the County's agency funds.

The fiduciary fund financial statements can be found on page 27 of this report.

HOUSTON COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes to the Financial Statements - In addition to the government-wide and fund financial statements, this report also provides supplementary information in the notes to the financial statements. The notes provide additional information essential to a full understanding of the basic financial statements. Other required supplementary information, including information about the accounting practices of the County, investments of the County, long-term debt, and the pension plan are some of the items included in the Notes.

The notes to the financial statements can be found on pages 28-58 of this report.

Financial Highlights:

HOUSTON COUNTY'S NET POSITION FISCAL YEARS 2019 AND 2020							
	Governmental Activities		Business-Type Activities		Total		
	2019	2020	2019	2020	2019	2020	
Assets:							
Current assets	\$ 120,597,851	\$ 130,865,188	\$ 39,084,086	\$ 38,187,634	\$ 159,681,937	\$ 169,052,822	
Capital assets	182,833,611	253,478,292	50,543,489	54,403,193	233,377,100	307,881,485	
Total assets	<u>\$ 303,431,462</u>	<u>\$ 384,343,480</u>	<u>\$ 89,627,575</u>	<u>\$ 92,590,827</u>	<u>\$ 393,059,037</u>	<u>\$ 476,934,307</u>	
Deferred Outflows of Resources:							
Deferred outflows on pensions	\$ 17,496,858	\$ 18,423,546	\$ 1,690,818	\$ 1,770,753	\$ 19,187,676	\$ 20,194,299	
Deferred outflows on OPEB	502,409	3,474,444	48,347	304,712	550,756	3,779,156	
Total outflows	<u>\$ 17,999,267</u>	<u>\$ 21,897,990</u>	<u>\$ 1,739,165</u>	<u>\$ 2,075,465</u>	<u>\$ 19,738,432</u>	<u>\$ 23,973,455</u>	
Liabilities:							
Current liabilities	\$ 6,345,254	\$ 8,866,623	\$ 1,431,878	\$ 1,277,377	\$ 7,777,132	\$ 10,144,000	
Long-term liabilities	43,913,196	44,414,988	14,353,448	14,974,494	58,266,644	59,389,482	
Total liabilities	<u>\$ 50,258,450</u>	<u>\$ 53,281,611</u>	<u>\$ 15,785,326</u>	<u>\$ 16,251,871</u>	<u>\$ 66,043,776</u>	<u>\$ 69,533,482</u>	
Deferred Inflows of Resources:							
Deferred inflows on pensions	\$ 3,633,684	\$ 11,479,432	\$ 371,155	\$ 1,047,921	\$ 4,004,839	\$ 12,527,353	
Deferred inflows on OPEB	526,609	424,304	51,361	42,536	577,970	466,840	
Total deferred inflows	<u>\$ 4,160,293</u>	<u>\$ 11,903,736</u>	<u>\$ 422,516</u>	<u>\$ 1,090,457</u>	<u>\$ 4,582,809</u>	<u>\$ 12,994,193</u>	
Net position:							
Investment in capital assets	\$ 182,833,611	\$ 253,478,292	\$ 50,543,489	\$ 54,403,193	\$ 233,377,100	\$ 307,881,485	
Restricted	63,396,753	63,748,354	21,564,401	22,474,333	84,961,154	86,222,687	
Unrestricted	20,781,622	23,829,477	3,051,008	446,438	23,832,630	24,275,915	
Total net position	<u>\$ 267,011,986</u>	<u>\$ 341,056,123</u>	<u>\$ 75,158,898</u>	<u>\$ 77,323,964</u>	<u>\$ 342,170,884</u>	<u>\$ 418,380,087</u>	

- Houston County's total assets exceeded total liabilities by \$418.4 million (net position). Total net position for governmental activities was \$341.1 million; total net position for business-type activities was \$77.3 million.
- Total net position is comprised of the following:
 1. Capital assets of \$307.9 million include property and equipment, net of accumulated depreciation related to the purchase or construction of capital assets.
 2. Net assets of \$86.2 million are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 3. Unrestricted net assets of \$24.3 million represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- As a whole, the County's financial position improved showing a 22.3% increase. Total net position increased by \$76.2 million. Governmental activities experienced a \$74 million increase while business-type activities increased by \$2.2 million. Governmental net position increased 27.7% in fiscal year 2020. Net position in the business-type activities increased 2.9%.

**HOUSTON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HOUSTON COUNTY'S CHANGES IN NET POSITION
FISCAL YEARS 2019 AND 2020**

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program revenues:						
Charges for services	\$ 18,962,639	\$ 18,163,836	\$ 15,211,050	\$ 16,419,764	\$ 34,173,689	\$ 34,583,600
Operating grants	2,192,496	5,136,827	-	-	2,192,496	5,136,827
Capital grants	2,195,782	2,407,190	-	-	2,195,782	2,407,190
General revenues:						
Taxes	70,724,991	75,661,229	608,256	1,816,507	71,333,247	77,477,736
Other	980,430	679,857	1,022,966	634,173	2,003,396	1,314,030
Total revenues	<u>95,056,338</u>	<u>102,048,939</u>	<u>16,842,272</u>	<u>18,870,444</u>	<u>111,898,610</u>	<u>120,919,383</u>
Expenses:						
General government	14,043,314	13,003,661	-	-	14,043,314	13,003,661
Judicial	12,147,516	12,516,361	-	-	12,147,516	12,516,361
Public safety	36,348,804	39,068,042	-	-	36,348,804	39,068,042
Highways & streets	19,082,827	23,794,296	-	-	19,082,827	23,794,296
Health & welfare	560,711	590,418	-	-	560,711	590,418
Housing & development	1,282,247	3,771,769	-	-	1,282,247	3,771,769
Culture/recreation	984,370	1,037,992	-	-	984,370	1,037,992
Water	-	-	6,776,443	7,370,934	6,776,443	7,370,934
Landfill	-	-	7,980,959	8,720,304	7,980,959	8,720,304
Total expenses	<u>84,449,789</u>	<u>93,782,539</u>	<u>14,757,402</u>	<u>16,091,238</u>	<u>99,207,191</u>	<u>109,873,777</u>
Increase (decrease) in net position before transfers	10,606,549	8,266,400	2,084,870	2,779,206	12,691,419	11,045,606
Transfers	38,802	42,519	(38,802)	(42,519)	-	-
Indirect cost allocation	543,232	571,621	(543,232)	(571,621)	-	-
Increase (decrease) in net position	11,188,583	8,880,540	1,502,836	2,165,066	12,691,419	11,045,606
Net Position - beginning	255,823,403	267,011,986	73,656,062	75,158,898	329,479,465	342,170,884
Prior period adjustment	-	65,163,597	-	-	-	65,163,597
Net Position - ending	<u>\$ 267,011,986</u>	<u>\$ 341,056,123</u>	<u>\$ 75,158,898</u>	<u>\$ 77,323,964</u>	<u>\$ 342,170,884</u>	<u>\$ 418,380,087</u>

- For fiscal year 2020, Houston County's governmental funds reported combined fund balances totaling \$118.2 million; an increase of \$6.4 million when compared to fiscal year 2019. Of the \$118.2 million, \$63.7 million or 53.9% is restricted due to external limitations on its use. These uses include construction of SPLOST capital projects of \$60.8 million, E911 operations of \$1.8 million, confiscated drug funds for law enforcement purposes of \$161,041, law library surcharge funds for the operation of the County's public law library at \$901,500, and Juvenile Court supervision fees of \$63,741. Less than one percent of fund balance, \$379,357, is considered non-spendable because it has been used for inventory. A total of \$7.1 million or 6% of fund balance is committed, meaning there are limitations resulting from its intended use. Of these funds, \$4,701,946 for fire services, \$349,089 for jail inmate services, and \$2,001,285 is committed to judicial projects. A total of \$682,993 is assigned to various areas including \$99,759 assigned to the County's emergency warning system known as Code Red; \$23,400 assigned to the Hwy. 96 Boat Ramp construction; and \$559,834 to pension contribution. The remaining \$46.3 million or 39.2% of combined fund balance is unassigned.

HOUSTON COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

- Governmental activities in fiscal year 2020 experienced an increase of \$74 million in net position, while business-type activities increased by \$2.2 million. In total, net position increased by \$76.2 million during the year to \$418.4 million. Revenues for governmental activities increased from \$95.1 to \$102 million. Overall revenues in the General and E911 funds increased over 2019 levels and the SPLOST fund also increased by \$1.8 million or 6.8%. The Fire fund revenues decreased as compared to 2019 levels. Although the 2012 SPLOST finished its 72-month run a collective \$21.9 million or 14.15% under projections, collections for the first twenty-one months of the 2018 SPLOST have been consistently stronger than projected most likely contributed to the strengthening of the economy in general. Non-major governmental expenditures decreased \$1,254,566 or 16.6% compared to last year's spending. General fund expenditures increased \$505,216 or slightly less than 1% from \$55.1 million to \$55.6 million, while SPLOST Capital Projects Fund expenditures increased 83.3% from \$15.8 million to \$29 million. Revenues for business-type activities increased 12% from \$16.8 million to \$18.9 million. While Water sales experienced a considerable 10.4% increase during the year from \$8 million to \$8.85 million; Landfill fees increased 5.2% to \$7.6 million as compared to last year's levels of \$7.2 million. Nonetheless, Landfill fees remain down due to the multi-year building industry slump resulting in less C&D tonnage and an operating loss of \$1.36 million. Combined business activities therefore experienced a negative overall operating income, or loss, of \$243,095. Expenditures for governmental activities increased to \$93.8 from \$84.4 million. Business-type expenses increased from \$14.8 million to \$16.1 million.

Fund Financial Information

Major Governmental Funds

General Fund – The central operating fund for Houston County, the General Fund, is used to account for all governmental financial resources not restricted by state or federal laws, local ordinances, or other externally imposed requirements. At the end of fiscal year 2020, total assets rose from \$46.1 million to \$51.3 million, while total liabilities increased from \$3 million to \$3.2 million.

The General Fund's unassigned fund balance at year-end increased from \$41.1 million to \$46.3 million. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 83.3% of total general fund expenditures, while total fund balance, \$47.5 million, represents 85.3% of the same amount. The General Fund reported a \$5 million increase in fund balance.

Total revenues and other sources for fiscal year 2020 of \$64 million exceeded total expenditures and other uses of \$59 million. As a whole, County revenue collections were higher than originally estimated due to state mandated increases in various service charges, court fines and fees. While property tax revenue surpassed last year's levels with an increase of 10.7%, revenues from licenses and permits increased by 8.8%, intergovernmental revenues increased by 14.8%, fines and forfeitures decreased by 21.4%, investment income decreased by 33.5%, and miscellaneous revenues decreased by 23.7%. Revenues derived from charges for services decreased by slightly less than 1%. Overall, actual revenues increased by 7.5% in FY20 as compared to FY19.

Expenditures for most functional areas were \$3,935,365 less than budget due to vacancies in positions, staff turnover and savings managed by departments within their operating budgets. However, there were several areas where costs were somewhat higher than originally projected. First, in general government the Board of Elections budget was increased \$8,437 due to unexpected costs related to elections; the Accounting Department budget was increased \$2,166 due to a 2% salary adjustment for all County employees approved by the Board effective March 10, 2020; the Legal Services departmental budget was increased \$242,025 to cover costs of outside legal representation necessary because of a lawsuit; The Human Resources budget was increased \$1,947 due to the Board approved 2% salary adjustment; the Tax Commissioner's budget was increased \$7,530 due to the Board approved 2% salary adjustment; the Public Buildings budget was increased \$117,614 to cover overages on County buildings utilities and higher than expected building maintenance costs; and in Other general government actual costs incurred resulted in an \$286,508 budget increase. Second, judicial costs the District Attorney's budget was increased \$62,656 because of costs incurred due to increased caseloads; the State Court Judge's budget was increased \$27,642 to cover the costs of the

HOUSTON COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

new State Court software system licenses and annual maintenance; the Probate Court budget was increased \$3,780 due to the Board approved 2% salary adjustment; and the Juvenile Court Enhancement budget was increased \$989 due to the Board approved 2% salary adjustment. Third, under public safety activities, the Sheriff Department's budget was increased by \$76,343 due to the Board approved 2% salary adjustment and various operational costs; the Coroner's budget was increased by \$10,323 to cover additional temporary personnel costs; and the Emergency Management budget was increased \$370 to cover the costs of higher than expected operating costs. Fourth, in Public Works activities, the Highways & Streets - State budget was increased \$1,272,200 to reflect Georgia Department of Transportation (GDOT) resurfacing grants awarded during the year; and the Storm Drainage budget was increased \$10,800 to cover the cost of unexpected emergency storm drainage repairs. Fifth, in Health and Welfare activities, the Health Department's budget was increased \$43,053 to reimburse expenses incurred related to the fight against the spread of the COVID-19 virus utilizing Coronavirus Emergency Supplemental Funding (CESF) grant funds; and the Other (Pauper's Funeral) Department was increased \$1,600 to account for a higher than expected indigent death rate. Sixth, in housing and development activities, the County Agent budget was increased \$2,500 to cover the cost of additional temporary employee costs; the Building Inspection budget was increased \$3,829 due to the Board approved 2% salary adjustment; and the Planning & Zoning budget was increased \$455 to cover higher than expected personnel (board members) costs. Most other departmental expenditures were consistent with fiscal year 2019.

E911 Fund - The E911 Fund accounts for the cost of operating and maintaining Houston County's Centralized Emergency Communications System. Financing is provided by a \$1.50 charge to each telephone subscriber (wireless and land) whose exchange access lines are in the areas served by the Houston County 911 service; by contributions from the cities of Centerville, Perry and Warner Robins; by a charge on every prepaid wireless retail transaction occurring within the County's jurisdiction; and by transfers from Houston County's General Fund and Fire Protection Fund. The prepaid wireless charge was increased by the State legislature (HB 751) from \$0.75 to \$1.50 effective January 1, 2019. At the end of fiscal year 2020, total assets increased from \$1,585,294 to \$1,853,338, while total liabilities decreased from \$87,319 to \$15,738. Restricted fund balance increased by \$339,625 during the year from \$1,497,975 to \$1,837,600. The ending fund balance represents 44.1% of the expenditures for the year.

Total E911 revenues and other sources for fiscal year 2020 of \$4.5 million exceeded total expenditures and other uses by \$339,625. Most of the revenue came from 911 fees totaling \$3.1 million. Lease payments increased from \$29,779 to \$31,041, and intergovernmental contributions remained constant at \$662,088. Total E911 expenditures for fiscal year 2020 increased by 2.8% from \$4,051,667 to \$4,166,781.

Fire Protection Fund - The Fire Protection Fund accounts for the cost of operating and maintaining Houston County's fire protection services. This department consists of a combination of volunteer and full-time firefighters. Financing is provided by levying a special fire tax on property in unincorporated Houston County. At the end of fiscal year 2020, total assets increased 12.1% to \$4,765,256. Total liabilities increased to \$63,310 from \$36,562. The increase in assets is primarily due to investments other than cash. Committed fund balance increased \$487,054 to \$4.7 million. The fund balance is earmarked only for fire protection uses and currently represents 225% of the expenditures and transfers for the year.

At \$2.6 million, total fire revenues decreased by 34.1% when compared to fiscal year 2019. The fire tax levy for 2020 remained at 1.177 mills. At \$2.1 million, expenditures decreased as compared to \$3.39 million last year.

SPLOST Capital Projects – Houston County has three Special Purpose Local Option Sales Tax (SPLOST) programs currently underway. The County completed all projects under the 2001 SPLOST and closed it out FY20. In March of 2006, voters approved a six year \$130 million SPLOST for the construction of roads, several public safety buildings, library improvements, water and sewer improvements and the write-off of outstanding debt. Collections for the 2006 SPLOST began in October 2006 and ended September 2012. In March of 2012, voters passed a \$155 million SPLOST for the construction of road, bridge and sidewalk projects, water and sewer system improvements, public safety and recreation facilities and equipment, an E911 system and facilities upgrade, property acquisition for Robins Air Force Base encroachment and industrial sites, and debt payoff. Sales tax collections on this 2012 SPLOST began October 2012 and ended September 2018. Throughout the six-year 2012 SPLOST collections consistently fell short of projections. Projections for the 72-month SPLOST period were \$155 million, while actual collections were \$133 million, or 14.15% short. In March of 2017, voters passed a \$145 million SPLOST for the construction of roads

HOUSTON COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

and related projects, an 800 MHz communication system upgrade, water and sewer improvements, recreation enhancements, vehicles and equipment purchases, facilities construction, property acquisition and municipal debt service. Sales tax collections for this 2018 SPLOST began October 1, 2018 during the 2019 fiscal year and, in sharp contrast to the 2012 SPLOST, have consistently met and exceeded projections during the first twenty-one months. This is primarily due to the strengthening of the economy during the year which has bolstered consumer confidence and therefore spending. Monthly projections were set at just over \$2 million and the average monthly collection through June 30, 2020 has been over \$2.25 million.

At the end of fiscal year 2020, total assets in the SPLOST fund were \$65.7 million, and total liabilities were \$4.9 million. The restricted fund balance increased marginally \$74,195 from \$60.7 million to \$60.8 million. Approximately 90% of the 2006 SPLOST projects have been completed with only transportation projects remaining. Several road construction projects were underway during FY20 including the Scott Road Extension, Terrell Road paving, and Hill Road Paving. Major projects from the 2012 SPLOST in FY20 included the completion of the Davidson Road at SR247 Intersection project. Work continues on the Church Street widening project, the Elberta Road widening project (N. Houston Road to Northside Drive), Moss Oaks Road and the Lake Joy Road widening project (Phase 5) construction. Other notable acquisitions from the 2012 SPLOST included camera system upgrades at the Detention Center; various pieces of equipment in the Sheriff's Department; a telephone system update; an IT switch upgrade at various buildings; one vehicle for the Tax Assessors Department; a dump truck, tractors and mowers for the Roads Department; diesel generator replacements for four E-911 800 MHz tower sites; \$200,000 for books, media and equipment for the library system; and computer, printer, scanner and copier purchases for various departments. Notable projects from the 2018 SPLOST during FY20 include continued engineering/design work on the Houston Lake Road widening project (Gray Road to Kings Chapel Road); completion of the widening of Thompson Mill Road project; continued work on the software design and implementation for the Court Case and Jail Management Systems; continued construction on the new Lake Joy Road Fire Station and EMA Headquarters site; installation of a traffic signal at Russell Parkway and Tharpe Road intersection; sixteen public safety vehicles and various equipment in the Sheriff's Department and others.

