

HART COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2021



Part I
Introductory Section



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**HART COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2021**

ELECTED

Marshall Sayer, Chairman, County Commissioner, District Three

Joey Dorsey, Vice-Chairman, County Commissioner, District Five

Michael Bennett, County Commissioner, District One

Frankie Teasley, County Commissioner, District Two

Ricky Carter, County Commissioner, District Four

STAFF

Terrell Partain, County Administrator

Lawana Kahn, County Clerk

Betty Floyd, Associate County Clerk

Part II
Financial Section



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February 21, 2022

Independent Auditor's Report

The Honorable Chairman and
Members of the Board of Commissioners
Hart County
Hartwell, 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 Hart County, Georgia (the "County") as of and for the year ended September 30, 2021, 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 Hart County Health Department, a component unit of Hart County, Georgia, which represents 79.1%, 100.7%, and 76.5%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hart County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

BURCH, CROOMS & COMPANY, LLP

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hart County, Georgia as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 4 through 17 and 68 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hart County, Georgia's basic financial statements. The introductory section and the combining and individual nonmajor fund financial statements, nonmajor budgetary schedules, the schedules of projects constructed with special purpose local option sales tax proceeds required by the Official Code of Georgia 48-8-121, and the source and application of funds and project cost schedules required under the Community Development Block Grant ("CDBG") requirements are listed in the table of contents on pages 76 through 92 and are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

BURCH, CROOMS & COMPANY, LLP

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The combining and individual nonmajor fund financial statements and nonmajor budgetary schedules, the schedules of projects constructed with special purpose local option sales tax proceeds and the CDBG source and application of funds and project cost schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, nonmajor budgetary schedules, the schedules of projects constructed with special purpose local option sales tax proceeds and the CDBG source and application of funds and project cost schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2022 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.

Burch, Crooms & Company, LLP

HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

This section of Hart County, Georgia's (the "County") annual financial report presents a narrative overview and an analysis of the financial activities of the County for the fiscal year ended September 30, 2021. Management encourages readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the County's financial performance.



FINANCIAL HIGHLIGHTS

The financial position of the County improved during fiscal year 2021, primarily due to increased property and sales tax revenues and capital grants and contributions. The total net position for governmental activities increased by \$2,567,507 from \$62,411,409 in fiscal year 2020 to \$64,978,916 in fiscal year 2021. Transfers totaling \$836,852 were made to the Hart County Industrial Building Authority, the Joint Development Authority of Franklin, Hart & Stephens Counties, and the Hart County Water & Sewer Authority, all component units of Hart County, Georgia for operations and capital improvements.

Unrestricted net position for the governmental activities increased by \$519,085 from \$10,415,604 in fiscal year 2020 to \$10,934,689 in fiscal year 2021. Total net position increased for the business-type activities by \$1,005,100 from \$29,883,698 in fiscal year 2020 to \$30,888,798 in fiscal year 2021. Total net position for the primary government increased by \$3,572,607 from fiscal year 2020 to fiscal year 2021.

The assets of Hart County, Georgia's governmental activities exceeded its liabilities at September 30, 2021 by \$64,978,916 (net position). Of this amount, \$10,934,689 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.

As of September 30, 2021, the County's governmental funds reported combined ending fund balances of \$23,106,188, which is an increase of \$2,605,795 or 12.7% from the previous fiscal year. This increase is primarily due to increases in tax revenues and decreases in transfers, offset by increases in capital outlay in fiscal year 2021. In addition, prior period adjustments of \$(1,294,613) and \$(20,210) were made in the General Fund and DFACS Building Fund, respectively, which decreased the fund balances for the governmental funds.

As of September 30, 2021, the unassigned fund balance for the General Fund was \$10,401,122 or 80.7% of total General Fund expenditures. The County Administrator recommends a target 25-50% of General Fund unassigned fund balance be maintained for cash flow and emergency needs with a minimum threshold of 25% in unrestricted cash. As of September 30, 2021, unrestricted cash of \$9,659,404 made up 92.9% of unassigned fund balance.

HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These basic financial statements consist of three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other information supplementary to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. These statements use a format similar to a private-sector business. They include a Statement of Net Position and a Statement of Activities, which appear on pages 18 and 19 of this report.

The Statement of Net Position presents information on the County's assets and liabilities. Net position, the difference between these assets and liabilities, is a useful way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net position are indicators of whether its financial health is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the current fiscal year. All of the current fiscal year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. This statement separates program revenue (charges for services, grants, and contributions) and related program expenses from general revenue (including taxes) to show the extent each program must rely on taxes for funding.

Both of the government-wide financial statements identify the various functions of the County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Hart County, Georgia include general government, judicial, health and welfare, public safety, highways and streets, economic development, public works, and culture and recreation. The business-type activities of Hart County, Georgia include its solid waste and recycling operations in addition to water and sewer operations and economic development activities reported through blended component units. These financial statements also contain discretely presented component units for which the County is financially accountable.

Governmental Activities: These activities are comprised of functions of the County which are primarily financed by taxes and intergovernmental revenues. Examples include general government, judicial, public safety, public works, health and welfare, recreation and culture, and housing and development.

Business-type Activities: The County charges fees to cover the solid waste services it provides and rental fees for camping sites. The County also reports three blended component units as business-type activities: The Hart County Industrial Building Authority ("IBA") and the Joint Development Authority of Franklin, Hart and Stephens Counties ("JDA") provide services to promote the expansion and development of industrial and commercial facilities in the County. The Hart County Water and Sewer Authority ("HCWSA") charges fees for water and sewer services it provides.

Component Units: In addition to the three blended component units previously mentioned, the County's financial statements also include two legally separate component units for which the County is financially responsible: the Hart County Library and the Hart County Health Department. These component units are separately identified as discretely presented component units within the statements to show they are legally separate from the County.

HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A fund is a grouping of related accounts used to maintain control over resources which have been segregated for specific activities or objectives. Hart County, Georgia, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events which produce near term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. The fund statements also have a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

Hart County, Georgia maintains fifteen (16) governmental funds. The seven (7) major funds, the General Fund; SPLOST #4, SPLOST #5, and CDBG Fund (capital projects funds); and the Insurance Premium Tax Fund, Multiple Grant Fund, American Rescue Program Act (ARPA) Fund and EIP Fund (special revenue funds) are presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances. Data for the nine (9) nonmajor funds, the Confiscated Assets Fund, DFACS Building Fund, Drug Abuse Treatment and Education Fund, E911 Fund, Jail Fund, Behavioral Health Escrow Fund, Law Library Fund, Hotel-Motel Tax Fund (special revenue fund) and Health Care Services Fund (special revenue funds) are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor special revenue funds for which budgets are legally adopted is provided in the form of combining statements and individual fund statements and schedules located in the supplementary information section following the notes to the financial statements.

Hart County, Georgia adopted annual appropriated budgets for the General Fund and for each special revenue fund. A budgetary comparison statement is provided in order to present budgetary compliance. These comparison statements can be found following the notes to the financial statements.

Proprietary Funds: The financial statements of Hart County, Georgia include the Solid Waste Fund and Corp of Engineers Sites Fund and three blended component units, the Hart County Industrial Building Authority, the Joint Development Authority of Franklin, Hart and Stephens Counties, and the Hart County Water and Sewer Authority as major proprietary funds. Proprietary fund statements follow the governmental fund statements in this report. The County prepares budgetary estimates for the enterprise funds. The budgetary estimates, upon which such budgets are adopted, are retained for budget control purposes and are utilized in the preparation of comparative operating statements. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail, since both apply the full accrual basis of accounting. The basic proprietary fund financial statements are found on pages 24 through 26 of this report.

HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the County. These custodial funds are not reported in the government-wide statements. The basic fiduciary fund financial statements are found on page 27 of this report.

Component Units: The County's statements include two discretely presented component units for which the County is financially responsible. These component units are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. The discretely presented component units combining financial statements are found on pages 28 through 29.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 30 through 67 of this report.

Other information: In addition to the basic financial statements and notes, this report also includes certain required supplementary information including the County's schedules of budgetary comparisons and additional supplementary information including combining and individual fund statements. This information can be found beginning on page 68.



**HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Hart County, Georgia
Summary Statements of Net Position
September 30, 2021 and 2020**
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Assets:						
Cash and investments	\$19,214	\$14,865	\$ 4,019	\$ 2,784	\$23,233	\$17,649
Other assets	7,843	7,406	780	439	8,623	7,845
Noncurrent assets	41,904	41,666	30,787	31,515	72,691	73,181
Total assets	<u>68,961</u>	<u>63,937</u>	<u>35,586</u>	<u>34,738</u>	<u>104,547</u>	<u>98,675</u>
Liabilities:						
Current liabilities	3,628	1,208	771	665	4,399	1,873
Noncurrent liabilities	354	318	3,926	4,189	4,280	4,507
Total liabilities	<u>3,982</u>	<u>1,526</u>	<u>4,697</u>	<u>4,854</u>	<u>8,679</u>	<u>6,380</u>
Net position:						
Net investment in capital assets	41,904	41,666	26,477	26,382	68,381	68,048
Restricted	12,140	10,329	482	699	12,622	11,028
Unrestricted	10,935	10,416	3,930	2,803	14,865	13,219
Total net position	<u>\$64,979</u>	<u>\$62,411</u>	<u>\$ 30,889</u>	<u>\$ 29,884</u>	<u>\$95,868</u>	<u>\$92,295</u>

Hart County, Georgia's Net Position

As noted earlier, the net position over time can be a useful indicator of a government's financial position. As illustrated in the above table, at the end of fiscal year ending September 30, 2021, the County's assets for governmental activities exceeded liabilities by \$65.0 million and the County's assets for business-type activities exceeded liabilities by \$30.9 million bringing the total primary government net position to more than \$95 million.

Of the \$95 million in net position, the County's net investment in capital assets (e.g. land, buildings, machinery and equipment, less any outstanding related debt used to acquire the assets and accumulated depreciation) composes 71.3% of net position. The County uses these capital assets to provide services to citizens and consequently these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities. The County's net position also includes restricted net position in the amount of \$12.6 million out of which \$8.6 million is restricted for capital projects, \$0.4 million is restricted for health and welfare, \$0.4 million is restricted for economic development, \$2.9 million is restricted for public safety, and \$0.2 million is restricted for debt service. Restricted net position accounts for 13.2% of total net position. Finally, unrestricted net position of \$14.9 million, or 15.5% of total net position, may be used to meet the County's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County reported positive balances in all categories of net position, exclusive of discretely presented component units.

**HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

**Hart County, Georgia
Summary Statements of Activities
For the Years Ended September 30, 2021 and 2020**
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 2,723	\$ 2,740	\$ 3,817	\$ 3,324	\$ 6,540	\$ 6,064
Operating grants/contributions	512	1,289	1,629	36	2,141	1,325
Capital grants/contributions	794	1,211	48	50	842	1,261
General revenues:						
Property taxes	7,654	7,180	-	-	7,654	7,180
Motor vehicle taxes	1,569	1,341	-	-	1,569	1,341
Sales taxes	7,896	7,136	-	-	7,896	7,136
Other taxes	1,696	1,610	-	-	1,696	1,610
Interest	34	127	3	10	37	137
Miscellaneous	87	99	182	(1)	269	98
Total revenues	<u>22,965</u>	<u>22,733</u>	<u>5,679</u>	<u>3,419</u>	<u>28,644</u>	<u>26,152</u>
Expenses:						
Governmental activities	18,245	17,657	-	-	18,245	17,657
Business-type activities	-	-	5,534	4,308	5,534	4,308
Total expenses	<u>18,245</u>	<u>17,657</u>	<u>5,534</u>	<u>4,308</u>	<u>23,779</u>	<u>21,965</u>
Excess (deficiency)						
before transfers	4,720	5,076	145	(889)	4,865	4,187
Transfers	(837)	(2,245)	860	3,674	23	1,429
Change in net position	3,883	2,831	1,005	2,785	4,888	5,616
Net position, beginning	62,411	59,629	29,884	27,099	92,295	86,728
Prior period adjustment	(1,315)	(49)	-	-	(1,315)	(49)
Net position, ending	<u>\$ 64,979</u>	<u>\$ 62,411</u>	<u>\$ 30,889</u>	<u>\$ 29,884</u>	<u>\$ 95,868</u>	<u>\$ 92,295</u>

The table above is included for the purpose of comparing government-wide financial Statements of Activities for the fiscal year ended September 30, 2021 with fiscal year 2020.

For governmental activities, grants and contributions were \$1.3 million in fiscal year 2021, which is \$1.2 million less than the amount in fiscal year 2020 due to a nonrecurring grant from the CARES Act received in fiscal year 2020. Real, personal property, and motor vehicle taxes were \$0.5 more in fiscal year 2021 compared to 2020. Local option sales tax and special option sales tax increased by \$0.8 million in fiscal year 2021 compared to 2020.

Business-type activities total revenues increased \$2.3 million between fiscal year 2021 and 2020 due mainly to an increase in capital grants and contributions.

**HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS:

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

Governmental Funds: The focus of the governmental funds is to provide information on near-term inflows and balances of spendable resources. The unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose.

At September 30, 2021, the County's governmental funds reported a combined fund balance of \$23,106,188, an increase of \$2,605,795 compared to fiscal year 2020. Of this amount, \$10,401,122 (45.0%) constitutes unassigned fund balance of the General Fund. Out of the remainder of the fund balance, \$564,713 (2.4%) is nonspendable and \$12,140,353 (52.5%) is restricted.

HART COUNTY, GEORGIA'S GENERAL FUND HIGHLIGHTS

General Fund Components of Fund Balance:

<u>Fund Balance Component</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Nonspendable	\$ 314,624	\$ 305,974
Restricted	-	-
Unassigned	<u>10,401,122</u>	<u>9,556,286</u>
Total General Fund fund balance	\$ <u>10,715,746</u>	\$ <u>9,862,260</u>

The General Fund is the chief operating fund for the County. At the end of fiscal year 2021, the General Fund's total fund balance was \$10,715,746 of which \$10,401,122 is unassigned fund balance. As a measure of liquidity of the General Fund, it is useful to compare unassigned General Fund fund balance to total General Fund expenditures. Unassigned General Fund fund balance represents 80.7% of total General Fund expenditures while total General Fund fund balance represents approximately 83.2% of total General Fund expenditures. The General Fund fund balance is composed of cash and noncash items. Management recognizes that only the cash portion can be relied upon as liquid in the upcoming fiscal year and advises that cash fund balance should remain above a 25% minimum. As of September 30, 2021, the fund balance includes \$9,659,404 in cash. The noncash portion of the fund balance includes \$199,558 in EMS accounts receivable, net of allowance for bad debts, and \$676,685 in uncollected property taxes, local option sales taxes ("LOST"), title ad valorem taxes ("TAVT"), and other taxes/revenue.

General Fund Revenue Highlights:

Hart County, Georgia's General Fund revenues totaled \$15,266,056, which represents an increase of \$9,109 over the previous fiscal year. The major revenue sources are listed in the following chart. Real and personal property tax collections accounted for 50.3% of General Fund revenues. Motor vehicle and title fees accounted for 10.3%, charges for services accounted for 8.6%, and sales and use tax collections accounted for 21.9% of total General Fund revenues. Other revenue sources included other taxes, fines and forfeitures, license and permits, earnings on investments, intergovernmental revenues and miscellaneous income.

**HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (CONTINUED):

General Fund Revenues by Source:

	<u>9/30/2021</u>	<u>9/30/2020</u>
Real and personal property taxes	\$ 7,673,840	\$ 7,201,078
Motor vehicle and title fees	1,568,509	1,341,237
Sales and use tax	3,345,151	3,022,591
Other taxes	134,428	135,412
Licenses and permits	53,696	39,823
Intergovernmental	292,969	1,286,193
Fines and forfeitures	655,166	598,198
Charges for services	1,310,113	1,288,640
Investment earnings	5,401	64,022
Other revenue	<u>226,783</u>	<u>279,753</u>
Total General Fund revenues	<u>\$ 15,266,056</u>	<u>\$ 15,256,947</u>

Total General Fund taxes collected by the County were \$12,721,928. Real and personal property taxes were \$535,540 (7.5%) more than the fiscal year 2021 budgeted amount while motor vehicle and title fees were \$728,509 (86.7%) more than the budgeted amount. The County collected \$1,085,151 (48.0%) more than anticipated in the fiscal year 2021 budget for Local Option Sales Tax ("LOST") revenues. Sales taxes are a key revenue source utilized by the BOC to keep property taxes low, however, these taxes are susceptible to overall economic conditions. Hart County's unincorporated millage rate is one of the lowest rates in the state of Georgia. The County cautiously monitors sales tax revenues due to their instability in relation to property tax revenues.

Intergovernmental revenues represent local government revenue received from other governments. Intergovernmental revenues for fiscal year 2021 decreased \$993,224 (77.2%) over the prior year, mainly due to a nonrecurring operating grant of \$1,077,786 received during the prior fiscal year from the Federal government under the CARES Act for COVID-19.

Charges for services increased by \$21,473 (1.7%) over fiscal year 2020 due primarily to an increase in fees from the Clerk of Court office.

Fines and forfeitures were more than the anticipated final budgeted amount by \$169,166 (34.8%) and reflect an increase of \$56,968 (9.5%) from the fiscal year 2020 actual amount due to fluctuations in caseloads.

Investment income decreased from fiscal year 2020 by \$58,621 (91.6%) due to a significant reduction in the interest rate on the State of Georgia Local Government Investment Pool "Georgia Fund 1" investments.

**HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (CONTINUED):

General Fund Expenditure Highlights:

Hart County, Georgia's General Fund expenditures totaled \$12,883,464 compared to \$12,439,526 for the prior fiscal year, which represents an increase of \$443,938 (3.6%) from the prior fiscal year. The breakdown of expenditures by function is illustrated in the chart below. The majority of the expenditures, \$7,307,967 (56.7%) was related to public safety as compared to \$6,948,750 (55.9%) in the prior fiscal year.

General Fund Expenditures by Function:

	<u>9/30/2021</u>	<u>9/30/2020</u>
General government	\$ 2,266,594	\$ 2,114,808
Judicial	1,171,437	1,102,941
Public safety	7,307,967	6,948,750
Public works	1,232,052	1,294,741
Health and welfare	378,793	350,686
Recreation and culture	432,318	458,008
Housing and development	<u>94,303</u>	<u>169,592</u>
Total General Fund expenditures	\$ <u>12,883,464</u>	\$ <u>12,439,526</u>

General government expenditures were \$2,266,594. Total general government expenditures were under the final budget by \$52,282 and over the original budget by \$193,649. The final budget is the true milestone for analysis as conditions change during the fiscal year resulting in the Board of Commissioners adjusting the budget as conditions warrant. The Board of Commissioners recognizes that increases in the original budget will be paid from unrestricted fund balances.

Judicial expenditures were \$1,171,437, which was below the final budget by \$80,728 and under the original budget by \$50,417.

Public safety expenditures totaled \$7,307,967 for the current fiscal year. These expenditures were under the final budget by \$270,942 and under the original budget by \$114,567.

Public works expenditures were \$1,232,052, which was below the original and final budget by \$388,521.

Health and welfare expenditures were \$378,793, which was below the final budget by \$58,541 and under the original budget by \$10,784.

Recreation and culture expenditures were \$432,318, which was \$895 more than the original and equal to the final budgeted amount.

Housing and development expenditures were \$94,303, which was below the original and final budget by \$83,498.

**HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (CONTINUED):

The following data includes the breakdown of public safety expenditures which represents approximately 56.7% of the total General Fund expenditures.

Public Safety Expenditures:

	<u>9/30/2021</u>	<u>9/30/2020</u>
Sheriff	\$ 2,516,472	\$ 2,489,790
Jail operations	1,592,030	1,585,910
Whitworth detention center	53,822	21,173
E911	66,707	32,364
Emergency medical services	2,895,273	2,656,723
Animal control	121,945	95,280
Other	<u>61,718</u>	<u>67,510</u>
Total public safety expenditures	\$ <u>7,307,967</u>	\$ <u>6,948,750</u>

General Fund Budgetary Highlights:

There were no net differences impacting fund balance between the General Fund's original expenditure budget (including prior year carryover funds and net budgeted transfers to blended component units and other funds) and the final amended budget. The budget amendments were mainly needed for the following expenditures:

General government department for additional costs related mainly to increased costs for the Board of Elections, data processing fees including maintenance contracts, professional and legal costs, insurance costs, as well as higher than expected building maintenance and repair costs.

Judicial department for costs related to increased caseloads, as well as Superior Court's increased operating costs.

Public safety department for higher than anticipated costs for wages for employees and overtime for emergency services.

The above budget shortfalls were covered by budget overages in various General Fund departments; primarily the public works department due to reduced wages and group insurance, as well as in economic development and assistance due to unused budgeted amounts for various expenditures which are now treated as transfers to the Hart County Industrial Building Authority, a component unit of Hart County.

The original and final budget for General Fund revenues was \$12,486,790. Total revenues and transfers in for fiscal year 2021 were \$15,266,056, an increase of \$2,779,266 from the final budget. This variance is primarily attributed to the following:

Tax revenues were more than the final budget due to increases in current year motor vehicle title fees and intangible taxes, as well as increased local option sales tax revenue taxes.

**HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (CONTINUED):

General Fund Budgetary Highlights: (Continued)

Intergovernmental revenues were more than the final budget due mainly to an increase in the transit system grant from the Georgia Department of Transportation.

Fine and forfeitures were more than the final budget mainly due to increased caseloads and revenue from the Probate Court and Superior Court.

Charges for services were more than the final budget due mainly to increases in Clerk of Court fees and income in the Recreation department.

Investment earnings were less than the final budget due to a significant decrease in the interest rate paid on investments in the State of Georgia Local Government Investment Pool "Georgia Fund 1" accounts.

HART COUNTY, GEORGIA'S OTHER GOVERNMENTAL FUNDS HIGHLIGHTS

Other Governmental Funds Components of Fund Balance:

	<u>9/30/2021</u>	<u>9/30/2020</u>
Nonspendable	\$ 250,089	\$ 308,679
Restricted	12,140,353	10,329,454
Unassigned	-	-
Total other governmental funds fund balance	\$ <u>12,390,442</u>	\$ <u>10,638,133</u>

Multiple Grant Fund: The Multiple Grant Fund is a major special revenue fund consisting of activity related to various grant awards to include local, state and federal sources. Grant awards for fiscal year 2021 consist primarily of \$684,145 representing an award passed through the Georgia Department of Transportation under the Local Maintenance and Road Improvement Program. Portions of grants not yet expended have been included in restricted cash.

ARPA Fund: The ARPA fund is a major special revenue fund used to account for the revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund. As of September 30, 2021, Hart County received \$2,545,007. This is 50% of Coronavirus State and Local Fiscal Recovery Funds to be received by the County. Funds are classified as unearned on the governmental funds balance sheet until expended. \$2,309,854 of this grant is classified as unearned revenue as of September 30, 2021, resulting in \$235,153 in revenues and expenditures for fiscal year 2021.

CDBG Fund: The CDBG Fund, a major capital projects fund, had activity in fiscal year 2021 related mainly to a capital project grant award for \$43,795 for water and sewer improvement projects, representing a partial draw of available grant funds. The grant was awarded in fiscal year 2020. Construction began in fiscal year 2021 and the project is still under construction.

SPLOST #4 Fund: The SPLOST #4 Fund is a major capital projects fund. In July 2012, the County began collecting revenue for the SPLOST #4 program. Collections for SPLOST #4 ended in March 2018 when SPLOST #5 began. At the end of fiscal year 2021 and 2020, this fund had \$-0- in fund balance. The fund remains open holding road department inventory and has a liability to the City of Hartwell. There was no revenue or expenditure activity in this fund in fiscal year 2021.

**HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

HART COUNTY, GEORGIA'S OTHER GOVERNMENTAL FUNDS HIGHLIGHTS (CONTINUED):

SPLOST #5 Fund: The SPLOST #5 Fund is a major capital projects fund. In April 2019, the County began collecting revenue for the SPLOST #5 program. Total sales tax revenue collected in fiscal year 2021 was \$4,551,348. At the end of fiscal year 2021, this fund had \$7,670,703 in fund balance. The primary SPLOST #5 projects in fiscal year 2021 included capital projects for the Cities of Hartwell and Royston as well as for public safety, roads, and economic development.

Insurance Premium Tax Fund: The Insurance Premium Tax Fund, a major special revenue fund, had a \$388,664 fund balance increase in fiscal year 2021 from \$2,459,844 to \$2,848,508. Revenues in this fund increased by \$39,846 from the previous fiscal year. Expenditures increased by \$84,007 from the prior fiscal year. Expenditures in this fund are mainly for public safety (fire) and public works (road department).

EIP Fund (Employment Incentive Program): The EIP Fund is a major special revenue fund designed to offer low interest economic development loans to area businesses. The EIP fund had an increase in fund balance of \$224,334 in fiscal year 2021 from \$159,567 to \$383,901. This increase is related collections of principal and interest on previous loans offset by a minor amount of administrative expenses.

Other Nonmajor Governmental Funds: For fiscal year 2021, the nonmajor governmental funds reported combined ending fund balances of \$677,685, of which \$649,772 is restricted and \$27,913 is nonspendable.

PROPRIETARY FUNDS FINANCIAL ANALYSIS:

Hart County, Georgia's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail, and are reported in the Statement of Net Position under business-type activities of the primary government.

Solid Waste Fund: The Solid Waste Fund is a major fund with operating revenues of \$1,759,117 in fiscal year 2021, as compared to \$1,602,281 in fiscal year 2020. Operating expenses of \$1,753,816 were recorded in fiscal year 2021, as compared to \$1,548,669 in fiscal year 2020.

Corp of Engineers Sites Fund: The Corp of Engineers Sites Fund is a new major fund with operating revenues of \$198,004 and operating expenses of \$77,956 in fiscal year 2021.

Hart County Industrial Building Authority ("IBA"): Under Governmental Accounting Standards Board ("GASB") Statement No. 61, the County is required to report IBA as a blended component unit beginning in fiscal year 2013. IBA had operating revenues of \$1,600,500 and operating expenses of \$1,790,807 in fiscal year 2021, as compared to \$3,539 and \$997,370, respectively, in fiscal year 2020. The increase in both revenues and expenditures is due mainly to a \$1,000,000 pass-through grant received in the current year and \$600,000 in bond issuance fees, and increased project costs in the current fiscal year.

Joint Development Authority of Franklin, Hart and Stephens ("JDA"): Under GASB Statement No. 61, the County is required to report JDA as a blended component unit beginning in fiscal year 2014. JDA had operating revenues of \$26,850 and operating expenses of \$108,848 in fiscal year 2021, as compared to \$25,850 and \$140,221, respectively, in fiscal year 2020.

Hart County Water and Sewer Authority ("HCWSA"): Under GASB Statement No. 61, the County is required to report HCWSA as a blended component unit beginning in fiscal year 2014. HCWSA had operating revenues of \$1,861,575 and operating expenses of \$1,752,795 in fiscal year 2021, as compared to \$1,728,175 and \$1,601,825, respectively, in fiscal year 2020.

**HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

CAPITAL ASSETS AND NONCURRENT LIABILITIES:

**Hart County, Georgia
Summary Schedules of Capital Assets, Net of Depreciation
September 30, 2021 and 2020**
(\$ in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 1,358	\$ 1,264	\$ 5,364	\$ 5,520	\$ 6,722	\$ 6,784
Construction in progress	89	39	351	66	440	105
Buildings	7,075	7,217	178	188	7,253	7,405
Machinery and equipment	2,416	2,541	262	283	2,678	2,824
Vehicles	2,365	2,363	19	27	2,384	2,390
Water and sewer lines Infrastructure	-	-	21,397	21,580	21,397	21,580
	26,139	25,718	3,075	3,159	29,214	28,877
Recreational upgrades	2,462	2,524	-	-	2,462	2,524
Total capital assets, net	<u>\$ 41,904</u>	<u>\$ 41,666</u>	<u>\$ 30,646</u>	<u>\$ 30,823</u>	<u>\$ 72,550</u>	<u>\$ 72,489</u>

Capital Assets: Hart County, Georgia's investment in capital assets at September 30, 2021 for the primary government amounted to \$72,550,179, net of accumulated depreciation, as compared to \$72,489,719 in the previous year. The investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, park facilities, and infrastructure. The total 0.1% increase in capital assets for the current fiscal year was mainly related to current year additions as described below, offset by current year depreciation.

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

- Vehicles, including police, fire and emergency medical service vehicles
- Machinery and equipment
- Land and down payment on new fire station building
- Various road and water system infrastructure projects

Noncurrent Liabilities: Noncurrent liabilities of the primary government decreased by \$228,431 during fiscal year 2021, mainly due to reduced current maturities on notes payable and a reduction in liabilities for compensated absences.

See the notes to the financial statements for additional details related to capital assets and noncurrent liabilities activity.

ECONOMIC FORECAST:

Prior to the recent "great recession", Hart County suffered significant job losses due to the offshoring of lower skilled jobs. In response, the County refocused efforts on workforce development, education, and investment in infrastructure necessary for economic development. The unemployment rate in Hart County

**HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

ECONOMIC FORECAST (CONTINUED):

peaked at 14.4% in June 2009, but had significantly reduced to 2.8% as of November 2019. In March and April 2020, the unemployment rate rose to a high of 10.0% due to the COVID-19 pandemic amid the shutdowns that occurred nationally. As of November 2021, the unemployment rate was reduced to 2.3%.

Hart County has been a leader on workforce development for promoting a stronger economic future. Hart County was one of the first counties in the State of Georgia to be fully workforce ready certified under the WorkKeys program. The County has focused on education through partnerships with the Board of Education and technical colleges, and is only one of eight counties to have a direct partnership with the University of Georgia through their innovative Archway Partnership. Hart County's high school graduation rate was 97% in 2021, which far exceeds the State of Georgia graduation rate of 83.7% and is registered as the 18th highest in the state out of 185 reporting districts.

Hart County has made significant investments in infrastructure for economic development including development of a 150-acre industrial park at Interstate 85 that has been so successful the County has tripled the size to 450 acres with over one mile of Interstate 85 road frontage as well as focusing on the existing Highway 29 industrial park near Hartwell. The County has focused on recruiting higher skilled jobs with a net result of increasing manufacturing wages by 20% to 25% over the next five-year period. Economic development efforts in both industrial parks as well as assisting already established businesses have secured approximately 3,000 new jobs and more than 600 million dollars in new development within the County.

The following factors are expected to have a significant effect on the County's financial position or results of operations and were taken into account in developing the fiscal year 2022 budget.

(1) The overall tax digest is expected to remain at the same level or show some slight increases as in 2021 and the Board of Commissioners desires to keep the millage rates at the same level. The County continues to experience an increase in the net value through new construction from industry and residential expansion occurring in the County. These factors will result in a positive impact on property tax revenues through growth rather than an increased tax burden. The County expects to restrict a portion of the General Fund's fund balance in 2022 to pay for the new jail construction rather than property tax increases.

(2) Stable or slightly improving sales tax revenue is expected. As part of the refocused economic development effort, a focus on increasing tourism and commerce in Hart County has been a priority in recent years. This increase in tourism and commerce is expected to increase sales tax revenues which should further aid in easing the property tax burden. However, County management is aware of the current economic environment in relation to significant price increases for goods and supply chain difficulties which could negatively impact the County and the sales tax revenue.

(3) With the upturn in the overall economy since the COVID-19 pandemic began, interest rates are expected to rise slightly, or at least remain stable, in fiscal year 2022. The County focuses its cash reserves in stable interest-bearing vehicles. This also helps in a small way to lessen the property tax burden.

REQUESTS FOR INFORMATION:

The financial report is designed to provide a general overview of Hart County, Georgia's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Clerk, Hart County Board of Commissioners, 800 Chandler Street, Hartwell, Georgia 30643.

Basic Financial Statements

HART COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	PRIMARY GOVERNMENT			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$19,214,464	\$ 4,018,908	\$23,233,372	\$ 788,008
Receivables (net of allowance for uncollectibles)	969,163	353,759	1,322,922	86,104
Intergovernmental receivables	2,075,103	-	2,075,103	-
Inventory	188,760	57,610	246,370	-
Internal balances	40,205	-	40,205	-
Prepaid items	456,146	26,590	482,736	1,064
Current portion of restricted cash	3,386,793	341,450	3,728,243	32,163
Note receivables	725,656	-	725,656	-
Total current assets	27,056,290	4,798,317	31,854,607	907,339
Noncurrent assets				
Capital assets				
Non-depreciable	1,447,679	5,714,150	7,161,829	-
Depreciable, net	40,456,195	24,932,155	65,388,350	72,864
Restricted cash, less current portion	-	140,280	140,280	-
Total noncurrent assets	41,903,874	30,786,585	72,690,459	72,864
Total assets	68,960,164	35,584,902	104,545,066	980,203
DEFERRED OUTFLOWS OF RESOURCES				
Proportionate share of deferred pension outflows	-	-	-	140,664
Total deferred outflows of resources	-	-	-	140,664
Total assets and deferred outflows of resources	68,960,164	35,584,902	104,545,066	1,120,867
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
LIABILITIES				
Current liabilities				
Accounts payable	537,609	216,872	754,481	18,162
Other accrued items	233,083	51,773	284,856	-
Due to other funds	-	51,895	51,895	-
Customer deposits	-	171,877	171,877	-
Unearned Revenue	2,322,733	-	2,322,733	-
Compensated absences	534,321	13,428	547,749	31,424
Current portion of notes payable	-	264,728	264,728	-
Total current liabilities	3,627,746	770,573	4,398,319	49,586
Noncurrent liabilities				
Compensated absences, less current portion	353,502	19,743	373,245	-
Net pension liability	-	-	-	416,505
Net OPEB liability	-	-	-	64,442
Notes payable, less current portion	-	3,905,788	3,905,788	-
Total noncurrent liabilities	353,502	3,925,531	4,279,033	480,947
Total liabilities	3,981,248	4,696,104	8,677,352	530,533
DEFERRED INFLOWS OF RESOURCES				
Proportionate share of deferred pension inflows	-	-	-	260,685
Total deferred inflows of resources	-	-	-	260,685
Total liabilities and deferred inflows of resources	3,981,248	4,696,104	8,677,352	791,218
NET POSITION				
Net investment in capital assets	41,903,874	26,477,234	68,381,108	72,864
Restricted for				
Public safety	2,947,553	-	2,947,553	-
Economic development	408,083	-	408,083	-
Health and welfare	431,807	-	431,807	-
Judicial	22,340	-	22,340	-
Recreation and culture	-	-	-	32,163
Housing and development	29,647	-	29,647	-
Capital projects	8,300,923	322,808	8,623,731	-
Debt service	-	158,922	158,922	-
Unrestricted	10,934,689	3,929,834	14,864,523	224,622
Total net position	\$64,978,916	\$30,888,798	\$95,867,714	\$ 329,649

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

HART COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 2,470,982	\$ 81,663	\$ 65,269	\$ -	\$ (2,324,050)	\$ -	\$ (2,324,050)	\$ -
Judicial	1,189,759	716,493	-	-	(473,266)	-	(473,266)	-
Public health and welfare	379,714	93,680	-	-	(286,034)	-	(286,034)	-
Public safety	8,700,234	1,727,972	278,216	10,503	(6,683,543)	-	(6,683,543)	-
Public works	4,804,219	-	166,791	783,663	(3,853,765)	-	(3,853,765)	-
Recreation and culture	537,431	37,092	1,725	-	(498,614)	-	(498,614)	-
Housing and development	163,966	66,421	-	-	(97,545)	-	(97,545)	-
Total governmental activities	<u>18,246,305</u>	<u>2,723,321</u>	<u>512,001</u>	<u>794,166</u>	<u>(14,216,817)</u>	<u>-</u>	<u>(14,216,817)</u>	<u>-</u>
Business-type activities:								
Solid waste	1,753,816	1,759,117	-	-	-	5,301	5,301	-
COA	77,956	198,004	-	-	-	120,048	120,048	-
IBA	1,887,219	-	1,600,500	48,218	-	(238,501)	(238,501)	-
JDA	119,021	-	26,850	-	-	(92,171)	(92,171)	-
HCWSA	1,696,193	1,859,705	1,870	-	-	165,382	165,382	-
Total business-type activities	<u>5,534,205</u>	<u>3,816,826</u>	<u>1,629,220</u>	<u>48,218</u>	<u>-</u>	<u>(39,941)</u>	<u>(39,941)</u>	<u>-</u>
Total primary government	<u>\$ 23,780,510</u>	<u>\$ 6,540,147</u>	<u>\$ 2,141,221</u>	<u>\$ 842,384</u>	<u>\$ (14,216,817)</u>	<u>\$ (39,941)</u>	<u>\$ (14,256,758)</u>	<u>\$ -</u>
Component units	<u>\$ 797,339</u>	<u>\$ 268,075</u>	<u>\$ 815,906</u>	<u>\$ 1,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,586</u>
General revenues								
Real and personal property taxes					7,654,243	-	7,654,243	-
Motor vehicle taxes and title fees					1,568,509	-	1,568,509	-
Sales taxes					7,896,499	-	7,896,499	-
Other taxes					1,600,199	-	1,600,199	-
Alcoholic beverage taxes					95,540	-	95,540	-
Investment earnings					33,913	2,832	36,745	773
Miscellaneous					108,282	-	108,282	-
Gain (loss) on disposition of fixed assets					(21,086)	181,782	160,696	-
Total general revenues					<u>18,936,099</u>	<u>184,614</u>	<u>19,120,713</u>	<u>773</u>
Transfers					<u>(836,852)</u>	<u>860,427</u>	<u>23,575</u>	<u>-</u>
Total general revenues and transfers					<u>18,099,247</u>	<u>1,045,041</u>	<u>19,144,288</u>	<u>773</u>
Change in net position					3,882,430	1,005,100	4,887,530	289,359
Net position, beginning of year					62,411,409	29,883,698	92,295,107	40,290
Prior period adjustment					<u>(1,314,923)</u>	<u>-</u>	<u>(1,314,923)</u>	<u>-</u>
Net position, end of year					<u>\$ 64,978,916</u>	<u>\$ 30,888,798</u>	<u>\$ 95,867,714</u>	<u>\$ 329,649</u>

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

**HART COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021**

	GENERAL	ARPA	MULTIPLE GRANT	CDBG	SPLOST #4	SPLOST #5	INSURANCE PREMIUM TAX	EIP	NONMAJOR	TOTAL GOVERNMENTAL FUNDS
ASSETS										
Cash and cash equivalents	\$ 9,659,404	-	-	\$ 100	\$ 25	\$7,136,493	\$1,486,492	\$ 345,898	\$ 586,052	\$ 19,214,464
Inventory	79,076	-	-	-	80,193	29,491	-	-	-	188,760
Receivables (net of allowance for uncollectibles)	876,243	-	20,400	-	-	-	-	13,003	59,517	969,163
Intergovernmental receivables	177,215	-	-	-	-	397,282	1,500,606	-	-	2,075,103
Due from other funds	221,547	-	-	-	-	203,333	303	25,000	48,971	499,154
Prepaid items	235,548	-	-	-	-	149,934	42,751	-	27,913	456,146
Restricted cash	-	2,330,773	1,056,020	-	-	-	-	-	-	3,386,793
Total assets	\$ 11,249,033	\$2,330,773	\$1,076,420	\$ 100	\$ 80,218	\$7,916,533	\$3,030,152	\$ 383,901	\$ 722,453	\$ 26,789,583
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ 184,698	\$ 20,919	\$ -	\$ -	\$ 80,193	\$ 167,342	\$ 82,052	-	\$ 2,405	\$ 537,609
Other accrued liabilities	215,427	-	-	-	-	-	11,820	-	5,836	233,083
Due to other funds	2,141	-	266,775	100	25	78,488	87,772	-	23,648	458,949
Unearned revenue	-	2,309,854	-	-	-	-	-	-	12,879	2,322,733
Total liabilities	402,266	2,330,773	266,775	100	80,218	245,830	181,644	-	44,768	3,552,374
Deferred inflows of resources										
Unavailable revenue - property taxes	131,021	-	-	-	-	-	-	-	-	131,021
Total deferred inflows of resources	131,021	-	-	-	-	-	-	-	-	131,021
Fund balances										
Nonspendable inventory and prepaid items	314,624	-	-	-	-	179,425	42,751	-	27,913	564,713
Restricted for:										
Public safety	-	-	-	-	-	-	2,805,757	-	141,796	2,947,553
Economic development	-	-	-	-	-	-	-	383,901	24,182	408,083
Health and welfare	-	-	-	-	-	-	-	-	431,807	431,807
Judicial	-	-	-	-	-	-	-	-	22,340	22,340
Housing and development	-	-	-	-	-	-	-	-	29,647	29,647
Capital projects	-	-	809,645	-	-	7,491,278	-	-	-	8,300,923
Unassigned	10,401,122	-	-	-	-	-	-	-	-	10,401,122
Total fund balances	10,715,746	-	809,645	-	-	7,670,703	2,848,508	383,901	677,685	23,106,188
Total liabilities, deferred inflows of resources and fund balances	\$ 11,249,033	\$2,330,773	\$1,076,420	\$ 100	\$ 80,218	\$7,916,533	\$3,030,152	\$ 383,901	\$ 722,453	\$ 26,789,583

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

**HART COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
For the Year Ended September 30, 2021**

Total fund balance of governmental funds **\$ 23,106,188**

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

Certain long-term assets are not reported in the Balance Sheet of governmental funds because they are not available to pay current-period expenditures, but they are reported as assets in the Statement of Net Position.

