CHARLTON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia

CHARLTON COUNTY, GEORGIA

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FOR THE YEAR ENDED DECEMBER 31, 2016

Charlton County, Georgia
Financial Statements
For the Year Ended December 31, 2016

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Introductory Section

CHARLTON COUNTY OFFICIALS

CHAIRMAN
James E. Everett

Vice Chairman
Alphya Benefield

COMMISSIONERS
Jesse Crews
Ronnie Pollock
Luke Gowen

COUNTY ADMINISTRATOR
Shawn Boatright

COUNTY CLERK
Jenifer Nobles

AP/PR/HR Finance Clerk
Rebecca Brown

CONSTITUTIONAL OFFICERS
Clerk of Court - Wendy C. Whitaker
Probate/Magistrate Judge - Cheryl McMillan
Sheriff - Ernest Conner
Tax Commissioner - Debra Mizell

NON-CONSTITUTIONAL OFFICER
County Attorney - John B. Adams
CPA - Don Crews
Chief Appraiser - Elaine Todd

DEPARTMENT HEADS
Public Works & Recreation Director - Terry Fahey
Road Superintendent - Jed Knowles
EMS & EMA - Bruce Young
Building Inspector and Code Enforcement- Donald Glover
Fire Chief - C. L. Lewis

FINANCIAL SECTION

The financial section includes the independent auditor's report on the financial statement audit, the MD&A which provides a narrative introduction, overview and analysis of the financial statements, the basic financial statements including notes.

Independent Auditor's Report

Earl A. Lawson,
Certified Public Accountant
1025 Elizabeth Street
Blackshear, Georgia 31516

Telephone
(912) 449-5485

INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Charlton County, Georgia

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the aggregate discretely presented component unit of Charlton County Georgia, as of and for the year ended December 31, 2016, and the related notes 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 controls 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

My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the Charlton County Health Department, which represent 1.8 percent, -.1 percent, and 5.2 percent, respectively, of the assets, net position, and revenues of Charlton County, Georgia. Those statements were audited by other auditors whose report has been furnished to me, and my position, insofar as it relates to the amounts included for Charlton County Health Department, is based solely on the report of the other auditors. I conduced my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, based on my 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, each major fund, the aggregate remaining fund information and the aggregate discretely presented component unit of Charlton County, Georgia as of December 31, 2016, 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, budgetary comparison information and pension information on pages 11-19, 72-76 and 77-85 be presented to supplement the financial statements. Such information, although not a part of the basis financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquires, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Charlton County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Supplementary Information

The combining and individual nonmajor fund financial statements, and the other information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements, themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my audit, the procedures performed as described above, and the report of other auditors, the combining and individual nonmajor fund financial statements, and the other information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The combining and individual nonmajor fund financial statements, and the other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 7, 2017 on my consideration of Charlton County, Georgia's internal controls over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my 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 Charlton County's internal control over financial reporting.

Earl A. Lawson
Certified Public Accountant
Blackshear, Georgia
June 7, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the County.

Management's Discussion and Analysis

Within this section of Charlton County, Georgia (County) annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the year ended December 31, 2016. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

FINANCIAL HIGHLIGHTS

The County's total assets exceeded its total liabilities by $21,458,505 (net position) for the year reported. This compares to the previous year when the total assets exceeded the total liabilities by $19,794,548.

Total net position are comprised of the following:

1. Net Investment in Capital Assets, of $16,997,581 include property and equipment, net of accumulated depreciation, and reduced by outstanding debt related to the purchase and construction of capital assets.
2. Net position of $1,111,114 are restricted by constraints imposed upon the County by laws and regulations.
3. Unrestricted net position of $3,349,810 represent the portion available to maintain the County's continuing obligations to citizens and creditors.

The County's governmental funds reported total ending fund balance of $5,309,490 this year. This compares to the prior year ending fund balance, of $4,632,795 as restated showing an increase of $676,695 during the current year.

At the end of the current year, unassigned fund balance for the General Fund was $4,190,568, or 39.3% of total General Fund expenditures.

Overall, Charlton County, Georgia, continues to maintain a strong financial position.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 21 - 22 provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 23. For governmental activities, these statements tell how these services were financed in the short term as well

as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Overview to the Financial Statements

Management's Discussion and Analysis introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The County also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

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

The first of these government-wide statements is the Statement of Net Position. This is the County-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification to the taxpayer base or the condition of County infrastructure in addition to the financial information provided in this report.

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

Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and community development. The County's fiduciary activities simply holds resources temporarily for others and are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and, additionally, organizations for which the County is accountable (component units). These component units operate independently and provide services directly to the citizens, though the County remains accountable for their activities. These component units are governed by a board of directors that the County Commission has appointed. The County Health Department, are reported separately from the primary government though included in the County's overall reporting entity.

The Government-wide financial statements are presented on pages 21 - 22 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus Is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the required supplementary information for the general fund. Budgetary comparison schedules for special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget.

Pension Plan information are included as Reqiored Supplementary Information.

Fiduciary funds (i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. Fiduciary fund financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statement is presented on page 30 of this report.

Notes to the basic financial statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are on pages 31 - 71 of this report.

Other information

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report on pages 86 - 100.

Financial Analysis of the County as a Whole

The County's combined net positon were $21,458,505 of December 31, 2016. This is a $1,663,957 increase from last year's nets position of $19,794,548. The following Table provides a summary of the County's net position:

Summary of Net Position

Assets and Deferred Outflows of Resources:	Governmental Activities		Total		Percentage of Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 5,883,906	$ 5,886,200	$ 5,883,906	$ 5,886,200	24.74%	25.32%
Capital assets	17,492,345	17,359,363	17,492,345	17,359,363	73.54%	74.68%
Total assets	23,376,251	23,245,563	23,376,251	23,245,563	98.27%	100.00%
Deferred Outflows of Resources	411,204	-	411,204	-	1.73%	0.00%
Total Assets and Deferred Outflows of Resources	23,787,455	23,245,563	23,787,455	23,245,563	100.00%	100.00%
Liabilities and Deferred Inflows of Resources:						
Current liabilities	323,826	621,923	323,826	621,923	13.90%	18.02%
Long-term liabilities	1,703,128	2,127,247	1,703,128	2,127,247	73.13%	61.64%
Total liabilities	2,026,954	2,749,170	2,026,954	2,749,170	87.03%	79.66%
Deferred Inflows of Resources	301,996	701,845	301,996	701,845	12.97%	20.34%
Total Liabilities and Deferred Inflows of Resources	2,328,950	3,451,015	2,328,950	3,451,015	100.00%	100.00%
Net position:						
Net investment in capital assets	16,997,581	15,899,029	16,997,581	15,899,029	79.21%	80.32%
Restricted	1,111,114	734,027	1,111,114	734,027	5.18%	3.71%
Unrestricted (deficit)	3,349,810	3,161,492	3,349,810	3,161,492	15.61%	15.97%
Total net position	$ 21,458,505	$ 19,794,548	$ 21,458,505	$ 19,794,548	100%	100.00%

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 18 to 1. This ratio is strong.

Note that approximately 79.2% of the governmental activities' net position are tied up in capital (with 16.25% of the capital assets being infrastructure). The County uses these capital assets to provide services to its citizens.

The County reported positive balances in net position for governmental activities. Net position increased $1,663,957 for governmental activities.