At \$27.6 million, total sales tax revenues in fiscal year 2020 increased by \$1.6 million over last year's collections of \$26 million. Overall total SPLOST revenues increased by \$1.85 million as compared to 2019 levels. Investment income decreased from \$1,224,615 to \$925,884. Total SPLOST expenditures for fiscal year 2020 increased \$13.2 million from \$15.8 million to \$29 million. Of the \$28,999,985 expended, \$7,919,666 was allocated to highway and street projects and equipment; \$12,542,575 was expended in intergovernmental grants or allocated to the cities of Centerville, Perry and Warner Robins; \$200,000 was expended on library improvements; \$4,370,618 was expended for public safety equipment and facilities improvements; \$475,156 was expended for environmental health facilities improvements; and \$2,603,500 was expended for economic development purposes. The remainder, \$888,470 was expended on small equipment, vehicles, and capital equipment for various County departments.

CARES Act Fund - The CARES (Coronavirus Aid, Relief, and Economic Security) Act was signed into law on March 27, 2020 by the President to provide certain economic relief measures aimed at reducing the economic impact of the novel coronavirus 2019 (COVID-19) pandemic. This act authorized \$2.1 trillion in aid to various sectors of the economy. Title V of the CARES Act created the Coronavirus Relief Fund (CRF) to provide financial resources to state and local governments. The State of Georgia was provided with \$4.1 billion for coronavirus-related expenses based on a formula in the CARES Act. Of that \$4.1 billion, 45% was then transferred to local governments assuming that there were necessary expenditures incurred due to the public health emergency. Houston County's allocation was \$2.88 million. Expenditures incurred during the period that began on March 1, 2020 and ending on December 30, 2020 were eligible. Although there were numerous eligible expenditure types outlined in the Federal Register that could qualify for reimbursement under the CARES Act, Houston County chose to utilize payroll expenses for public safety employees whose services were substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

HOUSTON COUNTY, GEORGIA MANAGEMENT'S DISCUSSION AND ANALYSIS

Major Proprietary Funds

Water Enterprise Fund - This fund is used to account for water service provided to customers primarily in unincorporated Houston County. Rates are established to pay the costs of current operations and to provide for capital maintenance replacement. Total assets at the end of fiscal year 2020 increased to \$42.2 million from \$40.8 million while total liabilities decreased to \$3.36 million from \$3.46 million. Net position increased by 3.2% to \$39.4 million. Total operating revenues increased by 10.4% from \$8 million to \$8.85 million. In fiscal year 2020, water sales increased by 11.3% as compared to the 2019 sales levels. While revenues from service charges maintained last years levels decreasing only \$857 to \$493,399 from \$494,256; revenue from charges for services decreased 2.8% from \$88,398 to \$85,967. Total expenditures increased 8.6% from \$7.1 million in 2019 to \$7.7 million in 2020. Overall, net operating income increased by 25.4% from \$890,639 to \$1,116,973.

Landfill Enterprise Fund - This fund is used to account for the sanitary landfill in compliance with state and federal requirements. Fees are established to pay the costs of current operations, capital maintenance replacement and closure/post-closure costs. Total assets were \$55.6 million and total liabilities were \$18 million, as compared to \$49.9 million and \$13.4 million, respectively in fiscal year 2019. Net position increased during the fiscal year from \$37 million to \$37.9 million. While operating revenues (disposal fees plus service charges) increased by 5.2% to \$7.6 million as compared to last year's levels of \$7.2 million; operating expenses in fiscal year 2020 increased at a greater rate by 9.2% from \$8.2 million to \$8.9 million. This has resulted in an increase in the landfill's negative operating income from \$980,223 in fiscal year 2019 to \$1,360,068 for fiscal year 2020.

Capital Assets and Debt Administration

Capital Assets – In fiscal year 2020, investments in capital assets for both governmental and business-type activities by the County increased from \$233.4 million to \$307.9 million (net of accumulated depreciation). This amount represents a net increase of \$74.5 million over last year. Governmental activities capital investment amounts increased 38.6% to \$253.5 million while business-type activities capital assets increased 7.6% to \$54.4 million.

Houston County's \$307.9 million investment in capital assets includes land, buildings, machinery, equipment, vehicles, infrastructure, and utility systems. Capital assets added in FY20 to governmental activities primarily included \$37.5 million in road improvement projects funded under the 2001 SPLOST program; \$139,136 for land at the site of the Lake Joy Fire Station and HEMA Headquarters building construction project; and \$1.48 million in vehicles, machinery, and equipment. Capital assets added to the business-type activities include water system improvement projects on Old Hawkinsville Road for \$330,010 and on Peach Blossom Road for \$584,353; property purchased off Bear Branch Road for \$65,097 for a new water treatment plant; \$3.32 million in construction associated with the Landfill including the Phase 4, Cells 3-5 expansion, as well as the Raise Wells/Sump Phase 3 on the Gas Collection and Control System (GCCS); the Phase 6 Stage 1-A cell construction; and \$1.49 million in vehicles and equipment upgrades for both the landfill and water system.

At the end of fiscal year 2020, the depreciable capital assets for governmental activities were 33.9% depreciated, compared to 36.5% in fiscal year 2019. This comparison indicates that the County is replacing its assets at a comparable rate as they are depreciating, which is a positive indicator. With the County's business-type activities, 51.8% of the asset values were depreciated for fiscal year 2020 and as compared to 53.5% in fiscal year 2019.

**HOUSTON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HOUSTON COUNTY'S CAPITAL ASSETS AT YEAR-END
FISCAL YEARS 2019 AND 2020**

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Non-depreciable assets:						
Land	\$ 6,247,159	\$ 6,386,295	\$ 5,795,527	\$ 5,860,624	\$ 12,042,686	\$ 12,246,919
Construction in progress	11,698,108	50,244,726	6,942,058	6,856,122	18,640,166	57,100,848
Total non-depreciable assets	<u>\$ 17,945,267</u>	<u>\$ 56,631,021</u>	<u>\$ 12,737,585</u>	<u>\$ 12,716,746</u>	<u>\$ 30,682,852</u>	<u>\$ 69,347,767</u>
Depreciable assets:						
Buildings	\$ 73,376,385	\$ 73,376,385	\$ -	\$ -	\$ 73,376,385	\$ 73,376,385
Improvements	1,090,064	1,090,064	69,932,341	74,163,723	71,022,405	75,253,787
Machinery and equipment	41,688,583	42,250,099	11,286,758	12,322,716	52,975,341	54,572,815
Infrastructure	143,452,221	180,950,634	-	-	143,452,221	180,950,634
Total depreciable assets	<u>\$ 259,607,253</u>	<u>\$ 297,667,182</u>	<u>\$ 81,219,099</u>	<u>\$ 86,486,439</u>	<u>\$ 340,826,352</u>	<u>\$ 384,153,621</u>
Less accumulated depreciation	\$ 94,718,909	\$ 100,819,911	\$ 43,413,195	\$ 44,799,992	\$ 138,132,104	\$ 145,619,903
Percentage depreciated	36.5%	33.9%	53.5%	51.8%	40.5%	37.9%
Book value	<u>\$ 182,833,611</u>	<u>\$ 253,478,292</u>	<u>\$ 50,543,489</u>	<u>\$ 54,403,193</u>	<u>\$ 233,377,100</u>	<u>\$ 307,881,485</u>

Additional information about capital assets is included in the Notes to the Financial Statements on pages 28 to 58 of this report.

Debt Management – Houston County has no general obligation debt in either the governmental or business-type activities. In the County's governmental activities, there is compensated absences of \$2.11 million and Other Post-Employment Benefits (OPEB) of \$14.55 million. Business-type activities include \$10.4 million in closure/post-closure care of the landfill and \$247,017 in compensated absences. Additional information about long-term debt is included in the Notes to the Financial Statements on pages 28 to 58 of this report.

**HOUSTON COUNTY'S OUTSTANDING DEBT
FISCAL YEARS 2019 AND 2020**

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Net Pension Obligation	\$ 32,941,178	\$ 29,131,411	\$ 3,376,484	\$ 3,047,857	\$ 36,317,662	\$ 32,179,268
Net OPEB Obligation	10,319,597	14,545,272	1,025,578	1,390,081	11,345,175	15,935,353
Landfill closure and post closure care	-	-	9,852,429	10,425,398	9,852,429	10,425,398
Compensated absences	1,864,062	2,109,440	219,906	247,017	2,083,968	2,356,457
Total	<u>\$ 45,124,837</u>	<u>\$ 45,786,123</u>	<u>\$ 14,474,397</u>	<u>\$ 15,110,353</u>	<u>\$ 59,599,234</u>	<u>\$ 60,896,476</u>

Requests for Information

This report is designed to provide a general overview of Houston County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Administration Barry Holland or Comptroller Sandi Stalnaker, 200 Carl Vinson Parkway, Warner Robins, Georgia 31088.

BASIC FINANCIAL STATEMENTS

HOUSTON COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,186,059	\$ 13,503,450	\$ 20,689,509
Investments	111,353,942	19,267,067	130,621,009
Accounts receivable (net)	224,072	1,590,765	1,814,837
Taxes receivable (net)	750,969	-	750,969
Internal balances	5,065,093	(5,065,093)	-
Due from other governments	5,905,696	-	5,905,696
Inventories and prepaid items	379,357	107,581	486,938
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	-	86,288	86,288
Investments	-	8,697,576	8,697,576
Capital assets not subject to depreciation	56,631,021	12,716,746	69,347,767
Capital assets (net of accumulated depreciation)	196,847,271	41,686,447	238,533,718
Total assets	<u>384,343,480</u>	<u>92,590,827</u>	<u>476,934,307</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	18,423,546	1,770,753	20,194,299
Related to OPEB	3,474,444	304,712	3,779,156
	<u>21,897,990</u>	<u>2,075,465</u>	<u>23,973,455</u>
LIABILITIES			
Accounts payable	5,612,910	692,567	6,305,477
Accrued wages payable	177,326	11,183	188,509
Accrued compensated absences	1,371,135	135,859	1,506,994
Due to other governments	1,705,252	143,168	1,848,420
Unearned revenue	-	-	-
Liabilities payable from restricted assets:			
Accrued bond interest and call premiums	-	4,998	4,998
Customer deposits	-	289,602	289,602
Noncurrent liabilities:			
Net other postemployment benefits	14,545,272	1,390,081	15,935,353
Net pension liability	29,131,411	3,047,857	32,179,268
Accrued compensated absences	738,305	111,158	849,463
Accrued closure and post-closure care costs	-	10,425,398	10,425,398
Total liabilities	<u>53,281,611</u>	<u>16,251,871</u>	<u>69,533,482</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	11,479,432	1,047,921	12,527,353
Related to OPEB	424,304	42,536	466,840
	<u>11,903,736</u>	<u>1,090,457</u>	<u>12,994,193</u>
NET POSITION			
Investment in capital assets	253,478,292	54,403,193	307,881,485
Restricted for capital projects	60,784,472	-	60,784,472
Restricted for renewal and extension	-	8,507,576	8,507,576
Restricted for waste collections	-	13,966,757	13,966,757
Restricted for permanent fund	-	-	-
Restricted for other purposes	2,963,882	-	2,963,882
Unrestricted	23,829,477	446,438	24,275,915
Total net position	<u>\$ 341,056,123</u>	<u>\$ 77,323,964</u>	<u>\$ 418,380,087</u>

The notes to the financial statements are an integral part of this statement.

Component Units

Development Authority	Health Department	Public Library
\$ 768,054	\$ 1,659,661	\$ 585,317
17,268,782	781,310	46,161
3,625	3,232,444	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	586,965
-	507,303	6,234,600
<u>18,040,461</u>	<u>6,180,718</u>	<u>7,453,043</u>
-	3,981,722	251,262
-	-	49,059
-	<u>3,981,722</u>	<u>300,321</u>
115,793	1,944,718	-
-	212,876	26,695
11,223	-	18,354
-	-	-
-	169,612	-
-	-	-
-	-	-
-	2,527,234	794,990
-	10,910,796	916,230
13,241	724,975	-
-	-	-
<u>140,257</u>	<u>16,490,211</u>	<u>1,756,269</u>
-	4,340,847	71,977
-	-	371,078
-	<u>4,340,847</u>	<u>443,055</u>
-	507,303	6,821,565
-	-	175,338
-	-	-
-	-	-
-	-	32,195
-	-	-
<u>17,900,204</u>	<u>(11,175,921)</u>	<u>(1,475,058)</u>
<u>\$ 17,900,204</u>	<u>\$ (10,668,618)</u>	<u>\$ 5,554,040</u>

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expense Allocation</u>	<u>Program Revenues</u>		
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:					
Governmental activities:					
General government	\$ 13,003,661	\$ (5,553,518)	\$ 7,970,750	\$ 1,183,904	\$ -
Judicial	12,516,361	1,345,348	4,882,318	597,539	-
Public safety	39,068,042	2,731,591	4,936,594	3,081,271	-
Highways and streets	23,794,296	616,776	22,361	61,499	1,907,190
Health and welfare	590,418	168,928	59,539	58,000	-
Housing and development	3,771,769	119,254	292,274	154,614	500,000
Culture and recreation	1,037,992	-	-	-	-
Total governmental activities	93,782,539	(571,621)	18,163,836	5,136,827	2,407,190
Business-type activities:					
Water	7,370,934	363,637	8,851,544	-	-
Landfill	8,720,304	207,984	7,568,220	-	-
Total business-type activities	16,091,238	571,621	16,419,764	-	-
Total primary government	\$ 109,873,777	\$ -	\$ 34,583,600	\$ 5,136,827	\$ 2,407,190
Component units:					
Development Authority	\$ 623,100	\$ -	\$ -	\$ -	\$ -
Health Department	22,480,077	-	3,180,304	19,720,499	-
Public Library	1,658,097	-	72,911	401,768	200,000
Total component units	\$ 24,761,274	\$ -	\$ 3,253,215	\$ 20,122,267	\$ 200,000
General revenues:					
Property taxes					
Sales taxes					
Franchise tax					
Alcoholic beverage tax					
Insurance premium tax					
Gain on sale of assets					
Rent					
Intergovernmental, not restricted for specific programs					
Grants and contributions, not restricted for specific programs					
Other income					
Unrestricted investment earnings					
Total general revenues					
Transfers					
Total general revenues and transfers					
Change in net position					
Net position - beginning					
Prior period adjustment					
Net position - ending					

The notes to the financial statements are an integral part of this statement.

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

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Development Authority	Health Department	Public Library
\$ 1,704,511	\$ -	\$ 1,704,511	\$ -	\$ -	\$ -
(8,381,852)	-	(8,381,852)	-	-	-
(33,781,768)	-	(33,781,768)	-	-	-
(22,420,022)	-	(22,420,022)	-	-	-
(641,807)	-	(641,807)	-	-	-
(2,944,135)	-	(2,944,135)	-	-	-
(1,037,992)	-	(1,037,992)	-	-	-
<u>(67,503,065)</u>	<u>-</u>	<u>(67,503,065)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,116,973	1,116,973			
-	(1,360,068)	(1,360,068)			
-	(243,095)	(243,095)			
<u>\$ (67,503,065)</u>	<u>\$ (243,095)</u>	<u>\$ (67,746,160)</u>			
			(623,100)	-	-
			-	420,726	-
			-	-	(983,418)
			<u>\$ (623,100)</u>	<u>\$ 420,726</u>	<u>\$ (983,418)</u>
\$ 44,533,791	\$ -	\$ 44,533,791	\$ -	\$ -	\$ -
27,648,295	-	27,648,295	-	-	-
688,365	-	688,365	-	-	-
309,094	-	309,094	-	-	-
2,481,684	1,816,507	4,298,191	-	-	-
-	216,631	216,631	-	-	-
64,859	-	64,859	74,811	-	-
-	-	-	522,615	-	829,200
-	-	-	2,600,000	-	2,935
18,660	-	18,660	-	-	1,258
596,338	417,542	1,013,880	3,186	28,456	2,010
76,341,086	2,450,680	78,791,766	3,200,612	28,456	835,403
42,519	(42,519)	-	-	-	-
76,383,605	2,408,161	78,791,766	3,200,612	28,456	835,403
8,880,540	2,165,066	11,045,606	2,577,512	449,182	(148,015)
267,011,986	75,158,898	342,170,884	15,380,070	(11,117,800)	5,702,055
65,163,597	-	65,163,597	(57,378)	-	-
<u>\$ 341,056,123</u>	<u>\$ 77,323,964</u>	<u>\$ 418,380,087</u>	<u>\$ 17,900,204</u>	<u>\$ (10,668,618)</u>	<u>\$ 5,554,040</u>

HOUSTON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020

	<u>General</u>	<u>SPLOST Capital Projects</u>	<u>Cares Act Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 2,950,726	\$ -	\$ -	\$ 2,725,160	\$ 5,675,886
Investments	39,068,931	63,266,958	-	5,008,803	107,344,692
Taxes receivable (net)	750,969	-	-	-	750,969
Accounts receivable (net)	211,464	-	-	12,608	224,072
Due from other funds	7,324,580	-	-	2,025,855	9,350,435
Due from other governments	595,538	2,421,603	2,624,874	263,681	5,905,696
Inventories	379,357	-	-	-	379,357
Total assets	<u>\$ 51,281,565</u>	<u>\$ 65,688,561</u>	<u>\$ 2,624,874</u>	<u>\$ 10,036,107</u>	<u>\$ 129,631,107</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts and contracts payable	\$ 1,365,663	\$ 3,241,860	\$ -	\$ 28,114	\$ 4,635,637
Accrued wages and payroll taxes payable	163,725	-	-	13,601	177,326
Due to other funds	1,618,537	-	2,624,874	41,931	4,285,342
Due to other governments	43,023	1,662,229	-	-	1,705,252
Total liabilities	<u>3,190,948</u>	<u>4,904,089</u>	<u>2,624,874</u>	<u>83,646</u>	<u>10,803,557</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>					
Unavailable revenue	<u>635,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>635,324</u>
Total deferred inflows of resources	<u>635,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>635,324</u>
Fund balances:					
Nonspendable:					
Inventories	379,357	-	-	-	379,357
Restricted for:					
SPLOST Capital Projects	-	60,784,472	-	-	60,784,472
E 911 fund	-	-	-	1,837,600	1,837,600
Drug fund	-	-	-	161,041	161,041
Law library fund	-	-	-	901,500	901,500
Juvenile Court	63,741	-	-	-	63,741
Committed to:					
Judicial	-	-	-	2,001,285	2,001,285
Public safety	-	-	-	5,051,035	5,051,035
Assigned to:					
Boat ramp construction	23,400	-	-	-	23,400
Pension contribution	559,834	-	-	-	559,834
Code red construction	99,759	-	-	-	99,759
Unassigned	<u>46,329,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,329,202</u>
Total fund balances	<u>47,455,293</u>	<u>60,784,472</u>	<u>-</u>	<u>9,952,461</u>	<u>118,192,226</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 51,281,565</u>	<u>\$ 65,688,561</u>	<u>\$ 2,624,874</u>	<u>\$ 10,036,107</u>	<u>\$ 129,631,107</u>

The notes to the financial statements are an integral part of this statement.