Notes receivable	\$ 924,667	
Less 60-day collections reported as a receivable at the fund level	<u>(199,011)</u>	725,656

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. However, in the Statement of Net Position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense. These assets consist of:

Land	1,358,459	
Construction in progress	89,220	
Buildings	10,629,166	
Machinery, equipment and other	6,262,950	
Vehicles	6,501,871	
Infrastructure	67,148,971	
Recreational upgrades	3,127,137	
Less: accumulated depreciation	<u>(53,213,900)</u>	
Total capital assets		41,903,874

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

Unavailable revenue - property taxes		131,021
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Some liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds. Those liabilities consist of:

Compensated absences		<u>(887,823)</u>
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Net position of governmental activities		<u><u>\$ 64,978,916</u></u>
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HART COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	GENERAL	ARPA	MULTIPLE GRANT	CDBG	SPLOST #4	SPLOST #5	INSURANCE PREMIUM TAX	EIP	NONMAJOR	TOTAL GOVERNMENTAL FUNDS
REVENUES										
Taxes	\$ 12,721,928	\$ -	\$ -	\$ -	\$ -	\$ 4,551,348	\$ 1,500,606	\$ -	\$ 60,705	\$ 18,834,587
Licenses and permits	53,696	-	-	-	-	-	-	-	355	54,051
Intergovernmental	292,969	235,153	694,648	43,795	-	-	-	-	-	1,266,565
Fines and forfeitures	655,166	-	-	-	-	-	-	-	61,327	716,493
Charges for services	1,310,113	-	-	-	-	-	-	-	526,659	1,836,772
Investment earnings	5,401	-	758	-	-	3,202	1,118	26,430	206	37,115
Contributions and donations	36,400	-	-	-	-	-	-	-	-	36,400
Miscellaneous	190,383	-	-	-	-	-	-	199,011	12,818	402,212
Total revenues	15,266,056	235,153	695,406	43,795	-	4,554,550	1,501,724	225,441	662,070	23,184,195
EXPENDITURES										
Current										
General government	2,266,594	23,705	-	-	-	-	90,861	1,107	-	2,382,267
Judicial	1,171,437	12,737	-	-	-	-	-	-	8,409	1,192,583
Health and welfare	378,793	4,397	1,002	-	-	-	-	-	4,179	388,371
Public safety	7,307,967	136,099	17,410	-	-	22,147	466,479	-	526,456	8,476,558
Public works	1,232,052	52,474	-	-	-	48,640	555,720	-	-	1,888,886
Recreation and culture	432,318	5,741	-	-	-	57	-	-	-	438,116
Housing and development	94,303	-	-	-	-	-	-	-	36,523	130,826
Intergovernmental	-	-	-	-	-	714,513	-	-	-	714,513
Capital outlay	-	-	1,533,588	-	-	1,280,917	-	-	-	2,814,505
Total expenditures	12,883,464	235,153	1,552,000	-	-	2,066,274	1,113,060	1,107	575,567	18,426,625
Excess (deficiency) of revenues over (under) expenditures	2,382,592	-	(856,594)	43,795	-	2,488,276	388,664	224,334	86,503	4,757,570
OTHER FINANCING SOURCES										
Transfers out	(234,493)	-	(46,830)	(43,795)	-	(608,564)	-	-	-	(933,682)
Transfers in	-	-	-	-	-	-	-	-	96,830	96,830
Total other financing sources (uses)	(234,493)	-	(46,830)	(43,795)	-	(608,564)	-	-	96,830	(836,852)
Net change in fund balances	2,148,099	-	(903,424)	-	-	1,879,712	388,664	224,334	183,333	3,920,718
Prior period adjustment	(1,294,613)	-	-	-	-	-	-	-	(20,310)	(1,314,923)
Fund balances, beginning of year	9,862,260	-	1,713,069	-	-	5,790,991	2,459,844	159,567	514,662	20,500,393
Fund balances, end of year	\$ 10,715,746	\$ -	\$ 809,645	\$ -	\$ -	\$ 7,670,703	\$ 2,848,508	\$ 383,901	\$ 677,685	\$ 23,106,188

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

HART 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 September 30, 2021

Net changes in fund balances of governmental funds: **\$ 3,920,718**

Amounts reported for governmental activities in the Statement of Activities are different due to the following:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Following is the amount by which the current year depreciation reported in the Statement of Activities exceeds the net capital outlays reported in the governmental funds for the current fiscal year.

Expenditures for capital assets	\$ 3,187,239	
Depreciation expense	<u>(2,917,055)</u>	
Excess of capital outlay over depreciation expense		270,184

Proceeds received from contractual note receivable obligations, offset by new notes receivable issued, are recorded as revenue in the governmental funds but have no effect on net position in the Statement of Activities.

Payments received	<u>(199,011)</u>	
Total note receivable issued, net of repayment proceeds		(199,011)

Compensated absences are reported in the Statement of Activities but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Liability @ 9/30/21	(887,823)	
Liability @ 9/30/20	<u>830,620</u>	
Total increase in compensated absences		(57,203)

Certain revenues will not be collected for several months after the County's fiscal year end, therefore they are not considered current financial resources and are not reported as revenues in the governmental funds.

Deferred revenue at 9/30/21	131,021	
Deferred revenue at 9/30/20	<u>(150,618)</u>	
Total decrease in deferred revenue		<u>(19,597)</u>

In the Statement of Activities, only the gain/loss on the sale of various equipment is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the equipment sold.

Proceeds received on sale of assets	(11,575)	
Net loss on sale of assets	<u>(21,086)</u>	
Total decrease in miscellaneous revenue		<u>(32,661)</u>

Change in net position of governmental activities **\$ 3,882,430**

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

HART COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

	Solid Waste Fund	Corp of Engineers Sites Fund	Hart County Industrial Building Authority	Joint Development Authority of Franklin, Hart & Stephens Counties	Hart County Water & Sewer Authority	Total
ASSETS						
Current assets						
Cash and cash equivalents	\$ 822,532	\$ 148,018	\$ 1,188,423	\$ 37,957	\$ 1,821,978	\$ 4,018,908
Receivables (net of allowance for uncollectibles)	125,223	370	27,154	4,810	196,202	353,759
Inventory	26,537	-	-	-	31,073	57,610
Prepaid items	4,029	-	4,223	265	18,073	26,590
Current portion of restricted cash	-	-	-	337,571	3,879	341,450
Total current assets	<u>978,321</u>	<u>148,388</u>	<u>1,219,800</u>	<u>380,603</u>	<u>2,071,205</u>	<u>4,798,317</u>
Noncurrent assets						
Capital assets, non-depreciable						
Land	-	-	4,131,550	1,162,331	69,649	5,363,530
Construction in progress	-	-	106,428	-	244,192	350,620
Total non-depreciable capital assets at cost	<u>-</u>	<u>-</u>	<u>4,237,978</u>	<u>1,162,331</u>	<u>313,841</u>	<u>5,714,150</u>
Capital assets, depreciable						
Buildings	283,666	-	-	-	-	283,666
Machinery, equipment and other	605,499	-	29,825	31,374	89,320	756,018
Vehicles	113,180	-	-	-	20,743	133,923
Water and sewer lines	-	-	-	-	27,127,952	27,127,952
Infrastructure	-	-	-	4,230,343	-	4,230,343
Less: accumulated depreciation	(615,936)	-	(2,237)	(1,177,973)	(5,803,601)	(7,599,747)
Total depreciable capital assets, net	<u>386,409</u>	<u>-</u>	<u>27,588</u>	<u>3,083,744</u>	<u>21,434,414</u>	<u>24,932,155</u>
Restricted cash, less current portion	-	-	140,280	-	-	140,280
Total noncurrent assets	<u>386,409</u>	<u>-</u>	<u>4,405,846</u>	<u>4,246,075</u>	<u>21,748,255</u>	<u>30,786,585</u>
Total assets	<u>1,364,730</u>	<u>148,388</u>	<u>5,625,646</u>	<u>4,626,678</u>	<u>23,819,460</u>	<u>35,584,902</u>
LIABILITIES						
Current liabilities						
Accounts payable	101,819	3,340	19,009	1,082	91,622	216,872
Other accrued liabilities	9,691	-	18,225	20,227	3,630	51,773
Due to other funds	26,895	25,000	-	-	-	51,895
Customer deposits	-	-	-	-	171,877	171,877
Compensated absences	6,437	-	-	-	6,991	13,428
Current portion of notes payable	-	-	45,591	44,480	174,657	264,728
Total current liabilities	<u>144,842</u>	<u>28,340</u>	<u>82,825</u>	<u>65,789</u>	<u>448,777</u>	<u>770,573</u>
Noncurrent liabilities						
Compensated absences, less current portion	10,991	-	-	-	8,752	19,743
Notes payable, less current portion	-	-	2,680,643	262,560	962,585	3,905,788
Total noncurrent liabilities	<u>10,991</u>	<u>-</u>	<u>2,680,643</u>	<u>262,560</u>	<u>971,337</u>	<u>3,925,531</u>
Total liabilities	<u>155,833</u>	<u>28,340</u>	<u>2,763,468</u>	<u>328,349</u>	<u>1,420,114</u>	<u>4,696,104</u>
NET POSITION						
Net investment in capital assets	386,409	-	1,539,332	3,939,035	20,612,458	26,477,234
Restricted						
Capital projects	-	-	-	322,808	-	322,808
Debt service	-	-	140,280	14,763	3,879	158,922
Unrestricted	822,488	120,048	1,182,566	21,723	1,783,009	3,929,834
Total net position	<u>\$ 1,208,897</u>	<u>\$ 120,048</u>	<u>\$ 2,862,178</u>	<u>\$ 4,298,329</u>	<u>\$ 22,399,346</u>	<u>\$ 30,888,798</u>

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

HART COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2021

	Solid Waste Fund	Corp of Engineers Sites Fund	Hart County Industrial Building Authority	Joint Development Authority of Franklin, Hart & Stephens Counties	Hart County Water & Sewer Authority	Total
OPERATING REVENUES						
Intergovernmental	\$ -	\$ -	\$ 1,000,000	\$ 8,000	\$ -	\$ 1,008,000
Charges for services	1,759,117	198,004	-	-	1,859,705	3,816,826
Other operating revenues	-	-	600,500	18,850	1,870	621,220
Total operating revenues	<u>1,759,117</u>	<u>198,004</u>	<u>1,600,500</u>	<u>26,850</u>	<u>1,861,575</u>	<u>5,446,046</u>
OPERATING EXPENSES						
Personnel services	461,059	-	110,984	-	187,345	759,388
Professional services	38,230	-	88,060	11,848	54,653	192,791
Purchased property services	11,501	23,572	2,518	7,541	73,019	118,151
Other purchased services	1,112,742	36,350	29,099	3,495	137,123	1,318,809
Supplies and other	104,096	18,034	1,558,655	356	715,225	2,396,366
Depreciation	26,188	-	1,491	85,608	585,430	698,717
Total operating expenses	<u>1,753,816</u>	<u>77,956</u>	<u>1,790,807</u>	<u>108,848</u>	<u>1,752,795</u>	<u>5,484,222</u>
Operating income (loss)	<u>5,301</u>	<u>120,048</u>	<u>(190,307)</u>	<u>(81,998)</u>	<u>108,780</u>	<u>(38,176)</u>
NON-OPERATING REVENUES (EXPENSES)						
Capital grants	-	-	48,218	-	-	48,218
Interest expense	-	-	(96,412)	(10,173)	(6,283)	(112,868)
Contributions from developers for water line:	-	-	-	-	62,885	62,885
Investment earnings	343	-	1,462	8	1,019	2,832
Gain on disposal of capital asset	-	-	-	181,782	-	181,782
Total non-operating revenues (expenses)	<u>343</u>	<u>-</u>	<u>(46,732)</u>	<u>171,617</u>	<u>57,621</u>	<u>182,849</u>
Change in net position before transfers	5,644	120,048	(237,039)	89,619	166,401	144,673
Transfers in	-	-	345,942	51,199	463,286	860,427
Transfers out	-	-	-	-	-	-
Change in net position	5,644	120,048	108,903	140,818	629,687	1,005,100
Net position, beginning of year	1,203,253	-	2,753,275	4,157,511	21,769,659	29,883,698
Net position, end of year	<u>\$ 1,208,897</u>	<u>\$ 120,048</u>	<u>\$ 2,862,178</u>	<u>\$ 4,298,329</u>	<u>\$22,399,346</u>	<u>\$ 30,888,798</u>

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

HART COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2021

	Solid Waste Fund	Corp of Engineers Sites Fund	Hart County Industrial Building Authority	Joint Development Authority of Franklin, Hart & Stephens Counties	Hart County Water & Sewer Authority	Total
Cash flows from operating activities:						
Cash received from customers	\$ 1,746,479	\$ 197,634	\$ -	\$ 37,700	\$ 1,857,414	\$ 3,839,227
Other operating receipts	-	-	42,485	8,000	1,870	52,355
Cash payments to suppliers for goods and services	(1,237,380)	(49,616)	(221,661)	(23,836)	(977,842)	(2,510,335)
Cash payments to employees for services	(455,110)	-	-	-	(176,834)	(631,944)
Net cash provided by (used in) operating activities	<u>53,989</u>	<u>148,018</u>	<u>(179,176)</u>	<u>21,864</u>	<u>704,608</u>	<u>749,303</u>
Cash flows from non-capital financing activities:						
Transfers in for operations	-	-	184,586	11,364	-	195,950
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>184,586</u>	<u>11,364</u>	<u>-</u>	<u>195,950</u>
Cash flows from capital and related financing activities:						
Principal paid on notes payable	-	-	(43,763)	(52,805)	(173,757)	(270,325)
Interest paid on notes payable	-	-	(96,517)	(10,321)	(6,358)	(113,196)
Transfers in for capital assets	-	-	29,201	-	486,007	515,208
Transfers in for capital debt service	-	-	151,970	39,689	-	191,659
Grant receipts for capital assets	-	-	51,495	-	-	51,495
Receipts from land sales	-	-	-	338,310	-	338,310
Acquisition and construction of capital assets	-	-	(74,295)	-	(569,564)	(643,859)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>18,091</u>	<u>314,873</u>	<u>(263,672)</u>	<u>69,292</u>
Cash flows from investing activities:						
Interest received on investments	343	-	1,508	8	1,019	2,878
Net cash provided by (used in) investing activities	<u>343</u>	<u>-</u>	<u>1,508</u>	<u>8</u>	<u>1,019</u>	<u>2,878</u>
Net increase (decrease) in cash and cash equivalents	54,332	148,018	25,009	348,109	441,955	1,017,423
Cash and cash equivalents, beginning of year	768,200	-	1,303,694	27,419	1,383,902	3,483,215
Cash and cash equivalents, end of year	<u>\$ 822,532</u>	<u>\$ 148,018</u>	<u>\$ 1,328,703</u>	<u>\$ 375,528</u>	<u>\$ 1,825,857</u>	<u>\$ 4,500,638</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 5,301	\$ 120,048	\$ (190,307)	\$ (81,998)	\$ 108,780	\$ (38,176)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	26,188	-	1,491	85,608	585,430	698,717
Decrease (increase) in accounts receivable for operations	(12,638)	(370)	-	-	(12,835)	(25,843)
Decrease (increase) in inventory	(7,605)	-	-	-	(16,708)	(24,313)
Decrease (increase) in prepaid expenses	(566)	-	-	6	11,450	10,890
Increase (decrease) in accounts payable for operations	11,818	3,340	9,640	(602)	19,806	44,002
Increase (decrease) in due to other funds	25,542	25,000	-	-	-	50,542
Increase (decrease) in compensated absences	3,242	-	-	-	3,413	6,655
Increase (decrease) in other accrued expenses	2,707	-	-	18,850	(6,424)	15,133
Increase (decrease) in customer water deposits	-	-	-	-	11,696	11,696
Total adjustments	<u>48,688</u>	<u>27,970</u>	<u>11,131</u>	<u>103,862</u>	<u>595,828</u>	<u>787,479</u>
Net cash provided by (used in) operating activities	<u>\$ 53,989</u>	<u>\$ 148,018</u>	<u>\$ (179,176)</u>	<u>\$ 21,864</u>	<u>\$ 704,608</u>	<u>\$ 749,303</u>
Reconciliation of cash and cash equivalents to proprietary funds Statement of Net Position:						
Cash and cash equivalents per Statement of Cash Flows	\$ 822,532	\$ 148,018	\$ 1,328,703	\$ 375,528	\$ 1,825,857	\$ 4,500,638
Current portion of restricted cash	-	-	-	(337,571)	(3,879)	(341,450)
Restricted cash, less current portion	-	-	(140,280)	-	-	(140,280)
Cash and cash equivalents per Statement of Net Position	<u>\$ 822,532</u>	<u>\$ 148,018</u>	<u>\$ 1,188,423</u>	<u>\$ 37,957</u>	<u>\$ 1,821,978</u>	<u>\$ 4,018,908</u>

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

HART COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2021

	<u>Custodial Funds Total</u>
ASSETS	
Cash	\$ 1,026,776
Taxes receivable	<u>489,202</u>
Total assets	<u>\$ 1,515,978</u>
LIABILITIES	
Due to others	<u>\$ 1,515,978</u>
Total liabilities	<u>\$ 1,515,978</u>

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

HART COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2021

	<u>Hart County Library</u>	<u>Hart County Health Department</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Cash and cash equivalents	\$ 78,105	\$ 709,903	\$ 788,008
Receivables (net of allowance for uncollectibles)	4,700	81,404	86,104
Prepaid items	1,064	-	1,064
Restricted cash and investments	32,163	-	32,163
Capital assets			
Machinery, equipment, and other	159,837	19,676	179,513
Books and collections	412,055	-	412,055
Less: accumulated depreciation	(505,395)	(13,309)	(518,704)
Capital assets, net of depreciation	<u>66,497</u>	<u>6,367</u>	<u>72,864</u>
Deferred outflows of resources			
Proportionate share of deferred pension outflows	52,150	88,514	140,664
Total deferred outflows of resources	<u>52,150</u>	<u>88,514</u>	<u>140,664</u>
Total assets and deferred outflows of resources	<u>234,679</u>	<u>886,188</u>	<u>1,120,867</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities			
Accounts payable	2,322	15,840	18,162
Compensated absences due within one year	-	31,424	31,424
Non-current liabilities			
Net pension liability	182,406	234,099	416,505
Net OPEB liability	-	64,442	64,442
Deferred inflows of resources			
Proportionate share of deferred pension inflows	52,308	208,377	260,685
Total deferred outflows of resources	<u>52,308</u>	<u>208,377</u>	<u>260,685</u>
Total liabilities and deferred inflows of resources	<u>237,036</u>	<u>554,182</u>	<u>791,218</u>
NET POSITION			
Investment in capital assets	66,497	6,367	72,864
Restricted for			
Children's reading books	32,163	-	32,163
Unrestricted	<u>(101,017)</u>	<u>325,639</u>	<u>224,622</u>
Total net position	<u>\$ (2,357)</u>	<u>\$ 332,006</u>	<u>\$ 329,649</u>

Note: The Library and the Health Department have a June 30 year end.

HART COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended September 30, 2021

	<u>Hart County Library</u>	<u>Hart County Health Department</u>	<u>Total</u>
Expenses			
Public health and welfare	\$ -	\$ 569,770	\$ 569,770
Recreation and culture	252,601	-	252,601
Total expenses	<u>252,601</u>	<u>569,770</u>	<u>822,371</u>
Program revenues			
Charges for services	1,460	266,615	268,075
Operating grants and contributions	257,310	558,596	815,906
Capital grants and contributions	1,944	-	1,944
Total program revenues	<u>260,714</u>	<u>825,211</u>	<u>1,085,925</u>
Net (expense) revenue	<u>8,113</u>	<u>255,441</u>	<u>263,554</u>
General revenues			
Investment earnings	773	-	773
Miscellaneous and other	175	24,857	25,032
Total general revenues	<u>948</u>	<u>24,857</u>	<u>25,805</u>
Change in net position	9,061	280,298	289,359
Net position, beginning	<u>(11,418)</u>	<u>51,708</u>	<u>40,290</u>
Net position, ending	<u>\$ (2,357)</u>	<u>\$ 332,006</u>	<u>\$ 329,649</u>

Note: The Library and the Health Department have a June 30 year end.

Notes to the Financial Statements

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(A) Reporting Entity

Hart County, Georgia was established in 1853 by the Georgia General Assembly under Georgia state law. The County is governed by a five-member Board of Commissioners ("BOC") who serve on a part-time basis and are elected to staggered four-year terms. The BOC appoints a County Administrator who is responsible for the daily operations of the government. In addition, there are four Constitutional Officers; the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected by the public in countywide elections. The BOC approves budgets and all funding used by the separate Constitutional Officers. The County provides the following programs and services for the citizens of Hart County: judicial, public safety (police and fire), public works, planning and zoning, health and welfare, recreation and culture, community and economic development, environmental, employment and training, solid waste and recycling, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with GAAP, as set forth by GASB Statement 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34," the component units' financial statements have been included as blended or discretely presented component units. Blended component units, although legally separate entities, are in substance part of the County's operations so financial data from these units are combined with the financial data of the primary government. Management of the County has operational responsibility for the blended component units. Discretely presented component units are reported separately in the financial statements to emphasize they are legally separate from the County and are reported in a separate column in the government-wide financial statements.