Summary of Statement of Activities

	Governmental Activities		Total		Percentage of Total	
Revenues:	2016	2015	2016	2015	2016	2015
Program Revenues						
Charges for services	$ 3,685,277	$ 2,642,809	$ 3,685,277	$ 2,642,809	28.31%	23.37%
Operating grants	71,019	68,350	71,019	68,350	0.55%	0.60%
Capital grants	2,325,535	1,355,227	2,325,535	1,355,227	17.87%	11.99%
General Revenues						
Property taxes	5,859,112	5,647,300	5,859,112	5,647,300	45.01%	49.95%
Other taxes	1,068,150	1,498,141	1,068,150	1,498,141	8.21%	13.25%
Interest	763	14,370	763	14,370	0.01%	0.13%
Other Revenues	6,373	80,705	6,373	80,705	0.05%	0.71%
Total Revenues	$ 13,016,229	$ 11,306,902	$ 13,016,229	$ 11,306,902	100%	100%
Expenses						
General government	2,134,052	2,264,468	2,134,052	2,264,468	18.80%	20.03%
Judicial	1,005,392	985,596	1,005,392	985,596	8.86%	8.72%
Public safety	4,738,465	4,669,623	4,738,465	4,669,623	41.74%	41.31%
Public works	2,524,986	2,424,686	2,524,986	2,424,686	22.24%	21.45%
Health and welfare	205,045	212,055	205,045	212,055	1.81%	1.88%
Culture and recreation	534,715	525,117	534,715	525,117	4.71%	4.65%
Other Government services	167,385	176,196	167,385	176,196	1.47%	1.56%
Interest	42,232	47,084	42,232	47,084	0.37%	0.42%
Total expense	11,352,272	11,304,825	11,352,272	11,304,825	100%	100%
Excess (deficiency)	1,663,957	2,077	1,663,957	2,077		
Special Item						
See Note 4B page 66	-	1,439,300	-	1,439,300		
Change in net position	1,663,957	1,441,377	1,663,957	1,441,377		
Beginning net position	19,794,548	18,353,171	19,794,548	18,353,171		
Ending net position	$ 21,458,505	$ 19,794,548	$ 21,458,505	$ 18,353,171		

Financial Analysis of the County's Funds

The County had a increase in Revenues for the year ended December 31, 2016. The increase in revenue resulted from the County receiving Grants from various State and Federal Agencies.

The increase in the expenses is not due to any one department or expense item but are increased by the timing of repairs and maintenance, management of costs. When the increases and decreases are viewed in the context of several years, they are more in line with what is expected. The total expenses are as follows:

Year	Total Expense
2012	11,429,033
2013	10,262,761
2014	11,485,591
2015	11,304,825
2016	11,352,272

The overall repairs and maintenance expense for the Equipment within the County was down in 2016 because of the upgrades made to the County Equipment.

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund reported ending fund balances of $4,287,198 for 2016 and $4,002,707, for 2015. In 2016 $96,630 was restricted and $4,190,568 was unassigned and available to pay current obligations.

General Fund Budgetary Highlights

The original budget adopted anticipated a $0.00 decrease in its fund balance. The budget was subsequently revised to reflect a decrease in its fund balance of $0.00. The actual fund balance increase was $676,595

Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2016, was $17,492,345

Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities		Total		Percentage of Total	
	2016	2015	2016	2015	2016	2015
Non-depreciable assets:						
Land	$ 763,700	$ 738,700	$ 763,700	$ 738,700	100.00%	100.00%
Construction in progress	-	-	-	-	0.00%	0.00%
Total non-depreciable	763,700	738,700	763,700	738,700	100.00%	100.00%
Depreciable assets:						
Buildings	10,514,132	10,413,512	10,514,132	10,413,512	37.90%	39.17%
Machinery and equipment	10,980,075	10,712,242	10,980,075	10,712,242	39.58%	40.29%
Infrastructure	6,250,332	5,461,233	6,250,332	5,461,233	22.53%	20.54%
Total depreciable assets	27,744,539	26,586,987	27,744,539	26,586,987	100.00%	100.00%
Total Capital Assets	28,508,239	27,325,687	28,508,239	27,325,687		
Less accumulated depreciation	(11,015,894)	(9,966,324)	(11,015,894)	(9,966,324)		
Book value - depreciable assets	17,492,345	$ 17,359,363	$ 17,492,345	$ 17,359,363		

See Note 3-D for addition information about the County's capital assets on page 48.

Long-term debt

At the end of the year, the County had total debt outstanding of $631,764. This total amount is supported by pledged revenues generated primarily by the County's Governmental Activities, and real and personal property.
The County's long-term debt relates to Notes, Leases and Compensated Absences.

	Outstanding Debt					
	Governmental Activities		Total		Percentage of Total	
	2016	2015	2016	2015	2016	2015
Notes outstanding	$ 347,335	$ 1,223,403	$ 347,335	$ 1,223,403	54.98%	76.43%
Leases	147,429	236,931	147,429	236,931	23.34%	14.80%
Compensated absences	137,000	140,256	137,000	140,256	21.69%	8.76%
Total	$ 631,764	$ 1,600,590	$ 631,764	$ 1,600,590	100.00%	100.00%

See Note 3-G for additional information about the county's long-term debt on pages 53 - 57.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The revenues of the County is projected to remain stable in 2017. The economy of the County as a whole is stable.

Charlton County will continue to update its capital assets during the year ended December 31, 2017.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulation, and demonstrate the County's commitment of public accountability. If you have questions about this report or would like to request additional information, contact:

Charlton County Board of Commissioners
68 Kingsland Drive, Suite B
Folkston, Georgia 31537
Telephone: (912) 496-2549

Basic Financial Statements

The basic financial statements include the government-wide statement of net position and government-wide statement of activities which include all of the primary government's governmental activities . In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.

Charlton County, Georgia
Statement of Net Position
December 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets and Deferred Outflows of Resources:				
Current Assets:				
Cash	$ 4,627,004	$ -	$ 4,627,004	$ 376,667
Accounts Receivable	6,200	-	6,200	-
Taxes Receivable	825,762	-	825,762	-
Due From Other Governments	424,940	-	424,940	30,302
Due From Other Funds	-	-	-	-
Noncurrent Assets				
Capital Assets				
Non depreciable Capital Assets	763,700	-	763,700	-
Depreciable Capital Assets, Net	16,728,645	-	16,728,645	-
Total Assets	23,376,251	-	23,376,251	406,969
Deferred Outflows of Resources:				
Deferred outflows related to pensions	411,204	-	411,204	22,240
Total Assets and Deferred Outflows of Resources	23,787,455	-	23,787,455	429,209
Liabilities and Deferred Inflows of Resources:				
Current Liabilities:				
Accounts Payable	44,640	-	44,640	-
Accrued Expenses	-	-	-	-
Due to Other Funds	-	-	-	-
Accrued Interest	4,304	-	4,304	-
Compensated Absences Payable	-	-	-	8,183
Capital Leases Payable	59,186	-	59,186	-
Notes Payable	161,959	-	161,959	-
Other Liabilities	53,737	-	53,737	-
Total Current Liabilities	323,826	-	323,826	8,183
Long-Term Liabilities: (net of current portion)				
Compensated Absences Payable (net of current portion)	137,000	-	137,000	8,182
Net Pension Obligation	1,292,509	-	1,292,509	402,101
Capital Leases Payable (net of current portion)	88,243	-	88,243	-
Notes Payable (net of current portion)	185,376	-	185,376	-
Total Long Term Liabilities	1,703,128	-	1,703,128	410,283
Deferred Inflows of Resources	301,996	-	301,996	32,225
Total Liabilities and Deferred Inflows of Resources	2,328,950	-	2,328,950	450,691
Net Position				
Net Investment in Capital Assets	16,997,581	-	16,997,581	-
Restricted for :				
Capital Projects	1,014,484	-	1,014,484	-
Public Safety	96,630		96,630	
Prior Year Program Income	-	-	-	179,571
Special Programs	-	-	-	-
Unrestricted	3,349,810	-	3,349,810	(201,053)
Total Net Position	$ 21,458,505	$ -	$ 21,458,505	$ (21,482)

See accompanying notes to the basic financial statements.