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

Total fund balances for governmental funds.		\$ 118,192,226
Total net position for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		253,478,292
Other long-term assets (i.e. property taxes receivable) are not available to pay for current-period expenditures and therefore are deferred in the funds, but are reported as revenue on the government-wide statement of activities.		635,324
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of future period; therefore, are not reported in the funds.		21,897,990
An internal service fund is used by management to charge the costs of risk management to individual funds. The assets and liabilities of the risk management have been allocated to the governmental activities on the statement of net position.		4,542,150
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		(45,786,123)
Net other postemployment benefits (OPEB)	\$ 14,545,272	
Pensions	29,131,411	
Compensated absences	<u>2,109,440</u>	
Total long-term liabilities	<u>\$ 45,786,123</u>	
Deferred inflows of resources related to pensions and OPEBs are not reported in the Governmental Funds Balance Sheet.		<u>(11,903,736)</u>
Total net position of governmental activities.		<u>\$ 341,056,123</u>

The notes to the financial statements are an integral part of this statement.

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

	<u>General</u>	<u>SPLOST Capital Projects</u>	<u>Cares Act Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 51,294,193	\$ 27,648,296	\$ -	\$ 2,481,684	\$ 81,424,173
Licenses and permits	434,431	-	-	-	434,431
Intergovernmental	3,403,225	500,000	2,624,874	669,716	7,197,815
Charges for services	5,556,569	-	-	3,341,752	8,898,321
Fines and forfeitures	2,253,754	-	-	977,488	3,231,242
Investment income	595,643	925,884	-	59,729	1,581,256
Miscellaneous	54,273	-	-	60,413	114,686
Total revenues	<u>63,592,088</u>	<u>29,074,180</u>	<u>2,624,874</u>	<u>7,590,782</u>	<u>102,881,924</u>
EXPENDITURES					
Current:					
General government	11,515,172	198,392	-	-	11,713,564
Judicial	10,554,317	28,711	-	119,538	10,702,566
Public safety	23,937,461	936,806	-	6,133,902	31,008,169
Highways and streets	7,243,828	272,710	-	-	7,516,538
Health and welfare	513,743	-	-	-	513,743
Culture and recreation	837,992	200,000	-	-	1,037,992
Housing and development	636,775	2,098	-	-	638,873
Economic development	404,461	2,603,500	-	-	3,007,961
Capital outlay:					
General government	-	186,865	16,818	-	203,683
Judicial	-	428,736	11,203	-	439,939
Public safety	-	3,433,812	2,589,046	43,306	6,066,164
Highways and streets	-	7,646,956	7,807	-	7,654,763
Health and welfare	-	475,156	-	-	475,156
Housing and development	-	43,668	-	-	43,668
Intergovernmental	-	12,542,575	-	-	12,542,575
Total expenditures	<u>55,643,749</u>	<u>28,999,985</u>	<u>2,624,874</u>	<u>6,296,746</u>	<u>93,565,354</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,948,339</u>	<u>74,195</u>	<u>-</u>	<u>1,294,036</u>	<u>9,316,570</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	354,092	-	-	671,208	1,025,300
Transfers out	(3,383,445)	-	-	(599,336)	(3,982,781)
Proceeds from sale of capital assets	49,358	-	-	-	49,358
Total other financing sources (uses)	<u>(2,979,995)</u>	<u>-</u>	<u>-</u>	<u>71,872</u>	<u>(2,908,123)</u>
Net change in fund balance	4,968,344	74,195	-	1,365,908	6,408,447
Fund balances at beginning of year	<u>42,486,949</u>	<u>60,710,277</u>	<u>-</u>	<u>8,586,553</u>	<u>111,783,779</u>
Fund balances at end of year	<u>\$ 47,455,293</u>	<u>\$ 60,784,472</u>	<u>\$ -</u>	<u>\$ 9,952,461</u>	<u>\$ 118,192,226</u>

The notes to the financial statements are an integral part of this statement.

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

Net change in fund balance - total governmental funds \$ 6,408,447

Total change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense.

Total capital outlays		12,503,301
Total depreciation		(6,929,526)

The book value of capital assets disposed of are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement. (92,691)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.

Property Taxes: Deferred @ 6/30/19	561,038	
Property Taxes: Deferred @ 6/30/20	<u>635,324</u>	74,286

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:

Total OPEB liability and changes in related deferred inflows/outflows of resources	(1,151,335)	
Net Pension liability and changes in related deferred inflows/outflows of resources	(3,109,293)	
Compensated absences	<u>(245,378)</u>	(4,506,006)

An internal service fund is used by management to charge the costs of risk management to individual funds. The change in net position of the risk management fund is reported with governmental activities. 1,422,729

Change in net position of governmental activities \$ 8,880,540

The notes to the financial statements are an integral part of this statement.

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over</u>
				<u>(Under)</u>
REVENUES				
Taxes	\$ 46,268,491	\$ 46,268,491	\$ 51,294,193	\$ 5,025,702
Licenses and permits	437,000	437,000	434,431	(2,569)
Intergovernmental	3,117,281	3,232,504	3,403,225	170,721
Charges for services	5,482,743	5,482,743	5,556,569	73,826
Fines and forfeitures	2,718,700	2,718,700	2,253,754	(464,946)
Investment income	650,000	650,000	595,643	(54,357)
Miscellaneous	69,800	69,800	54,273	(15,527)
Total revenues	<u>58,744,015</u>	<u>58,859,238</u>	<u>63,592,088</u>	<u>4,732,850</u>
EXPENDITURES				
Current:				
General government:				
County commissioners	777,981	748,446	739,296	(9,150)
Board of elections	457,284	465,721	461,512	(4,209)
Accounting	345,539	347,705	347,474	(231)
Purchasing	390,028	387,968	379,387	(8,581)
Legal services	257,737	499,762	490,745	(9,017)
Management of information systems	976,769	976,769	969,767	(7,002)
Human resources	445,701	447,648	444,811	(2,837)
Tax commissioner	1,666,824	1,674,354	1,652,555	(21,799)
Tax assessor	1,851,275	1,826,900	1,781,066	(45,834)
Board of equalization	9,959	9,959	5,847	(4,112)
Public buildings	3,004,110	3,121,724	3,115,045	(6,679)
Other general government	<u>2,003,405</u>	<u>2,289,913</u>	<u>1,127,667</u>	<u>(1,162,246)</u>
Total general government	<u>12,186,612</u>	<u>12,796,869</u>	<u>11,515,172</u>	<u>(1,281,697)</u>
Judicial:				
Judge of superior court	1,151,567	931,347	925,007	(6,340)
Clerk of superior court	1,161,079	1,144,764	1,125,632	(19,132)
District attorney	988,762	1,051,418	1,044,470	(6,948)
Domestic violence assistance	206,157	205,277	203,672	(1,605)
Victim advocates	370,595	242,345	238,175	(4,170)
Judge of state court	537,359	565,001	540,110	(24,891)
Clerk of state court	455,307	455,307	439,246	(16,061)
Solicitor of state court	807,142	796,670	788,299	(8,371)
Magistrate court	1,257,786	1,230,506	1,221,107	(9,399)
Probate court	652,225	656,005	654,602	(1,403)
Juvenile court	971,132	906,958	902,175	(4,783)
Juvenile court enhancement	169,896	170,885	164,763	(6,122)
Public defender	<u>2,413,441</u>	<u>2,413,441</u>	<u>2,307,059</u>	<u>(106,382)</u>
Total judicial	<u>11,142,448</u>	<u>10,769,924</u>	<u>10,554,317</u>	<u>(215,607)</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

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

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
EXPENDITURES (Continued):				
Current (Continued):				
Public safety:				
Sheriff	10,134,441	10,210,784	8,185,725	(2,025,059)
Sheriff GOHS HEAT	273,901	265,401	254,201	(11,200)
Sheriff school resource officers	922,859	825,659	824,877	(782)
Juvenile involvement and control	1,240,770	1,183,970	1,008,664	(175,306)
Jail	13,500,251	13,117,909	13,103,102	(14,807)
Coroner	117,957	128,280	103,230	(25,050)
Animal control	268,720	259,120	192,115	(67,005)
Emergency management agency	257,914	258,284	218,497	(39,787)
HEMA	53,200	53,200	47,050	(6,150)
Total public safety	<u>26,770,013</u>	<u>26,302,607</u>	<u>23,937,461</u>	<u>(2,365,146)</u>
Public works:				
Administration	690,497	690,497	687,858	(2,639)
Highways and streets - county	4,371,566	4,014,366	3,996,068	(18,298)
Highways and streets - state	850,000	2,122,200	2,122,194	(6)
Storm drainage	365,321	376,121	375,978	(143)
Traffic engineering	74,500	74,500	61,730	(12,770)
Total public works	<u>6,351,884</u>	<u>7,277,684</u>	<u>7,243,828</u>	<u>(33,856)</u>
Health and welfare:				
Health and vital statistics	340,975	384,028	379,143	(4,885)
Mental health	65,000	65,000	65,000	-
Mosquito control	5,000	5,000	-	(5,000)
Drug abuse commission	10,000	10,000	10,000	-
DFACS	50,000	50,000	50,000	-
Welfare	8,000	9,600	9,600	-
Total health and welfare	<u>478,975</u>	<u>523,628</u>	<u>513,743</u>	<u>(9,885)</u>
Culture and recreation:				
Recreation	11,750	11,750	9,992	(1,758)
Library	828,000	828,000	828,000	-
Total culture and recreation	<u>839,750</u>	<u>839,750</u>	<u>837,992</u>	<u>(1,758)</u>
Housing and development:				
County agent	109,566	112,066	100,824	(11,242)
Georgia forestry commission	10,932	10,932	10,932	-
Building inspection	512,170	515,999	512,866	(3,133)
Planning and zoning	13,100	13,555	12,153	(1,402)
Total housing and development	<u>645,768</u>	<u>652,552</u>	<u>636,775</u>	<u>(15,777)</u>
Economic development:				
Economic development	306,000	296,500	296,441	(59)
21st Century partnership	75,000	75,000	63,420	(11,580)
Perry-Houston County airport	44,600	44,600	44,600	-
Total economic development	<u>425,600</u>	<u>416,100</u>	<u>404,461</u>	<u>(11,639)</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

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

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
EXPENDITURES (Continued):				
Current (Continued):				
Total expenditures	58,841,050	59,579,114	55,643,749	(3,935,365)
Excess (deficiency) of revenues over (under) expenditures	(97,035)	(719,876)	7,948,339	8,668,215
OTHER FINANCING SOURCES (USES):				
Transfers in	405,480	488,155	354,092	(134,063)
Transfers out	(383,445)	(3,383,445)	(3,383,445)	-
Proceeds from sale of capital assets	75,000	75,000	49,358	(25,642)
Total other financing sources (uses)	97,035	(2,820,290)	(2,979,995)	(159,705)
Net change in fund balance	\$ -	\$ (3,540,166)	4,968,344	\$ 8,508,510
Fund balance at beginning of year			42,486,949	
Fund balance at end of year			\$ 47,455,293	

The notes to the financial statements are an integral part of this statement.

**HOUSTON COUNTY, GEORGIA
CARES ACT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 2,624,894	\$ 2,624,874	\$ (20)
Total revenues	-	2,624,894	2,624,874	(20)
<u>EXPENDITURES</u>				
Current:				
General government	-	16,825	16,818	(7)
Judicial	-	11,209	11,203	(6)
Public safety	-	2,589,048	2,589,046	(2)
Highways and streets	-	7,812	7,807	(5)
Total expenditures	-	2,624,894	2,624,874	(20)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			\$ -	

The notes to the financial statements are an integral part of this statement.

**HOUSTON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2020**

ASSETS	Water	Landfill	Total	Governmental Activities-Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,404,479	\$ 7,098,971	\$ 13,503,450	\$ 1,510,173
Investments	-	19,267,067	19,267,067	4,009,250
Accounts receivable (net)	1,228,629	362,136	1,590,765	-
Due from other funds	27,811	21,679	49,490	-
Inventories	107,581	-	107,581	-
Total current assets	<u>7,768,500</u>	<u>26,749,853</u>	<u>34,518,353</u>	<u>5,519,423</u>
Long-term assets:				
Restricted assets:				
Cash with fiscal agents	4,998	-	4,998	-
Renewal and extension account:				
Investments	8,507,576	-	8,507,576	-
Customer deposits:				
Cash	81,290	-	81,290	-
Investments	150,000	40,000	190,000	-
Total restricted assets	8,743,864	40,000	8,783,864	-
Capital assets not subject to depreciation	2,992,793	9,723,953	12,716,746	-
Capital assets (net of accumulated depreciation)	22,648,829	19,037,618	41,686,447	-
Total long-term assets	<u>34,385,486</u>	<u>28,801,571</u>	<u>63,187,057</u>	<u>-</u>
Total assets	<u>42,153,986</u>	<u>55,551,424</u>	<u>97,705,410</u>	<u>5,519,423</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	1,142,540	628,213	1,770,753	-
Related to OPEB	191,215	113,497	304,712	-
	<u>1,333,755</u>	<u>741,710</u>	<u>2,075,465</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	155,350	537,217	692,567	977,273
Accrued wages and payroll taxes payable	6,825	4,358	11,183	-
Accrued compensated absences	79,585	56,274	135,859	-
Due to other funds	19,111	5,095,472	5,114,583	-
Due to other governments	-	143,168	143,168	-
Total current liabilities	<u>260,871</u>	<u>5,836,489</u>	<u>6,097,360</u>	<u>977,273</u>
Long-term liabilities:				
Payable from restricted assets:				
Accrued revenue bond interest and call premium	4,998	-	4,998	-
Customer deposits	231,602	58,000	289,602	-
Net pension liability	1,924,079	1,123,778	3,047,857	-
Net other postemployment benefits	875,204	514,877	1,390,081	-
Accrued compensated absences	65,115	46,043	111,158	-
Accrued closure / post-closure costs	-	10,425,398	10,425,398	-
Total liabilities	<u>3,361,869</u>	<u>18,004,585</u>	<u>21,366,454</u>	<u>977,273</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	653,025	394,896	1,047,921	-
Related to OPEB	27,302	15,234	42,536	-
	<u>680,327</u>	<u>410,130</u>	<u>1,090,457</u>	<u>-</u>
NET POSITION				
Investment in capital assets	25,641,622	28,761,571	54,403,193	-
Restricted for renewal and extension	8,507,576	-	8,507,576	-
Restricted for waste collections	-	13,966,757	13,966,757	-
Unrestricted	5,296,347	(4,849,909)	446,438	4,542,150
Total net position	<u>39,445,545</u>	<u>37,878,419</u>	<u>77,323,964</u>	<u>4,542,150</u>
Total liabilities and net position	<u>\$ 43,487,741</u>	<u>\$ 56,293,134</u>	<u>\$ 99,780,875</u>	<u>\$ 5,519,423</u>

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Water</u>	<u>Landfill</u>	<u>Total</u>	<u>Internal Service Fund</u>
Operating revenues:				
Metered sales	\$ 8,272,178	\$ -	\$ 8,272,178	\$ -
Collection and disposal fees	-	7,120,358	7,120,358	-
Service charges	493,399	438,782	932,181	-
Intergovernmental	-	9,080	9,080	-
Charges for services	85,967	-	85,967	10,729,396
Total operating revenues	<u>8,851,544</u>	<u>7,568,220</u>	<u>16,419,764</u>	<u>10,729,396</u>
Operating expenses:				
Personal services	2,872,123	1,787,998	4,660,121	-
Purchased / contracted services	1,286,135	5,646,521	6,932,656	12,374,932
Supplies	75,763	771,620	847,383	-
Materials	1,442,740	-	1,442,740	-
Heat, light and power	951,627	-	951,627	-
Depreciation	1,106,183	722,149	1,828,332	-
Total operating expenses	<u>7,734,571</u>	<u>8,928,288</u>	<u>16,662,859</u>	<u>12,374,932</u>
Operating income (loss)	<u>1,116,973</u>	<u>(1,360,068)</u>	<u>(243,095)</u>	<u>(1,645,536)</u>
Nonoperating revenues (expenses):				
Interest revenue	120,366	297,176	417,542	68,265
Insurance premium tax	-	1,816,507	1,816,507	-
Gain (loss) on sale of capital assets	-	216,631	216,631	-
			-	
Total nonoperating revenues	<u>120,366</u>	<u>2,330,314</u>	<u>2,450,680</u>	<u>68,265</u>
Income before transfers	1,237,339	970,246	2,207,585	(1,577,271)
Transfers In	-	-	-	3,000,000
Transfers Out	-	(42,519)	(42,519)	-
Changes in net position	<u>1,237,339</u>	<u>927,727</u>	<u>2,165,066</u>	<u>1,422,729</u>
Net position - beginning	<u>38,208,206</u>	<u>36,950,692</u>	<u>75,158,898</u>	<u>3,119,421</u>
Net position - ending	<u>\$ 39,445,545</u>	<u>\$ 37,878,419</u>	<u>\$ 77,323,964</u>	<u>\$ 4,542,150</u>

The notes to the financial statements are an integral part of this statement.