Blended Component Units:

Hart County Industrial Building Authority

The Hart County Industrial Building Authority (the "IBA") was created in 1963 to encourage and promote the expansion and development of industrial and commercial facilities in Hart County, Georgia, so as to relieve possible unemployment within its boundaries. IBA has five board members: The Chairman of the Hart County Board of Commissioners, the Mayor of the City of Hartwell, the President of the Hart County Chamber of Commerce, and two members appointed for five-year terms by the other three members. IBA is dependent upon the County for funding its long-term obligations. IBA has a December 31 year-end, and the financial statements included herein are as of and for the year ended December 31, 2020. Complete financial statements for the IBA can be obtained from the Hart County Industrial Building Authority, P.O. Box 156, Hartwell, Georgia 30643.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) Reporting Entity (Continued)

Blended Component Units (Continued):

Joint Development Authority of Franklin, Hart and Stephens Counties

The Joint Development Authority of Franklin, Hart and Stephens Counties (the "JDA") is a public body, corporate and politic, and an instrumentality of the counties of Franklin, Hart and Stephens. JDA has been authorized by the General Assembly of Georgia and has been created and activated by concurrent resolutions of the Boards of Commissioners of said counties duly filed with the Secretary of State of Georgia as a joint development authority under O.C.G.A. 36-62.5.1. The purpose of JDA is to promote the economic development of the geographical areas of its operation, encourage cooperation among economic development organizations within the area of the participating counties and to exercise all the powers granted to a development authority pursuant to the provisions of O.C.G.A. 36-62-1 et seq. JDA has received a substantial amount of its funding from Hart County. Under GASB Statement 61, the County is required to report JDA as a blended component unit due to the County's guarantee of debt issued to JDA. JDA has a June 30 year-end, and the financial statements included herein are as of and for the year ended June 30, 2021. Complete financial statements of JDA can be obtained from the Joint Development Authority of Franklin, Hart and Stephens Counties, P.O. Box 793, Hartwell, Georgia 30643.

Hart County Water and Sewer Authority

The Hart County Water and Sewer Authority (the "HCWSA") was created by House Bill No. 2141 of the Georgia Assembly on March 30, 1993 and became active during the fiscal year ended September 30, 2001. HCWSA is governed by a five-member HCWSA Board appointed by the County Board of Commissioners for a term of four years. HCWSA is the basic level of government which has oversight responsibility and control over all activities related to water and sewerage systems in Hart County, Georgia. HCWSA receives most of its operating revenues from sales of water service and connection ("tap") fees. HCWSA pays for capital outlay (water lines) with funds passed through from Hart County's Special Purpose Local Option Sales Tax funds ("SPLOST") and other governmental grants. HCWSA is included as a component unit because the Hart County Board of Commissioners appoints all members of HCWSA's Board and can, therefore, impose its will upon HCWSA. Under GASB Statement 61, the County is required to report HCWSA as a blended component unit due to the County's guarantee of debt issued to HCWSA. Complete financial statements of HCWSA can be obtained from its administrative offices at 200 Arthur Street, Hartwell Georgia 30643.

Discretely Presented Component Units:

Hart County Health Department

The Hart County Health Department (the "Health Department") serves all citizens of Hart County and operates as one of 18 county health departments under the Georgia Department of Public Health. The Health Department was established as a legally separate entity and operates pursuant to the Georgia Health Code 88-2, Georgia Laws 1964. The Health Department is responsible for the overall coordination of local health activities in Hart County, Georgia to include immunizations, communicable diseases, children and women's health, and environmental health, unless a matter falls under the jurisdiction of other agencies. The Health Department is governed by the County Board of Health, a seven-member board of which a voting majority is appointed by the County and includes at least one member of the Hart County Board of Commissioners. The Health Department is funded by the State of Georgia and the County under the Grant-in-Aid provisions. The Hart County Board of Commissioners approves the Health Department's budget. The Health Department has a June 30 year-end, and the financial statements included herein are as of and for the year ended June 30, 2021. Complete financial statements of the Health Department can be obtained from its administrative offices at 64 Reynolds Street, Hartwell, Georgia 30643.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) Reporting Entity (Continued)

Discretely Presented Component Units (Continued):

Hart County Library

The Hart County Library (the "Library") serves all citizens of Hart County and operates pursuant to Official Code of Georgia Annotated Sections 20-5-40 through 20-5-59 to provide public library services with costs shared by participating local governmental agencies and grants from the State of Georgia. The Library Board consists of seven members appointed jointly by the Hart County Board of Commissioners, the Hartwell City Council and the Hart County Board of Education. The Library 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 Library Board has the power to designate management, the power to retain unreserved fund balances of local and other funds for continued operations and is the lowest level of oversight responsibility for the Library's operations. The Hart County Board of Commissioners provides a substantial amount of financial support for the operations of the Library. The Library has a June 30 year-end, and the financial statements included herein are as of and for the year ended June 30, 2021. Complete financial statements of the Library can be obtained from its administrative offices at 150 Benson Street, Hartwell, Georgia 30643.

(B) Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants or contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide statements.

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds, while business-type incorporates data from the County's enterprise funds.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider are met. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions.

Under the terms of grant agreements, the County funds certain programs by specific grants, resources and/or general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted components of net position available to finance the program. It is the County's policy to first apply grant resources to such programs and then general revenues.

The fund financial statements provide information about the County's funds, including its blended component units 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 enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds in a column in the fund financial statements and detailed in the combining section of this report. GASB Statement 34 sets forth minimum standards for the determination of major funds. The County has used these minimum criteria for major fund determination.

Governmental Fund Financial Statements:

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, intergovernmental revenues, licenses, and investment income associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year, if available. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount received during the period or within the availability period for this revenue source. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this source. All other revenue items are considered to be measurable and available only when cash is received by the County.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Fund Financial Statements (Continued):

Special revenue funds are a type of governmental fund used to account for the proceeds of specific revenue sources that are legally or donor restricted to be expended for specified purposes.

Capital projects funds are a type of governmental fund used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds).

The County reports the following major governmental funds:

General Fund: The General Fund is the County's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are real and personal property taxes and charges for ambulance services. The primary expenditures are for human services, public safety, public works, community and economic development, and general governmental services.

ARPA Fund (special revenue fund): The ARPA Fund accounts for the revenue and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

Multiple Grant Fund (special revenue fund): The Multiple Grant Fund consists of activity related to various grant awards to include local, state and federal grants for improvements such as road resurfacing. This fund includes both capital projects and special revenue projects, depending on the requirements of the grant.

CDBG Fund (capital projects fund): The CDBG Fund accounts for the activity related to grant awards for water and sewer improvement projects.

SPLOST #4 Fund (capital projects fund): The SPLOST #4 Fund accounts for the financial resources provided from the 1% Special Purpose Local Option Sales Tax approved by voters in 2010. Resources are to be used for infrastructure, industrial development, recreation, fire protection and other capital outlay projects.

SPLOST #5 Fund (capital projects fund): The SPLOST #5 Fund accounts for the financial resources provided from the 1% Special Purpose Local Option Sales Tax approved by voters in 2017. Resources are to be used for infrastructure, industrial development, recreation, fire protection and other capital outlay projects.

Insurance Premium Tax Fund (special revenue fund): The Insurance Premium Tax Fund accounts for the collection of the premium tax placed on insurance companies. This tax is collected at the state level and then distributed for use to the various counties in the state. The primary expenditures in this fund are for fire protection in the County and personnel expenditures for highways and streets.

EIP Fund (special revenue fund): The EIP Fund accounts for the activities of the revolving loans to assist employers in Hart County in creating and/or retaining permanent jobs.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Fund Financial Statements:

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. These funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided and passthrough state grant awards for economic development. Operating expenses of the enterprise funds include the cost of those goods and services, pass-through grant expenditures and reimbursements to industries for job creation activities, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following major proprietary funds:

Solid Waste Fund: The Solid Waste Fund is a business-type enterprise fund consisting of the activities of the County's solid waste disposal and recycling programs.

Corp of Engineers Sites Fund: The Corp of Engineers Site Fund is a business-type enterprise fund used to account for the activity of camp site rentals at Payne's Creek and Milltown campgrounds.

Hart County Industrial Building Authority: IBA is a blended component unit treated as an enterprise fund consisting of activities to encourage and promote the expansion and development of industrial and commercial facilities in Hart County, Georgia, so as to relieve possible unemployment within its boundaries.

Joint Development Authority of Franklin, Hart and Stephens Counties: JDA is a blended component unit treated as an enterprise fund consisting of activities to promote the economic development of the geographical areas of its operation and encourage cooperation among economic development organizations within the area of the participating counties.

Hart County Water and Sewer Authority: HCWSA is a blended component unit treated as a business-type enterprise fund consisting of activities related to providing water and sewer service to residents of Hart County, Georgia.

Fiduciary Fund Financial Statements:

Custodial Funds – Custodial funds are custodial in nature and do not present results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets held by the County as an agent for others and therefore are not available to support County programs. The County maintains five custodial funds and account for the receipts and disbursements of funds by the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Fund Financial Statements:

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. These funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided and passthrough state grant awards for economic development. Operating expenses of the enterprise funds include the cost of those goods and services, pass-through grant expenditures and reimbursements to industries for job creation activities, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following major proprietary funds:

Solid Waste Fund: The Solid Waste Fund is a business-type enterprise fund consisting of the activities of the County's solid waste disposal and recycling programs.

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Hart County Industrial Building Authority: IBA is a blended component unit treated as an enterprise fund consisting of activities to encourage and promote the expansion and development of industrial and commercial facilities in Hart County, Georgia, so as to relieve possible unemployment within its boundaries.

Joint Development Authority of Franklin, Hart & Stephens Counties: JDA is a blended component unit treated as an enterprise fund consisting of activities to promote the economic development of the geographical areas of its operation and encourage cooperation among economic development organizations within the area of the participating counties.

Hart County Water and Sewer Authority: HCWSA is a blended component unit treated as a business-type enterprise fund consisting of activities related to providing water and sewer service to residents of Hart County, Georgia.

Fiduciary Fund Financial Statements:

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HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) Budgetary Data Control

The BOC adopts an annual budget ordinance using the modified basis of accounting for all governmental and proprietary funds. The budget for the proprietary fund is for management control purposes and is not required to be reported. All capital projects funds are budgeted under project ordinances spanning more than one fiscal year and are controlled by project. Project appropriations continue until the projects are complete.

The County does not use the encumbrance system of accounting.

(E) Deposits and Investments

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

Georgia statutes authorize the County to invest in the following:

1. Obligations of the State of Georgia or any other state
2. Obligations of the United States of America ("U.S.")
3. Obligations fully insured or guaranteed by the U.S. government or one of its agencies
4. Obligations of any corporation of the U.S. government
5. Prime bankers' acceptances
6. The State of Georgia local government investment pool (i.e., Georgia Fund 1)
7. Repurchase agreements
8. Obligations of other political subdivisions of the State of Georgia

Any investment or deposit in excess of the federal depository insured amount must be 100% collateralized by state or U.S. obligations.

All investments are recorded at cost, which approximates market value.

(F) Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year, as well as all other outstanding balances between funds, are reported as "due to/from other funds". Amounts are expected to be repaid within one fiscal year. In the government-wide financial statements, certain eliminations are made. Balances between the funds are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

(G) Receivables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants and other similar intergovernmental revenues since they are usually measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Accounts receivable comprise the majority of the proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends, the periodic aging of accounts receivable and management's evaluation of the current status of existing receivables.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(G) Receivables (Continued)

The major receivables for the County consist of property taxes receivable and receivables for the County's Emergency Medical Services department. Real and personal property taxes are levied after acceptance of the County's tax digest by the Georgia Department of Revenue. Property taxes for 2020, other than vehicles, were levied and mailed on October 14, 2020. The taxes were based on January 1, 2020 assessed values and were due on December 20, 2020, after which date liens can be attached. Motor vehicle taxes are assessed January 1, based on values on January 1; due dates are based on the birth date of the registered owner. Penalties and interest on unpaid tax bills are applied in compliance with Georgia Code 48-2-40 and 48-2-44.

The County bills and collects its own property taxes and also collects various taxes for the Hart County Board of Education and the State of Georgia. Collection of the County's taxes and for the other government agencies is the responsibility of the Tax Commissioner's office, which is accounted for as an agency fund. County property tax revenues are recognized when levied to the extent they result in current receivables. Only the County's tax levy is recognized as revenue when levied and uncollected taxes are recorded as deferred revenue in the General Fund.

(H) Inventories and Prepaid Expenditures

Inventories are valued at cost, using the weighted average method and consist of expendable supplies which are recorded as expenditures when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Governmental funds inventory and prepaid items are equally offset by a reservation of fund balance which indicates they do not constitute an "available spendable resource" even though they are component of current assets.

(I) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASB Statement 34 required the County to report and depreciate new infrastructure assets effective with the fiscal year ended September 30, 2003. Infrastructure assets are among the largest asset classes of the County. Prior to that time, neither the historical costs, nor related depreciation, of these assets had been reported in the financial statements. The County implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended September 30, 2007.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. The County defines capital assets as assets with an individual cost of more than \$5,000, and an estimated useful life of more than one year. The County's capitalization threshold for infrastructure assets is \$50,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Capital Assets (Continued)

All reported capital assets are depreciated except for land and construction in progress. Useful lives are estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 to 80 years
Machinery, equipment and other	5 to 30 years
Vehicles	5 to 30 years
Books and collections	4 to 17 years
Infrastructure	10 to 80 years
Recreational upgrades	10 to 50 years
Water and sewer lines	15 to 50 years

(J) Unearned Revenue

Unearned revenue arises at the governmental and proprietary fund level and at the government-wide level when resources are received by the County before it has a legal claim to them. In subsequent periods, when the County has a legal claim to the resources, the liability for unearned revenue is removed from the Balance Sheet or Statement of Net Position and revenue is recognized.

(K) Compensated Absences

The vacation policy of the County provides for the accumulation of up to one week of earned but unused vacation leave for employees who earn at least three weeks of vacation per year with such leave being fully vested when earned. The County's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave is fully vested when earned and employees will be compensated at their final rate of pay for the unused sick leave upon leaving the County's employment. The liability for accumulated unpaid benefits has been accrued in the proprietary funds and the government-wide Statement of Net Position as compensated absences. These amounts are not considered a current liability within the governmental fund type Balance Sheet since they will be paid from appropriations of subsequent years.

(L) Noncurrent Liabilities

In the government-wide financial statements and the proprietary fund financial statements, leases payable, long-term debt and other noncurrent obligations are reported as a liability in the applicable governmental activities or proprietary fund type Statement of Net Position.

(M) Deferred Outflows/Inflows of Resources

In addition to assets, the Balance Sheet and Statement of Net Position will report a separate section for deferred outflows of resources when applicable. This separate section, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. For the year ended September 30, 2021, the County did not have any items that qualify for reporting in this category, excluding blended component units.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(M) Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Balance Sheet and Statement of Net Position will report a separate section for deferred inflows of resources when applicable. This separate section, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Excluding blended component units, the County has only one type of item, arising only under a modified accrual basis of accounting that qualifies for reporting in this category. Unavailable revenue is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from property taxes not received within 60 days after year end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

(N) Fund Equity

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

Fund Balance

Generally, fund balance represents the difference between the totals of assets plus deferred outflows of resources and liabilities plus deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Fund balances are classified as follows:

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

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

Committed: Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the BOC through the adoption of a resolution. The BOC also may modify or rescind the commitment.

Assigned: Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed by formal action of the BOC. The BOC is responsible for assigning fund balance.

Unassigned: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund.

Fund Balance Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: (1st) committed, (2nd) assigned, (3rd) unassigned.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(N) Fund Equity (Continued)

Net Position

Net position represents the difference between all other elements in a Statement of Net Position and is displayed in three components – (1) net investment in capital assets, (2) restricted, and (3) unrestricted.

1. The net investment in capital assets component consists of capital assets, including construction in progress on capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.
2. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted funds reported. Assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
3. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Net Position Flow Assumption - Sometimes the County will fund outlays for a particular purpose from both restricted (i.e., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

(O) Management Estimates

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

(P) Subsequent Events

Subsequent events have been evaluated by management through February 21, 2022, which is the date the financial statements were available to be issued.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

In the beginning of the budget process, all departments and applicable component units of the government submit requests for appropriations to the County Administrator so that a budget may be prepared. The budget is prepared by fund, function, activity and line item, and includes information on the prior year, current year estimates and requested appropriations for the upcoming fiscal year.

The proposed budget is then presented to the Hart County Board of Commissioners for review. The BOC holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the County Administrator or the revenue estimates must be changed by an affirmative vote of a majority of the Commissioners on the BOC.

The appropriated budget is prepared by fund, function and department and is adopted on a basis consistent with GAAP. Increases in appropriations for a department require the approval of the BOC. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the department level within individual funds.

For the year ended September 30, 2021, the BOC authorized amendments to include appropriations for some activities that were not originally budgeted and to reclassify certain functional expenditures.

NOTE 3 - FINANCIAL ASSISTANCE TO DISCRETELY PRESENTED COMPONENT UNITS

The primary government of Hart County, Georgia contributed the following amounts to discretely presented component units for operations:

<u>Discretely Presented Component Unit</u>	<u>Amount of Assistance</u>
Hart County Library	\$ 77,000
Hart County Health Department	<u>80,000</u>
Total financial assistance to discretely presented component units	\$ <u>157,000</u>

NOTE 4 - DEPOSITS AND INVESTMENT RISK

Deposits - The amount of the total bank balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the County or by its agent in the County's name, 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the County's name and, 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the County's name.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENT RISK (CONTINUED)

The County's deposits are classified as follows at September 30, 2021:

	<u>Category</u>			<u>Bank Balance</u>	<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Primary Government	\$ 4,761,289	\$ 22,597,168	\$ -	\$ 27,358,457	\$ 27,101,895
Discretely presented component units:					
Hart County Library	\$ 41,258	\$ 40,537	\$ -	\$ 81,795	\$ 78,105
Hart County Health Department	250,000	507,636	-	757,636	709,903
Total discretely presented component units	291,258	548,173	-	839,431	788,008
Total deposits	<u>\$ 5,052,547</u>	<u>\$ 23,145,341</u>	<u>\$ -</u>	<u>\$ 28,197,888</u>	<u>\$ 27,889,903</u>

Primary Government Cash and Cash Equivalents Reconciliation:

<u>Primary Government Fund Reporting Level</u>	<u>Cash and Cash Equivalents</u>
Governmental funds – Balance Sheet	\$ 19,214,464
Governmental funds – Balance Sheet (restricted)	3,386,793
Proprietary funds – Statement of Net Position	4,018,908
Proprietary funds – Statement of Net Position (restricted)	<u>481,730</u>
Total cash and cash equivalents	<u>\$ 27,101,895</u>

Credit Risk

State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no investment policy that would further limit its investment choices.

Of the \$27,101,895 carrying amount of cash and cash equivalents for the primary government, \$19,851,326 is invested in the Local Government Investment Pool "Georgia Fund 1".

Georgia Fund 1 (the "pool") was created by O.C.G.A. 36-83-8 and operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7-like pool. Georgia Fund 1 is managed by the Office of the State Treasurer. 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 per share value).

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 4 - DEPOSITS AND INVESTMENT RISK (CONTINUED)

Credit Risk (Continued)

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 per share. Funds included in this pool are not required to be collateralized. Total investments in Georgia Fund 1 as of September 30, 2021 are:

Georgia Fund I	AAAF rated by Standard & Poor's	\$ 19,851,326	36-day WAM
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On May 13, 2013, the Hart County Library, a discretely presented component unit, invested restricted funds of \$30,000 in a single premium deferred annuity contract through an insurance company with an A.M. Best rating of "A-" (excellent). As of June 30, 2021, the balance in the annuity was \$32,163. The amount invested in the annuity contract approximates fair value. The annuity contract does not comply with Georgia law for investment of funds.

Interest Rate Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The County has no formal policy, but follows State of Georgia requirements that all deposits be federally insured or fully collateralized. At September 30, 2021, all deposits of the County were adequately insured or collateralized.

Concentration of Credit Risk

The County has no formal policy on the amount the County may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

NOTE 5 – RECEIVABLES

Receivables are recorded in the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 5 – RECEIVABLES (CONTINUED)

Receivables at September 30, 2021 for the County's individual major governmental funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Multiple Grant Fund</u>	<u>SPLOST #5 Fund</u>	<u>Insurance Premium Fund</u>	<u>EIP Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Receivables:							
Property taxes	\$ 156,602	\$ -	\$ -	-	\$ -	\$ -	\$ 156,602
Accounts receivable	778,441	20,400	-	-	13,003	59,517	871,361
Intergovernmental	177,215	-	397,282	1,500,606	-	-	2,075,103
Total receivables, gross	1,112,258	20,400	397,282	1,500,606	13,003	59,517	3,103,066
Less: Allowance for uncollectibles	(58,800)	-	-	-	-	-	(58,800)
Total receivables, net	<u>\$ 1,053,458</u>	<u>\$ 20,400</u>	<u>\$ 397,282</u>	<u>\$ 1,500,606</u>	<u>\$ 13,003</u>	<u>\$ 59,517</u>	<u>\$ 3,044,266</u>
Notes receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 924,667</u>	<u>\$ -</u>	<u>\$ 924,667</u>

EIP Fund

On September 14, 2004, the County created a revolving loan fund as required by the County's participation in the Employment Incentive Program ("EIP"). The revolving loan fund dictates that proceeds from repayment of the loans described below be used to loan funds to assist employers in Hart County in creating and/or retaining permanent jobs primarily for low and moderate income persons.

During fiscal year 2014, the County entered into an agreement with DSH Holdings, LLC, Lake Foods, LLC, and Wauka Mountain Foods, LLC to finance the purchase of equipment. The note receivable had an original principal balance of \$152,000 together with interest of 3.0% per annum. The note was repaid in 120 monthly installments of \$1,503. The note was paid off during the fiscal year ended September 30, 2021.