Charlton County, Georgia

Statement of Activities
For the Year Ended December 31, 2016

	Expenses	Program Revenues: Charges for Services & Sales & Fines	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants & Contributions	Primary Government: Governmental Activities	Primary Government: Business Type Activities	Primary Government: Total	Component Units
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	$ 2,134,052	$ 304,450	$ -	$	$ (1,829,602)	$ -	$ (1,829,602)	$ -
Judicial	1,005,392	94,252	46,301		(864,839)	-	(864,839)	-
Public Safety	4,738,465	1,029,333	1,233	829,931	(2,877,968)	-	(2,877,968)	-
Public Works	2,524,986	2,206,202	-	1,230,076	911,292	-	911,292	-
Health and Welfare	205,045	44,919	23,485	-	(136,641)	-	(136,641)	-
Culture and Recreation	534,715	6,121	-	265,528	(263,066)	-	(263,066)	-
Other Government Services	167,385	-	-	-	(167,385)	-	(167,385)	-
Interest	42,232	-	-	-	(42,232)	-	(42,232)	-
Total Governmental Activities	11,352,272	3,685,277	71,019	2,325,535	(5,270,441)	-	(5,270,441)	-
Business-Type Activities:								
	-	-	-	-	-	-	-	-
Other Enterprise Funds	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-
Total - Primary Government	$ 11,352,272	$ 3,685,277	$ 71,019	$ 2,325,535	$ (5,270,441)	$ -	$ (5,270,441)	$ -
Component Units								75,570
Charlton County Health Department	601,517	181,032	496,055	-	-	-	-	75,570
Total - Component Units	$ 601,517	$ 181,032	$ 496,055	$ -	$ -	$ -	$ -	$ 75,570
	GENERAL REVENUES:							
	Taxes:				$ 5,859,112	$ -	$ 5,859,112	$ -
	Property				672,933	-	672,933	-
	Sales				395,217	-	395,217	-
	Other taxes				-	-	-	-
	Gain on Sale of Capital Assets				763	-	763	-
	Interest Earned				6,373	-	6,373	-
	Other				6,934,398	-	6,934,398	-
	Total General Revenues				-	-	-	-
	Transfers				6,934,398	-	6,934,398	-
	Total General Revenues and Transfers							
	Change in Net Position				1,663,957	-	1,663,957	75,570
	Net Position Beginning				19,794,548		19,794,548	(97,052)
	Net Position Ending				$ 21,458,505	$ -	$ 21,458,505	$ (21,482)

See accompanying notes to the basic financial statements.

Charlton County, Georgia
Balance Sheet
Governmental Funds
December 31, 2016

	Capital Project Funds				
	General	Grants Fund	2014 SPLOST	Other Gov't Funds	Total Gov't Funds
Assets:					
Cash	$ 3,478,651	$ 324,943	$ 408,514	$ 414,896	$ 4,627,004
Receivables, (net, where applicable of allowance for uncollectible.)					
Taxes	825,762	-	-	-	825,762
Due from other funds	-	-	-	-	-
Due from other Governments	165,340	-	259,600	-	424,940
Accounts	6,200	-	-	-	6,200
Note receivable	-	-	-	-	-
Total Assets	$ 4,475,953	$ 324,943	$ 668,114	$ 414,896	$ 5,883,906
Liabilities and Deferred Inflow of Resources and Fund Balances:					
Accounts Payable	$ 44,640	$ -	$ -	$ -	$ 44,640
Accrued Expenditures	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Payable to Other Governments	-	-	-	-	-
Total Liabilities	44,640	-	-	-	44,640
Deferred Inflows of Resources	144,115	301,996	83,665	-	529,776
Total Liabilities and Deferred Inflows of Resources	188,755	301,996	83,665	-	574,416

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Balance Sheet
Governmental Funds
December 31, 2016

	General	Capital Project Funds: Grants Fund	Capital Project Funds: 2014 SPLOST	Other Gov't Funds	Total Gov't Funds
Fund Balances					
Nonspendable:	-				-
Restricted:					
Capital Projects	-	22,947	584,449	407,088	1,014,484
Public Safety	96,630	-	-		96,630
Committed	-	-	-	-	-
Assigned:	-				
Recreation	-	-	-	7,808	7,808
Unassigned:	4,190,568	-	-	-	4,190,568
Total Fund Balances	4,287,198	22,947	584,449	414,896	5,309,490
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 4,475,953	$ 324,943	$ 668,114	$ 414,896	$ 5,883,906

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Reconciliation of Total Governmental Fund Balances to Net Positions of Governmental Activities
For The Year Ended December 31, 2016

Total Governmental Fund Balances			$ 5,309,490
Amounts Reported for Governmental Activities in the Statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
	Cost	28,508,239	
	Less accumulated depreciation	(11,015,894)	17,492,345
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and therefore are deferred in the funds .			
	Property taxes	89,000	
	Sales taxes	55,115	
	Intergovernmental	83,665	
	Deferred outflows of resources related to pensions	411,204	638,984
Liabilities, included notes and capital leases are not due and payable in the funds.			
	Note payable	(347,335)	
	Accrued interest	(4,304)	
	Capital leases	(147,429)	
	Net pension obligations	(1,292,509)	
	Compensated absences	(137,000)	
	Other Liabilities	(53,737)	(1,982,314)
Net Position of Governmental Activities			$ 21,458,505

See Accompanying Notes to the Basic Financial Statements

Charlton County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2016

		Capital Project Funds			
Revenues:	General	Grants Fund	2014 SPLOST	Other Gov't Funds	Total Gov't Funds
Taxes	$ 6,971,967	$ -	$ -	$ -	$ 6,971,967
Fines and Forfeitures	262,050	-	-	-	262,050
Licenses, Fees and Permits	75,159	-	-	-	75,159
Intergovernmental	313,800	582,153	1,080,158	398,928	2,375,039
Charges for Services	3,317,526	-	-	30,542	3,348,068
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation	-	-	-		-
Interest Earnings	-	-	-	763	763
Other Revenue	6,373	-	-	-	6,373
Total Revenues	10,946,875	582,153	1,080,158	430,233	13,039,419
EXPENDITURES:					
Current:					
General Government	2,080,613	-	-	-	2,080,613
Judicial	783,438	-	-	-	783,438
Public Safety	4,261,190	1,000	-	-	4,262,190
Public Works	1,971,245	-	-	-	1,971,245
Health and Welfare	180,171	-	-	-	180,171
Culture and Recreation	457,518	-	-	23,947	481,465
Other services	167,385	-	-	-	167,385

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2016

		Capital Project Funds			
	General	Grants Fund	2014 SPLOST	Other Gov't Funds	Total Gov't Funds
Capital Outlay:					
General Government	-	-	20,837	-	20,837
Judicial	-	-	-	-	-
Public Safety	-	340,325	157,992	30,173	528,490
Public Works	-	231,521	182,760	399,092	813,373
Health and Welfare	-	-	49,611	-	49,611
Culture and Recreation	-	-	13,689	-	13,689
Community Development	-	-	-	-	-
Debt Service:					
Principal	727,323	-	238,247	-	965,570
Interest and Other Charges	33,501	-	11,146	-	44,647
Total Expenditures	10,662,384	572,846	674,282	453,212	12,362,724
Excess of Revenues Over (Under) Expenditures	284,491	9,307	405,876	(22,979)	676,695

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For The Year Ended December 31, 2016

	General	Capital Project Funds: Grants Fund	Capital Project Funds: 2014 SPLOST	Other Gov't Funds	Total Gov't Funds
Other Financing Sources (Uses):					
Proceeds from debt	-	-	-	-	-
Proceeds from leases	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	284,491	9,307	405,876	(22,979)	676,695
Fund Balance Beginning	4,002,707	13,640	178,573	437,875	4,632,795
Fund Balances - End of Year	$ 4,287,198	$ 22,947	$ 584,449	$ 414,896	$ 5,309,490

See Accompanying Notes to the Basic Financial Statements.