**HOUSTON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Water</u>	<u>Landfill</u>	<u>Total</u>	<u>Internal Service Fund</u>
Cash flows from operating activities:				
Cash received from customers	\$ 8,987,560	\$ 7,535,756	\$ 16,523,316	\$ -
Cash received from other funds for services provided	(17,503)	(21,679)	(39,182)	10,729,396
Cash payments to suppliers for goods and services	(3,815,252)	(5,841,460)	(9,656,712)	(12,746,560)
Cash payments to other funds for services provided	7,441	4,068,876	4,076,317	-
Cash payments to employees for services	<u>(2,676,152)</u>	<u>(1,677,644)</u>	<u>(4,353,796)</u>	<u>-</u>
Net cash provided by operating activities	<u>2,486,094</u>	<u>4,063,849</u>	<u>6,549,943</u>	<u>(2,017,164)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	-	-	-	3,000,000
Transfers to other funds	-	(42,519)	(42,519)	-
Net Cash (required for) noncapital financing activities	<u>-</u>	<u>(42,519)</u>	<u>(42,519)</u>	<u>3,000,000</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,235,802)	(4,452,234)	(5,688,036)	-
Increase/(decrease) in escrow deposits	(8,115)	6,000	(2,115)	-
Proceeds from sales of capital assets	-	216,631	216,631	-
Insurance premium tax	<u>-</u>	<u>1,816,507</u>	<u>1,816,507</u>	<u>-</u>
Net cash flows (required for) capital and related financing activities	<u>(1,243,917)</u>	<u>(2,413,096)</u>	<u>(3,657,013)</u>	<u>-</u>
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	-	(243,906)	(243,906)	(57,548)
Purchase of investments	(8,544)	-	(8,544)	-
Interest received on investments	<u>120,366</u>	<u>297,176</u>	<u>417,542</u>	<u>68,265</u>
Net cash provided by (required for) investing activities	<u>111,822</u>	<u>53,270</u>	<u>165,092</u>	<u>10,717</u>
Net increase (decrease) in cash and cash equivalents	<u>1,353,999</u>	<u>1,661,504</u>	<u>3,015,503</u>	<u>993,553</u>
Cash and cash equivalents at beginning of year	<u>5,136,768</u>	<u>5,437,467</u>	<u>10,574,235</u>	<u>516,620</u>
Cash and cash equivalents at end of year	<u>\$ 6,490,767</u>	<u>\$ 7,098,971</u>	<u>\$ 13,589,738</u>	<u>\$ 1,510,173</u>
Reconciliation of operating income to net cash provided from operating activities:				
Operating income	\$ 1,116,973	\$ (1,360,068)	\$ (243,095)	\$ (1,645,536)
Adjustments to reconcile operating income to net cash provided from operating activities:				
Depreciation and amortization	1,106,183	722,149	1,828,332	-
(Increase) decrease in receivables	136,016	(32,464)	103,552	-
(Increase) decrease in inventories	23,718	-	23,718	-
(Increase) decrease in deferred outflows or resources	(209,979)	(126,321)	(336,300)	-
Increase (decrease) in deferred inflows of resources	417,050	250,891	667,941	-
Increase (decrease) in accounts payable	(82,705)	(1,102)	(83,807)	(371,628)
Increase (decrease) in other liabilities	(11,100)	558,752	547,652	-
(Increase) decrease in due from other funds	(17,503)	(21,679)	(39,182)	-
(Increase) decrease in due to other funds	7,441	4,068,876	4,076,317	-
(Increase) decrease in due to other governments	<u>-</u>	<u>4,815</u>	<u>4,815</u>	<u>-</u>
Net cash provided from operating activities	<u>\$ 2,486,094</u>	<u>\$ 4,063,849</u>	<u>\$ 6,549,943</u>	<u>\$ (2,017,164)</u>

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 4,539,305
Total assets	<u>\$ 4,539,305</u>
 <u>LIABILITIES</u>	
Due to other taxing units	\$ 1,224,208
Due to State	903,976
Funds held in escrow	115,250
Other	<u>2,295,871</u>
Total liabilities	<u>\$ 4,539,305</u>

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity.

Houston County (the “County”) is a political subdivision of the State of Georgia. The County is governed by an elected board of five County Commissioners. As required by generally accepted accounting principles, these financial statements present all the fund types of the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations, and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the primary government.

Blended Component Units.

The Houston County Public Purpose Corporation, an entity separate from the County, had previously been a blended component unit of the County. The Houston County Public Purpose Corporation has become dormant and is currently not operating in any capacity. The assets and liabilities of the Houston County Public Purpose Corporation consist of two County buildings and two capital leases collateralized by those buildings. The County has assumed ownership of the buildings and has assumed the corresponding obligations under the aforementioned capital leases. All activity for the year ended June 30, 2020 of the Houston County Public Purpose Corporation has been recorded in the County's general fund.

Discretely Presented Component Units.

The component units discussed below are included in the County's financial reporting entity because of the County's financial accountability for the entities and the significance of their operational and financial relationship with the County. The component unit columns in the combined financial statements include the financial data of the County's three discretely presented component units, as reflected in their most recent audited financial statements. These component units are reported in separate columns to emphasize that they are legally separate from the County. The following component units are incorporated into the County's financial report.

Houston County Development Authority.

The members of the governing board of the Houston County Development Authority (the “Authority”) are appointed by the Board of Commissioners of Houston County. Although the County does not have the authority to approve or modify the budget of the Authority, the County provides financial support to the Authority. Complete financial statements for the Houston County Development Authority may be obtained at the Authority's administrative office in Warner Robins, Georgia.

Houston County Department of Public Health.

The Houston County Department of Public Health (the “Health Department”) has a governing board consisting of seven members. Six of the members are either County officials or members appointed by the County. The remaining member is appointed by the City of Warner Robins. Although the County does not have the authority to approve or modify the budget of the Health Department, the County provides financial support to the Health Department. The Health Department is presented as a governmental fund type. Complete financial statements for the Health Department may be obtained at the Department's administrative office in Warner Robins, Georgia.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Houston County Public Library.

The Houston County Public Library (the “Library”) has a governing board consisting of twelve members appointed by the Houston County Board of Commissioners. The Library Board (the “Board”) is without authority to determine the amount of its funding, except by submission of budget requests to local governmental units from which the Library receives support and to the State of Georgia for State and Federal funding. Membership in the Library and participation in library services is at the discretion of each participating governmental agency. The Board has the power to designate management, the power to retain unreserved fund balances of local funds and other funds for continued operations and is the lowest level of oversight responsibility for the Library’s operations. The Library is presented as a governmental fund type. Complete financial statements for the Houston County Public Library may be obtained at the Library’s administrative office in Perry, Georgia.

B. Basis of Presentation.

Government-wide financial statements.

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component units. The primary government and the discretely presented component units are presented separately within the financial statements with the focus on the primary government. 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. Individual funds are not displayed. The statements distinguish between governmental activities, generally supported by taxes, intergovernmental revenues, and other nonexchange transactions and business-type activities, which are generally financed in whole or in part by fees charged to external parties.

In the government-wide Statement of Net Position, both the governmental and business-type activities’ columns are presented on a consolidated basis, by column. They are reflected on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County’s net position are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

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. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, which report fees, fines and forfeitures, and other charges to users of the County’s services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund financial statements.

Fund financial statements are provided for governmental, proprietary and 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 proprietary funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from transactions not associated with the principal activity of the fund.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

When both restricted and unrestricted resources are available for use, it is generally the County's policy to use restricted resources first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The County reports the following major governmental funds:

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

The Special Purpose Local Option Sales Tax ("SPLOST") Capital Projects Fund accounts for revenues received by the imposition of a one percent special purpose sales tax.

The Cares Act Fund accounts for the costs and reimbursements related to the impact of COVID-19 on the County.

The County reports the following major proprietary funds:

The Water Enterprise Fund accounts for the provision of water services to the residents of the County. All activities necessary to provide such services are accounted for in this fund.

The Landfill Enterprise Fund accounts for the operations of the Houston County Landfill. All activities necessary to provide such services are accounted for in this fund.

The County reports the following non-major governmental funds:

The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The County reports the following fiduciary funds:

The agency funds account for the assets held by the County in a trustee capacity as an agent for individuals, other governmental units and/or other funds.

The County reports the following fund types:

The Risk Management Internal Service Fund accounts for the activity of the County's health, workers' compensation, and property and liability insurance programs provided to other departments of the County on a cost reimbursement basis.

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

The financial statements of the County are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The County has elected not to follow the option allowed under GASB Statement 20 and thus does not follow any FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized in the year they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governmental Funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both “measurable” and “available.” “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days of the end of the current fiscal period, with the exception of grants, which are recognized when all eligibility requirements have been met. Expenditures generally are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 30 days for sales taxes and within 60 days for all other revenues) before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

The County uses the following governmental fund types:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds.

The focus of proprietary fund measurement is upon the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing business. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation of capital assets.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable to proprietary funds are similar to those used by businesses in the private sector.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Liabilities and Equity

1. Cash and Investments

Cash includes cash on hand, amounts in demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

State statutes authorize the County to invest in the following type of obligations:

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

2. Receivables

Levied property taxes are recorded as receivables and recognized as revenue in the year they become due. The levy is made on assessed valuations as of January 1, and the taxes are due on December 20 of each year.

The tax bills are mailed at least 60 days prior to the due date. The billings are considered past due 60 days after the tax billing date or December 20, whichever is later, at which time the applicable property is subject to lien, and penalties and interest are assessed. The tax levy for 2020 was set on August 11, 2020.

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

3. Interfund Balances

All balances reported as "due to/due from other funds" represent amounts paid by one fund on behalf of another fund for which reimbursement has not been made by year-end.

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

4. Inventories and Prepaid Items

Inventory is valued at cost using the first-in/first-out method for the general fund and the enterprise funds. The costs of other governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

The County does not recognize prepaid items in governmental funds as assets, but records these payments as expenditures.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5. Restricted Assets

Certain assets have been restricted because their use is limited by bond covenants, grantors, laws or regulations. The renewal and extension account is used to report resources set aside to fund the cost of making replacements, additions, extensions and improvements or emergency repairs.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The County has retroactively reported major general infrastructure assets. The County chose to include all items regardless of their acquisition date. The cost of normal maintenance and repairs that do not improve or extend the life of the respective asset is charged to expense. Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation has been provided over the estimated useful lives of capital assets using the straight-line method.

The estimated useful lives of capital assets are as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Buildings	25-50 Years	20-40 Years
Improvements other than buildings	15-30 Years	20-40 Years
Machinery and equipment	3-20 Years	5-20 Years
Distribution system	---	20-40 Years
Infrastructure	15-40 Years	---

7. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities, once incurred, are paid in a timely manner and in full from current financial resources and are reported as obligations of these funds. Liabilities for compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bonds and capital leases are recognized as a liability in the governmental funds financial statements when due. It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred and reported as a fund liability and includes all salary-related payments where applicable.

8. Pension

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

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

9. Fund Equity & Net Position

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

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

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at June 30, 2020, by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.
- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to ordinances passed by the County Commissioners, the County’s highest level of decision making authority. Commitments may be modified or rescinded only through ordinances approved by County Commissioners.
- Assigned – includes amounts that the County intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the County’s policy, amounts may be assigned by the Board of Commissioners, Director of Administration or Comptroller.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The County reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 16) and the Nonmajor Governmental Funds Combining Balance sheet (page 64). When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commissioners have provided otherwise in commitment or assignment actions.

The County has developed and adopted a Reserve Fund Policy, under which it is the County’s policy to provide:

- funds that are a stable funding source for expenditures that fluctuate significantly each year, for example equipment acquisitions and replacements,
- working capital to maintain a sufficient cash flow,
- funding of services during periods of budget shortfalls or other revenue reductions during a budget year, and
- a stable or improved credit rating.

The General Fund may maintain all five classifications of fund balance. The County will strive to accumulate an *unassigned* General Fund reserve at least equal to three months of the total General Fund budget.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Position - Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

10. Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenditures/expenses during the reporting year. Actual results could differ from those estimates.

11. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water and solid waste. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

12. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-on fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

13. Allocation of Indirect Expenses

It is the County's policy to allocate certain support services, including the cost of the governing body, the executive, accounting, purchasing, legal services and management information systems, to direct functions. A separate column for this allocation is provided in the Statement of Activities.

14. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller fund and as expenditures/expenses in the purchaser fund. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from the fund responsible for a particular expenditure/expense to the fund that initially paid for them are not presented on the financial statements (i.e., they are netted). Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

15. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The County has two items that qualifies for reporting in this category: deferred outflows related to pensions and deferred outflows relating to OPEB reported in the government-wide statement of net position and the proprietary funds statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. They are the deferred inflows related to pensions and the deferred inflows related to OPEB in the government wide statement of net position and the proprietary funds statement of net position and the unavailable tax revenue reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting.

An operating budget is legally adopted each fiscal year for all governmental funds except capital project funds. Capital project funds use project-length budgets. The level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual budget is the department level. Supplemental appropriations out of the County's contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All "final" budget amounts presented in the accompanying financial statements and supplementary data have been adjusted for legally authorized revisions of the annual budget during the year. Individual amendments were not material in relation to the original appropriations. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board of Commissioners at any level below the departmental level. All unexpended appropriations provided in the annual budget lapse at year-end. The annual budget cycle begins in March of the preceding year when budget workbooks are distributed to each department. The Board advertises and conducts public hearings on the proposed budget in adherence to local ordinance and state law and the final budget is adopted by mid-June.

B. Encumbrances.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County. Encumbrances are not recognized as expenditures until the period in which the actual goods or services are received and the liability is incurred.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments.

Primary Government.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Georgia Fund 1 is not subject to the fair value measurement hierarchy.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The County limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. As of June 30, 2020, the County’s bank balances are entirely insured or collateralized with securities held by the County’s agent in the County’s name.

As of June 30, 2020, the County’s reporting entity had the following investments:

<u>Type of Investment</u> <u>Primary Government</u>	<u>Fair Value</u>	<u>Investment Maturity</u> <u>Less than 1 yr</u>	<u>Rating</u>	<u>Weighted Average</u> <u>Maturity (WAM)</u>
Certificate of Deposits	\$ 15,941,536	\$ 15,941,536		
Georgia Fund I	<u>123,377,258</u>	<u>123,377,258</u>	AAAf	42 day WAM
Total Primary Government	<u>\$ 139,318,794</u>	<u>\$ 139,318,794</u>		

Credit Risk – Investments

State statutes authorize the County to invest in obligations of the United States Treasury or Agencies, banker’s acceptances, bank money market accounts, repurchase agreements, and the “Georgia Fund 1”. The Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor’s criteria for AAAf rated money market funds and is regulated by the Office of the State Treasurer. However, the Georgia Fund 1 operates in a manner consistent with Rule (2a-7) of the Investment Company Act of 1940, and is considered a Rule (2a-7) like pool. The pool is not registered with the SEC as an investment company. The pool’s primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant’s shares sold and redeemed based on \$1.00 per share.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County uses the specific identification method to disclose interest rate risk for positions in fixed-rate debt securities.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2020, all of the County’s deposits were insured and collateralized.

Development Authority - Component Unit.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Authority limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law.

Georgia statute requires collateral at 110% of the government’s deposits, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance, to be held in the Authority’s name by the safekeeping agent.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

At June 30, 2020, the Authority's bank balance was \$778,689. As of June 30, 2020, all of these bank balances were fully covered by federal depository insurance or collateralized with securities held by the Authority's agent in the Authority's name.

Interest Rate Risk – Investments

Interest rate risk is the risk that an investment's value will be reduced due to a change in interest rates. The Authority limits its exposure to interest rate risk by investing in certificates of deposit with maturities of 12 months or less.

Investments – Real Estate

Investments in real estate consist of the Authority's share of the cost of land and improvements. The Authority acquired 667.32 acres of land in Houston County, Georgia during the fiscal year ended June 30, 2009. This land is to be prepared for industrial use as part of the Houston County Industrial Park. As a part of the acquisition, the Authority immediately sold 12.668 acres of this land to the Perry-Houston County Airport Authority. The Authority transferred title for 80 acres of the land to Sandler AG during fiscal year 2016.

During fiscal year ended June 30, 2012, the Authority acquired a house (1.52 acres) located at 321 A.E. Harris Road. The home was demolished in 2016 to prepare the land it sat on for development.

During fiscal year ended June 30, 2019, the Authority received from the County, a 246.23-acre tract of land along A.E. Harris Rd. The Authority's share of the costs for this investment is \$1,718,791.

During fiscal year ended June 30, 2020, the Authority purchased 7.63 acres of land at 100 Park Place Drive to be used by Warner Robins Air Force Base to expand software development training at Houston County School District.

The cost of investments in real estate as of June 30, 2020 is as follows:

<u>Location</u>	<u>Cost</u>
Houston County industrial park addition	\$ 12,702,330
A.E. Harris Rd addition	1,718,791
Park Place Drive	2,606,075
Total	\$ 17,027,196

Health Department - Component Unit.

Custodial credit risk is the risk that in the event of a bank failure, the Health Department's deposits may be lost. The Health Department's policy with respect to custodial risk is to comply with Georgia Law (O.C.G.A. 45-8-12) by requiring the custodian to provide collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation insurance. The Board of Health's deposits are categorized to give an indication of the level of risk assumed by the Board of Health at year end.

The categories are described as follows:

Category 1- Insured or collateralized with securities held by the Board of Health or by its agent in the Board of Health name

Category 2- Collateralized with securities held by the pledging financial institution's trust department or agent in the Board of Health's name

Category 3- Uncollateralized

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Cash and cash equivalents	\$ 250,000	\$ 1,739,201	\$ -

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

Public Library - Component Unit.

Custodial Credit Risk - Deposits

As of June 30, 2020, all deposits of the Library were fully collateralized in accordance with state statutes.

Custodial Credit Risk - Investments

As of June 30, 2020, the Library was not exposed to custodial credit risk for its investments.

Credit Risk – Investments

As of June 30, 2020, the Library’s only investments were certificates of deposit.

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

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of deposit	February 20, 2021	\$ 8,467
Certificate of deposit	February 21, 2021	7,754
Certificate of deposit	February 20, 2021	29,940
Total		<u>\$ 46,161</u>

Interest Rate Risk

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

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HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

B. Interfund Receivables and Payables.

Individual fund interfund receivable and payable balances at June 30, 2020, are as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General fund	\$ 7,324,580	\$ 1,618,537
Cares Act fund	-	2,624,874
Water fund	27,811	19,111
Solid waste fund	21,679	5,095,472
Non-major governmental funds	<u>2,025,855</u>	<u>41,931</u>
Total	<u>\$ 9,399,925</u>	<u>\$ 9,399,925</u>

These interfund balances are of a short-term, operational nature. Most funds do not maintain their own cash disbursement system or cash accounts and use the general fund as a conduit for making cash payments.

<u>Due From:</u>	<u>Due to:</u>				<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Water Fund</u>	<u>Solid Waste Fund</u>	
General fund	\$ -	\$ 1,592,912	\$ 25,625	\$ -	\$ 1,618,537
Cares Act fund	2,187,177	432,943	2,186	2,568	2,624,874
Nonmajor governmental funds	41,931	-	-	-	41,931
Water fund	-	-	-	19,111	19,111
Solid waste fund	<u>5,095,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,095,472</u>
	<u>\$ 7,324,580</u>	<u>\$ 2,025,855</u>	<u>27,811</u>	<u>\$ 21,679</u>	<u>\$ 9,399,925</u>

Interfund balances at June 30, 2020 represent reimbursable expenses and temporary loans. The County expects to repay all interfund balances within one year.