During fiscal year 2017, the County entered into an agreement with Ritz Instrument Transformers, Inc. to finance the purchase of equipment. The note receivable had an original principal balance of \$450,000 together with interest of 3.0% per annum. The note is being repaid in 84 monthly installments of \$5,946. As of September 30, 2021, the remaining balance of the note is \$161,914 with a current amount of \$65,938.

During fiscal year 2018, the County entered into an agreement with Ritz Instrument Transformers, Inc. to finance the purchase of equipment. The note receivable had an original principal balance of \$400,000 together with interest of 3.5% per annum. The note is being repaid in 120 monthly installments of \$3,909. As of September 30, 2021, the remaining balance of the note is \$284,042 with a current amount of \$37,474.

During fiscal year 2020, the County entered into an agreement with Ritz Instrument Transformers, Inc. to finance the purchase of equipment. The note receivable had an original principal balance of \$330,000 together with interest of 3.25% per annum. The note is being repaid in 120 monthly installments of \$3,225. As of September 30, 2021, the remaining balance of the note is \$279,700 with a current amount of \$29,447.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 5 – RECEIVABLES (CONTINUED)

Receivables as of year-end for the County's discretely presented component units are as follows:

	<u>Library</u>	<u>Health Department</u>	<u>Total</u>
Accounts receivable	<u>\$ 4,700</u>	<u>\$ 81,404</u>	<u>\$ 86,104</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

A summary of interfund receivables and payables as of September 30, 2021, is as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Insurance Premium Tax	General	\$ 87,772
DFACS	General	1,700
Hotel-Motel	General	21,948
Multiple Grant	General	16,309
Multiple Grant	Insurance Premium	303
Multiple Grant	Health Care Services	46,830
Multiple Grant	SPLOST 5	203,333
General	E-911	2,141
CDBG	General	100
SPLOST 4	General	25
SPLOST 5	General	66,798
Solid Waste*	General	1,895
Solid Waste*	EIP	25,000
Corp of Engineers' Sites*	General	25,000

**Business-type activity*

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund receivables net to zero. All amounts are expected to be paid within one year.

Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transfers are used to (1) report revenues in the fund that is required to collect such revenue by statute or budget and transferred to the fund that is required to expend such revenue by statute or budget and (2) account for revenues collected in the General Fund which are to be used by other funds in accordance with budget authorizations or anticipated capital projects. Note 15 provides additional transfer reconciliations for component units with differing year-ends. During the fiscal year, the County made transfers between funds to include:

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

Interfund transfers were recorded between the following funds:

<u>Transferred From</u>	<u>Transferred To</u>	<u>Purpose</u>	<u>Amount</u>
<i>Between governmental and business-type activities:</i>			
General	IBA	See (A) below	\$ 175,361
General	JDA	See (B) below	11,364
General	HCWSA	See (C) below	(2,232)
SPLOST #5	IBA	See (D) below	149,384
SPLOST #5	JDA	See (E) below	39,689
SPLOST #5	HCWSA	See (F) below	419,491
CDBG	HCWSA	See (G) below	<u>43,795</u>
Net transfers out per governmental activities			<u>\$ 836,852</u>

- (A) The General Fund transferred \$175,361 to IBA for operations. IBA has a December 31, 2020 year end, so the amount recorded as transferred in by IBA is \$184,867, resulting in an outstanding transfer timing difference of (\$9,506).
- (B) The General Fund transferred \$11,364 to JDA for operations. JDA has a June 30, 2021 year end, so the amount recorded as transferred in by JDA is \$11,510, resulting in an outstanding transfer timing difference of (\$146).
- (C) The General Fund recorded a timing difference transfer adjustment of (\$2,232) to HCWSA for operations not yet billed. The amount recorded as transferred in by HCWSA is \$0, resulting in an outstanding transfer timing difference of (\$2,232).
- (D) The SPLOST #5 Fund transferred \$149,384 to IBA for improvements and payments on debt to purchase several parcels of land for the Gateway Industrial Park. Due to the December 31, 2020 year end, the amounts recorded as transfers in by IBA are \$161,075 resulting in an outstanding transfer timing difference of (\$11,691).
- (E) The SPLOST #5 Fund transferred \$39,689 to JDA for improvements and payments on debt to purchase Gateway Industrial Park. The amount recorded as transferred in by JDA is \$39,689, resulting in no timing differences.
- (F) The SPLOST #5 Fund transferred \$419,491 to HCWSA for capital projects. HCWSA recorded \$419,491, resulting in no timing differences.
- (G) The CDBG Fund transferred \$43,795 to HCWSA for capital projects related to waterline expansion. HCWSA recorded \$43,795, resulting in no timing differences.

Summary of transfers with outstanding transfer timing differences with blended component units:

Net transfers out per governmental activities	\$ (836,852)
IBA transfer timing differences	(21,197)
JDA transfer timing differences	(146)
HCWSA transfer timing differences	<u>(2,232)</u>
Net transfers out per business-type activities	<u>\$ (860,427)</u>

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Reclassifications and Retirements	Ending Balance
Primary Government:				
Governmental activities:				
Non-depreciable assets:				
Land and improvements	\$ 1,263,595	\$ 94,864	\$ -	\$ 1,358,459
Construction in progress	39,493	81,361	(31,634)	89,220
Total non-depreciable capital assets	<u>1,303,088</u>	<u>176,225</u>	<u>(31,634)</u>	<u>1,447,679</u>
Depreciable assets:				
Buildings	10,606,226	22,940	-	10,629,166
Machinery, equipment and other	6,132,591	98,725	31,634	6,262,950
Vehicles	6,310,707	341,975	(150,811)	6,501,871
Infrastructure	64,601,597	2,547,374	-	67,148,971
Recreational upgrades	3,127,137	-	-	3,127,137
Total depreciable capital assets	<u>90,778,258</u>	<u>3,011,014</u>	<u>(119,177)</u>	<u>93,670,095</u>
Less accumulated depreciation for:				
Buildings	(3,389,136)	(165,613)	-	(3,554,749)
Machinery, equipment and other	(3,591,223)	(255,445)	-	(3,846,668)
Vehicles	(3,948,076)	(306,539)	118,150	(4,136,465)
Infrastructure	(38,883,868)	(2,126,813)	-	(41,010,681)
Recreational upgrades	(602,692)	(62,645)	-	(665,337)
Total accumulated depreciation	<u>(50,414,995)</u>	<u>(2,917,055)</u>	<u>118,150</u>	<u>(53,213,900)</u>
Total depreciable capital assets, net	<u>40,363,263</u>	<u>93,959</u>	<u>(1,027)</u>	<u>40,456,195</u>
Governmental activities capital assets, net	<u>\$ 41,666,351</u>	<u>\$ 270,184</u>	<u>\$ (32,661)</u>	<u>\$ 41,903,874</u>
Business-type activities:				
Non-depreciable assets:				
Land and improvements	\$ 5,520,058	\$ -	\$ (156,528)	\$ 5,363,530
Construction in progress	65,794	370,154	(85,328)	350,620
Total non-depreciable capital assets	<u>5,585,852</u>	<u>370,154</u>	<u>(241,856)</u>	<u>5,714,150</u>
Depreciable assets:				
Buildings	283,666	-	-	283,666
Machinery, equipment and other	801,694	1,275	(46,951)	756,018
Vehicles	133,923	-	-	133,923
Water and sewer lines	26,735,870	306,754	85,328	27,127,952
Infrastructure	4,230,343	-	-	4,230,343
Total depreciable capital assets	<u>32,185,496</u>	<u>308,029</u>	<u>38,377</u>	<u>32,531,902</u>
Less accumulated depreciation for:				
Buildings	(95,824)	(9,366)	-	(105,190)
Machinery, equipment and other	(518,813)	(22,312)	46,951	(494,174)
Vehicles	(106,629)	(7,924)	-	(114,553)
Water and sewer lines	(5,156,133)	(574,508)	-	(5,730,641)
Infrastructure	(1,070,581)	(84,608)	-	(1,155,189)
Total accumulated depreciation	<u>(6,947,980)</u>	<u>(698,718)</u>	<u>46,951</u>	<u>(7,599,747)</u>
Total depreciable capital assets, net	<u>25,237,516</u>	<u>(390,689)</u>	<u>85,328</u>	<u>24,932,155</u>
Business-type activities capital assets, net	<u>\$ 30,823,368</u>	<u>\$ (20,535)</u>	<u>\$ (156,528)</u>	<u>\$ 30,646,305</u>

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 7 - CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units:

Hart County Health Department

Capital asset activity for the Health Department for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Depreciable assets:				
Machinery, equipment and other	\$ 19,676	\$ -	\$ -	\$ 19,676
Less accumulated depreciation	(12,330)	(979)	-	(13,309)
Capital assets, net	<u>\$ 7,346</u>	<u>\$ (979)</u>	<u>\$ -</u>	<u>\$ 6,367</u>

Hart County Library

Capital asset activity for the Library for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Depreciable assets:				
Machinery, equipment and other	\$ 158,927	\$ 910	\$ -	\$ 159,837
Books and collections	441,542	10,695	(40,182)	412,055
Less accumulated depreciation for:				
Machinery, equipment and other	(115,574)	(8,207)	-	(123,781)
Books and collections	(409,122)	(12,674)	40,182	(381,614)
Capital assets, net	<u>\$ 75,773</u>	<u>\$ (9,276)</u>	<u>\$ -</u>	<u>\$ 66,497</u>

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

Primary Government:

Governmental activities:

General government	\$ 111,256
Housing and development	33,140
Judicial	6,885
Public health and welfare	24,867
Public safety	433,670
Public works	2,206,204
Recreation and culture	101,033
Total depreciation expense - governmental activities	<u>\$ 2,917,055</u>

Business-type activities:

Solid waste	\$ 26,188
Hart County Industrial Building Authority	1,491
Joint Development Authority of Franklin, Hart and Stephens Counties	85,608
Hart County Water and Sewer Authority	585,430
Total depreciation expense - business-type activities	<u>\$ 698,717</u>

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 8 – LEASES RECEIVABLE

Operating Lease

DFACS Building Fund

The County entered into a rental agreement effective January 1, 2015 with the Georgia Department of Human Resources ("DHR") whereby DHR rents the County's facility known as the Department of Family and Children's Services ("DFACS") building for office space of the Hart County DFACS. The rental term runs from July 1 to June 30 of each year with the option of annual renewals through 2029. DHR agreed to pay the County monthly rent payments of \$5,752. If the lease is renewed for additional years, the monthly payments will be \$5,752 per month through December 31, 2019, \$3,495 per month through December 31, 2024, and \$4,940 per month through December 31, 2029.

The net value of the property under lease is \$1,200,525, which is net of accumulated depreciation of \$469,771.

BLENDED COMPONENT UNITS:

Hart County Industrial Building Authority

Capital Leases

The Hart County Industrial Building Authority has taken title to certain fixtures, equipment and other personal and real property and leased said property to various companies in order to abate ad valorem property taxes as an incentive for the company to locate or expand their operations in Hart County, Georgia. These tax abatement agreements are entered into under the authority of Georgia constitutional amendment, 1963 Ga. Laws, pp. 697.

The leased property is not recorded in the Statement of Net Position or Balance Sheet because each company has the right to purchase the property for a nominal amount at any time before or at the expiration of the lease. Beginning on the dates specified below, each company will pay to IBA an annual lease payment and will pay to the County a payment in lieu of ad valorem taxes ("PILOT"). For leased property that is subject to a lien at the time the company transfers the property, IBA has guaranteed the debt secured by and limited to the amount of the collateral.

The amount of the PILOT payment to the County is based on the amount of ad valorem tax that would be owed if the property was held in the lessee's names, multiplied by the percentages shown on the following "Amount of PILOT Payment" schedule for each year. No later than ten years from the inception of the lease, all lessees will pay 100% of the value of the ad valorem tax.

County property tax revenues were reduced by approximately \$700,346 in foregone revenues under these tax abatement agreements entered into by the Hart County Industrial Building Authority. Of this amount, approximately \$475,768 would have been payable to the Hart County Board of Education for the school tax portion.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 8 – LEASES RECEIVABLE (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

Hart County Industrial Building Authority (Continued)

Company	Leased Property (Collateral)	Material Covenants by Company	Guarantee	Annual Lease Payment	Annual Lease Payments Begin	Start of Lease Term	End of Lease Term	Renewal Options
Ritz Instrument Transformers, Inc.	10 acres land and equipment	Employ and maintain employment for at least 90 individuals and invest at least \$5,700,000 in physical assets in Hart County, Georgia	\$ 2,565,000	\$1,500	12/01/10	12/31/09	01/31/20	Terminated 3/23/20
Nestlé Purina PetCare Company	5 parcels of land, improvements and equipment	Employ and maintain employment for 370 individuals and invest at least \$870,000,000 in physical assets in Hart County, Georgia by 12/31/2023.	\$ 870,000,000	Amount of principal and interest payments on bond debt.	01/01/21	12/01/20	12/01/35	None
Linde + Wiemann Sales & Engineering Inc.	28.905 acres land, equipment and personal property	Employ and maintain employment for at least 201 individuals and invest at least \$64,000,000 in physical assets in Hart County, Georgia by 12/31/2022. If goals are not met, "community recovery payments" must be made.	\$ 64,000,000	Amount of principal and interest payments on bond debt.	03/01/17	03/01/16	03/01/27	None
Haering Asset LP	36.75 acres land, equipment and personal property	Employ and maintain employment for at least 400 individuals and invest at least \$40,000,000 in physical assets in Hart County, Georgia within five years of completion. If goals are not met, "community recovery payments" must be made.	\$ 64,000,000	Amount of principal and interest payments on bond debt.	05/01/17	05/01/16	05/01/33	None

Amount of PILOT Payment													
(Based on percentage of amount that would be owed for ad valorem tax if property were held in Lessee's name)													
Company	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Ritz Instrument Transformers, Inc.	70%	80%	90%	100%	-	-	-	-	-	-	-	-	-
Nestlé Purina PetCare Company	-	0%	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Linde + Wiemann Sales & Engineering Inc.	0%	0%	0%	0%	0%	0%	20%	40%	60%	80%	100%	-	-
Haering Asset LP	0%	0%	0%	0%	0%	0%	0%	20%	40%	60%	80%	100%	◆◆

◆ Project will be added to the tax roster in phases through 2035

◆◆ Project will be added to the tax roster in phases through 2032

**HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021**

NOTE 8 – LEASES RECEIVABLE (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

Joint Development Authority of Franklin, Hart and Stephens Counties

Operating Lease

Under a previous OneGeorgia Authority broadband award, JDA entered into a non-cancelable lease agreement with North Georgia Network Cooperative, Inc. ("NGN") to lease fiber optic cable owned by JDA. The lease agreement calls for payments of \$18,850 each year for eight years beginning in fiscal year 2016.

The net value of the property under lease is \$873,250, which is net of accumulated depreciation of \$124,750.

The future minimum rentals on this non-cancelable lease are as follows:

<u>FY</u>	
2022	\$ 18,850
2023	<u>18,850</u>
Total	<u>\$ 37,700</u>

At the end of the lease period, NGN may purchase the leased fiber for the sum of \$1. This lease is not considered an exchange transaction or capital lease because the value of the property to be transferred to NGN has a considerably higher value than the lease payments paid by NGN.

NOTE 9 - NONCURRENT LIABILITIES

Landfill Closure and Post Closure Care Costs

State and federal laws and regulations require the County to close and place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for a period of thirty years after closure. On May 1, 1997, in accordance with the provisions of the Georgia Comprehensive Solid Waste Management Act (OCGA 12-8-20) and the Rules of Solid Waste Management, Chapter 391-3-4, the County was issued a closure certificate for its landfill. Although closure and post closure care costs will generally be paid near or after the date the landfill stops accepting waste, accounting principles generally accepted in the United States of America require a portion of the estimated closure and post closure care costs to be reported as an operating expense in each period for which the landfill accepts waste. The County had completely amortized the landfill closure and post closure care liability as of September 30, 2020 which represented the cumulative estimated total amount necessary to perform all future post closure functions based on the use of 100% of the estimated capacity of the landfill. The County has closed the landfill and no useful life exists. Actual costs may be different due to changes in inflation, technology, or applicable laws or regulations. The County meets the Environmental Protection Agency financial assurance requirements using the financial test method because it has sufficient assets to cover the post closure care costs. The County continues to perform annual monitoring and testing. The Solid Waste Fund expended \$37,708 in annual testing costs for the year ended September 30, 2021.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

Noncurrent liability activity for the primary government for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 830,620	\$ 614,963	\$ (557,760)	\$ 887,823	\$ 534,321
Governmental activities noncurrent liabilities	<u>\$ 830,620</u>	<u>\$ 614,963</u>	<u>\$ (557,760)</u>	<u>\$ 887,823</u>	<u>\$ 534,321</u>
Business-type activities:					
Compensated absences	\$ 26,516	\$ 24,864	\$ (18,209)	\$ 33,171	\$ 13,428
Business-type activities noncurrent liabilities	<u>\$ 26,516</u>	<u>\$ 24,864</u>	<u>\$ (18,209)</u>	<u>\$ 33,171</u>	<u>\$ 13,428</u>

CHANGES IN NONCURRENT LIABILITIES

The liability for compensated absences will be paid by the fund from which the employees' salaries are paid as follows:

<u>Fund</u>	<u>Compensated Absences Liability</u>
Governmental activities:	
General Fund	\$ 848,586
E911 Fund	10,247
Insurance Premium Tax Fund	28,990
Total governmental activities	<u>\$ 887,823</u>
Business-type activities:	
Solid Waste Fund	\$ 17,428
Hart County Water & Sewer	15,743
	<u>\$ 33,171</u>

Hart County Industrial Building Authority

Conduit Debt Obligations

In June 2010, IBA issued in its name Series 2009 taxable industrial development revenue bonds in the amount of \$42,000,000. Monies obtained from the bond issuance were used to acquire, construct and equip a manufacturing facility for Tenneco Automotive Operating Company, Inc. ("Tenneco") serving Hart County, Georgia. The bonds are limited obligation bonds wherein payments of principal and interest are to be made exclusively from lease payments paid by Tenneco under a capital lease. IBA has no obligation to pay on the Series 2009 bonds, therefore, neither the bond debt nor the capital lease is included in the financial statements of IBA or the County. The bonds mature on December 1, 2021. The outstanding balance of the Series 2009 bonds payable at December 31, 2020 was unconfirmed.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

BLENDING COMPONENT UNITS:

Hart County Industrial Building Authority (Continued)

Conduit Debt Obligations (Continued)

In March 2016, IBA issued in its name Series 2016 taxable industrial development revenue bonds in the amount of \$64,000,000. Monies obtained from the bond issuance were used to acquire, construct and equip a manufacturing facility for Linde + Wiemann Sales & Engineering Inc. (the "L+W Company") serving Hart County, Georgia. The bonds are limited obligation bonds wherein payments of principal and interest are to be made exclusively from lease payments paid by the L+W Company under a capital lease. IBA has no obligation to pay on the Series 2016 bonds, therefore, neither the bond debt nor the capital lease is included in the financial statements of IBA or the County. The bonds mature on March 1, 2027. The outstanding balance of the Series 2016 bonds payable at December 31, 2020 was \$46,341,754.

In October 2016, IBA issued in its name Series 2016 taxable industrial development revenue bonds in the amount of \$64,000,000. Monies obtained from the bond issuance were used to acquire, construct and equip a manufacturing facility for Haering Asset LP serving Hart County, Georgia. The bonds are limited obligation bonds wherein payments of principal and interest are to be made exclusively from lease payments paid by Haering Asset LP under a capital lease. IBA has no obligation to pay on the Series 2016 bonds, therefore, neither the bond debt nor the capital lease is included in the financial statements of IBA or the County. The bonds mature on May 1, 2033. The outstanding balance of the Series 2016 bonds payable at December 31, 2020 was unconfirmed.

In November 2017, IBA issued in its name Series 2017 taxable industrial development revenue bonds in the amount of \$320,000,000 and recorded a bond issuance fee in the amount of \$400,000 as operating revenues. Monies obtained from the bond issuance were used to acquire, construct and equip a manufacturing facility for Nestlé Purina PetCare Company (the "Nestlé Company") serving Hart County, Georgia. The bonds are limited obligation bonds wherein payments of principal and interest are to be made exclusively from lease payments paid by the Nestlé Company under a capital lease. IBA has no obligation to pay on the Series 2017 bonds, therefore, neither the bond debt nor the capital lease is included in the financial statements of IBA. The bonds were scheduled to mature on October 1, 2033. This bond was retired, refunded, and refinanced with a new Series 2020 bond issuance as described below.