Charlton County, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended December 31, 2016

Net Changes in Fund Balances - Total Governmental Funds		$ 676,695
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay	1,451,001	
Depreciation expense	(1,318,019)	132,982
In the statement of activities, only the gain or loss on the sale or trade in of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold:		
Cost of assets disposed of	268,449	
Less: Accumulated Depreciation	(268,449)	
Net book value of assets disposed of		-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Grants	(3,485)	
Taxes	(50,500)	
Sales taxes	5,795	
Fines	-	
		(48,190)
Issuance of long term debt provides current financial resources to governmental funds while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. The issuance of long term debt increases long term liabilities and the repayment of long term debt reduces long term liabilities in the statement of net position.		
Accrued Interest	2,415	
Other Liabilities	(53,737)	
Repayment of long term debt	965,570	
		914,248
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	3,256	
Net Pension Liability and changes in related deferred outflows of resources	(15,034)	(11,778)
Change in Net Position of Governmental Activities		$ 1,663,957

See Accompanying Notes to the Basic Financial Statements

Charlton County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2016 and 2015

	December 31	
	2016	2015
Assets:		
Cash	$ 279,615	$ 309,453
Accounts receivable	-	-
Total Assets	$ 279,615	$ 309,453
Liabilities:		
Due to other governments and individuals	279,615	309,453
Total Liabilities	$ 279,615	$ 309,453

See accompanying notes to the basic financial statements

NOTES TO THE FINANCIAL STATEMENTS

The Notes to the financial Statements are a required component of the basic financial statements of the County. The notes present required and essential information for the fair presentation of the statements that have not been disclosed on the face of the financial statements.

Charlton County, Georgia
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Charlton County, Georgia (the County), was incorporated under the laws of the State of Georgia. The County operates under a Commissioner- Chairman form of government. The County is governed by a board of five commissioners elected by the voters of the County.

Note 1- Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. For its enterprise funds, the County applies any FASB statements and interpretations issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements.

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

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Charlton County, this entity includes all departments and activities that are directly operated by the elected county officials.

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

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

Note 1- Summary of Significant Accounting Policies (Continued)

Brief descriptions of the discretely presented component units follow:

Charlton County Health Department (Health Department)- The Health Department provides health care services and health education to residents of Charlton County. The Health Department receives financial support from Charlton County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors. The Health Department issued separately audited financial statements with a fiscal year ended June 30, 2016 and copies of these financial statements may be obtained from their administrative office at:

Charlton County Health Department
Folkston, Georgia 31533

Other public entities located within the County are not included in the basic financial statements include municipalities and the following independent taxing districts authorized and established by the laws of Georgia.

Charlton County Development Authority
Charlton County Board of Education
Charlton County Board of Family & Children Services

Any disbursements to these units by the County are based on contractual agreements, have been budgeted, and expended as part of the regular operations of the County.

The accounting policies of Charlton County, Georgia conform to generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies.

1-B. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized

Note 1- Summary of Significant Accounting Policies (Continued)

1-B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, and claims and judgments expenditures are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

Government-wide Financial Statements- The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities which are generally supported by taxes and County general revenues, from business-type activities which are generally financed in whole or in part with fees charged to external customers.

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

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

Note 1- Summary of Significant Accounting Policies (Continued)

Government-wide financial statements (continued)

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

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

Fund Financial Statements:

The underlying accounting system of the Government is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and proprietary funds. The fiduciary fund statements include financial information for the agency funds. These funds represent assets held by the Government in a custodial capacity for individuals or other governments.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Note 1- Summary of Significant Accounting Policies (Continued)

Governmental Funds:

Governmental funds are used to account for the Government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The Government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and accumulated unpaid sick pay which does not vest.

Property tax revenues are considered measurable and available if they are collected during the current period or within sixty days after the end of the period. Property taxes not collected within days are recorded as receivable, however, the related revenue is deferred and recognized when subsequently collected. Sales tax revenue is considered measurable and available when collected from the customer at the time that a taxable transaction occurs. Expenditure -driven grants are recognized then the qualifying expenditures have been incurred and all other grant requirements are met.

Interest revenue and charges for services revenues, are considered measurable and available if collected during the current period or within twelve months of the end of the period. The Government has determined that fines and forfeitures, in compliance with GASB 22, *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*, are not deemed to be susceptible to accrual as they are not measurable until received in cash.

Governmental fund types include: The General Fund, Special Revenue Funds and Capital Project Funds

Basis of Presentation:

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section of this report.

Note 1- Summary of Significant Accounting Policies (Continued)

Major Governmental Funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general balance is available to the County for any new purpose, provided it is expanded or transferred according to the general laws of Georgia.

Capital Project Funds:

Grant Fund-To account for the revenue and expenditures of the funds provided by various Grants.

2014 SPLOST Fund-To account for the revenue and expenditures of the funds collected from the 2014 SPLOST.

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

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

Revenues- Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales tax, property taxes ,grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sales takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 4-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue form non-exchange transaction also must be available (i.e., collected within 60 days) before it can be recognized.

Note 1- Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents and Investments

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

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

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

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

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible.

1-E-3 Interfund Balances

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

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-4 Consumable Inventories

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

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statements of net position and in the enterprise fund's statement of net position.

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-6 Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise is capitalized.

Charlton County is a Phase III Government in regards to the implementation of GASB 34. Therefore, the infrastructure included in these financial statements includes the infrastructure added since the implementation of GASB-34. Infrastructure prior to the implementation of GASB-34 is not included.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Improvements other than buildings	10-60 years	10-60 years
Buildings	40-60 years	40-60 years
Machinery and equipment	3-10 years	3-10 years
Infrastructure	40 years	40 years

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

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-7 Compensated Absences

Vacation benefits are not accrued as a liability, because if the vacation time is not taken by the employee during the year earned, the vacation time will expire at the end of the year in which it was earned.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

Compensated absences are paid from the General Fund of the County.

1-E-8 Accrued Liabilities and Long-term Obligations

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

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

1-E-8 Fund Equity

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

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

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-8 Fund Equity (Continued)

Nonspendable - Fund balances are reported as nonspendable when amounts cannot be spent because that are either (a) no in spendable form (I.E., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

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

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of County Commissioners through the adoption of a resolution. The Board of Commissioners 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 or committed. Through resolution, the Board of County Commissioners has authorized the County's manager to assign fund balances.

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

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 first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance. It is the County's policy to use fund balance in the following order:

Committed
Assigned
Unassigned

Net Position- Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used (i.e., the amount the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net positions are reported as unrestricted .

The County applies restricted resources first when an expense is incurred for purposed for which both restricted and unrestricted net positions are available.

Note 1- Summary of Significant Accounting Policies (Continued)

1-E-10 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1-E-11 Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence.