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HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

C. Transfers In and Out.

Transfers are as follows:

<u>Fund:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 354,092	\$ 3,383,445
Nonmajor Governmental Funds:		
E-911	671,208	-
District Attorney	-	136,429
Jail Inmate	-	97,185
Drug	-	77,959
Fire	-	287,763
Internal Service Fund	3,000,000	-
Solid Waste Fund	-	42,519
	<u>\$ 4,025,300</u>	<u>\$ 4,025,300</u>

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

The composition of these transfers is as follows:

<u>Transfer out:</u>	<u>Transfer in:</u>			
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 383,445	\$ 3,000,000	\$ 3,383,445
Nonmajor Governmental Funds	311,573	287,763	-	599,336
Solid Waste Fund	42,519	-	-	42,519
Total	<u>\$ 354,092</u>	<u>\$ 671,208</u>	<u>\$ 3,000,000</u>	<u>\$ 4,025,300</u>

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HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

D. Capital activities are as follows:

Governmental activities	Balance		Restated Balance		Increases	Decreases	Transfers In/(Out)	Balance June 30, 2020
	June 30, 2019	Restatement	June 30, 2019					
Nondepreciable assets:								
Land	\$ 6,247,159	\$ -	\$ 6,247,159	\$ 139,136	\$ -	\$ -	\$ -	\$ 6,386,295
Construction in progress	11,698,108	65,163,597	76,861,705	10,881,434	37,498,413	-	-	50,244,726
Total nondepreciable assets:	17,945,267	65,163,597	83,108,864	11,020,570	37,498,413	-	-	56,631,021
Depreciable assets:								
Buildings	73,376,385	-	73,376,385	-	-	-	-	73,376,385
Improvements other than buildings	1,090,064	-	1,090,064	-	-	-	-	1,090,064
Machinery & equipment	41,688,583	-	41,688,583	1,482,731	596,205	(325,010)	-	42,250,099
Infrastructure	143,452,221	-	143,452,221	37,498,413	-	-	-	180,950,634
Total depreciable assets:	259,607,253	-	259,607,253	38,981,144	596,205	(325,010)	-	297,667,182
Total capital assets	\$ 277,552,520	\$ 65,163,597	\$ 342,716,117	\$50,001,714	\$ 38,094,618	\$ (325,010)	\$ -	\$ 354,298,203
Accumulated depreciation:								
Buildings	\$ 24,289,648	\$ -	\$ 24,289,648	\$ 1,550,291	\$ -	\$ -	\$ -	\$ 25,839,939
Improvements	841,730	-	841,730	17,312	-	-	-	859,042
Machinery & equipment	26,417,017	-	26,417,017	2,491,920	526,511	(302,013)	-	28,080,413
Infrastructure	43,170,514	-	43,170,514	2,870,003	-	-	-	46,040,517
Total accumulated depreciation:	\$ 94,718,909	\$ -	\$ 94,718,909	\$ 6,929,526	\$ 526,511	\$ (302,013)	\$ -	\$ 100,819,911

Business-type activities	Balance		Decreases	Transfers In/(Out)	Balance June 30, 2020	Accumulated Depreciation June 30, 2020	Book Value June 30, 2020
	June 30, 2019	Increases					
Nondepreciable assets:							
Land	\$ 5,795,527	\$ 65,097	\$ -	\$ -	\$ 5,860,624	\$ -	\$ 5,860,624
Construction in progress	6,942,058	4,145,446	4,231,382	-	6,856,122	-	6,856,122
Total nondepreciable assets:	12,737,585	4,210,543	4,231,382	-	12,716,746	-	12,716,746
Depreciable assets:							
Improvements other than buildings	69,932,341	4,231,382	-	-	74,163,723	37,625,001	36,538,722
Machinery & equipment	11,286,758	1,489,496	778,548	325,010	12,322,716	7,174,991	5,147,725
Total depreciable assets:	81,219,099	5,720,878	778,548	325,010	86,486,439	44,799,992	41,686,447
Total capital assets	\$ 93,956,684	\$ 9,931,421	\$ 5,009,930	\$ 325,010	\$ 99,203,185	\$ 44,799,992	\$ 54,403,193
Accumulated depreciation:							
Improvements other than buildings	\$ 36,360,276	\$ 1,264,725	\$ -	\$ -	\$ 37,625,001		
Machinery & equipment	7,052,919	563,607	743,549	302,014	7,174,991		
Total accumulated depreciation	\$ 43,413,195	\$ 1,828,332	\$ 743,549	\$ 302,014	\$ 44,799,992		

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

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

Governmental Activities:	
General Government	\$ 448,051
Judicial	669,339
Public safety	2,596,114
Public works	3,167,254
Health and welfare	23,710
Housing and development	<u>25,058</u>
Total depreciation expense - governmental activities	<u>\$ 6,929,526</u>
Business-type activities:	
Water	\$ 1,106,183
Solid waste	<u>722,149</u>
Total depreciation expense - business-type activities	<u>\$ 1,828,332</u>

Houston County Health Department Component Unit.

A summary of capital asset activity for the Houston County Health Department for the year ended June 30, 2020 is as follows:

Governmental activities	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Depreciable assets:				
Office and Medical				
Equipment	\$ 2,523,623	\$ 150,238	\$ -	\$ 2,673,861
Total capital assets	<u>2,523,623</u>	<u>150,238</u>	<u>-</u>	<u>2,673,861</u>
Accumulated depreciation:				
Office and Medical				
Equipment	<u>2,047,278</u>	<u>119,280</u>	<u>-</u>	<u>2,166,558</u>
Total accumulated depreciation	<u>2,047,278</u>	<u>119,280</u>	<u>-</u>	<u>2,166,558</u>
Capital assets, net	<u>\$ 476,345</u>	<u>\$ 30,958</u>	<u>\$ -</u>	<u>\$ 507,303</u>

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

Governmental activities:	
Health	\$119,280

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

Houston County Public Library Component Unit.

A summary of capital asset activity for the Houston County Public Library for the year ended June 30, 2020 is as follows:

<u>Governmental activities</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>
Nondepreciable assets:				
Land	\$ 548,700	\$ -	\$ -	\$ 548,700
Construction in Progress	-	38,265	-	38,265
Total	<u>548,700</u>	<u>38,265</u>	<u>-</u>	<u>586,965</u>
Depreciable assets:				
Buildings and improvements	9,042,630	-	-	9,042,630
Equipment	17,854	10,564	-	28,418
Library collections	2,658,157	150,417	45,944	2,762,630
Total	<u>11,718,641</u>	<u>160,981</u>	<u>45,944</u>	<u>11,833,678</u>
Accumulated depreciation:				
Buildings and improvements	3,261,669	268,407	-	3,530,076
Equipment	12,446	3,448	-	15,894
Library collections	1,947,696	133,356	45,944	2,035,108
Total accumulated depreciation	<u>5,221,811</u>	<u>405,211</u>	<u>45,944</u>	<u>5,581,078</u>
Total depreciable assets, net	<u>6,496,830</u>	<u>(244,230)</u>	<u>-</u>	<u>6,252,600</u>
Capital assets, net	<u>\$ 7,045,530</u>	<u>\$ (205,965)</u>	<u>\$ -</u>	<u>\$ 6,839,565</u>

All depreciation expense was charged to the public services function during the year ended June 30, 2020.

E. Long-term Debt.

Development Authority Component Unit:

Notes Payable

As of June 30, 2020, the Authority had no outstanding notes payable.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

F. Changes in Long-term Debt.

During the year ended June 30, 2020, the following changes occurred in the long-term liabilities:

Governmental funds:

<u>Long-term liability</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Amounts due within one year</u>
Net Pension Obligation	\$ 32,941,178	\$ 4,035,981	\$ 7,845,748	\$ 29,131,411	\$ -
Net OPEB Obligation	10,319,597	4,225,675	-	14,545,272	-
Compensated absences	1,864,062	1,361,065	1,115,687	2,109,440	1,371,135
Total	<u>\$ 45,124,837</u>	<u>\$ 9,622,721</u>	<u>\$ 8,961,435</u>	<u>\$ 45,786,123</u>	<u>\$ 1,371,135</u>

The compensated absences have been liquidated by the general fund, fire protection fund and E911 fund.

Business-type funds:

<u>Long-term liability</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Amounts due within one year</u>
Net Pension Obligation	\$ 3,376,483	\$ 348,140	\$ 676,766	\$ 3,047,857	\$ -
Net OPEB Obligation	1,025,578	364,503	-	1,390,081	-
Compensated absences	219,906	150,724	123,613	247,017	135,859
Accrued closure and post-closure care costs	9,852,430	572,968	-	10,425,398	-
Total	<u>\$ 14,474,397</u>	<u>\$ 1,436,335</u>	<u>\$ 800,379</u>	<u>\$ 15,110,353</u>	<u>\$ 135,859</u>

Houston County Development Authority Component Unit.

A summary of changes in long-term debt for the Development Authority Component Unit for the year ended June 30, 2020 is as follows:

Business-type fund:

<u>Long-term Obligation</u>	<u>Balance 6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2020</u>	<u>Amounts Due within One Year</u>
Compensated absences	\$ 20,028	\$ 10,408	\$ 5,972	\$ 24,464	\$ 11,223
Totals	<u>\$ 20,028</u>	<u>\$ 10,408</u>	<u>\$ 5,972</u>	<u>\$ 24,464</u>	<u>\$ 11,223</u>

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

Houston County Health Department Component Unit.

A summary of changes in long-term debt for the Houston County Health Department for the year ended June 30, 2020 is as follows:

Governmental Funds:

<u>Long-term liability</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>
Net Pension Liability	\$ 10,585,581	\$ 325,215	\$ -	\$ 10,910,796
Net OPEB Liability	5,729,974	-	3,202,740	2,527,234
Compensated absences	654,584	545,235	474,844	724,975
Total	<u>\$ 16,970,139</u>	<u>\$ 870,450</u>	<u>\$ 3,677,584</u>	<u>\$ 14,163,005</u>

Houston County Public Library Component Unit.

A summary of changes in long-term debt for the Houston County Public Library for the year ended June 30, 2020 is as follows:

<u>Long-term liability</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Amounts due within one year</u>
Governmental Activities:					
Net Pension Liability	\$ 815,249	\$ 100,981	\$ -	\$ 916,230	\$ -
Other Post-Employment Benefits	925,774	-	130,784	794,990	-
Compensated absences	19,932	37,781	39,359	18,354	18,354
Total	<u>\$ 1,760,955</u>	<u>\$ 138,762</u>	<u>\$ 170,143</u>	<u>\$ 1,729,574</u>	<u>\$ 18,354</u>

G. Closure and Post-Closure Care Costs.

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to the current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year.

The estimated liability for solid waste landfill closure and post-closure care costs has a balance of \$7,943,370 as of June 30, 2020, which is based on 13.5 percent usage (filled) of the solid waste landfill. It is estimated that an additional \$56,764,521 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the solid waste landfill is expected to be filled to capacity (2240). The estimated liability for C & D landfill closure and post-closure care costs has a balance of \$2,482,028 as of June 30, 2020, which is based on 62.6 percent usage (filled) of the C & D landfill. It is estimated that an additional \$2,806,517 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the C & D landfill is expected to be filled to capacity (2030).

The estimated combined total current cost of the landfill closure and post-closure care (\$10,425,398) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2020. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Financial assurance requirements are being met by maintaining proper financial ratios. No commercial insurance has been purchased to satisfy financial assurance requirements.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

III. DETAILED NOTES ON ALL FUNDS

H. Restrictions.

The following restrictions are used by Houston County:

Restricted for Renewal and Extension - Enterprise Fund.

This restriction was established in conjunction with the issuance of Water Revenue Bonds and is used to segregate a portion of net assets for making replacements, additions, extensions, and improvements to the Water System.

Restricted for Waste Collections – Enterprise Fund.

This restriction is used to segregate a portion of net assets in the Solid Waste Fund that represents the unused portion of the insurance premium tax.

IV. OTHER INFORMATION

A. Employees' Retirement Plan.

Plan Description:

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Houston County Employees (The Plan), which is a defined benefit pension plan. The Plan covers the Board of Commissioners and their direct appointees and substantially all other full-time County employees.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. Benefits are provided by the Plan whereby retirees receive 2.25% of their average annual compensation multiplied by years of service. Commissioners receive a benefit equal to \$900 per year multiplied by years of service. The Plan, through execution of the adoption agreement, is affiliated with the Association of County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. GEBCorp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG. That report may be obtained by writing to the Government Employee Benefits Corporation of Georgia, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia, 30339 or by calling 1-770-952-5225.

Employees covered by benefit terms. At June 30, 2020, the following employees were covered by the benefit terms:

Retirees, beneficiaries and disables receiving benefits	219
Terminated plan participants entitled to but not yet receiving benefits	162
Active employees participating in the Plan	<u>444</u>
Total membership	<u><u>825</u></u>

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

IV. OTHER INFORMATION

Contributions:

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. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local government pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. Plan participants contribute 4% of their annual covered salary to the plan. The County's contributions were \$6,378,973 for the year ended June 30, 2020.

Net Pension Liability:

The County's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

Actuarial assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	2.5-5.5%, normalized rates, per year adjusted for age
Investment rate of return	7.00%

Mortality rates were based on the Pub-2010 50% General Employees and 50% Public Safety Employees with Scale AA projection to 2020.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study performed February, 2019.

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 target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</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%
	<u>100%</u>	

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

IV. OTHER INFORMATION

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee 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 active and inactive employees. 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.

	Increase (Decrease)		
	Total Pension	Plan Fiduciary Net	Net Pension
	Liability	Position	Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/19	\$ 127,683,768	\$ 91,366,107	\$ 36,317,661
Changes for the year:			
Service cost	1,971,234	-	1,971,234
Interest	8,736,994	-	8,736,994
Liability Experience (Gain)/Loss	3,896,758	-	3,896,758
Assumption Change	5,678,827		5,678,827
Plan Change	1,150,146	-	1,150,146
Contributions-employer	-	6,378,973	(6,378,973)
Contributions-employee	-	844,375	(844,375)
Net investment income	-	19,022,514	(19,022,514)
Benefit payments, including refunds of employee contributions	(5,739,148)	(5,739,148)	-
Administrative expense	-	(111,098)	111,098
Other changes	-	(562,412)	562,412
Net changes	15,694,811	19,833,204	(4,138,393)
Balances at 6/30/20	\$ 143,378,579	\$ 111,199,311	\$ 32,179,268

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	\$ 51,601,954	\$ 32,179,268	\$ 16,148,917

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ACCG financial report.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

IV. OTHER INFORMATION

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

For the year ended June 30, 2020, the County recognized pension expense of \$9,756,472. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,744,110	\$ -
Changes in assumptions	8,450,402	-
Net difference between projected and actual earnings on pension plan investments	6,999,787	(12,527,353)
	\$ 20,194,299	\$ (12,527,353)

There were no County contributions subsequent to the measurement date. Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 3,719,035
2022	2,502,566
2023	2,845,754
2024	(1,400,409)
2025	-
	\$ 7,666,946

Other Plans:

In addition to the retirement plan above, various County employees are covered under the following plans: Employees' Retirement System (ERS), Georgia Firefighters' Pension Fund, Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Judges of the Probate Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

B. Other Post-Employment Benefits

Postemployment Benefits Other Than Pensions (OPEB):

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan and additions to or deductions from the County's OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the County OPEB Plan. For this purpose, the County recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-bearing investment contract that have a maturity at the time of purchase of one year or less, which are reported at cost.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

IV. OTHER INFORMATION

Plan Description and Benefits:

The County’s OPEB Plan is a single-employer defined benefit healthcare plan administered by the County. The Plan does not issue separate financial statements. The County provides post-retirement medical/prescription and dental care benefits, as per the requirements of a local ordinance, for retirees between the ages of 55 and 65 and their dependents. Any member of the Houston County Defined Benefit Plan who participates in and satisfies the Vesting, Disability, Early or Normal Retirement provisions of the Association of County Commissioners of Georgia (ACCG) Houston County Defined Benefit Plan may be eligible for certain Other Post-Employment Benefits. The County is self-insured, and as such, there are no “premiums” paid by the County or retiree. The County allows any retiree before age 65, and meeting the above criteria, to participate in health coverage. The retiree pays 100% of the healthcare costs based on claim cost and admin fees. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the County Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Contributions:

Premium contributions are required from the retiree in order to begin and maintain Medical/Prescription coverage. Members receiving health and/or dental benefits contribute \$320 per month for PPO health, \$280 per month for POS Health and \$20 per month for dental for retiree-only coverage and \$390 per month for PPO health, \$380 per month for POS health and \$31 per month for dental for employee and family coverage. Dependent coverage ends once the retiree becomes eligible for Medicare. If any required amounts are not paid timely, the coverage for the retiree and/or dependent(s) will cease. The amount of the contributions required for coverage may change from time to time. The post-employment benefits are extended to retirees and continued at the discretion of the Employer, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits and to change premium contributions required from retirees in the future as circumstances change. These post-retirement benefits are funded on a pay-as-you-go-basis. For fiscal year 2020, the County contributed \$440,754 to the plan.

A bi-annual actuarial valuation is made to determine whether contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made June 30, 2019. The post-retirement plan does not issue stand-alone financial reports.

Employees Covered by Benefit Terms:

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	41
Inactive Members Entitled to but not yet Receiving benefits	0
Active Employees	<u>626</u>
Total	<u>667</u>

Total OPEB Liability:

The County’s total OPEB liability of \$15,935,353 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

IV. OTHER INFORMATION

Actuarial Assumptions:

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Real wage growth	0.50%
Wage inflation	2.50%
Salary increases, including wage inflation	2.50%-4.50%
Municipal bond index rate	
Prior measurement date	3.87%
Measurement date	3.50%
Health care cost trends	
Pre-Medicare	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026
Dental	4.00%
Mortality rates	RP-2000 Combined Mortality Scale project with Scale AA to 2019

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increase used in the June 30, 2019 valuation were based on the pension valuation prepared by GEBCorp as of January 1, 2019.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2019 valuation.

Discount Rate:

Since the County funds this OPEB Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt municipal bond (rating of AA/Aa or higher) rate (Municipal Bond Index Rate). To comply with this requirement, the Municipal Bond Index Rate selected by County is the The Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer. On the prior measurement date, the Municipal Bond Index Rate was 3.87%. There was a change in the Municipal Bond Index Rate from the prior measurement dated. The Municipal Bond Index rate as of the Measurement Date was 3.50%.

Changes in Total OPEB Liability (TOL):

Total OPEB Liability as of June 30, 2019	<u>\$ 11,345,175</u>
<i>Changes for the year:</i>	
Service Cost at the end of the year	687,430
Interest on TOL and Cash Flows	430,611
Change in benefit terms	-
Difference between expected and actual experience	1,030,029
Changes of assumptions	2,882,862
Benefit payments	<u>(440,754)</u>
<i>Net Changes</i>	<u>4,590,178</u>
Total OPEB Liability as of June 30, 2020	<u><u>\$ 15,935,353</u></u>

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

IV. OTHER INFORMATION

Sensitivity of the Total OPEB Liability to changes in the discount rate:

The following present the TOL of the County, as well as what the County's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.50) or 1-percentage point higher (4.50) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 17,266,610	\$ 15,935,353	\$ 14,729,165

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates:

The following presents the total OPEB liability of the County as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 14,445,642	\$ 15,935,353	\$ 17,663,672

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2020 the County recognized OPEB expense of \$1,691,402. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resource related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,324,654	\$ -
Changes of assumptions	2,454,502	466,840
	\$ 3,779,156	\$ 466,840

The above amounts reported as deferred outflows of resource and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 573,361
2021	573,361
2022	573,361
2023	576,527
2024	591,275
Thereafter	424,431
Total	\$ 3,312,316

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

IV. OTHER INFORMATION

C. 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; and, natural disasters for which the County carries commercial insurance. The County has joined together with other counties in the state of Georgia as part of the Interlocal Risk Management Agency (GIRMA) risk pool for property and liability insurance. GIRMA is a public entity risk pool currently operating as a common risk management and insurance program for local government members. The Association of County Commissioners of Georgia (ACCG) administers the pool.