In December 2020, IBA issued in its name Series 2020 taxable industrial development revenue bonds in the amount of \$870,000,000 and recorded a bond issuance fee in the amount of \$600,000 as operating revenues. Monies obtained from the bond issuance were used to (1) retire, refund, and refinance the existing Series 2017 bonds for Nestlé Purina PetCare Company as described above, and (2) pay the costs of an expansion to the existing facility including one or more new buildings, structures and related improvements, fixtures and equipment. The bonds are limited obligation bonds wherein payments of principal and interest are to be made exclusively from lease payments paid the Nestlé Company under a capital lease. IBA has no obligation on the Series 2020 bonds, therefore, neither the bond debt nor the capital lease is included in the financial statements of IBA. The bonds mature on December 1, 2035. The outstanding balance of the Series 2020 bonds payable at December 31, 2020 was unconfirmed.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

Notes Payable

In September 2013, IBA borrowed \$3,012,750 through a federally awarded rural development loan from USDA to complete the purchase of 133.9 acres of land located in Gateway Industrial Park in Hart County, Georgia acquired from Janiece Murray White in October 2011. According to the terms of the note, payments of \$11,690 with interest at 3.5% per annum are due beginning October 2013 and every month thereafter for a term of 40 years, maturing in September 2053. The note is secured by an intergovernmental agreement from Hart County, Georgia wherein the County agrees to fund the payments from funds earmarked for economic development. In addition, IBA is required to maintain a debt service reserve fund in the amount of \$140,280 (equivalent to twelve monthly payments). As of December 31, 2020, this debt service reserve account was fully funded by the County and is reported as restricted cash on the Statement of Net Position as a noncurrent asset.

Noncurrent liability activity for IBA for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
IBA					
Business-type activities:					
USDA note payable	\$ 2,769,997	\$ -	\$ (43,763)	\$ 2,726,234	\$ 45,591
Business-type activities noncurrent liabilities	<u>\$ 2,769,997</u>	<u>\$ -</u>	<u>\$ (43,763)</u>	<u>\$ 2,726,234</u>	<u>\$ 45,591</u>

Below is the schedule of future minimum obligated payments:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2021	\$ 94,689	\$ 45,591	\$ 140,280
2022	93,067	47,213	140,280
2023	91,388	48,892	140,280
2024	89,902	50,378	140,280
2025	87,857	52,423	140,280
2026 - 2030	410,206	291,194	701,400
2031 - 2035	354,585	346,815	701,400
2036 - 2040	288,488	412,912	701,400
2041 - 2045	209,404	491,996	701,400
2046 - 2050	115,420	585,980	701,400
2051 - 2053	17,045	352,840	369,885
Total	<u>\$ 1,852,051</u>	<u>\$ 2,726,234</u>	<u>\$ 4,578,285</u>
Less: Interest			(1,852,051)
Present value of minimum payments			<u>\$ 2,726,234</u>

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

The Joint Development Authority of Franklin, Hart and Stephens Counties

Notes Payable

In May 2014, JDA borrowed \$459,950 from Pinnacle Bank in order to reduce the carrying costs on debt previously borrowed to finance a portion of the cost of 130 acres of land used in the development of Gateway Industrial Park. According to the terms of the note, quarterly payments of \$9,922 to include interest at 3.5% per annum are due beginning August 2014 and every quarter thereafter for a term of 15 years, maturing in May 2029. The note is secured by an intergovernmental agreement from Hart County, Georgia wherein the County agrees to fund the payments.

In November 2014, JDA borrowed \$150,000 on a promissory note from the OneGeorgia Authority as part of a combined grant/loan award to construct a broadband fiber optic network in northeast Georgia. According to the terms of the note, quarterly payments of \$4,688 including interest at 0.0% per annum are due beginning July 1, 2015 and every quarter thereafter for a term of 32 quarters. The loan is secured by the lease agreement described in Note 8 and will be fully funded from these lease revenues.

Noncurrent liability activity for JDA for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
JDA					
Business-type activities:					
Pinnacle Bank note payable	\$ 303,595	\$ -	\$ (29,368)	\$ 274,227	\$ 30,417
OneGeorgia note payable	56,250	-	(23,437)	32,813	14,063
Business-type activities noncurrent liabilities	<u>\$ 359,845</u>	<u>\$ -</u>	<u>\$ (52,805)</u>	<u>\$ 307,040</u>	<u>\$ 44,480</u>

Below is the schedule of future minimum obligated payments:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2022	\$ 9,271	\$ 44,480	\$ 53,751
2023	8,185	50,253	58,438
2024	7,078	32,610	39,688
2025	5,895	33,794	39,689
2026	4,688	35,001	39,689
2027-2029	6,388	110,902	117,290
Total	<u>\$ 41,505</u>	<u>\$ 307,040</u>	<u>\$ 348,545</u>
Less: Interest			<u>(41,505)</u>
Present value of minimum payments			<u>\$ 307,040</u>

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

Hart County Water and Sewer Authority

Notes Payable

DWSRF Loan #13-017: In February 2015, HCWSA executed a loan agreement to borrow a maximum amount of \$2,000,000 in pass-through federal and state funding from the DWSRF administered by GEFA for the construction of distribution system extensions into the Bethany Church, Rock Springs, and Mouchet Road areas of Hart County, Georgia. According to the terms of the loan agreement, 120 monthly payments of \$12,831 to include interest at 0.52% per annum are due beginning upon completion of the project. The note will be secured by HCWSA's revenue raising powers and repayment of the loan is guaranteed by the County. During the year ended September 30, 2017, the full \$2,000,000 had been drawn down, and the lender forgave the full \$500,000 (25%) of the principal balance of the loan, leaving a net liability of \$1,500,000. The first monthly payment was due on November 1, 2017 and the loan will mature on October 1, 2027.

During the year ended September 30, 2021, interest was recorded on this loan in the amount of \$5,148 as a nonoperating expense.

DWSRF Loan #15-032: In January 2018, HCWSA executed an amended loan agreement to borrow a maximum amount of \$365,000 in pass-through federal and state funding from DWSRF administered by GEFA for the purpose of financing the conversion, replacement, or installation of existing water meters to radio read meters. The original agreement called for a loan amount of \$275,000 with 40% principal forgiveness, resulting in a maximum forgiveness of \$110,000. Forgiveness is recognized as funds are drawn on the note. The loan was fully drawn down in January 2020 and debt forgiveness of \$27,134 was recognized for the year ended September 30, 2020 resulting in the forgiveness of the full \$110,000 (40%), leaving a net liability of \$255,000. According to the terms of the loan agreement, 120 monthly payments of \$2,179 to include interest at .50% per annum. The first monthly payment was due on March 1, 2020 and the loan will mature on February 1, 2030. The note is secured by HCWSA's revenue raising powers and repayment of the loan is guaranteed by Hart County, Georgia.

During the year ended September 30, 2021, interest in the amount of \$1,135 was recorded on this loan as a nonoperating expense.

Noncurrent liability activity for HCWSA for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
HCWSA					
Business-type activities:					
DWSRF #13-017	\$ 1,070,526	\$ -	\$ (148,754)	\$ 921,772	\$ 149,529
DWSRF #15-032	240,473	-	(25,003)	215,470	25,128
Business-type activities noncurrent liabilities	<u>\$ 1,310,999</u>	<u>\$ -</u>	<u>\$ (173,757)</u>	<u>\$ 1,137,242</u>	<u>\$ 174,657</u>

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

BLENDED COMPONENT UNITS (CONTINUED)

Hart County Water and Sewer Authority (Continued)

Notes Payable (Continued)

Below is the schedule of future minimum obligated payments related to the DWSRF loans.

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2022	\$ 5,457	\$ 174,657	\$ 180,114
2023	4,552	175,562	180,114
2024	3,641	176,473	180,114
2025	2,726	177,388	180,114
2026	1,808	178,306	180,114
Thereafter	1,282	254,856	256,138
Total	\$ 19,466	\$ 1,137,242	\$ 1,156,708
Less: Interest			(19,466)
Present value of minimum payments			\$ 1,137,242

Compensated Absences

Activity related to compensated absences for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Accrued Compensated Absences	\$ 12,330	\$ 16,938	\$ (13,525)	\$ 15,743	\$ 6,991

DISCRETELY PRESENTED COMPONENT UNITS

Hart County Library

See Note 11 for details related to the Library's pension plan liability.

Hart County Health Department

Noncurrent liability activity for the Health Department for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Health Department Business-type activities:					
Compensated absences	\$ 55,230	\$ 24,183	\$ (47,989)	\$ 31,424	\$ 31,424

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Hart County Health Department (Continued)

Noncurrent Liabilities (Continued)

The liability for compensated absences will be paid by the Hart County Health Department. See Note 11 for details related to the Health Department's pension plan liability.

NOTE 10 - EMPLOYEE BENEFITS AND RETIREMENT PLAN

The County provides certain group insurance benefits for eligible employees who are employed over 90 days. The County does not provide other postemployment benefits ("OPEB"). The Hart County Health Department does provide OPEB. For complete OPEB disclosures and schedules, please see the Health Department's separately issued standalone audited financial statements.

NOTE 11 – PENSION PLANS

Defined Contribution Plan

The County adopted the Hart County Defined Contribution Money Plan, which operates in conjunction with the Deferred Compensation Plan discussed below. The contributions from both plans are invested with Lincoln National Life and Reliastar Life Insurance Companies and are administered by Mack Poss and Associates, an independent third party. The plans can be amended or removed by a majority vote of the Hart County Board of Commissioners. During the fiscal year ended September 30, 2021, the County contributed \$94,676 to the plan, based on covered salaries of \$3,155,869. Total payroll was \$8,737,561. Plan members made voluntary contributions of \$175,488.

Deferred Compensation Plan

In 1994, the County created a deferred compensation plan in accordance with Internal Revenue Code 457 to allow employees to defer a portion of their salary through voluntary contributions to the plan.

The following is a summary of the Hart County employee pension plans:

- (1) Only full-time employees are eligible. Full time is defined as working more than thirty hours per week.
- (2) Employees must complete one year of service to be eligible for participation in the plan. One year of service is defined as 12 consecutive months of full-time service. Any employee with a break in full time service will be treated as a new employee.
- (3) The plan is structured in the following manner:
 - A. Upon completion of one to three years of service, the employer will match 50% of the employee's contribution to a maximum of 3% of the employee's annual salary.
 - B. Upon completion of three to five years of service, the employer will match 75% of the employee's contribution to a maximum of 3% of the employee's annual salary.
 - C. Upon completion of five or more years of service, the employer will match 100% of the employee's contribution to a maximum of 3% of the employee's annual salary.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 11 – PENSION PLANS (CONTINUED)

Defined Compensation Plan (Continued)

- (4) Employees will be 100% vested after completion of five years of service. Employees will be 100% vested in his/her contribution immediately.
- (5) Participation in the plan and increases in the County match percentage will begin at the first of the month following the employee's anniversary date.
- (6) Employees may contribute up to 25% of their annual salary or the maximum allowed by federal law. There are additional catch-up provisions for employees nearing retirement.
- (7) Employees will have a choice regarding how their contributions are invested as detailed below:
- A. A fixed account (i.e. annuity) with Reliastar Life Insurance Company.
 - B. Fixed and variable accounts (i.e. mutual funds) with Lincoln National - the variable accounts are managed by Janis and Fidelity.
 - C. Employees may participate in any combination of available funds in 10% increments.
- (8) Employee and employer contributions are tax deferred. Taxes will be due upon withdrawal.

Defined Benefit Plan

DISCRETELY PRESENTED COMPONENT UNITS:

Hart County Library

The Library reports a liability for its proportionate share of the net pension liability related to its participation in the Teachers Retirement System of Georgia. As of June 30, 2021, net pension liability of \$182,406 and related deferred pension outflows and inflows of \$52,150 and \$52,308, respectively, are included in the Combining Statement of Net Position for discretely presented component units. For complete pension disclosures and schedules, please see the Library's separately issued standalone audited financial statements.

Hart County Health Department

The Health Department reports a liability for its proportionate share of the net pension liability related to its participation in the Georgia State Employees' Retirement System. As of June 30, 2021, net pension liability of \$234,099 and related deferred net pension outflows and inflows of \$88,514 and \$208,377, respectively, are included in the Combining Statement of Net Position for discretely presented component units. For complete pension disclosures and schedules, please see the Health Department's separately issued standalone audited financial statements.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 11 – PENSION PLANS (CONTINUED)

Other Retirement Benefits

In addition to the above plans, certain employees, elected officials, and appointed officials are eligible for participation in various multi-employer cost-sharing defined benefit plans. The County does not make contributions to the plans and are not under the direct control of the County, qualifying the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements to be immaterial. The pension plans include: Georgia Firefighters' Pension Fund, Peace Officers' Annuity and Benefit Fund of Georgia, Judges of the Probate Courts 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 plan administrators or websites and the plans' annual reports.

NOTE 12 – HOTEL-MOTEL TAX COMPLIANCE – PRIMARY GOVERNMENT

Hart County, Georgia collects five percent (5%) hotel-motel tax. State statutes require the County to contract with a not-for-profit organization and fund that organization with a minimum of 40% of collections which must be expended on the promotion of tourism and trade. The County has an agreement with Hart County Chamber of Commerce to fund that organization with a minimum of 60% of hotel-motel tax collections.

For the fiscal year ended September 30, 2021, Hart County collected \$60,705 in hotel-motel tax and expended \$39,996 to the Chamber of Commerce in support of tourism and trade.

NOTE 13 - RISK MANAGEMENT

Material estimates have been made by management about the historical cost of capital assets and the life of the depreciated capital assets. Management has used a conservative approach on these estimates.

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

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs taxed against the 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.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 13 - RISK MANAGEMENT (CONTINUED)

There have been no significant reductions of insurance coverage from coverage in the prior year and settlement amounts have not exceeded insurance coverage for the current year or the three prior fiscal years.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grant Contingencies: The County participates in a number of revenue sharing grants. Expenditures financed by revenue sharing grants are subject to a compliance audit by the grantor or its representative. If expenditures are disallowed due to noncompliance with program regulations, the County may be required to reimburse the grantor government. The County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the County.

Litigation: The County is a defendant in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County. Management intends to contest these open cases vigorously. The County's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

IBA: In January 2016, IBA's Board executed an amended Memorandum of Understanding with Haering Precision USA LP to provide the funding for the costs of rock excavation under a commitment from Hart County, Georgia. Rock excavation is in progress. IBA and Haering Precision USA LP currently disagree as to the interpretation of a contract provision and the amount of liability related to the rock excavation. The final costs are unknown but \$364,580 has been budgeted to resolve this disagreement.

IBA: In May 2016, IBA executed a right of first refusal and option agreement with Haering Asset LP to purchase an additional 18.8 acres adjoining the Haering Company's leased land located in the Gateway II Industrial Park for \$15,000 per acre by October 2026. As of the date of these financial statements, this option has not been exercised.

IBA: In October 2016, Haering Asset LP paid \$551,250 associated with the land sale/lease described in Note 8 and the funds were being held as restricted cash by IBA in preparation for assistance with site improvement costs. The funds were provided to the company in December 2020 resolving this matter.

IBA: In May 2018, IBA was awarded a grant from the Georgia Department of Community Affairs in the amount of \$500,000 to assist in the location and purchase of machinery and equipment for Nestle Purina Petcare Company in Hartwell, Georgia. As of the date of these financial statements, the first draw for \$377,751 was received and provided to the company. Another draw of \$122,249 has been submitted and is awaiting approval from the Georgia Department of Community Affairs. Once approved and disbursed, the total original grant of \$500,000 will be completed. An additional \$500,000 extension grant has been offered and is in the process of being accepted by IBA.

IBA: In January 2019, IBA was awarded a \$456,168 federal grant from the Appalachian Regional Commission ("ARC") passed through the Georgia Environmental Finance Authority ("GEFA") for the Gateway III Sewer Lift Station Project. The constructed sewer system and associated roadways will be transferred to the Hart County Water and Sewer Authority upon completion. This grant requires a \$195,500 (30%) local match, which will be paid by Hart County, Georgia. As of December 31, 2020, \$106,428 had been expended on this project, with \$70,280 (66.54%) charged to this grant.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 14 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

IBA: The Nestle Purina PetCare Company project (the "Nestle Company") is still under construction as of the date of these financial statements. IBA regularly receives preliminary notices to Contractor and/or Interim Lien Notices from subcontractors, some which involve claims which may be in dispute among and/or between these subcontractors, general contractors and the Nestle Company. Most of such claims are paid or settled prior to liens or lawsuits being filed. IBA is indemnified against these claims by these companies and the value of the land leased by the Nestle Company. No lawsuits are pending on any of these preliminary matters or against IBA.

NOTE 15 - RECONCILIATION OF FUNDS EXPENDED TO COMPONENT UNITS

The amounts expended between Hart County, Georgia and the following component units require reconciliations due to differing fiscal year-ends:

Hart County Industrial Business Authority (fiscal year ended December 31, 2020):

Total amount contributed or expended by Hart County on behalf of IBA during the fiscal year ended September 30, 2021	\$ 324,745
Plus expenditures to IBA between January 1, 2020 and September 30, 2020	313,502
Plus net transactions recorded by the County in September but not recorded by IBA until October	(87,938)
Less expenditures to IBA between January 1, 2021 and September 30, 2021	<u>(204,367)</u>
Revenue reported by IBA for the fiscal year ended December 31, 2020	\$ <u>345,942</u>

Joint Development Authority of Franklin, Hart & Stephens Counties (fiscal year ended June 30, 2021):

Total amount contributed or expended by Hart County on behalf of JDA during the fiscal year ended September 30, 2021	\$ 51,053
Plus expenditures to JDA between July 1, 2020 and September 30, 2020	9,922
Plus expenditures accrued by JDA at June 30, 2021 but not submitted to the County for reimbursement by September 30, 2021	4,810
Less expenditures by JDA not submitted for reimbursement to the County	(4,664)
Less expenditures to JDA between July 1, 2021 and September 30, 2021	<u>(9,922)</u>
Revenue reported by JDA for the fiscal year ended June 30, 2021	\$ <u>51,199</u>

Hart County Health Department (fiscal year ended June 30, 2021):

Total amount contributed or expended by Hart County on behalf of the Health Department ("HD") during the fiscal year ended September 30, 2021	\$ 80,000
Plus expenditures to the HD between July 1, 2020 and September 30, 2020	20,000
Less expenditures to the HD between July 1, 2021 and September 30, 2021	<u>(20,000)</u>
Revenue reported by the Health Department for the fiscal year ended June 30, 2021	\$ <u>80,000</u>

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 15 - RECONCILIATION OF FUNDS EXPENDED TO COMPONENT UNITS (CONTINUED)

Hart County Library (fiscal year ended June 30, 2021):

Total amount contributed or expended by Hart County on behalf of the Library during the fiscal year ended September 30, 2021	\$ 77,000
Plus expenditures to the Library between July 1, 2020 and September 30, 2020	19,250
Less expenditures to the Library between July 1, 2021 and September 30, 2021	<u>(19,250)</u>
Revenue reported by the Library for the fiscal year ended June 30, 2021	\$ <u>77,000</u>

NOTE 16 - JOINT VENTURES

Hart County participates jointly with Franklin County, Georgia in the Franklin-Hart Airport. Both counties have agreed to allocate funds as part of their respective budgets toward the venture. The Airport is a separate entity that maintains and accumulates assets of its individual ownership. The Airport entity will apply for grants and seek other outside revenue needed to supplement the entity's budget. Hart County contributed \$3,500 to the Airport during the year ended September 30, 2021. A copy of the Airport financial statements can be obtained from Franklin-Hart Airport, 710 Hartwell Street, Royston, Georgia 30662.

Under Georgia Law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission ("GMRC") and is required to pay annual dues thereto. During the year ended September 30, 2021, the County paid \$24,666 in such dues. Membership in a regional commission ("RC") is required by OCGA 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, Georgia 30501.

Hart County and Franklin County have contributed funds to the Joint Development Authority of Franklin, Hart and Stephens Counties for the Gateway Industrial Park project. As of June 30, 2021, contributions for this project since inception, exclusive of any grant revenues, have been provided as follows:

	<u>% of Total</u>	<u>Amount</u>
Hart County	92.0%	\$ 2,524,830
Stephens County	0.0%	-
Franklin County	<u>8.0%</u>	<u>220,990</u>
Total	<u>100.0%</u>	\$ <u>2,745,820</u>

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 17 - INTERGOVERNMENTAL AGREEMENTS

The County has an agreement with various municipalities in Hart County relating to their allocation and share of the local option sales tax ("LOST"). For the year ended September 30, 2021, the percentage share of the LOST funds was allocated as follows:

City of Hartwell	21.00%
City of Royston	4.25%
City of Canon	0.25%
Town of Bowersville	1.00%

IBA has a rural economic development loan secured by an intergovernmental agreement from the County through USDA requiring payments of \$140,280 per year. The loan funds were used to acquire 133.9 acres of additional property in Gateway III Industrial Park. The County provides the funding for these payments to IBA on a monthly basis for 40 years beginning October 2013. The County previously provided IBA with a required one-year reserve in the amount of \$140,280 to be held by IBA until the USDA releases this reserve requirement at which time the funds can be utilized for purposes such as loan repayment.

JDA has a loan secured by an intergovernmental agreement from the County through Pinnacle Bank requiring payments of \$39,688 per year. The loan funds were used to refinance a previous loan for property in Gateway I Industrial Park in order to reduce carrying costs. The County provides the funding for these payments to JDA on a quarterly basis for 15 years beginning August 2014.

HCWSA also has a Drinking Water State Revolving Fund loan #13-017 secured by an intergovernmental agreement from the County through GEFA that will require payments of \$153,972 per year. The loan funds are being used to acquire, construct and install additions, extensions, and improvements to the water system in Hart County, to include the Bethany Church and Rock Springs areas.

HCWSA also has a Drinking Water State Revolving Fund loan #15-032 secured by an intergovernmental agreement from the County through GEFA that will require payments of \$26,148 per year. The loan funds are being used to acquire and install radio read meters.