1-F-12 Estimates

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

Note 2- Stewardship, Compliance and Accountability

2-A. Budgetary Information - Primary Governments

The County adopts an annual operating budget for the General Fund and each Special Revenue Fund. A project budget is adopted for each Capital Projects Fund. The budget resolution reflects the total of each department's appropriation in each fund.

The general fund budget is adopted on a basis consistent with GAAP except that the occurrence of capital lease obligations and the related capital lease expenditures are not budgeted. Budgets for the Special Revenue Funds are adopted on a basis consistent with GAAP. Budgets for Capital Projects funds are adopted one basis consistent with GAAP except the budget period is a project period rather than an annual period. At year-end, no capital project period exceeded the annual.

Note 2- Stewardship, Compliance and Accountability

2-A. Budgetary Information - Primary Governments (continued)

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

Either the County Chairman or County Administrator may approve budget transfers within departments, except those related to personnel or capital expenditures. The Board of Commissioners must approve transfers of personnel or capital appropriations. During the year, the Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

2-B. Component Unit

An annual budget is adopted by the entity for the general fund as required by the grant contract. The budget is adopted on a Non-GAAP budgetary basis. The difference between the GAAP and the budgetary basis is that the encumbrances are treated as expenditures and prior year fund balances are shown as current year revenues. The budget can be modified by management at all levels based on the needs of the programs within the limitations of the grant contract specifications and approval by the granting agency.

3-A. Deposits and Investments

Following is a reconciliation of the County's deposit and investment balances as of December 31, 2016:

The bank balance for the reporting entity totaling $4,627,004 includes $780,545 classified as Restricted Assets.

Cash & Investment reconciliation:

	Cash
Fund Reporting Level:	
Governmental Funds - Balance Sheet	$ 4,627,004
Statement of fiduciary Assets and Liabilities	309,453
Total	$ 4,936,457

Any bank deposit in excess of the total of the FDIC insured amount must be secured by an equivalent of 110% of State or U.S. Obligations.

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at December 31, 2016, consisted of taxes, interest, accounts, and intergovernmental receivables arising from grants.

Receivables and payables are recorded on 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 in the case of receivables, collectability.

Receivables at December 31, 2016, consist of the following:

Primary Government

	Fines	Taxes	Accounts Accounts	Inter-Governmental	Net Receivables
General Fund	$ -	$ 825,762	$ 6,200	$ 165,340	$ 997,302
Other Governmental Funds	-	-	-	259,600	259,600
Agency Funds	-	-	-	-	-
Total Primary Government	$ -	$ 825,762	$ 6,200	$ 424,940	$ 1,256,902
Component Units					
Charlton Co. Health Department	-	-	-	30,302	30,302
Total Component Units	-	-	-	30,302	30,302
Total Reporting Entity	$ -	$ 825,762	$ 6,200	$ 455,242	$ 1,287,204

Note 3 - Detailed Notes on All Funds (Continued)

Amounts due from other governments include the following:

Primary Government:	
General Fund	
Georgia Department of Revenue	$ 165,340
Capital Project Funds	
Georgia Department of Revenue	$ 259,600
Total Primary Government	$ 424,940
Component Unit:	
General Fund	
Department of Human Resources	$ 30,302
Local Funds	-
Total Component Unit	$ 30,302

3-C. Property Taxes

The Board of Commissioners levies property taxes by or about August 25th of each year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about September 15th of each year and are payable within sixty days. The county bills and collects its own property taxes and also collects property taxes for the Charlton 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 revenue at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For 2016, property taxes were levied on October 20, 2016, and were due on December 20, 2016.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	Balance 01/01/16	Additions	Deductions	Balance 12/31/2016
Governmental activities:				
Capital asset not being depreciated:				
Land	$ 738,700	$ 25,000	$ -	$ 763,700
Construction in progress	-	-	-	-
Total capital assets not being depreciated	738,700	25,000	-	763,700
Other capital assets:				
Buildings	10,413,512	100,620	-	10,514,132
Machinery and equipment	10,712,242	536,282	268,449	10,980,075
Infrastructure	5,461,233	789,099	-	6,250,332
Total depreciable capital assets	26,586,987	1,426,001	268,449	27,744,539
Total Capital Assets	27,325,687	1,451,001	268,449	28,508,239
Accumulated depreciation:				
Buildings	2,324,839	350,471	-	2,675,310
Machinery and equipment	6,861,091	811,290	268,449	7,403,932
Infrastructure	780,394	156,258	-	936,652
Total accumulated depreciation	9,966,324	1,318,019	268,449	11,015,894
Governmental activities capital assets, net	$ 17,359,363	$ 107,982	$ -	$ 17,492,345

Governmental activities depreciation expense

	2016
General government	$ 53,440
Judicial	225,210
Public safety	461,241
Public works	500,004
Health and welfare	24,874
Culture and recreation	53,250
Total governmental activities depreciation expense	$ 1,318,019

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (Continued)

	Balance 01/01/16	Additions	Deductions	Balance 12/31/2016
Business type activities:				
Capital asset not being depreciated:				
Land	$ -	$ -	$ -	$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Other capital assets:				
Buildings	-	-	-	-
Machinery and equipment	-	-	-	-
Infrastructure	-	-	-	-
Total other capital assets	-	-	-	-
Accumulated depreciation:				
Buildings	-	-	-	-
Machinery and equipment	-	-	-	-
Infrastructure	-	-	-	-
Total accumulated depreciation	-	-	-	-
Business type activities capital assets, net	$ -	$ -	$ -	$ -

Business type activities depreciation expense

	2016
Business type activities	$ -
Total Business type activities depreciation expense	$ -

Note 3 - Detailed Notes on All Funds (Continued)

Component Unit

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance 07/01/15	Additions	Reductions	Balance 06/30/16
Primary Government				
Governmental activities:				
Depreciable capital assets:				
Equipment	$ 58,287	$ -	$ 45,551	$ 12,736
Total depreciable capital assets	58,287	-	45,551	12,736
Less accumulated depreciation for:				
Equipment	57,525	762	45,551	12,736
Total accumulated depreciation	57,525	762	45,551	12,736
Total depreciable capital assets, net	$ 762	$ (762)	$ -	$ -

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Interfund Balances and Transfers

Interfund balances at December 31, 2016, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

	Payable from:			
Payable to:	General fund	Major Governmental funds	Fiduciary funds	Total
General fund	$ -	$ -	$ -	$ -
Major governmental funds	-	-	-	-
Fiduciary funds	-	-	-	-
Total	$ -	$ -	$ -	$ -

Interfund transfers for the year ended December 31, 2016, consisted of the following:

Fund Transferred To:	Fund Transferred From:	Amount	Purpose

There were no transfers during the year ended December 31, 2016

Transfers are used to report revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund which it was originally provided once a project is completed.

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Compensated Absences - Primary Government

Annual (Vacation/Personal) Leave:

All covered employees, both regular and working test, shall accrue annual leave from the date of employment in a covered position.

Employees earn annual (Vacation/Personal) leave as follows:

Year of Service	Hours/ Year
1 to 3 years	72 Hours
4 to 10 years	112 Hours
11 to 15 years	152 Hours
16 years and over	192 Hours

Annual leave must be taken within the following year after the anniversary date on which the annual leave is earned. Upon separation, the employee will be paid for all unused annual leave, if separated in good standing. Annual leave may not be carried forward at the end of each year of employment.

Sick Leave:

Sick leave is earned to be taken for bona fide illness and injury, and other medically related necessities. All covered employees, both regular and working test, shall accrue sick leave from the date of employment in a covered position. Eligible employees shall accrue sick leave at a rate of 5.33 hours per month. Sick leave may mot be accrued in excess of 240 hours. Employees will not be paid for accumulated sick leave upon separation. For additional information see employees' handbook.