As a member of GIRMA, the County is obligated to pay all contributions and assessments as prescribed by GIRMA, to cooperate with GIRMA's agents and attorneys, to follow loss reduction procedures established by GIRMA, 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 GIRMA'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 prevention furnished by GIRMA.

GIRMA is to defend and protect its members against liability or loss as prescribed in the member governments' contract. GIRMA is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County has a risk management fund (an internal service fund) to account for and finance its workers' compensation and health insurance programs. The Risk Management Fund provides coverage for up to a maximum of \$500,000 for each workers' compensation claim and \$125,000 for each health insurance claim. The County purchases commercial insurance for claims in excess of the coverage provided by the Fund.

The County entered into agreements with outside companies to administer both the workers' compensation and health insurance programs. The participating departments or funds of the County pay an amount that approximates what would have been paid for commercial coverage into the Self-Insurance Fund. Excess payments over expenses of the fund are retained in the Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities during the past two years are as follows:

<u>Claims Activity</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
Unpaid claims, beginning of fiscal year	\$ 1,348,901	\$ 1,099,839
Incurred claims	11,439,173	10,917,230
Claim payments	<u>11,810,801</u>	<u>10,668,168</u>
Unpaid claims, end of fiscal year	<u>\$ 977,273</u>	<u>\$ 1,348,901</u>

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

V. OTHER INFORMATION

D. Commitments and Contingent Liabilities.

Grant Funds.

The County has received several Federal and State grants for specific purposes that are subject to financial review and compliance audits by the grantor agencies. Such audits could lead to disallowance of expenditures by the grantor agencies. Based on prior experience, the County believes such disallowances, if any, will be immaterial. According to the County's attorney, there are no material outstanding claims in which it is anticipated that adverse action would result in financial liability against the County.

Contract with Bibb County and the Central Georgia Joint Development Authority.

On July 7, 2010, Houston County entered into a contract establishing a joint partnership with Bibb County and Central Georgia Joint Development Authority (CGJDA). The purpose of this contract is to eliminate the presence of residences in the noise and the crash corridor that are in South Bibb County and North Houston County and to comply with the 2004 Joint Land Use Study (JLUS) regarding the encroachment of certain residential properties in areas designated with Decibel Noise levels 65 db through 85 db. Non-compliance with the 2004 JLUS is detrimental to existing and future missions of Robins Air Force Base. The CGJDA, created by General Statute O.C.C.G.A 36-62-1 is responsible for promoting the general welfare and economic prosperity of the Middle Georgia region and recognizes the importance of complying with the JLUS. Under the terms of the original contract, Houston County and Bibb County were to provide \$100,000 a year for five years beginning with FY 2011 and continuing for the next successive four fiscal year budget cycles for a total financial commitment of \$500,000 each. The first payment was paid by August 1, 2010 with successive payments due on or before August 1 of the next four years. These funds are solely for the purpose of acquiring the properties in the affected encroachment areas (APZ 1 and 2 zones), and/or noise contour areas, and any expenses related to the acquisition and disposition of such properties. The second payment of \$100,000 was made in FY 2012. However, after the passage of the new SPLOST in March of 2012, this original contract was terminated mutually between all parties and a new Intergovernmental Agreement was signed with Bibb County, Peach County and the CGJDA whereby the County committed \$6,000,000 of SPLOST funds that were to be paid late calendar year 2014. In late 2014, a resolution to the agreement was made in order for payments to be made on a reimbursement basis rather than in advance. During fiscal year 2015, the County paid \$961,050. The County will continue as a participant in this agreement for the foreseeable future. In December 2014, a resolution was signed affirming the participation of Macon-Bibb County in the Central Georgia Joint Development Authority; to accept the Baldwin County Board of Commissioner's petition to join the Central Georgia Joint Development Authority; and to affirm Houston County's member representatives' appointment and tenure to the Central Georgia Joint Development Authority.

E. Joint Ventures.

The Perry-Houston County Airport Authority.

Houston County participates in a joint venture with the City of Perry in the operation of the Perry-Houston County Airport Authority. The governing authorities of the City of Perry and Houston County have each agreed to be responsible for one-half of any unfunded portion of the Airport Authority's budget. However, Houston County has no equity interest in the Airport Authority.

The Perry-Houston County Airport Authority is a public corporation that is a body corporate and politic. The Airport Authority has a fiscal year end of December 31. Copies of the audited financial statements may be obtained from the Perry-Houston County Airport Authority.

The Middle Georgia Regional Commission.

Houston County, in conjunction with ten other counties in the middle Georgia area, participates in the Middle Georgia Regional Commission (MGRC). Membership in an MGRC is required by the Code of Georgia Section 50-8-34, which provides for the organizational structure of the MGRC in Georgia. The MGRC Board membership includes the chief elected official of each county and municipality of the area. Georgia law also provides that member governments are liable for any debts or obligations of the MGRC beyond its resources. Copies of the financial statements of the Middle Georgia Regional Commission may be obtained from their administrative office in Macon, Georgia.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

IV. OTHER INFORMATION

F. Economic Dependency - Health Department Component Unit.

The Health Department is economically dependent on the state of Georgia. During fiscal year 2020, the Health Department received \$12,212,488 (53 percent of total revenue) from the Georgia Department of Human Resources. Future operations of the Health Department, on a comparable scale, are dependent on continued funding from the DHR.

G. Conduit Debt - Development Authority Component Unit.

The conduit debt of the Development Authority is the revenue bonds issued by the Authority to provide capital financing for local businesses. Generally, the conduit debt is arranged so that payments to be paid by the local business are equal to the debt service requirements for the Development Authority. The Development Authority generally has no responsibility for the debt payment beyond what the local business pays. The Houston County Development Authority has issued \$632,450,000 of revenue bonds for local businesses through June 30, 2020.

H. Covid-19.

In December 2019, a strand of coronavirus (COVID-19) began to spread worldwide, resulting in a severe impact to the United States economy in March 2020. The spread of COVID-19 has had a negative impact on virtually all businesses and individuals which comprise the tax base of all levels of government. The full extent of this impact is uncertain and cannot be reasonably estimated at this time.

I. Subsequent Events.

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through March 30, 2021, the date the financial statements were available to be issued.

J. Prior Period Adjustments and Restatements.

Governmental Activities.

The following changes have been made to the beginning net assets of the Governmental Activities as summarized and described below:

	Governmental Activities
Beginning balances of net assets at	
June 30, 2019, as previously reported:	\$ 267,011,986
Prior period adjustment to correct capital assets	65,163,597
Beginning balances of net assets at	
June 30, 2019, as restated:	\$ 332,175,583

The net assets of Governmental Activities have been increased by \$65,163,597 to adjust capital assets for the understatement of capital assets in prior years.

HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

IV. OTHER INFORMATION

K. Tax Abatements.

The Development Authority of Houston County is authorized (under statute Pursuant to O.C.G.A. 36-80-16.1(e) to enter into property tax abatement agreements for the purpose of attracting or retaining businesses that create new jobs and new capital investment. Eligible businesses typically must create a minimum of 25 new jobs or invest at least \$20 million in new capital. Tax savings or abatements only apply toward the actual new investment – no abatements are offered against existing investment on the tax base. Projects must be competitive in order to qualify. The Development Authority of Houston County Board determines the amount of economic assistance offered based on various minimum thresholds of full time jobs and the amount of new capital investment. Projects that create more jobs and investment qualify for a higher percentage of tax savings. The incentive guide adopted by the DAHC Board is as follows:

Minimum Jobs	Minimum Investment	Tax Schedule	Targeted Tax Savings
25	\$20 million	5 years	55%
50	\$30 million	10 years	60%
100	\$75 million	15 years	65%

Abatements are determined based on a straight line depreciation of the actual investment. For example, if the company invests \$30 million in real property and qualifies for a 10 year schedule, then 1/10th of the investment is taxed at full millage in year 1, 2/10ths in year 2 and so on.

Cost of the Abatements for fiscal year 2020. Since the projects that qualify for abatements are competitive, there is no lost tax revenue. If the economic assistance were not offered, the business would not create new jobs and investment in Houston County i.e. the project would choose to locate in another community.

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HOUSTON COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

IV. OTHER INFORMATION

For the purpose of GASB 77 reporting, the value of tax abatements on new capital investment follows:

<u>Business</u>	<u>Purpose</u>	<u>Term</u>	<u>New Tax Revenue</u>	<u>Amount Abated</u>
Frito Lay Real Property (2014)	Attract a new baked chip line and distribution facility - \$123 million new investment	15	\$ 58,679	\$ 104,373
Frito Lay Personal Property (2014)	Attract a new baked chip line and distribution facility - \$123 million new investment	10	\$ 193,353	\$ 394,332
Frito Lay Personal Property (2009)	Attract new investments and jobs; Competitive project	15	\$ 253,854	\$ 82,081
Frito Lay Personal Property (2007)	Attract new investment and additional jobs; Competitive project	15	\$ 320,246	\$ 0
Frito Lay Real Property (2007)	Attract new investment and additional jobs; Competitive project	15	\$ 195,272	\$ 48,818
Graphic Packaging Real Property (2012)	Competitive project; To retain 224 jobs; Create 52 new jobs; Added \$35M investment	15	\$ 19,630	\$ 5,854
Graphic Packaging Personal Property (2012)	Competitive project; To retain 224 jobs; Create 52 new jobs; Added \$15M investment	15	\$ 66,852	\$ 57,503
Guardian Centers Real Property (2013)	Attract new investment of \$50M and jobs	16	\$ 125,273	\$ 82,574
Guardian Centers Personal Property (2013)	Attract new investment of \$50M and jobs	16	\$ 35,474	\$ 2,651
Baxalta Real Property (2015)	Attract new company; Investment of \$7.7M; 53 jobs	10	\$ 12,184	\$ 12,186
Baxalta Personal Property (2015)	Attract new company, Investment of \$7.7M; 53 jobs	10	\$ 2,458	\$ 3,688
Sandler Nonwoven Corp. Real Property (2016)	Attract new company, Investment of \$90M; 142 jobs	15	\$ 18,480	\$ 27,722
Sandler Nonwoven Corp. Personal Property (2016)	Attract new company, Investment of \$90M; 142 jobs	15	\$ 13,046	\$ 30,441

HOUSTON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 687,430	\$ 703,068	\$ 738,687
Interest	430,611	376,377	313,229
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,030,029	354,625	350,447
Changes of assumptions	2,882,862	(274,290)	(485,839)
Benefit payments	<u>(440,754)</u>	<u>(767,262)</u>	<u>(734,856)</u>
Net change in total OPEB liability	4,590,178	392,518	181,668
Total OPEB liability-beginning	<u>11,345,175</u>	<u>10,952,657</u>	<u>10,770,989</u>
Total OPEB liability-ending (a)	<u>\$ 15,935,353</u>	<u>\$ 11,345,175</u>	<u>\$ 10,952,657</u>
Covered-employee payroll	\$ 27,572,292	\$ 27,230,839	\$ 27,230,839
County's net pension liability as a percentage of covered-employee payroll	57.79%	41.66%	40.22%

Notes to Schedule:

Valuation date:	June 30, 2019
Methods and assumptions used to determine contribution rates:	
Discount rate per annum	3.50%
Actuarial cost method	Entry Age
Asset valuation method	Market value
Benefits valued	Medical, dental and drug benefits for retirees under age 65

This schedule will present 10 years of information once the data is available.

HOUSTON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2020

	<u>2020</u>	<u>2019</u>
Total pension liability		
Service cost	\$ 1,971,234	\$ 2,109,734
Interest	8,736,994	8,479,781
Changes of benefit terms	-	-
Differences between expected and actual experience	3,896,758	1,398,785
Changes of assumptions	5,678,827	3,952,557
Plan change	1,150,146	-
Benefit payments, including refunds of employee contributions	<u>(5,739,148)</u>	<u>(5,219,592)</u>
Net change in total pension liability	15,694,811	10,721,265
Total pension liability-beginning	<u>127,683,768</u>	<u>116,962,503</u>
Total pension liability-ending (a)	<u>\$ 143,378,579</u>	<u>\$ 127,683,768</u>
Plan fiduciary net position		
Contributions-employer	\$ 6,378,973	\$ 5,559,645
Contributions-employee	844,375	879,894
Net investment income	19,022,514	(4,341,870)
Benefit payments, including refunds of employee contributions	(5,739,148)	(5,060,582)
Administrative expense	(111,098)	(96,171)
Other	<u>(562,412)</u>	<u>(528,580)</u>
Net change in plan fiduciary net position	19,833,204	(3,587,664)
Plan fiduciary net position-beginning	<u>91,366,107</u>	<u>94,953,771</u>
Plan fiduciary net position-ending (b)	<u>\$ 111,199,311</u>	<u>\$ 91,366,107</u>
County's net pension liability-ending (a) - (b)	<u>\$ 32,179,268</u>	<u>\$ 36,317,661</u>
Plan fiduciary net position as a percentage of the total pension liability	77.56%	71.56%
Covered-employee payroll	\$ 20,838,599	\$ 20,294,823
County's net pension liability as a percentage of covered-employee payroll	154.42%	178.95%

Notes to Schedule:

This schedule will present 10 years of information once the data is available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,063,245	\$ 2,000,606	\$ 1,957,294	\$ 1,912,479
8,019,693	7,589,392	6,645,437	6,295,938
-	-	-	-
668,042	663,998	2,400,090	-
257,955	3,439,495	3,469,412	-
-	-	-	-
<u>(4,662,893)</u>	<u>(4,268,921)</u>	<u>(3,772,344)</u>	<u>(3,324,505)</u>
6,346,042	9,424,570	10,699,889	4,883,912
110,616,461	101,191,891	90,492,002	85,608,090
<u>\$ 116,962,503</u>	<u>\$ 110,616,461</u>	<u>\$ 101,191,891</u>	<u>\$ 90,492,002</u>

\$ 5,264,988	\$ 5,017,195	\$ 4,614,522	\$ 4,467,670
932,002	870,363	854,578	752,585
12,842,617	5,359,369	590,357	4,839,939
(4,566,384)	(4,121,568)	(3,772,344)	(3,324,505)
(91,682)	(96,827)	(99,515)	(87,612)
<u>(486,172)</u>	<u>(419,797)</u>	<u>(374,392)</u>	<u>(356,559)</u>
13,895,369	6,608,735	1,813,206	6,291,518
81,058,402	74,449,667	72,636,461	66,344,943
<u>\$ 94,953,771</u>	<u>\$ 81,058,402</u>	<u>\$ 74,449,667</u>	<u>\$ 72,636,461</u>
<u>\$ 22,008,732</u>	<u>\$ 29,558,059</u>	<u>\$ 26,742,224</u>	<u>\$ 17,855,541</u>

81.18% 73.28% 73.57% 80.27%

\$ 20,418,300 \$ 20,705,541 \$ 20,998,445 \$ 20,537,403

107.79% 142.75% 127.35% 86.94%

HOUSTON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
JUNE 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 6,378,973	\$ 5,559,645	\$ 5,226,628	\$ 5,017,195
Contributions in relation to the actuarially determined contribution	<u>6,378,973</u>	<u>5,559,645</u>	<u>5,264,988</u>	<u>5,753,800</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,360)</u>	<u>\$ (736,605)</u>
Covered-employee payroll	\$ 20,838,599	\$ 20,294,823	\$ 20,418,300	\$ 20,705,541
Contributions as a percentage of covered- employee payroll	30.61%	27.39%	25.60%	24.23%

Notes to Schedule:

Valuation date:	January 1, 2020
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	4 years
Asset valuation method	Smoothed market value with a 5-year smoothing period
Inflation	4.50%
Salary increases	2.5-5.5%, normalized rates, adjusted for age
Investment rate of return	7.00%
Retirement age	The bulk of retirees are assumed to retire at the earliest age that unreduced benefits are first available under the plan. Modest to high levels of earlier retirement will be assumed based on the early retirement benefit structure of the plan
Mortality	Pub-2010 50% General Employees and 50% Public Safety Employees with Scale AA projection to 2020

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 4,452,080	\$ 4,162,155	\$ 4,578,727	\$ 4,325,358	\$ 4,040,508	\$ 4,091,477
<u>4,614,522</u>	<u>4,467,670</u>	<u>4,787,535</u>	<u>4,643,419</u>	<u>4,358,540</u>	<u>4,509,084</u>
<u>\$ (162,442)</u>	<u>\$ (305,515)</u>	<u>\$ (208,808)</u>	<u>\$ (318,061)</u>	<u>\$ (318,032)</u>	<u>\$ (417,607)</u>
\$ 20,998,445	\$ 20,537,403	\$ 20,429,617	\$ 20,949,625	\$ 19,783,644	\$ 19,948,266
21.20%	20.27%	22.41%	20.65%	20.42%	20.51%

HOUSTON COUNTY, GEORGIA

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

E 911 - to account for the cost of operating and maintaining the centralized 911 emergency communication system of the County. Financing is provided by a charge to each telephone subscriber whose exchange is served by the County's "911" service; by a charge on every prepaid wireless transaction occurring within the County's jurisdiction; by contributions from the Cities of Centerville, Perry and Warner Robins; and by transfers from the County's General Fund and Fire Protection Fund.

Fire Protection - to account for revenues received from the insurance premium tax which is to be used for the prevention and extinguishment of fires.

Sheriff's Department Drug Fund - to account for moneys received as Houston County's share of seized and forfeited property.

Jail Inmate Fund - to account for the operations of the Houston County Jail Inmate Store. The Inmate Store is operated for the benefit of the inmates.

Law Library Fund - to account for the costs of operating and maintaining the County Law Library. Financing is provided from a \$2 charge added to and collected on all fines in civil and criminal cases. A separate Board of Trustees has control of the Law Library funds and has authority to expend the funds in accordance with provisions of the act establishing the County Law Library. All books, reports, texts, and periodicals purchased from these funds become the property of the County.

District Attorney - to account for moneys received as the Houston County District Attorney's office share of seized and forfeited property.