Beginning January 1, 2015, the County entered into an intergovernmental agreement with IBA to reimburse IBA for costs related to a consulting agreement with Aeratus Enterprises, LLC for economic developer services.

The County and its component units (blended and discretely presented) may also enter into contracts and other agreements with local municipalities, whose council or board members also sit on the County's board or the board of a component unit.

NOTE 18 – FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards ("SEFA") is a summary of expenditures relating to federal award programs and is required if federal expenditures during the year exceed \$750,000. During the year ended September 30, 2021, neither the County, nor any of the County's blended component units exceeded this threshold for federal awards in the County's name or administered by the County.

NOTE 19 – RELATED PARTY TRANSACTIONS

The County may enter into contracts and other agreements or transact business with other municipalities, authorities or companies whose Council or Board members may also sit on the Board of Commissioners.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 20 – PRIOR PERIOD ADJUSTMENTS

Correction of an Error:

During the year ended September 30, 2021, the County determined it had incorrectly accounted for EMS receivables in the General Fund in the prior year. Prior year write-offs of receivables had not been recorded correctly, but was corrected for the year ended September 30, 2021.

Fund balance for the General Fund for the year ended September 30, 2021 was as follows:

As previously reported	\$ 9,862,260
Prior period adjustment	<u>(1,294,613)</u>
As restated	<u>\$ 8,567,647</u>

Correction of an Error:

During the year ended September 30, 2021, the County determined it had incorrectly reported lease revenue for the DFACS Fund in the prior year. The monthly lease payments had been reduced, but the lessee continued paying a higher amount. Deferred revenue should have been reported at September 30, 2020. The corrections were made for the year ended September 30, 2021.

Fund balance for the DFACS Building fund for the year ended September 30, 2021 was as follows:

As previously reported	\$ 270,955
Prior period adjustment	<u>(20,310)</u>
As restated	<u>\$ 250,645</u>

NOTE 21 - SUBSEQUENT EVENTS

The following is a summary of significant subsequent events occurring after year-end:

- 1) On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of these financial statements. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

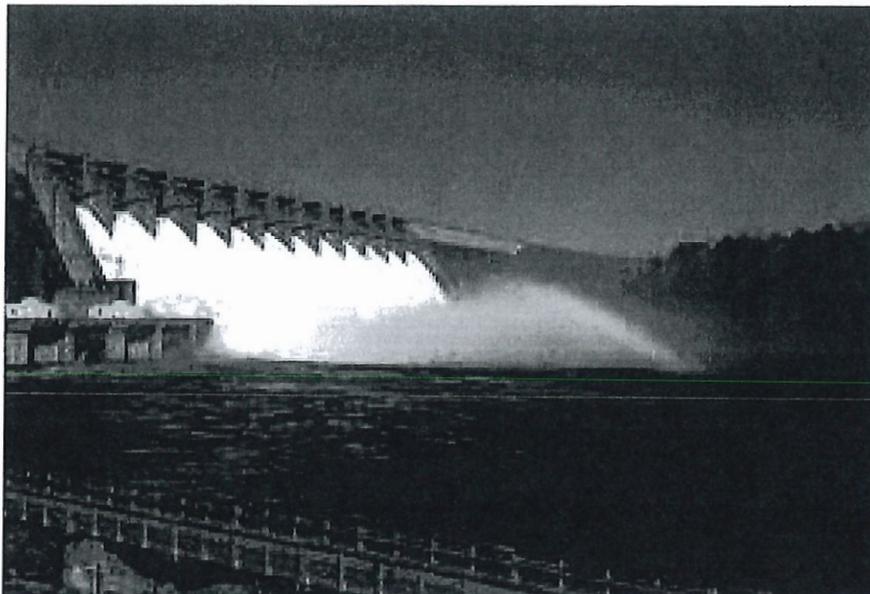
NOTE 20 - SUBSEQUENT EVENTS (CONTINUED)

The County's operations are heavily dependent on the ability to raise taxes, assess fees, and access capital markets. Additionally, access to grants and contracts from federal, state and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of global economic shutdown. This situation could depress the tax bases and other areas in which the County received revenue during fiscal year 2021. The County's financial condition and liquidity may be negatively impacted for the fiscal year 2022.

- 2) In October 2021, the Board of Commissioners approved the purchase of property off Bowman Highway at \$9,000 per acre for access to the new jail facility. As of the date of these financial statements, the land purchase had not closed.
- 3) In October 2021, the Board of Commissioners approved a Georgia Department of Transportation 5311 grant application in the amount of \$121,100.
- 4) In October 2021, the Board of Commissioners approved the purchase of a vehicle for the EMS Director at a cost of \$42,940. At the time of these financial statements, the vehicle had not been received.
- 5) In November 2021, the Board of Commissioners approved a bid for tennis court renovations at the recreation department in the amount of \$118,960.
- 6) In December 2021, the Board of Commissioners approved the purchase of a used Skid Steer, Loader, Mini Excavator and Trailer at a total cost of \$90,000.
- 7) IBA: As of IBA's year-end of December 31, 2020, there was a contract for the sale of approximately five acres of land in the Highway 29 Industrial Park for a total price of \$125,000. The closing of this sale took place on August 30, 2021.
- 8) HCWSA: In October 2021, the Board approved transferring an additional \$250,000 from the operating cash account to invest in the Georgia Fund 1 account.
- 9) HCWSA: In April 2021, the Board approved the purchase of a truck. The truck was ordered at a total cost of \$21,969, but as of the date of these financial statements, it had not been received.
- 10) HCWSA: 2020 CDBG project: In August 2019, the HCWSA Board approved the application for a 2020 Community Development Block Grant from the Georgia Department of Community Affairs and approved Allen-Smith Consulting for the grant writing and administration portion and Engineering Management, Inc. for the engineering portion of the grant application process. A \$750,000 grant was awarded to Hart County, Georgia in the prior fiscal year with a local fund match of \$217,000. The target areas were identified as Akins Lunsford Road/Oak Park Lane and Clay Brown Road areas. In July 2021, the bid for the construction portion of the project came in much higher than anticipated at \$1,073,545 increasing the local match to an estimated \$467,000. As of the date of these financial statements, construction had just begun.
- 11) HCWSA: Lucilla/Circle Line Replacement: In December 2020, the Board approved replacing the water line on Lucilla Drive and Circle Drive due to deterioration and age at a cost not to exceed \$35,000. As of the date of these financial statements, the project was not yet underway.

HART COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

- 12) HCWSA: Teasley Lane Extension: In October 2021, the Board approved an extension to the Teasley Lane project increasing the cost by \$38,000. As of the date of these financial statements, the project was not underway, but is expected to be completed in the first quarter of 2022.
- 13) HCWSA: Rosewood Circle: In April 2021, the Board approved to extend water lines to Rosewood Circle contingent upon receiving three commitment letters at a cost of \$34,573. As of the date of these financial statements, construction had not yet begun.
- 14) HCWSA: 2022 CDBG project: In January 2021, the Board approved proceeding with the engineering portion of a project for Mount Olivet Road extension due to poor water quality with Engineering Management, Inc. serving as the engineer at a cost of \$35,000 and an estimated total project cost of \$444,000. In July 2021, the grant administration and engineering procurement process had begun with target areas being considered. In August 2021, the Board was informed of significant price increases and decided the Mount Olivet Road project would be considered as part of the 2022 Community Development Block Grant. As of the date of these financial statements, the project was not yet out for bid.
- 15) HCWSA: Developer Paid Projects: A number of projects are in process or are being considered where developers have agreed to pay for 100% of the cost of construction. These projects include Ack Powell Subdivision, Tugaloo Heights Circle, Sidney Point Subdivision, and Old Beacon Light Road. All of these projects are expected to be completed no later than the first quarter of 2022.
- 16) HCWSA: Other Miscellaneous Water Projects: Several other miscellaneous water projects were either being considered or just underway at the date of these financial statements including Green's Cay, Evans Road, and water/sewer service to the Hart County Jail. Some of these projects have not been put out for bid at the date of these financial statements, so there is no estimated costs or completion dates.



Required Supplementary Information

HART COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021
(Required Supplementary Information)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 10,343,300	\$ 10,343,300	\$ 12,721,928	\$ 2,378,628
Licenses and permits	56,000	56,000	53,696	(2,304)
Intergovernmental	186,500	186,500	292,969	106,469
Fines and forfeitures	486,000	486,000	655,166	169,166
Charges for services	1,258,100	1,258,100	1,310,113	52,013
Investment earnings	10,000	10,000	5,401	(4,599)
Contributions & donations	-	-	36,400	36,400
Miscellaneous	146,890	146,890	190,383	43,493
Total revenues	12,486,790	12,486,790	15,266,056	2,779,266
EXPENDITURES				
Current expenditures				
General government				
General government	126,659	126,659	80,680	(45,979)
Board of elections	108,324	153,623	153,623	-
Data processing	193,826	215,301	215,301	-
Professional	120,000	161,238	161,238	-
Executive	391,337	414,853	414,853	-
Tax commissioner	275,203	315,859	315,859	-
Tax assessor	550,342	562,245	555,442	(6,803)
Risk management	170,000	178,617	178,617	-
Buildings and properties	131,950	178,949	178,949	-
General administration fees	5,304	11,532	12,032	500
Total general government	2,072,945	2,318,876	2,266,594	(52,282)
Judicial				
Superior court	117,981	128,903	128,903	-
Clerk of superior court	378,191	396,700	395,999	(701)
Probate court	280,484	280,484	251,891	(28,593)
Juvenile court	63,200	63,200	39,000	(24,200)
Grand jury	40,000	40,000	28,096	(11,904)
Public defender	82,672	82,672	82,061	(611)
District attorney	41,788	41,788	38,946	(2,842)
Magistrate court	207,219	207,219	195,342	(11,877)
Board of equalization	10,319	11,199	11,199	-
Total judicial	1,221,854	1,252,165	1,171,437	(80,728)
Public Safety				
Sheriff	2,669,879	2,669,879	2,516,472	(153,407)
Jail operations	1,673,308	1,673,308	1,592,030	(81,278)
Whitworth women's center	41,650	53,822	53,822	-
Coroner and medical examiner	34,764	37,765	37,762	(3)
Emergency management	34,113	34,113	23,956	(10,157)
Emergency medical service	2,788,593	2,908,482	2,895,273	(13,209)
E-911 addressing and permitting	50,965	60,319	60,319	-
GIS services 911	19,276	19,276	6,388	(12,888)
Animal control	109,986	121,945	121,945	-
Total public safety	7,422,534	7,578,909	7,307,967	(270,942)

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HART COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021
(Required Supplementary Information)

Continued from previous page

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public Works				
Public works administration	20,000	20,000	13,660	(6,340)
Highways & streets	946,505	946,505	726,988	(219,517)
Maintenance shop	654,068	654,068	491,404	(162,664)
Total public works	<u>1,620,573</u>	<u>1,620,573</u>	<u>1,232,052</u>	<u>(388,521)</u>
Public Health and Welfare				
Health	83,100	83,100	81,860	(1,240)
Welfare	23,100	23,175	23,175	-
Senior citizens center	145,734	145,734	88,433	(57,301)
Transportation services	137,643	185,325	185,325	-
Total public health and welfare	<u>389,577</u>	<u>437,334</u>	<u>378,793</u>	<u>(58,541)</u>
Recreation and Culture				
Recreation	354,423	355,318	355,318	-
Library administration	77,000	77,000	77,000	-
Total recreation and culture	<u>431,423</u>	<u>432,318</u>	<u>432,318</u>	<u>-</u>
Housing and Development				
Agricultural resources	95,756	95,756	67,667	(28,089)
Economic development & assistance	67,395	67,395	17,284	(50,111)
Airport authority	3,500	3,500	3,500	-
Adult basic education	11,150	11,150	5,852	(5,298)
Total housing and development	<u>177,801</u>	<u>177,801</u>	<u>94,303</u>	<u>(83,498)</u>
Total expenditures	<u>13,336,707</u>	<u>13,817,976</u>	<u>12,883,464</u>	<u>(934,512)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(849,917)</u>	<u>(1,331,186)</u>	<u>2,382,592</u>	<u>3,713,778</u>
Other financing sources (uses)				
Carryover of funds	849,917	1,331,186	-	(1,331,186)
Transfers out	-	-	(234,493)	(234,493)
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>849,917</u>	<u>1,331,186</u>	<u>(234,493)</u>	<u>(1,565,679)</u>
Net change in fund balance	-	-	2,148,099	2,148,099
Fund balance, beginning of year	9,862,260	9,862,260	9,862,260	-
Prior Period Adjustment	-	-	(1,294,613)	(1,294,613)
Fund balance, end of year	<u>\$ 9,862,260</u>	<u>\$ 9,862,260</u>	<u>\$ 10,715,746</u>	<u>\$ 853,486</u>

HART COUNTY, GEORGIA
AMERICAN RESCUE PROGRAM ACT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021
(Required Supplementary Information)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 235,153	\$ 235,153
Total revenues	<u>-</u>	<u>-</u>	<u>235,153</u>	<u>235,153</u>
EXPENDITURES				
Current expenditures				
General government				
General government	-	1,458	1,458	-
Board of elections	-	1,435	1,435	-
Data processing	-	1,435	1,435	-
Executive	-	4,306	4,306	-
Tax commissioner	-	5,741	5,741	-
Tax assessor	-	9,330	9,330	-
Total general government	<u>-</u>	<u>23,705</u>	<u>23,705</u>	<u>-</u>
Judicial				
Clerk of superior court	-	6,817	6,817	-
Probate court	-	4,126	4,126	-
Magistrate court	-	1,794	1,794	-
Total judicial	<u>-</u>	<u>12,737</u>	<u>12,737</u>	<u>-</u>
Public Safety				
Sheriff	-	44,451	44,451	-
Jail operations	-	19,287	19,287	-
Fire	-	3,229	3,229	-
Emergency medical service	-	57,970	57,970	-
E-911 addressing and permitting	-	1,076	1,076	-
GIS services 911	-	9,330	9,330	-
Animal control	-	756	756	-
Total public safety	<u>-</u>	<u>136,099</u>	<u>136,099</u>	<u>-</u>

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HART COUNTY, GEORGIA
AMERICAN RESCUE PROGRAM ACT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021
(Required Supplementary Information)

Continued from previous page

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public Works				
Highways & streets	-	18,515	18,515	-
Maintenance shop	-	10,765	10,765	-
Solid waste	-	23,194	23,194	-
Total public works	-	52,474	52,474	-
Public Health and Welfare				
Senior citizens center	-	1,526	1,526	-
Transportation services	-	2,871	2,871	-
Total public health and welfare	-	4,397	4,397	-
Recreation and Culture				
Recreation	-	5,741	5,741	-
Total recreation and culture	-	5,741	5,741	-
Total expenditures	-	235,153	235,153	-
Excess (deficiency) of revenues over (under) expenditures	-	(235,153)	-	235,153
Other financing sources (uses)				
Carryover of funds	-	235,153	-	(235,153)
Total other financing sources (uses)	-	235,153	-	(235,153)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

HART COUNTY, GEORGIA
MULTIPLE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021
(Required Supplementary Information)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,600,384	\$ 1,600,384	\$ 694,648	\$ (905,736)
Investment earnings	-	-	758	758
Contributions & donations	-	-	-	-
Total revenues	<u>1,600,384</u>	<u>1,600,384</u>	<u>695,406</u>	<u>(904,978)</u>
EXPENDITURES				
Public safety	-	17,410	17,410	-
Public health and welfare	-	1,002	1,002	-
Capital outlay	794,594	1,533,588	1,533,588	-
Total expenditures	<u>794,594</u>	<u>1,552,000</u>	<u>1,552,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	805,790	48,384	(856,594)	(904,978)
Other financing sources (uses)				
Carryover of funds	(805,790)	(1,554)	-	1,554
Transfers out - Health Care Services Fund	-	(46,830)	(46,830)	-
Total other financing sources (uses)	<u>(805,790)</u>	<u>(48,384)</u>	<u>(46,830)</u>	<u>1,554</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	(903,424)	(903,424)
Fund balances, beginning of year	<u>1,713,069</u>	<u>1,713,069</u>	<u>1,713,069</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,713,069</u>	<u>\$ 1,713,069</u>	<u>\$ 809,645</u>	<u>\$ (903,424)</u>

HART COUNTY, GEORGIA
INSURANCE PREMIUM TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021
(Required Supplementary Information)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,263,350	\$ 1,263,350	\$ 1,500,606	\$ 237,256
Investment earnings	10,000	10,000	1,118	(8,882)
Total revenues	<u>1,273,350</u>	<u>1,273,350</u>	<u>1,501,724</u>	<u>228,374</u>
EXPENDITURES				
Current				
General government	96,885	96,885	90,861	(6,024)
Public safety	538,370	538,370	466,479	(71,891)
Public works	555,720	555,720	555,720	-
Total expenditures	<u>1,190,975</u>	<u>1,190,975</u>	<u>1,113,060</u>	<u>(77,915)</u>
Excess (deficiency) of revenues over (under) expenditures	82,375	82,375	388,664	306,289
Fund balances, beginning of year	<u>2,459,844</u>	<u>2,459,844</u>	<u>2,459,844</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 2,542,219</u></u>	<u><u>\$ 2,542,219</u></u>	<u><u>\$ 2,848,508</u></u>	<u><u>\$ 306,289</u></u>

HART COUNTY, GEORGIA
EIP SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021
(Required Supplementary Information)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 5,700	\$ 5,700	\$ 26,430	\$ 20,730
Miscellaneous revenues	-	-	199,011	199,011
Total revenues	<u>5,700</u>	<u>5,700</u>	<u>225,441</u>	<u>219,741</u>
EXPENDITURES				
General government	-	1,107	1,107	-
Housing and development	-	-	-	-
Total expenditures	<u>-</u>	<u>1,107</u>	<u>1,107</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	5,700	4,593	224,334	219,741
Fund balances, beginning of year	<u>159,567</u>	<u>159,567</u>	<u>159,567</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 165,267</u></u>	<u><u>\$ 164,160</u></u>	<u><u>\$ 383,901</u></u>	<u><u>\$ 219,741</u></u>

HART COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2021

NOTE 1 - BUDGETARY INFORMATION

Budgets for the General Fund, the Insurance Premium Tax Fund, the Multiple Grant Fund and the EIP Fund are adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

During the fiscal year ended September 30, 2021, no expenditures were materially in excess of the amounts appropriated in any of these funds. Excesses are considered to be material if they are both greater than \$10,000 and over 3.0% of the department level budget (the legal level of control).

For the Multiple Grant Fund, the capital outlay portion has no budget requirement since it represents the capital projects portion of this fund.

For the EIP Fund, the miscellaneous revenues portion has no budget requirement since it represents payments received for the repayment of loans.

Supplementary Information

**Combining and Individual Nonmajor Fund Financial Statements and
Budgetary Schedules**

**Combining Financial Statements
Nonmajor Governmental Funds**

**HART COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021**

Special Revenue Funds										
	Confiscated Assets	DFACS Building	Drug Abuse Treatment and Education	E911	Jail	Behavioral Health Escrow	Law Library	Hotel Motel Tax	Health Care Services	TOTAL
ASSETS										
Cash and cash equivalents	\$ 19,808	\$ 302,684	\$ 49,086	\$ 39,008	\$ 41,148	\$ 29,647	\$ 22,340	\$ 35,192	\$ 47,139	\$ 586,052
Receivables (net of allowance for uncollectibles)	-	-	647	45,431	2,501	-	-	10,938	-	59,517
Due from other funds	-	-	-	2,141	-	-	-	-	46,830	48,971
Prepaid items	-	1,275	-	25,050	1,588	-	-	-	-	27,913
Total assets	\$ 19,808	\$ 303,959	\$ 49,733	\$ 111,630	\$ 45,237	\$ 29,647	\$ 22,340	\$ 46,130	\$ 93,969	\$ 722,453
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ 2,405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,405
Other accrued items	-	-	-	5,836	-	-	-	-	-	5,836
Due to other funds	-	1,700	-	-	-	-	-	21,948	-	23,648
Unearned revenue	-	12,879	-	-	-	-	-	-	-	12,879
Total liabilities	-	14,579	-	8,241	-	-	-	21,948	-	44,768
Fund balances										
Nonspendable	-	1,275	-	25,050	1,588	-	-	-	-	27,913
Restricted	19,808	288,105	49,733	78,339	43,649	29,647	22,340	24,182	93,969	649,772
Total fund balances	19,808	289,380	49,733	103,389	45,237	29,647	22,340	24,182	93,969	677,685
Total liabilities and fund balances	\$ 19,808	\$ 303,959	\$ 49,733	\$ 111,630	\$ 45,237	\$ 29,647	\$ 22,340	\$ 46,130	\$ 93,969	\$ 722,453

HART COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

Special Revenue Funds										
	Confiscated Assets	DFACS Building	Drug Abuse Treatment and Education	E911	Jail	Behavioral Health Escrow	Law Library	Hotel Motel Tax	Health Care Services	TOTAL
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,705	\$ -	\$ 60,705
Licenses and permits	-	-	-	355	-	-	-	-	-	355
Charges for services	-	41,940	-	484,719	-	-	-	-	-	526,659
Fines and forfeitures	20	-	21,666	-	29,687	-	9,954	-	-	61,327
Investment earnings	-	141	37	25	3	-	-	-	-	206
Miscellaneous	3,000	-	-	-	3,818	6,000	-	-	-	12,818
Total revenues	<u>3,020</u>	<u>42,081</u>	<u>21,703</u>	<u>485,099</u>	<u>33,508</u>	<u>6,000</u>	<u>9,954</u>	<u>60,705</u>	<u>-</u>	<u>662,070</u>
EXPENDITURES										
Current										
Judicial	-	-	-	-	-	-	8,409	-	-	8,409
Public safety	920	-	16,888	488,178	20,470	-	-	-	-	526,456
Health and welfare	-	3,346	-	-	-	833	-	-	-	4,179
Housing and development	-	-	-	-	-	-	-	36,523	-	36,523
Total expenditures	<u>920</u>	<u>3,346</u>	<u>16,888</u>	<u>488,178</u>	<u>20,470</u>	<u>833</u>	<u>8,409</u>	<u>36,523</u>	<u>-</u>	<u>575,567</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,100</u>	<u>38,735</u>	<u>4,815</u>	<u>(3,079)</u>	<u>13,038</u>	<u>5,167</u>	<u>1,545</u>	<u>24,182</u>	<u>-</u>	<u>86,503</u>
OTHER FINANCING SOURCES										
Transfers in	-	-	-	50,000	-	-	-	-	46,830	96,830
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,830</u>	<u>96,830</u>
Net change in fund balances	2,100	38,735	4,815	46,921	13,038	5,167	1,545	24,182	46,830	183,333
Prior period adjustment	-	(20,310)	-	-	-	-	-	-	-	(20,310)
Fund balances, beginning of year	17,708	270,955	44,918	56,468	32,199	24,480	20,795	-	47,139	514,662
Fund balances, end of year	<u>\$ 19,808</u>	<u>\$ 289,380</u>	<u>\$ 49,733</u>	<u>\$ 103,389</u>	<u>\$ 45,237</u>	<u>\$ 29,647</u>	<u>\$ 22,340</u>	<u>\$ 24,182</u>	<u>\$ 93,969</u>	<u>\$ 677,685</u>

**Nonmajor Special Revenue Funds
Budgetary Schedules**

Special Revenue Funds

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

This section contains budgetary comparison schedules for each nonmajor special revenue fund with a legally appropriated budget. For special revenue funds determined to be major funds, the budgetary comparison schedules are reported under the Required Supplementary Information section of these financial statements.