3-F-1 Component Unit

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt--Changes in the County's long term obligations consisted of the following for the year ended December 31, 2016.

Primary Government: Governmental Activities	Outstanding Balance Jan. 1, 2016	Additions	Deductions	Outstanding Balance Dec. 31, 2016	Amount Due in One Year	Amount Due in more than One Year
Capital lease	32,453	-	32,453	-	-	-
Capital lease	142,184	-	45,827	96,357	47,377	48,980
Capital lease	62,294	-	11,222	51,072	11,809	39,263
Total Capital Leases	236,931	-	89,502	147,429	59,186	88,243
Note Payable	365,302	-	119,967	245,335	121,959	123,376
Note Payable	142,000	-	40,000	102,000	40,000	62,000
Note Payable	716,101	-	716,101	-	-	-
Total Notes Payable	1,223,403	-	876,068	347,335	161,959	185,376
Totals	1,460,334	-	965,570	494,764	221,145	273,619
Compensated absences	140,256	65,700	68,956	137,000	-	137,000

The general fund is used to liquate compensated absences.

The amortization expense of assets recorded under these capital leases is included with depreciation txpense.

On August 9, 2011, the County entered into a lease agreement with Caterpillar Financial at an interest rate of 3.20% with an original amount of $152,500 with a maturity date of August 9, 2017. The cost of the equipment purchased under this lease was $175,000, accumulated depreciation is $106,000 the remaining value is ($175,000-$106,000) $69,000 The current amortization expense is $25,000.
The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 2017	$ -	-	$ -
Dec. 31, 2018	-	-	-
Dec. 31, 2019	-	-	-
Dec. 31, 2020	-	-	-
Dec. 31, 2021	-	-	-
Totals	$ -	$ -	$ -

Note 3 - Detailed Notes on All Funds (Continued)

On May 7, 2015, the County entered into a lease agreement with Caterpillar Financial at an interest rate of 3.30% with an original amount of $142,184 with a maturity date of May 7, 2018. The cost of the equipment purchased under this lease was $153,558, accumulated depreciation is $36,561 the remaining value is ($153,558-$36,561) $116,997.
The current amortization expense is $21,937
The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 2017	$ 47,377	3,260	$ 50,637
Dec. 31, 2018	48,980	1,657	50,637
Dec. 31, 2019	-	-	-
Dec. 31, 2020	-	-	-
Dec. 31, 2021	-	-	-
Totals	$ 96,357	$ 4,917	$ 101,274

On April 15, 2015, the County entered into a lease agreement with KS State Bank at an interest rate of 5.20% with an original amount of $62,294 with a maturity date of April 15, 2020. The cost of the equipment purchased under this lease was $69,216, accumulated depreciation is $15,592 the remaining value is ($62,294-$15,492) $46,802.
The current amortization expense is $8,900
The future minimum lease payments are as follows:

Year Ended	Principal	Interest	Total
Dec. 31, 2017	$ 11,809	2,671	$ 14,480
Dec. 31, 2018	12,427	2,053	14,480
Dec. 31, 2019	13,076	1,404	14,480
Dec. 31, 2020	13,760	720	14,480
Dec. 31, 2021	-	-	-
Totals	$ 51,072	$ 6,848	$ 57,920

Note 3 - Detailed Notes on All Funds (Continued)

On December 23, 2013, the County entered into a Note with Regions Bank at an interest rate of 1.65% with an original amount of $600,000.00 with a maturity date of December 23, 2018. The is secured with the EMS and road equipment purchased. The note is due in twenty (20) equal quarterly of $31,316.31 each beginning in March 23, 2014.

Year Ended	Principal	Interest	Total
Dec. 31, 17	$ 121,959	$ 3,407	$ 125,366
Dec. 31, 18	123,376	1,990	125,366
Dec. 31, 19	-	-	-
Dec. 31, 20	-	-	-
Dec. 31, 21	-	-	-
Dec. 31,22-26	-	-	-
Dec. 31, 27-31	-	-	-
Dec. 31, 32-37	-	-	-
Totals	$ 245,335	$ 5,397	$ 250,732

On July 17, 2014, the County entered into a Note with River Road Community Volunteer Fire Department at an interest rate of 0.00% with an original amount of $222,000.00 with a maturity date of June 30, 2019 is secured with Fire vehicles and equipment purchased. The note is due in five (5) installments of $40,000 and one (1) installment of $22,000 beginning August 31, 2014 with each annual amount due on June 30 for the next five (5) years.

Year Ended	Principal	Interest	Total
Dec. 31, 17	$ 40,000	$ -	$ 40,000
Dec. 31, 18	40,000	-	40,000
Dec. 31, 19	22,000	-	22,000
Dec. 31, 20	-	-	-
Dec. 31, 21	-		-
Dec. 31,22-26	-	-	-
Dec. 31, 27-31	-	-	-
Dec. 31, 32-37	-	-	-
Totals	$ 102,000	$ -	$ 102,000

Note 3 - Detailed Notes on All Funds (Continued)

On January 2, 2015, the County entered into a Note with the FNB South Bank at a rate of 4.50%. for the assumption of original Hospital Authority Note with an original amount of $791,790.00 with a maturity date of October 20, 2022 the note is secured by a security interest in Resolution From The Charlton County Commissioners dated December 30, 2014. The note is due in equal monthly installments of $10,000 each beginning January 20, 2015 and contining until the maturity date.

Year Ended	Principal	Interest	Total
Dec. 31, 17	$ -	$ -	$ -
Dec. 31, 18	-	-	-
Dec. 31, 19	-	-	-
Dec. 31, 20	-	-	-
Dec. 31, 21	-	-	-
Dec. 31,22-26	-	-	-
Dec. 31, 27-31	-	-	-
Dec. 31, 32-37	-	-	-
Totals	$ -	$ -	$ -

Note 3 - Detailed Notes on All Funds (Continued)

Note 3 I Deferred Outflows/Inflows of Resources

Outflows of Resources:

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents an reduction of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The County reports one of these items as follows:

Governmental Activities:

Three items are reported as deferred outflows of resources related to pensions:

Asset (Gain)/Loss	226,385
(Gain)/Loss due to assumption change	164,272
Liability (Gain)/Loss Loss	20,547
Total Deferred Outflows	$ 411,204

Inflows of Resources:

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisiton of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports two of these items as follows:

Governmental Activities:

One item, Grant Fund, are reported as deferred inflows of resources since they are recognized as receivables before the period for which the work is done. These amounts are reported on the governmental activities statement of net position as $301,996

Governmental Funds Financial Statement:

The Governmental Funds use the modified accrual basis of accounting whereas the Governmental Activities of the Statement of Net Position uses the accrual basis of accounting. This results in a timing difference in the recognition of revenue. Therefore, the Deferred Outfows of Resources are reporting differently between the Statement of Net Position and the Governmental Funds Balance Sheet. The following is the Deferred Outflows of Resources on the Governmental Funds Balance Sheet. The Governmental Funds Balance sheet has four (4) items listed as Deferred Outflows of Resources>

The first item, Special Local Option Sales Tax, are reported as deferred inflows of resources since they are recognized as receivables before the period for which they are collected. These amounts are reported on the governmental fund financial statements $83,665.

Note 3 - Detailed Notes on All Funds (Continued)

Note 3 E-1 Deferred Outflows/Inflows of Resources (Continued)

The second item, Local Option Sales Tax, are reported as deferred inflows of resources since they are recognized as receivables before the period for which they are collected. These amounts are reported on the governmental fund financial statements $55,115.