**HOUSTON COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	Special Revenue						Total Nonmajor Governmental Funds
	E 911	Fire Protection	Drug	Jail Inmate	Law Library	District Attorney	
<u>ASSETS</u>							
Cash and cash equivalents	\$ -	\$ 15,491	\$ 161,041	\$ 336,481	\$ 210,862	\$ 2,001,285	\$ 2,725,160
Investments	-	4,313,567	-	-	695,236	-	5,008,803
Accounts receivable	-	-	-	12,608	-	-	12,608
Due from other funds	1,589,657	436,198	-	-	-	-	2,025,855
Due from other governments	263,681	-	-	-	-	-	263,681
Total assets	<u>\$ 1,853,338</u>	<u>\$ 4,765,256</u>	<u>\$ 161,041</u>	<u>\$ 349,089</u>	<u>\$ 906,098</u>	<u>\$ 2,001,285</u>	<u>\$ 10,036,107</u>
<u>LIABILITIES AND FUND BALANCE</u>							
Accounts payable	\$ 7,410	\$ 16,106	\$ -	\$ -	\$ 4,598	\$ -	\$ 28,114
Accrued wages and payroll taxes payable	8,328	5,273	-	-	-	-	13,601
Due to other funds	-	41,931	-	-	-	-	41,931
Total liabilities	<u>15,738</u>	<u>63,310</u>	<u>-</u>	<u>-</u>	<u>4,598</u>	<u>-</u>	<u>83,646</u>
<u>FUND BALANCES</u>							
Restricted	1,837,600	-	161,041	-	901,500	-	2,900,141
Committed to:							
Judicial	-	-	-	-	-	2,001,285	2,001,285
Public safety	-	4,701,946	-	349,089	-	-	5,051,035
Total fund balances	<u>1,837,600</u>	<u>4,701,946</u>	<u>161,041</u>	<u>349,089</u>	<u>901,500</u>	<u>2,001,285</u>	<u>9,952,461</u>
Total liabilities and fund balances	<u>\$ 1,853,338</u>	<u>\$ 4,765,256</u>	<u>\$ 161,041</u>	<u>\$ 349,089</u>	<u>\$ 906,098</u>	<u>\$ 2,001,285</u>	<u>\$ 10,036,107</u>

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

	<u>Special Revenue</u>						Total Nonmajor Governmental Funds
	<u>E 911</u>	<u>Fire Protection</u>	<u>Drug</u>	<u>Jail Inmate</u>	<u>Law Library</u>	<u>District Attorney</u>	
<u>REVENUES</u>							
Taxes	\$ -	\$ 2,481,684	\$ -	\$ -	\$ -	\$ -	\$ 2,481,684
Intergovernmental	662,088	7,628	-	-	-	-	669,716
Charges for services	3,142,069	-	-	199,683	-	-	3,341,752
Fines and forfeitures	-	-	41,957	-	97,467	838,064	977,488
Investment income	-	59,034	-	-	695	-	59,729
Miscellaneous	31,041	29,372	-	-	-	-	60,413
Total revenues	<u>3,835,198</u>	<u>2,577,718</u>	<u>41,957</u>	<u>199,683</u>	<u>98,162</u>	<u>838,064</u>	<u>7,590,782</u>
<u>EXPENDITURES</u>							
Current:							
Judicial	-	-	-	-	80,434	39,104	119,538
Public safety	4,166,781	1,802,901	53,067	154,459	-	-	6,177,208
Total expenditures	<u>4,166,781</u>	<u>1,802,901</u>	<u>53,067</u>	<u>154,459</u>	<u>80,434</u>	<u>39,104</u>	<u>6,296,746</u>
Excess (deficiency) of revenues over (under) expenditures	(331,583)	774,817	(11,110)	45,224	17,728	798,960	1,294,036
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers in	671,208	-	-	-	-	-	671,208
Transfers out	-	(287,763)	(77,959)	(97,185)	-	(136,429)	(599,336)
Total other financing sources (uses)	<u>671,208</u>	<u>(287,763)</u>	<u>(77,959)</u>	<u>(97,185)</u>	<u>-</u>	<u>(136,429)</u>	<u>71,872</u>
Net change in fund balances	339,625	487,054	(89,069)	(51,961)	17,728	662,531	1,365,908
Fund balance - beginning	<u>1,497,975</u>	<u>4,214,892</u>	<u>250,110</u>	<u>401,050</u>	<u>883,772</u>	<u>1,338,754</u>	<u>8,586,553</u>
Fund balance - ending	<u>\$ 1,837,600</u>	<u>\$ 4,701,946</u>	<u>\$ 161,041</u>	<u>\$ 349,089</u>	<u>\$ 901,500</u>	<u>\$ 2,001,285</u>	<u>\$ 9,952,461</u>

**HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	E 911			
	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final	Actual	(Under)
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	662,084	662,084	662,088	4
Charges for services	3,065,939	3,065,939	3,142,069	76,130
Investment Income	-	-	-	-
Miscellaneous	30,475	30,475	31,041	566
Total revenues	3,758,498	3,758,498	3,835,198	76,700
<u>EXPENDITURES</u>				
Personal services	3,369,687	3,369,687	3,254,447	(115,240)
Purchased / contracted services	889,277	887,927	815,461	(72,466)
Supplies	158,742	160,092	91,854	(68,238)
Capital outlay	12,000	12,000	5,019	(6,981)
Total expenditures	4,429,706	4,429,706	4,166,781	(262,925)
Excess (deficiency) of revenues over (under) expenditures	(671,208)	(671,208)	(331,583)	339,625
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	671,208	671,208	671,208	-
Transfers out	-	-	-	-
Total other financing sources (uses)	671,208	671,208	671,208	-
Net change in fund balance	\$ -	\$ -	339,625	\$ 339,625
Fund balance at beginning of year			1,497,975	
Fund balance at end of year			\$ 1,837,600	

Fire Protection

<u>Budgeted Amounts</u>			<u>Variance with Final Budget Over (Under)</u>
<u>Original</u>	<u>Final</u>	<u>Actual</u>	
\$ 2,644,713	\$ 2,644,713	\$ 2,481,684	\$ (163,029)
5,000	5,000	7,628	2,628
-	-	-	-
40,000	40,000	59,034	19,034
-	19,372	29,372	10,000
<u>2,689,713</u>	<u>2,709,085</u>	<u>2,577,718</u>	<u>(131,367)</u>
1,765,668	1,765,668	1,184,832	(580,836)
465,782	401,282	366,900	(34,382)
170,500	215,872	212,882	(2,990)
-	38,500	38,287	(213)
<u>2,401,950</u>	<u>2,421,322</u>	<u>1,802,901</u>	<u>(618,421)</u>
<u>287,763</u>	<u>287,763</u>	<u>774,817</u>	<u>487,054</u>
-	-	-	-
<u>(287,763)</u>	<u>(287,763)</u>	<u>(287,763)</u>	<u>-</u>
<u>(287,763)</u>	<u>(287,763)</u>	<u>(287,763)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	487,054	<u>\$ 487,054</u>
		<u>4,214,892</u>	
		<u>\$ 4,701,946</u>	

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

	Drug Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>REVENUES</u>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	125,000	131,100	41,957	(89,143)
Investment income	-	-	-	-
Total revenues	<u>125,000</u>	<u>131,100</u>	<u>41,957</u>	<u>(89,143)</u>
<u>EXPENDITURES</u>				
Current:				
Judicial	-	-	-	-
Public safety	<u>125,000</u>	<u>53,141</u>	<u>53,067</u>	<u>(74)</u>
Total expenditures	<u>125,000</u>	<u>53,141</u>	<u>53,067</u>	<u>(74)</u>
Excess (deficiency) of revenues over (under) expenditures	-	77,959	(11,110)	(89,069)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in (out)	-	(77,959)	(77,959)	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(89,069)	<u>\$ (89,069)</u>
Fund balance - beginning			<u>250,110</u>	
Fund balance - ending			<u>\$ 161,041</u>	

Jail Inmate Fund			Law Library		
Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
\$ 175,000	\$ 199,683	\$ 24,683	\$ -	\$ -	\$ -
-	-	-	99,000	97,467	(1,533)
-	-	-	1,000	695	(305)
<u>175,000</u>	<u>199,683</u>	<u>24,683</u>	<u>100,000</u>	<u>98,162</u>	<u>(1,838)</u>
-	-	-	100,000	80,434	(19,566)
<u>175,000</u>	<u>154,459</u>	<u>(20,541)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>175,000</u>	<u>154,459</u>	<u>(20,541)</u>	<u>100,000</u>	<u>80,434</u>	<u>(19,566)</u>
-	45,224	45,224	-	17,728	17,728
-	(97,185)	(97,185)	-	-	-
<u>\$ -</u>	<u>(51,961)</u>	<u>\$ (51,961)</u>	<u>\$ -</u>	<u>17,728</u>	<u>\$ 17,728</u>
	<u>401,050</u>			<u>883,772</u>	
	<u>\$ 349,089</u>			<u>\$ 901,500</u>	

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

	District Attorney			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	75,000	175,600	838,064	662,464
Investment income	-	-	-	-
Total revenues	75,000	175,600	838,064	662,464
<u>EXPENDITURES</u>				
Current:				
Judicial	75,000	39,171	39,104	(67)
Total expenditures	75,000	39,171	39,104	(67)
Excess (deficiency) of revenues over (under) expenditures	-	136,429	798,960	662,531
<u>OTHER FINANCING (USES)</u>				
Transfers (out)	-	(136,429)	(136,429)	-
Net change in fund balances	\$ -	\$ -	662,531	\$ 662,531
Fund balance - beginning			1,338,754	
Fund balance - ending			\$ 2,001,285	

HOUSTON COUNTY, GEORGIA
HEMA CODE RED
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
PRIOR AND CURRENT YEARS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Current Year</u>	<u>Cumulative Prior Years</u>	<u>Total</u>
REVENUES			
Taxes	\$ -	\$ 1,778,336	\$ 1,778,336
Intergovernmental	-	14,479	14,479
Total revenues	<u>-</u>	<u>1,792,815</u>	<u>1,792,815</u>
EXPENDITURES			
Professional	-	417,148	417,148
Electricity	4,323	40,647	44,970
Repairs and maintenance	<u>42,727</u>	<u>1,188,211</u>	<u>1,230,938</u>
Total expenditures	<u>47,050</u>	<u>1,646,006</u>	<u>1,693,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,050)</u>	<u>146,809</u>	<u>99,759</u>
Net change in fund balance	(47,050)	146,809	99,759
Fund balance at beginning of year	<u>146,809</u>		
Fund balance at end of year	<u>\$ 99,759</u>		

**HOUSTON COUNTY, GEORGIA
 JUVENILE COURT SUPERVISION FEES
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2020**

	Actual
REVENUES	
Charges for services	\$ 13,910
Total revenues	13,910
 EXPENDITURES	
Judicial	4,788
Total expenditures	4,788
Excess (deficiency) of revenues over (under) expenditures	9,122
Net change in fund balance	9,122
Fund balance at beginning of year	54,619
Fund balance at end of year	\$ 63,741

FIDUCIARY FUNDS

Agency Funds

Sheriff - to account for all moneys received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units and other funds.

Jail - to account for all moneys received by the Houston County Jail on behalf of inmates.

Tax Commissioner - to account for the collection and payment to Houston County and other taxing units of the property taxes levied, billed and collected by the Tax Commissioner on behalf of Houston County and other taxing units.

Clerk of Superior Court - to account for all moneys received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units and other funds.

District Attorney - to account for all moneys received by the District Attorney on behalf of individuals, private organizations, other governmental units and other funds.

State Court - to account for all moneys received by the State Court of Houston County on behalf of individuals, private organizations, other governmental units and other funds.

Probate Court - to account for all moneys received by the Probate Court on behalf of individuals, private organizations, other governmental units and other funds.

Magistrate Court - to account for all moneys received by the Magistrate Court on behalf of individuals, private organizations, other governmental units and other funds.

Juvenile Court - to account for all moneys received by the Juvenile Court on behalf of individuals, private organizations, other governmental units and other funds.

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

Sheriff	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Assets:</u>				
Cash	\$ 404,568	\$ 1,304,087	\$ 1,126,983	\$ 581,672
Total assets	<u>\$ 404,568</u>	<u>\$ 1,304,087</u>	<u>\$ 1,126,983</u>	<u>\$ 581,672</u>
<u>Liabilities:</u>				
Other	\$ 404,568	\$ 1,304,087	\$ 1,126,983	\$ 581,672
Total liabilities	<u>\$ 404,568</u>	<u>\$ 1,304,087</u>	<u>\$ 1,126,983</u>	<u>\$ 581,672</u>
<u>Jail</u>				
<u>Assets:</u>				
Cash	\$ 92,376	\$ 957,352	\$ 939,643	\$ 110,085
Total assets	<u>\$ 92,376</u>	<u>\$ 957,352</u>	<u>\$ 939,643</u>	<u>\$ 110,085</u>
<u>Liabilities:</u>				
Funds held in escrow	\$ 92,376	\$ 957,352	\$ 939,643	\$ 110,085
Total liabilities	<u>\$ 92,376</u>	<u>\$ 957,352</u>	<u>\$ 939,643</u>	<u>\$ 110,085</u>
<u>Tax Commissioner</u>				
<u>Assets:</u>				
Cash	\$ 2,702,193	\$ 124,152,789	\$ 124,522,379	\$ 2,332,603
Total assets	<u>\$ 2,702,193</u>	<u>\$ 124,152,789</u>	<u>\$ 124,522,379</u>	<u>\$ 2,332,603</u>
<u>Liabilities:</u>				
Due to other funds:				
Houston County General Fund	\$ -	\$ 51,436,489	\$ 51,436,489	\$ -
Due to Houston County Board of Education	893,294	59,539,834	59,470,004	963,124
Due to State	1,279,864	9,794,810	10,170,698	903,976
Due to City of Perry	45,202	571,739	562,784	54,157
Due to City of Warner Robins	183,296	2,047,414	2,044,468	186,242
Due to City of Centerville	23,795	352,452	355,562	20,685
Other	276,742	410,051	482,374	204,419
Total liabilities	<u>\$ 2,702,193</u>	<u>\$ 124,152,789</u>	<u>\$ 124,522,379</u>	<u>\$ 2,332,603</u>

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

<u>Clerk of Superior Court</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>Assets:</u>				
Cash	\$ 774,063	\$ 7,931,456	\$ 7,380,886	\$ 1,324,633
Total assets	<u>\$ 774,063</u>	<u>\$ 7,931,456</u>	<u>\$ 7,380,886</u>	<u>\$ 1,324,633</u>
<u>Liabilities:</u>				
Other	\$ 774,063	\$ 7,931,456	\$ 7,380,886	\$ 1,324,633
Total liabilities	<u>\$ 774,063</u>	<u>\$ 7,931,456</u>	<u>\$ 7,380,886</u>	<u>\$ 1,324,633</u>
<u>District Attorney</u>				
<u>Assets:</u>				
Cash	\$ 218	\$ -	\$ -	\$ 218
Total assets	<u>\$ 218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218</u>
<u>Liabilities:</u>				
Garnishments, restitution & other	\$ 218	\$ -	\$ -	\$ 218
Total liabilities	<u>\$ 218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218</u>
<u>State Court</u>				
<u>Assets:</u>				
Cash	\$ 109,106	\$ 3,588,740	\$ 3,541,442	\$ 156,404
Total assets	<u>\$ 109,106</u>	<u>\$ 3,588,740</u>	<u>\$ 3,541,442</u>	<u>\$ 156,404</u>
<u>Liabilities:</u>				
Other	\$ 109,106	\$ 3,588,740	\$ 3,541,442	\$ 156,404
Total liabilities	<u>\$ 109,106</u>	<u>\$ 3,588,740</u>	<u>\$ 3,541,442</u>	<u>\$ 156,404</u>

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

<u>Probate Court</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>Assets:</u>				
Cash	\$ 21,116	\$ 733,968	\$ 726,517	\$ 28,567
Total assets	<u>\$ 21,116</u>	<u>\$ 733,968</u>	<u>\$ 726,517</u>	<u>\$ 28,567</u>
<u>Liabilities:</u>				
Funds held in escrow	\$ 4,240	\$ 34,375	\$ 33,450	\$ 5,165
Other	16,876	699,593	693,067	23,402
Total liabilities	<u>\$ 21,116</u>	<u>\$ 733,968</u>	<u>\$ 726,517</u>	<u>\$ 28,567</u>
<u>Magistrate Court</u>				
<u>Assets:</u>				
Cash	\$ 138	\$ 1,097,188	\$ 1,095,010	\$ 2,316
Total assets	<u>\$ 138</u>	<u>\$ 1,097,188</u>	<u>\$ 1,095,010</u>	<u>\$ 2,316</u>
<u>Liabilities:</u>				
Other	\$ 138	\$ 1,097,188	\$ 1,095,010	\$ 2,316
Total liabilities	<u>\$ 138</u>	<u>\$ 1,097,188</u>	<u>\$ 1,095,010</u>	<u>\$ 2,316</u>
<u>Juvenile Court</u>				
<u>Assets:</u>				
Cash	\$ 5,725	\$ 30,020	\$ 32,938	\$ 2,807
Total assets	<u>\$ 5,725</u>	<u>\$ 30,020</u>	<u>\$ 32,938</u>	<u>\$ 2,807</u>
<u>Liabilities:</u>				
Restitution payable & other	\$ 5,725	\$ 30,020	\$ 32,938	\$ 2,807
Total liabilities	<u>\$ 5,725</u>	<u>\$ 30,020</u>	<u>\$ 32,938</u>	<u>\$ 2,807</u>

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

<u>Total - All Agency Funds</u>	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>Assets:</u>				
Cash	\$ 4,109,503	\$ 139,795,600	\$ 139,365,798	\$ 4,539,305
Total assets	<u>\$ 4,109,503</u>	<u>\$ 139,795,600</u>	<u>\$ 139,365,798</u>	<u>\$ 4,539,305</u>
<u>Liabilities:</u>				
Due to other taxing units	\$ 1,145,587	\$ 113,947,928	\$ 113,869,307	\$ 1,224,208
Due to State	1,279,864	9,794,810	10,170,698	903,976
Funds held in escrow	96,616	991,727	973,093	115,250
Other	<u>1,587,436</u>	<u>15,061,135</u>	<u>14,352,700</u>	<u>2,295,871</u>
Total liabilities	<u>\$ 4,109,503</u>	<u>\$ 139,795,600</u>	<u>\$ 139,365,798</u>	<u>\$ 4,539,305</u>

SPECIAL REPORTS SECTION

BUTLER, WILLIAMS & WYCHE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
915 HILL PARK
MACON, GEORGIA 31201

March 30, 2021

**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
of Houston County
Warner Robins, 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Houston County, Georgia (the "County"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Houston County, Georgia's basic financial statements, and have issued our report thereon dated March 30, 2021. Our report includes a reference to other auditors who audited the financial statements of Houston County Department of Public Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify 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 deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness: 2020-004.

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 in the accompany schedule of findings and questioned costs to be significant deficiencies: 2020-001, 2020-002 and 2020-003.