MAJOR FUNDS:

Insurance Premium Tax Fund - This fund is used to account for the County's share of the state tax on insurance companies collected by Georgia. The monies collected are used for the fire department and street department.

Multiple Grant Fund - This fund is used to account for the proceeds received from federal and state sources for various grants to include multi-year Georgia Local Management Improvement Grants ("LMIG") for road resurfacing.

ARPA Fund – This fund is used to account for the revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

NONMAJOR FUNDS:

Confiscated Assets – Vice Control Fund – This fund is used to account for the proceeds received from the federal government from sales of confiscated assets and is designated for use by law enforcement for investigative purposes.

DFACS Building Fund - This fund is used to account for the collection of rental payments received from the Department of Human Resources for the Department of Family and Children's Services (DFACS).

Drug Abuse Treatment and Education Fund - This fund is used to account for the County's share of fines and forfeitures collected by the court system specifically designated for drug abuse treatment and education.

E911 Fund - This fund is used to account for the County's share of telephone fees for the operation of their 911 emergency system.

Jail Fund - This fund is used to account for the collection of fines and forfeitures specifically designated for operation of the County's Jail.

Behavioral Health Escrow Fund - This fund is used to account for the maintenance and upkeep of the Behavioral Health facility.

Hotel-Motel Tax Fund – This fund is used to account for the collections of Hotel-Motel taxes and the County's support for the Chamber of Commerce.

Law Library - The Law Library records are maintained separately from the County. This fund is used to account for the court fines and fees legally restricted for the operation of the County's Law Library. There is no legally adopted budget for the Law Library.

Health Services Fund - This fund is used to account for activity transferred to the County by the now defunct Hart County Hospital Authority.

HART COUNTY, GEORGIA
CONFISCATED ASSETS - VICE CONTROL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 20	\$ 20
Miscellaneous	-	-	3,000	3,000
Total revenues	-	-	3,020	3,020
EXPENDITURES				
Current				
Public safety	6,000	6,000	920	(5,080)
Total expenditures	6,000	6,000	920	(5,080)
Excess (deficiency) of revenues over (under) expenditures	(6,000)	(6,000)	2,100	8,100
Fund balances, beginning of year	17,708	17,708	17,708	-
Fund balances, end of year	<u>\$ 11,708</u>	<u>\$ 11,708</u>	<u>\$ 19,808</u>	<u>\$ 8,100</u>

HART COUNTY, GEORGIA
DFACS BUILDING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 69,020	\$ 69,020	\$ 41,940	\$ (27,080)
Investment earnings	-	-	141	141
Total revenues	<u>69,020</u>	<u>69,020</u>	<u>42,081</u>	<u>(26,939)</u>
EXPENDITURES				
Current				
Health and welfare	37,750	37,750	3,346	(34,404)
Total expenditures	<u>37,750</u>	<u>37,750</u>	<u>3,346</u>	<u>(34,404)</u>
Excess (deficiency) of revenues over (under) expenditures	31,270	31,270	38,735	7,465
Fund balances, beginning of year	270,955	270,955	270,955	-
Prior period adjustment	-	-	(20,310)	
Fund balances, end of year	<u>\$ 302,225</u>	<u>\$ 302,225</u>	<u>\$ 289,380</u>	<u>\$ 7,465</u>

HART COUNTY, GEORGIA
DRUG ABUSE TREATMENT AND EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 31,000	\$ 31,000	\$ 21,666	\$ (9,334)
Investment earnings	-	-	37	37
Miscellaneous	-	-	-	-
Total revenues	<u>31,000</u>	<u>31,000</u>	<u>21,703</u>	<u>(9,297)</u>
EXPENDITURES				
Current				
Public safety	<u>10,500</u>	<u>16,888</u>	<u>16,888</u>	<u>-</u>
Total expenditures	<u>10,500</u>	<u>16,888</u>	<u>16,888</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	20,500	14,112	4,815	(9,297)
Fund balances, beginning of year	<u>44,918</u>	<u>44,918</u>	<u>44,918</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 65,418</u></u>	<u><u>\$ 59,030</u></u>	<u><u>\$ 49,733</u></u>	<u><u>\$ (9,297)</u></u>

HART COUNTY, GEORGIA
E911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 422,000	\$ 422,000	\$ 485,074	\$ 63,074
Investment earnings	-	-	25	25
Total revenues	<u>422,000</u>	<u>422,000</u>	<u>485,099</u>	<u>63,099</u>
EXPENDITURES				
Current				
Public safety	487,549	488,178	488,178	-
Total expenditures	<u>487,549</u>	<u>488,178</u>	<u>488,178</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(65,549)	(66,178)	(3,079)	63,099
Other financing sources (uses)				
Transfers in (out) - General Fund	-	-	50,000	50,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(65,549)	(66,178)	46,921	113,099
Fund balances, beginning of year	56,468	56,468	56,468	-
Fund balances, end of year	<u>\$ (9,081)</u>	<u>\$ (9,710)</u>	<u>\$ 103,389</u>	<u>\$ 113,099</u>

HART COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 40,000	\$ 40,000	\$ 29,687	\$ (10,313)
Investment earnings	-	-	3	3
Miscellaneous	-	-	3,818	3,818
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>33,508</u>	<u>(6,492)</u>
EXPENDITURES				
Current				
Public safety	42,000	42,000	20,470	(21,530)
Total expenditures	<u>42,000</u>	<u>42,000</u>	<u>20,470</u>	<u>(21,530)</u>
Excess (deficiency) of revenues over (under) expenditures	(2,000)	(2,000)	13,038	15,038
Fund balances, beginning of year	32,199	32,199	32,199	-
Fund balances, end of year	<u>\$ 30,199</u>	<u>\$ 30,199</u>	<u>\$ 45,237</u>	<u>\$ 15,038</u>

HART COUNTY, GEORGIA
BEHAVIORAL HEALTH ESCROW SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous	6,000	6,000	6,000	-
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
EXPENDITURES				
Current				
Health and welfare	5,950	5,950	833	(5,117)
Total expenditures	<u>5,950</u>	<u>5,950</u>	<u>833</u>	<u>(5,117)</u>
Excess (deficiency) of revenues over (under) expenditures	50	50	5,167	5,117
Fund balances, beginning of year	24,480	24,480	24,480	-
Fund balances, end of year	<u>\$ 24,530</u>	<u>\$ 24,530</u>	<u>\$ 29,647</u>	<u>\$ 5,117</u>

HART COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 9,954	\$ 9,954
Total revenues	-	-	9,954	9,954
EXPENDITURES				
Current				
Judicial	-	8,409	8,409	-
Total expenditures	-	8,409	8,409	-
Excess (deficiency) of revenues over (under) expenditures	-	(8,409)	1,545	9,954
Fund balances, beginning of year	20,795	20,795	20,795	-
Fund balances, end of year	<u>\$ 20,795</u>	<u>\$ 12,386</u>	<u>\$ 22,340</u>	<u>\$ 9,954</u>

HART COUNTY, GEORGIA
HOTEL - MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 60,705	\$ 60,705
Total revenues	<u>-</u>	<u>-</u>	<u>60,705</u>	<u>60,705</u>
EXPENDITURES				
Current				
Economic development	-	36,523	36,523	-
Total expenditures	<u>-</u>	<u>36,523</u>	<u>36,523</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	(36,523)	24,182	60,705
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ (36,523)</u>	<u>\$ 24,182</u>	<u>\$ 60,705</u>

HART COUNTY, GEORGIA
HEALTH SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in (out) - Multiple Grant Fund	-	-	46,830	46,830
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	46,830	46,830
Fund balances, beginning of year	47,139	47,139	47,139	-
Fund balances, end of year	\$ 47,139	\$ 47,139	\$ 93,969	\$ 46,830

Combining Financial Statements

Fiduciary Funds – Custodial Funds

Custodial funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Custodial funds are custodial in nature and do not involve measurement of results of operations.

HART COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS - CUSTODIAL FUNDS
September 30, 2021

	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Sheriff</u>	<u>Total</u>
ASSETS						
Cash	\$ 486,301	\$ 296,291	\$ 81,892	\$ 15,167	\$ 147,125	\$ 1,026,776
Taxes receivable	489,202	-	-	-	-	489,202
Total assets	<u>\$ 975,503</u>	<u>\$ 296,291</u>	<u>\$ 81,892</u>	<u>\$ 15,167</u>	<u>\$ 147,125</u>	<u>\$ 1,515,978</u>
LIABILITIES						
Due to others	<u>\$ 975,503</u>	<u>\$ 296,291</u>	<u>\$ 81,892</u>	<u>\$ 15,167</u>	<u>\$ 147,125</u>	<u>\$ 1,515,978</u>

HART COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - CUSTODIAL FUNDS
For the Year Ended September 30, 2021

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
ASSETS						
Cash, beginning	\$ 440,768	\$ 980,117	\$ 71,349	\$ 14,596	\$ 149,793	\$ 1,656,623
Additions	27,398,913	1,660,622	616,190	108,266	264,194	30,048,185
Deductions	(27,353,380)	(2,344,448)	(605,647)	(107,695)	(266,862)	(30,678,032)
Cash, ending	<u>486,301</u>	<u>296,291</u>	<u>81,892</u>	<u>15,167</u>	<u>147,125</u>	<u>1,026,776</u>
Taxes receivable, beginning	600,283	-	-	-	-	600,283
Additions	19,929,809	-	-	-	-	19,929,809
Deductions	(20,040,890)	-	-	-	-	(20,040,890)
Taxes receivable, ending	<u>489,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,202</u>
Total assets	<u>\$ 975,503</u>	<u>\$ 296,291</u>	<u>\$ 81,892</u>	<u>\$ 15,167</u>	<u>\$ 147,125</u>	<u>\$ 1,515,978</u>
LIABILITIES						
Due to others, beginning	\$ 1,041,051	\$ 980,117	\$ 71,349	\$ 14,596	\$ 149,793	\$ 2,256,906
Additions	27,398,913	1,660,622	616,190	108,266	264,194	30,048,185
Deductions	(27,464,461)	(2,344,448)	(605,647)	(107,695)	(266,862)	(30,789,113)
Due to others, ending	<u>975,503</u>	<u>296,291</u>	<u>81,892</u>	<u>15,167</u>	<u>147,125</u>	<u>1,515,978</u>
Total liabilities	<u>\$ 975,503</u>	<u>\$ 296,291</u>	<u>\$ 81,892</u>	<u>\$ 15,167</u>	<u>\$ 147,125</u>	<u>\$ 1,515,978</u>

Part III

Supplemental Schedules Section

This section contains schedules required by the State of Georgia.



Part IV

Compliance Section

This section contains compliance reports and schedules required by
The Uniform Guidance and Government Auditing Standards.



HART COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST #4)
For the Year Ended September 30, 2021

Project	Estimated Cost		Expenditures		Total	Estimated Percentage of Completion
	Original	Current	Prior Years	Current Year		
Roads, streets and bridges	\$ 3,994,880	\$ 4,234,940	\$ 4,234,940	\$ -	\$ 4,234,940	100.00%
Water system capital outlay	3,200,000	3,184,773	3,184,773	-	3,184,773	100.00%
Industrial development capital outlay	3,200,000	3,306,943	3,306,943	-	3,306,943	100.00%
Capital outlay projects for the City of Royston	358,400	358,400	358,400	-	358,400	100.00%
Capital outlay projects for the Town of Bowersville	185,600	185,600	185,600	-	185,600	100.00%
Capital outlay projects for the City of Canon	37,120	37,120	37,120	-	37,120	100.00%
Capital outlay projects for the City of Hartwell	2,304,000	2,424,000	2,424,000	-	2,424,000	100.00%
Fire protection equipment	1,360,000	1,353,376	1,353,376	-	1,353,376	100.00%
Recreational facilities	1,360,000	1,328,003	1,328,003	-	1,328,003	100.00%
Total	\$ 16,000,000	\$ 16,413,155	\$ 16,413,155	\$ -	\$ 16,413,155	

Note A: The SPLOST schedule has been prepared on the modified accrual basis of accounting.

Note B: On November 2, 2010, the special one percent sales tax #4 was approved by voters in Hart County with funds to be specifically used for:

- 1) Roads, streets & bridges
- 2) Water system capital outlay projects
- 3) Economic development capital outlay projects
- 4) Recreational facilities
- 5) Fire fighting equipment
- 6) Capital outlay projects for the Cities of Royston, Canon and Hartwell and the Town of Bowersville

Note C: The estimated \$16,000,000 SPLOST was approved by election held on November 2, 2010, and shall continue for a period of 6 years with collections that started on April 1, 2012.

HART COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST #5)
For the Year Ended September 30, 2021

Project	Estimated Cost		Expenditures		Total	Estimated Percentage of Completion
	Original	Current	Prior Years	Current Year		
Roads, streets and bridges	\$ 3,600,900	\$ 3,653,995	\$ 281,829	\$ 1,044,433	\$ 1,326,262	36.30%
Water system capital outlay	3,200,000	3,215,227	1,034,366	419,491	1,453,857	45.22%
Economic development capital outlay	3,200,000	3,093,057	296,852	189,073	485,925	15.71%
Capital outlay projects for the City of Royston	358,400	358,400	64,001	54,070	118,071	32.94%
Capital outlay projects for the Town of Bowersville	185,600	185,600	23,886	5,049	28,935	15.59%
Capital outlay projects for the City of Canon	37,100	37,100	19,927	-	19,927	53.71%
Capital outlay projects for the City of Hartwell	2,304,000	2,304,000	1,350,295	655,394	2,005,689	87.05%
Fire protection facilities and equipment	1,400,000	1,406,624	95,059	180,059	275,118	19.56%
Public safety equipment and capital improvements	1,214,000	1,214,000	483,100	127,212	610,312	50.27%
Recreation capital improvements	500,000	531,997	37,728	57	37,785	7.10%
Total	\$ 16,000,000	\$ 16,000,000	\$ 3,687,043	\$ 2,674,838	\$ 6,361,881	

Note A: The SPLOST schedule has been prepared on the modified accrual basis of accounting.

Note B: On November 7, 2017, the special one percent sales tax #5 was approved by voters in Hart County with funds to be specifically used for:

- 1) Roads, streets & bridges
- 2) Water system capital outlay projects
- 3) Economic development capital outlay projects
- 4) Fire fighting, public safety and recreation equipment and capital improvements
- 5) Capital outlay projects for the Cities of Royston, Canon and Hartwell and the Town of Bowersville

Note C: The estimated \$16,000,000 SPLOST was approved by election held on November 7, 2017, and shall continue for a period of 6 years with collections that started on April 1, 2018.

HART COUNTY, GEORGIA
SOURCE AND APPLICATION OF FUNDS SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2021

Hart County, Georgia (In Conjunction with the Hart County Water & Sewer Authority)

Recipient Name

20p-y-073-1-6136

Award Number

October 16, 2020 to October 16, 2022

Award Period

I.	Total Fiscal Year 2020 CDBG Funds Awarded to Recipient:	\$ 750,000	
	Final Fiscal Year 2020 CDBG Funds Awarded to Recipient:		<u>\$ 750,000</u>
II.	Total Amount Drawdown by Recipient from DCA: Reported in Fiscal Year 2021	\$ 43,795	
	Total Amount Drawdown by Recipient from DCA		<u>\$ 43,795</u>
III.	Less: Fiscal Year 2020 CDBG Funds Expended by Recipient (Cumulative):		<u>43,795</u>
IV.	Amount of Fiscal Year 2020 CDBG Funds Held by Recipient:		<u>\$ -</u>
V.	Amount of Fiscal Year 2020 CDBG Funds Still Available:		<u>\$ 706,205</u>

**HART COUNTY, GEORGIA
PROJECT COST SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2021**

Hart County, Georgia (In Conjunction with the Hart County Water & Sewer Authority)

Recipient Name

20p-y-073-1-6136

Award Number

October 16, 2020 to October 16, 2022

Award Period

<u>Program Activity</u>	<u>CDBG Activity Number</u>	<u>Latest Approved Budget</u>	<u>Accumulated CDBG Expenditures to Date</u>	<u>Accumulated Expenditures to Date (Other Funds)*</u>	<u>Grand Total of Expenditures to Date</u>	<u>Questioned Costs</u>
Engineering	T-03J-00	\$ 43,795	\$ 43,795	\$ 26,700	\$ 70,495	\$ -
Water facilities	P-03J-01	683,705	-	-	-	-
Grant administration	A-21A-00	22,500	-	20,600	20,600	-
TOTAL		<u>\$ 750,000</u>	<u>\$ 43,795</u>	<u>\$ 47,300</u>	<u>\$ 91,095</u>	<u>\$ -</u>

*Source of other funds: local government match \$47,300

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Lauren E. Cobb

February 21, 2022

**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**

The Honorable Chairman and
Members of the Board of Commissioners
Hart County
Hartwell, 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 Hart County, Georgia, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Hart County, Georgia's basic financial statements and have issued our report thereon dated February 21, 2022. Our report includes a reference to other auditors who audited the financial statements of the Hart County Health Department, a component unit of Hart County, Georgia, as described in our report on Hart County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of prior and current audit findings as item 2021-01, that we consider to be a material weakness.

BURCH, CROOMS & COMPANY, LLP

Hart County, Georgia
Page 2
February 21, 2022

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hart County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters involving the internal control over financial reporting that we have reported to the management of Hart County, Georgia in a separate letter dated February 21, 2022.

Hart County's Response to Findings

Hart County's response to the findings identified in our audit is described in the accompanying schedule of prior and current audit findings. Hart 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.

Burch, Crooms & Company, LLP

HART COUNTY, GEORGIA
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS
For the Year Ended September 30, 2021

SCHEDULE OF PRIOR AUDIT FINDINGS:

The prior audit report contained no written audit findings.

SCHEDULE OF CURRENT AUDIT FINDINGS:

Financial Statement Audit Findings:

Finding 2021-01 Material weakness in internal control over financial reporting

Condition: County personnel may require additional training in the daily accounting functions and procedures. During the year ended September 30, 2021, the Associate County Clerk was out of work on medical leave for an extended period of time. Other personnel were assigned her duties during her absence, but were not adequately trained resulting in numerous errors found during the audit, mispostings in the general ledger, and CDBG revenues and expenditures not posted in the general ledger.

Criteria: Effective internal control requires personnel be adequately trained to effectively and accurately perform their duties.

Effect: Failure to understand the basic accounting functions and the accounting system utilized by the County may lead to material misstatements.

Questioned costs: No questioned costs noted.

Cause: The County has a limited number of personnel for the accounting functions. The absence of the Associate County Clerk left very limited personnel who were knowledgeable of the accounting system and functions to perform the daily duties.

Recommendation: County personnel working with the daily accounting duties should receive specific accounting training for governmental entities, as well as training on the County's computer system.

Corrective action plan: Management concurs with this finding. The County will pursue training for all accounting personnel.

Contact person: Terrell Partain, County Administrator