The third item, Property Tax, are reported as deferred inflows of resources since they are recognized as receivables before the period for which they are collected. These amounts are reported on the governmental fund financial statements $89,000.

The fourth item, Grant, are reported as deferred inflows of resources since they are recognized as receivables before the period for which they are collected. These amounts are reported on the governmental fund financial statements $301,996.

The amounts are reported as follows:

General Fund:	
Taxes	$ 89,000
Local Option Sales Taxes	55,115
Deferred Inflow of Resources	144,115
SPLOST Fund:	
Special Local Option	83,665
Grant	
	301,996
Grant	
Total Deferred Inflow of Resources	$ 529,776

Note 4 - Pension Plan -- Primary Government

The Financial Statements as well as the Note Disclosures were prepared for the year ended December 31, 2016 in accordance with Statement number 68 of the Governmental Accounting Standards Board. The information contained within this report is the same as the information in the report for the year ended December 31, 2015. Therefore, the report for the year ended December 31, 2016 will be prepared using the report from the Association of County Commissioners of Georgia Report dated December 31, 2015.

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

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

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

A copy of the Financial Report can be obtained from the following:

Association County Commissioners of Georgia
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on the total covered compensations of active plan participants and are added to the state-required annual funding requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contributions rates for the County and its plan participants.

Note 4 - Pension Plan -- Primary Government

The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Trust Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program for member employers.

The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report. The annual County contributions meets or exceeds the minimum funding requirements of Georgia Statute 47-20.

Participant counts as of January 1, 2015 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees, Beneficiaries and Disables receiving benefits	27
Terminated plan participants entitles to but not yet receiving benefits	34
Active employees participating in the Plan	60
Total number of Plan Participants	121
Covered compensation for active participants	$ 2,097,626

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

At December 31, 2016, the County reported a liability for the net pension liability. The amount recognized by the County as the net pension liability were as follows:

Net Pension Liability	$1,292,509

The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's net pension liability was based on the projection of the County's long-term contributions to the pension plan. Actuarially determined at December 31, 2015.

For the year ended December 31, 2015, the County recognized pension expense of $268,400. At December 31, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

Note 4 - Pension Plan -- Primary Government

Net Pension Liability: Changes in the Net Pension Liability

Total Pension Liability as of Beginning of Year	$ 4,391,890
Service Cost	97,088
Interest on Total Pension Liability	329,392
Plan Change	-
Assumption Change	197,126
Benefit Payments (Adjusted for Interest)	(193,778)
Experience (gain)/(loss)	24,657
Total Pension Liability as of December 31, 2014	$ 4,846,375
Fiduciary Net Position as of Beginning of Year	$ 3,525,619
Employer Contributions	268,400
Employee Contributions (Including Buy Back)	-
Net Investment Income	22,242
Benefit Payments	(186,744)
Employee Contribution Refunds	-
Administrative Expense	(13,927)
Other	(61,694)
Fiduciary Net Position as of End of Year	$ 3,553,866
Net Pension Liability (for the year ended December 31, 2014	
Net Pension Liability as of Beginning of Year	$ 866,271
Net Pension Liability as of End of Year	$ 1,292,509

Note 4 - Pension Plan -- Primary Government

Sensitivity Analysis

	6.50%	8.50%
Total Pension Liability	$ 5,569,740	$ 4,249,255
Fiduciary Net Position	3,553,866	3,553,866
Net Pension Liability	$ 2,015,874	$ 695,389

Deferred Outflows/Inflows of resources related to pensions	Outflows of Resources	Inflows of Resources
Asset (Gain)/Loss	$ 226,385	$ -
Liability (Gain)/Loss	20,547	-
(Gain)/Loss due to assumption change	164,272	-
Total	411,204	-

$0.00 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended Dec. 31:	
2016	82,241
2017	82,241
2018	82,241
2019	82,241
2020	82,240
Thereafter	-

Note 4 - Pension Plan -- Primary Government

Valuation Date:	December 31, 2015
Actuarial Cost Method	Entry Age Normal: A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age(s).
Remaining Amortization Period	N/A
Asset Valuation Method	Smoothed market value with a 5-year smoothing period.

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Net investment rebate of return	7.50%
Future salary increases	4.00% per year with an age based scale as follows:

Age	Rate %
under 30	4.0% rate plus 1.5%
30-39	4.0% rate plus 1.0%
40-49	4.0% rate less 0.5%
50+	4.0% rate less 1.0%

Future Payroll Growth (For level percentage compensation amortization):	5.5% per year
Mortility:	RP-2000. Combined
Cost of Living Adjustment:	N/A

Retirement:

	Probability of Retirement
Age 55 to 60	10%
Age 61 to 64	20%
Age 65 to age 69	30%
Age 70	100%

Social security wage base increase: 3.50%

Note 4 - Pension Plan -- Primary Government

Eligibility for Benefits:

Normal Retirement	The earlier of attained age 65 and 5 years of vesting service.
Late Retirement	Any date subsequent to Normal Retirement
Early Retirement	Attained age 60, 10 years of Service
Disability Retirement	Ten years of Service and deemed to be totally disabled by the Federal Social Security Administration. Payments will not begin prior to age 50.
Vested Termination	One hundred percent vested after five years of Service
Pre-Retirement Death Benefit	Lump Sum i. Active Participants
	Lump Sum: ii. Terminated vested Participants and participants receiving a Disability benefit and not yet age 65.

The discount rate is determined through a blend of using a building blocks approach based on 20 year benchmarks (25%, as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS.

Building block expected return based on 20-year benchmarks	7.44%
Building block expected return based on 30-year benchmarks	9.49%
UBS capital market assumptions for a moderate asset allocation	6.30%
20-year building block returns (7.44% X .25)	1.86%
30-year building block returns (9.49% X .25)	2.37%
UBS capital market assumptions for a moderate asset allocation ()6.30% X .50)	3.15%
Discount Rate (rounded to the nearest .25%)	7.38%
	7.50%

See Discount Rate Building Blocks in the ACCG Report of Defined Benefit Plan for Details.

Note 4 - Pension Plan -- Primary Government

The Trustees' guidelines for asset allocation are as follows:

Asset Class	Target Allocation	Range
Fixed Income	30%	25%-35%
Equities:	70%	65%-75%
Large Cap	30%	25%-35%
Mid Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%

Recommended Contribution:

Covered Compensation for Active Participants	$ 2,181,531
Total Amortizations	150,962
Normal Cost for Plan Year	104,370
Pre-Retirement Death Benefit Expense	21,270
Administrative Expenses for the Plan Year	17,477
Employer contributions	294,079
Estimated Employee Contributions	-
Total Contributions	294,079
Employer Contributions as Percent of Payroll	13.50%

Cost estimate for budgeting purposes only, actual contribution requirements will be determined when January 1, 2016 actuarial valuation is completed.

4-A Fund Equity

Fund Balances--Fund balances are classified as follows:

Restricted--The following fund balances are legally restricted for specified purposes:

General Fund:	
Public Safety-training	$ 96,630
Major Capital Project Funds:	
Grants Fund:	
Various Capital Projects per Grant Agreements	22,947
CDBGp-y-024-1-5609	
Public Works projects	-
Nonmajor Capital Project Funds:	
Jail SPLOST:	
Capital projects at jail	407,088
2008 SPLOST:	
Capital projects per approved referendum	-
2014 SPLOST:	
Capital projects per approved referendum	584,449
Total Restricted Fund Balance Nonmajor funds	$ 1,014,484

Assigned--The following fund balances are assigned to the following purposes:

Nonmajor special revenue fund:	
Recreation Fund:	7,808
County Recreation Department	$ 7,808

Note 5 - Other Notes

5-A. Risk Management - Primary Government

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 disaster. The County has joined the ACCG Interlocal Risk Management Agency (IRMA). The membership allows the County to share liability, crime, motor vehicle and property damage risks. The County is also a part of the ACCG Workers' Compensation Self Insurance Fund.