Compliance and Other Matters

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

Houston County, Georgia's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Butler, Williams & Skye, LLP

Macon, Georgia

BUTLER, WILLIAMS & WYCHE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
915 HILL PARK
MACON, GEORGIA 31201

March 30, 2021

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

**To the Board of County Commissioners
of Houston County
Warner Robins, Georgia**

Report on Compliance for Each Major Federal Program

We have audited Houston County, Georgia's (the "County's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

Purpose of this Report

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

Butler, Williams & Hyche, LLP

Macon, Georgia

HOUSTON COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

<u>Federal Grantor / Pass-Through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security			
Passed-Through Georgia Emergency Management Agency: Disaster Grants-Public Assistance	97.036	FEMA-4400-DR-GA	41,647
Total of CFDA 97.036			<u>41,647</u>
Passed-Through Georgia Emergency Management Agency: Emergency Management Performance Grants	97.042	OEM18-078	50,000
Emergency Management Performance Grants	97.042	OEM19-078	4,799
Total of CFDA 97.042			<u>54,799</u>
Passed-Through Georgia Emergency Management Agency: Homeland Security Grant Program	97.067	EMW-2018-SS-00067-S0	3,000
Total of CFDA 97.067			<u>3,000</u>
Total U.S. Department of Homeland Security			<u><u>99,446</u></u>
U.S. Department of Justice			
Direct Grant Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0452	58,000
Total of CFDA 16.034			<u>58,000</u>
Passed-Through Criminal Justice Coordinating Council: Juvenile Justice and Delinquency Prevention	16.540	T16-8-005	60,000
Total of CFDA 16.540			<u>60,000</u>
Passed-Through Criminal Justice Coordinating Council: Crime Victim Assistance	16.575	C17-8-170	13,654
Crime Victim Assistance	16.575	C17-8-171	44,045
Crime Victim Assistance	16.575	C18-8-263	41,706
Crime Victim Assistance	16.575	C18-8-264	154,897
Total of CFDA 16.575			<u>254,302</u>
Passed-Through Criminal Justice Coordinating Council: Violence Against Women Formula Grants	16.588	W18-8-020	24,407
Violence Against Women Formula Grants	16.588	W19-8-034	23,913
Total of CFDA 16.588			<u>48,320</u>
Direct Grant State Criminal Alien Assistance Program	16.606	2019-AP-BX-0797	9,189
State Criminal Alien Assistance Program	16.606	2020-AP-BX-0652	10,088
Total of CFDA 16.606			<u>19,277</u>
Total U.S. Department of Justice			<u><u>439,899</u></u>

**HOUSTON COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor / Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
Passed-Through Georgia Governor's Office of Highway Safety			
State and Community Highway Safety	20.600	GA-2019-402-PT-046	23,041
State and Community Highway Safety	20.600	GA-2020-402-PT-064	35,510
Total of CFDA 20.600			<u>58,551</u>
Total U.S. Department of Transportation			<u><u>58,551</u></u>
<u>U.S. Department of Justice</u>			
Passed-Through Governor's Office of Planning and Budget			
Coronavirus Relief Fund	21.019	CRF-2020 14617-CRF	2,624,874
Total of CFDA 21.019			<u>2,624,874</u>
Total U.S. Department of Transportation			<u><u>2,624,874</u></u>
<u>U.S. Election Assistance Commission</u>			
Passed-Through Georgia Secretary of State			
Help America Vote Act Election Security Grants	90.404	Unavailable	11,954
Total of CFDA 90.404			<u>11,954</u>
Total U.S. Election Assistance Commission			<u><u>11,954</u></u>
Total Expenditures of Federal Awards			<u><u>\$ 3,234,724</u></u>

HOUSTON COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Note 1. Basis of Presentation

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

Note 2. De Minimis Indirect Cost Rate

The County chose not to use the ten percent de minimis cost rate for the year ended June 30, 2020.

Note 3. Non-cash Awards

The County did not have any non-cash awards during the fiscal year.

Note 4. Insurance

The County did not receive insurance as part of any award during the fiscal year.

Note 5. Loans and Loan Guarantees

The County did not receive any loans or loan guarantees as part of any award during the fiscal year.

Note 6. Measurement Focus

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

Note 7. Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs. The County qualified as a high-risk auditee for the fiscal year ended June 30, 2020 due to not requiring a Single Audit in the preceding audit period.

**HOUSTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	-	Unmodified		
Internal control over financial reporting:				
Material weakness identified?	-	<u> X </u>	Yes	<u> </u> No
Significant deficiency identified that is not considered to be a material weakness?	-	<u> X </u>	Yes	<u> </u> None reported
Noncompliance material to financial statements noted?	-	<u> </u>	Yes	<u> X </u> No

Federal Awards

Internal control over major programs:				
Material weakness identified?	-	<u> </u>	Yes	<u> X </u> No
Significant deficiency identified that is not considered to be a material weakness?	-	<u> </u>	Yes	<u> X </u> None reported
Type of auditor's report issued on compliance for major programs:	-	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	-	<u> </u>	Yes	<u> X </u> No

Identification of major programs:		
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
21.019	Coronavirus Relief Fund	

Dollar threshold used to distinguish between type A and type B programs:	-	\$750,000		
Auditee qualified as a low-risk auditee	-	<u> </u>	Yes	<u> X </u> No

HOUSTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS AND RESPONSES

- 2020-001** **Criteria** – Internal controls should be designed to ensure all bank accounts are reconciled on a monthly basis.
- Condition** – The Probate Court’s checking bank account was not reconciled on a timely basis for the fiscal year ending June 30, 2020.
- Cause of Condition** – Reconciliations were not completed for the Probate Court checking account.
- Effect of Condition** – Failure to reconcile bank statements monthly and timely could result in misstatements without the Probate Court’s knowledge, and losses could occur due to not detecting bank statement errors within the allotted time period established by the bank.
- Recommendation** – We recommend for all bank accounts to be reconciled and reviewed on a monthly basis to ensure accurate financial data is maintained.
- Response/Corrective Action Plan** – We concur. The Probate Court will take necessary steps in the future to ensure all bank accounts are properly reconciled on a monthly basis.
-
- 2020-002** **Criteria** – Internal controls should be designed to ensure all bank accounts are reconciled on a monthly basis.
- Condition** – The State Court’s general bank account was not reconciled on a timely basis for the fiscal year ending June 30, 2020.
- Cause of Condition** – Reconciliations were not completed for the State Court general checking account.
- Effect of Condition** – Failure to reconcile bank statements monthly and timely could result in misstatements without the State Court’s knowledge, and losses could occur due to not detecting bank statement errors within the allotted time period established by the bank.
- Recommendation** – We recommend for all bank accounts to be reconciled and reviewed on a monthly basis to ensure accurate financial data is maintained.
- Response/Corrective Action Plan** – We concur. The State Court will take necessary steps in the future to ensure all bank accounts are properly reconciled on a monthly basis.
-
- 2020-003** **Criteria** – Internal controls should be designed to ensure all liabilities are reconciled and accounted for on a monthly basis.
- Condition** – The State Court’s general account liability balance was not reconciled, and over \$101,000 of liabilities were not able to be determined for the fiscal year ending June 30, 2020.
- Cause of Condition** – The State Court was not able to provide a listing of the outstanding amounts owed to others for the general bank account.
- Effect of Condition** – Failure to maintain a listing of the State Court’s liabilities could result in misstatements, errors and losses due to not being able to determine who is owed money and how much money they are owed by State Court.
- Recommendation** – We recommend for all liability balances to be reconciled and a list maintained on a monthly basis to ensure accurate financial data is maintained.
- Response/Corrective Action Plan** – We concur. The State Court will take necessary steps in the future to ensure all liability accounts are properly reconciled and documented on a monthly basis.

HOUSTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS AND RESPONSES (continued)

2020-004 **Criteria** – Internal Controls should be designed to ensure that capital assets construction in progress balance is maintained and reconciled annually.

Condition – During our audit, we were not provided a detailed listing of ongoing capital assets construction projects for governmental activities. While we were eventually provided an accurate detail listing, the listing should be maintained and updated continually for any additions and deletions to ensure accuracy of capital asset records.

Cause of Condition – Governmental activities capital asset construction in progress detail listing and reconciliation was not initially provided.

Effect of Condition – A prior period adjustment was required to adjust capital assets construction in progress to the reconciled detail listing for unfinished projects dating back to 2006 that were improperly reconciled in prior years.

Recommendation – We recommend the governmental activities capital assets construction in progress account be reconciled on a timely basis each year.

Response/Corrective Action Plan – We concur. The County reconciled governmental activities capital assets construction in progress and provided a detail listing as of 6/30/2020. We plan to update this listing annually for any additions and deletions to ensure accuracy for future years.

**HOUSTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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

2019-001 **Condition** – The Probate Court’s checking bank account was not reconciled on a timely basis for the fiscal year ending June 30, 2019.

Recommendation – We recommend for all bank accounts to be reconciled and reviewed on a monthly basis to ensure accurate financial data is maintained.

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

HOUSTON COUNTY, GEORGIA
SCHEDULE OF PROJECTS UNDERTAKEN
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2020

Project	(a)		Expenditures				
	Previously Reported Original Estimated Cost	Original Estimated Cost	A	B	C	B + C	A + B
			Prior Years	Current Year	From Other Revenue Sources	Total Current Expenditures	Total Expenditures From SPLOST
2001 Referendum:							
Roads, Streets, and Bridges	\$ 69,285,000	\$ 55,821,250	\$ 18,551,102	\$ -	\$ -	\$ -	\$ 18,551,102
City of Centerville	-	-	9,557,251	-	-	-	9,557,251
City of Perry	-	1,350,000	4,497,828	769,840	-	769,840	5,267,668
City of Warner Robins	-	12,113,750	30,113,302	-	-	-	30,113,302
Department of Transportation	-	-	237,690	-	-	-	237,690
Public Safety Radio Facilities and Equipment	12,500,000	12,500,000	12,500,000	-	-	-	12,500,000
City of Centerville	-	2,035,000	2,035,000	-	-	-	2,035,000
City of Perry	-	1,180,000	2,530,000	-	-	-	2,530,000
	<u>\$ 81,785,000</u>	<u>\$ 85,000,000</u>	<u>\$ 80,022,173</u>	<u>\$ 769,840</u>	<u>\$ -</u>	<u>\$ 769,840</u>	<u>\$ 80,792,013</u>
2006 Referendum:							
Roads, Streets, and Bridges	\$ 100,675,000	\$ 93,160,000	\$ 28,144,243	\$ 602,867	\$ -	\$ 602,867	\$ 28,747,110
City of Centerville	-	500,000	6,176,511	-	-	-	6,176,511
City of Perry	-	1,500,000	3,054,775	-	-	-	3,054,775
City of Warner Robins	-	5,515,000	6,649,530	11,418	-	11,418	6,660,948
Department of Transportation	-	-	29,187,162	-	-	-	29,187,162
Library Improvements	-	5,225,000	7,221,088	-	-	-	7,221,088
Jail Pod Addition	-	4,000,000	8,314,688	-	-	-	8,314,688
Water System Improvements	-	3,000,000	3,186,592	-	-	-	3,186,592
Debt Payoff on Spec Building	-	2,100,000	2,100,000	-	-	-	2,100,000
City of Centerville	-	1,000,000	1,468,849	-	-	-	1,468,849
City of Perry	-	4,000,000	5,385,795	-	-	-	5,385,795
City of Warner Robins	-	10,000,000	15,192,866	-	-	-	15,192,866
	<u>\$ 100,675,000</u>	<u>\$ 130,000,000</u>	<u>\$ 116,082,099</u>	<u>\$ 614,285</u>	<u>\$ -</u>	<u>\$ 614,285</u>	<u>\$ 116,696,384</u>
2012 Referendum:							
Roads, Streets, and Bridges	\$ -	\$ 25,332,000	\$ -	\$ 3,974,117	\$ -	\$ 3,974,117	\$ 3,974,117
City of Centerville	-	-	72,491	708,165	-	708,165	780,656
City of Perry	-	-	497,241	1,233,262	-	1,233,262	1,730,503
City of Warner Robins	-	-	739,619	79,447	-	79,447	819,066
Department of Transportation	-	-	473,067	189,093	-	189,093	662,160
Public Safety Facilities & Equipment	-	9,000,000	1,251,896	-	-	-	1,251,896
Water & Storm Water Systems Improvement	-	6,550,000	557,745	18,558	-	18,558	576,303
Economic Development:							
Property Acquisition-RAFB Encroachment	-	7,000,000	5,771,161	-	-	-	5,771,161
Land Acquisition & Infrastructure - Improvements	-	19,000,000	17,472,470	103,500	-	103,500	17,575,970
Unincorporated County Projects							
Roads, Streets, & Bridges	-	5,300,000	4,462,547	305,517	-	305,517	4,768,064
Public Safety Facilities & Equipment	-	13,665,000	2,525,533	387,639	-	387,639	2,913,172
General Capital Obligations	-	9,482,000	17,259,168	684,302	-	684,302	17,943,470
Airport Facility Improvements	-	400,000	399,325	-	-	-	399,325
Library Improvements	-	-	484,927	-	-	-	484,927
City of Centerville	-	5,050,000	4,374,484	-	-	-	4,374,484
City of Perry	-	9,800,000	8,409,795	-	-	-	8,409,795
City of Warner Robins	-	44,421,000	38,136,824	-	-	-	38,136,824
	<u>\$ -</u>	<u>\$ 155,000,000</u>	<u>\$ 102,888,293</u>	<u>\$ 7,683,600</u>	<u>\$ -</u>	<u>\$ 7,683,600</u>	<u>\$ 110,571,893</u>

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

Project	(a)		Expenditures				
	Previously Reported Original Estimated Cost	Original Estimated Cost	A	B	C	B + C	A + B
			Prior Years	Current Year	From Other Revenue Sources	Total Current Expenditures	Total Expenditures From SPLOST
2018 Referendum:							
Roads, Streets, and Bridges	\$ -	\$ 26,370,000	\$ 71,146	\$ 2,507,319	\$ -	\$ 2,507,319	\$ 2,578,465
City of Centerville	-	-	-	-	-	-	-
City of Perry	-	-	-	-	-	-	-
City of Warner Robins	-	-	10,250	282,500	-	282,500	292,750
Department of Transportation	-	-	1,535	82,016	-	82,016	83,551
Public Safety Facilities & Equipment	-	8,979,100	815	3,982,979	-	3,982,979	3,983,794
Facilities Construction and Improvements	-	11,594,300	-	475,156	-	475,156	475,156
Infrastructure - Improvements	-	2,500,000	-	-	-	-	-
General Capital Obligations (Countywide)	-	1,500,000	-	644,347	-	644,347	644,347
Airport Facility Improvements	-	1,800,000	-	-	-	-	-
Transit	-	250,000	-	-	-	-	-
Recreation	-	7,000,000	-	-	-	-	-
Recreation Facilities and Equipment (Municipal)	-	6,000,000	-	-	-	-	-
Unincorporated County Projects	-	3,150,000	-	-	-	-	-
Roads, Streets, & Bridges	-	10,355,135	38,366	-	-	-	38,366
Public Safety Facilities & Equipment	-	11,030,353	1,719,890	-	-	-	1,719,890
General Capital Obligations	-	3,000,000	-	-	-	-	-
Water and Sewer System Improvements	-	2,000,000	-	-	-	-	-
Facilities Renovation	-	250,000	-	2,500,000	-	2,500,000	2,500,000
Blight Abatement	-	4,029,337	554,561	769,176	-	769,176	1,323,737
City of Centerville	-	7,821,653	1,075,234	1,491,349	-	1,491,349	2,566,583
City of Perry	-	37,370,122	5,137,364	7,197,418	-	7,197,418	12,334,782
City of Warner Robins	-				-		
	\$ -	\$ 145,000,000	\$ 8,609,163	\$ 19,932,260	\$ -	\$ 19,932,260	\$ 28,541,423
Total SPLOST referendums	\$ 182,460,000	\$ 515,000,000	\$ 307,601,728	\$ 28,999,985	\$ -	\$ 28,999,985	\$ 336,601,713

(a) The amounts reported in previous years were for Countywide Projects administered by Houston County for road, street, bridge & sidewalk projects. The intergovernmental portion of road, street, bridge and sidewalk projects were included with the Countywide Projects, but none of the other projects were included on this schedule previously. This schedule has been revised to include all projects per the 2006 Referendums.

Houston County, GA

Certification of 9-1-1 Expenditures

For the Year Ended
6/30/20

<u>Line No.</u>	<u>O.C.G.A. Reference:</u>	<u>\$</u>
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund	
2	Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	
		\$ _____
		\$ _____
		\$ _____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:	
3a	Lease costs	\$ _____
3b	Purchase costs	\$ 22,146.94
3c	Maintenance costs	\$ _____
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	\$ 151,353.93
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2	
5a	Salaries and wages	\$ 2,037,642.39
5b	Employee benefits	\$ 1,216,804.74
6	Cost of training of employees who work as dispatchers or directors	\$ 13,416.41
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	\$ 22,396.02
8	Building used as a public safety answering point:	
8a	Lease costs	\$ _____
8b	Purchase costs	\$ _____
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:	
9a	Lease costs	\$ _____
9b	Purchase costs	\$ 5,018.52
9c	Maintenance costs	\$ 444,755.03

Houston County, GA

Certification of 9-1-1 Expenditures

For the Year Ended
6/30/20

Line No.		O.C.G.A. Reference:	
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	\$ <u>272.18</u>
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	\$ _____
11b	Purchase costs	46-5-134(f)(1)(I)	\$ _____
11c	Maintenance costs	46-5-134(f)(1)(I)	\$ _____
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	\$ <u>36,500.00</u>
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2)(B)(ii)	\$ _____
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	\$ _____
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	\$ _____
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	\$ <u>165,168.00</u>
15	Mobile public safety voice and data equipment, geo-targeted text messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2)(B)(iv)	\$ <u>2,250.00</u>
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ _____
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ _____
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2)(B)(v)	\$ _____
16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$ _____
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$ _____

Houston County, GA

Certification of 9-1-1 Expenditures

For the Year Ended
6/30/20

Line
No.

O.C.G.A.
Reference:

17 Other expenditures not included in Lines 2 through 16 above.
Identify by object and purpose.

Utilities	\$	44,714.83
Gasoline	\$	2,168.92
Food	\$	215.12
Waste Disposal	\$	1,745.88
Books/Periodicals	\$	211.86
	\$	
	\$	
	\$	

18 Total Expenditures (total of all amounts reported on Lines 2 through 17 above) \$ 4,166,780.77

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official Tommy Stalnaker Date 3/30/21

Print Name of Chief Elected Official Tommy Stalnaker

Title of Chief Elected Official Chairman

Signature of Chief Financial Officer Sandra K. Stalnaker Date 3/30/21

Print Name of Chief Financial Officer Sandra K. Stalnaker