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

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

5-A-1 Component Unit

Significant losses are covered by commercial insurance for all major risks. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or any previous year.

5-B. Subsequent Events

No subsequent events came to my attention that are expected to have a material effect on the County's financial statements.

Note 5 - Other Notes (Continued)

5-C. Contingent Liabilities - Primary Government

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement of the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County is a defendant in one lawsuits at December 31, 2015. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County. The Litigation and Claims have been filed with the County's insurer, ACCG-IRMA insurance program.

5-C-1 Component Unit

The Health Department participates in federal and state assisted programs subject to problem compliance audits by the grantors or their representatives. It is the Health Department's opinion that no material unrecorded liabilities will arise from audits previously performed or to be performed. Regardless, receipt of these federal and state grant revenues is not assured into the future.

5-D. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in South Georgia , is a member of the Southern Georgia Commission and is required to pay annual dues thereto. During its year ended December 31, 2015, the county paid $8,597 in such dues. Membership in an Southern GC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Southern GC in Georgia, The Southern GC membership includes the chief elected official of 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 the Southern RC. Separate financial statements may be obtained from:

Southern Regional Commission
3395 Harris Road
Waycross, Georgia 31503

5-D-1 Closure and Post Closure Cost

The County entered into an agreement with Chesser Island Road Landfill, Inc., to provide landfill access to the County. Chesser Island Road Landfill, Inc. has assumed all responsibility for closure and post closure expense for the county landfill. Therefore, no liability will be borne by the County and no expense is accrued in the financial statements.

Note 5 - Other Notes (Continued)

5-D-2 Unemployment Claims

The County has elected to provide for unemployment compensation claims on a "self-insured" basis. As such, any claims are processed by the Georgia Department of Labor Employment Security Agency and reimbursement is requested from the County. Based on past experience the claims made against the County have been of an insignificant amount per year. Therefore, no reserve has been set up at December 31, 2016.

Note 5 - Other Notes (Continued)

Note 7 - Expenditures Over Appropriations

The following had expenditures that exceeded Appropriations:

Fund	Final Appropriations	Actual Expenditures	Expenditures Over Appropriations
General Fund:			
Public Safety	$ 4,161,378	$ 4,261,190	$ 99,812
Primcipal Retirement	86,499	727,323	640,824

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

GENERAL FUND

A MAJOR FUND

The General Fund is the principal fund of the County and is used to account for all activities except those required to be accounted for in another fund.

Charlton County, Georgia
Budgetary Comparison Schedule--General Fund
For the Year Ended December 31, 2016

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Property Taxes	$ 5,988,281	$ 5,988,281	$ 5,859,112	$ (129,169)
Other Taxes	1,035,227	1,035,227	1,112,855	77,628
Licenses, Fees and Permits	51,000	51,000	75,159	24,159
Charges for Services	2,359,463	2,359,463	3,317,526	958,063
Fines and Forfeitures	255,200	255,200	262,050	6,850
Interest	300	300		(300)
Intergovernmental	306,084	306,084	313,800	7,716
Other Revenue	6,500	6,500	6,373	(127)
Total Revenue	10,002,055	10,002,055	10,946,875	944,820
EXPENDITURES:				
Current:				
General government	2,142,353	2,142,353	2,080,613	61,740
Judicial	786,037	786,037	783,438	2,599
Public safety	4,161,378	4,161,378	4,261,190	(99,812)
Public works	1,972,679	1,972,679	1,971,245	1,434
Health and welfare	180,256	180,256	180,171	85
Culture and recreation	459,636	459,636	457,518	2,118
Other services	179,716	179,716	167,385	12,331
Contingency	-	-	-	-
Debt Service:				
Principal retirement	86,499	86,499	727,323	(640,824)
Interest	33,501	33,501	33,501	-
Total Expenditures	10,002,055	10,002,055	10,662,384	(660,329)
Excess Revenues Over (Under) Expenditures	-	-	284,491	284,491
Other Financing Sources (Uses)				
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Proceeds from debt	-	-	-	-
Proceeds from leases	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	$ -	$ -	284,491	$ 284,491
Fund Balance Beginning of Year			4,002,708	
Fund Balance End of Year			4,287,199	

Charlton County, Georgia
Notes to the Budgetary Comparison Schedule
For the Year Ended December 31, 2016

1 Stewardship, Compliance and Accountability:

A. Budgets and Budgetary Accounting:

The annual budget is the financial plan for the operation of Charlton County, Georgia for the ensuing year. The budget process provides for a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the Government. The Government is required to adopt an annual budget no later than sixty (60) days prior to the beginning of each fiscal year. The County Manager, with the assistance of the County Clerk and Department Heads, is required to prepare and submit a budget to the County Commission for review, public hearings and adoption. The Commission may approve, reject, or modify the proposed budget and shall adopt the final budget by ordinance no later than December 31. Upon recommendation of the County Manager and approval of the Chairman and Commission. The Government may make interfund or interdepartmental transfers in the current operating budgets at any regular or special meeting called for such purpose, provided funds are available. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles.

Annual Budgets are adopted for the following funds:

Governmental Funds:

General Fund

Special Revenue Funds:

Recreation Department

Capital Project funds:

CDBG 13p-y-024-1-5609
Jail SPLOST
2014 SPLOST Fund
Grants Fund

Budgetary amounts are formally integrated into the fund general ledgers.

The legal level of budgetary control is the governmental function level within the individual funds. Increases in the total appropriations of a function, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among functions, require the recommendation of the County Manager and approval of the County Commission. The County Manager may authorize transfers of appropriations between line items with any function without Commission approval. Appropriations lapse at year end. Final budget amounts are included on all budget comparisons in this report.

Charlton County, Georgia
Notes to the Budgetary Comparison Schedule
For the Year Ended December 31, 2016

1 Stewardship, Compliance and Accountability:

B. Excess of Expenditures over Appropriations:

The following had excess expenditures over appropriations:

	Budget	Actual Amounts	Variance with Final Budget
Public safety	4,161,378	4,261,190	99,812
Principal retirement	86,499	727,323	640,824

Required Supplementary Information

Pension Plan

Charlton County, Georgia
Schedule of the County's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability:										
Service Cost	$ 97,088	$ 77,914								
Interest	329,392	314,530								
Difference between expected and actual experience	-	-								
Changes in assumptions	197,126	-								
Changes in benefit terms	-	-								
Benefits payments, adjusted for interest	(193,778)	(194,282)								
Experience (gain)/(loss)	24,657	-								
Net change in total pension liability	454,485	198,162								
Total pension liability:										
Beginning	4,391,890	4,193,728								
Ending (a)	$ 4,846,375	$ 4,391,890								

* the amounts presented for each fiscal year were determined as of December 31.

(Historical Information prior to implementation of GASB 67/68 is not required)

Charlton County, Georgia
Schedule of the County's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Plan fiduciary net position:										
Contributions--employer	$ 268,400	$ 243,193								
Employee contributions (Including Buy Back)	-	-								
Net investment income	22,242	232,793								
Benefits Payments	(186,774)	(187,260)								
Employee Contributions Refunds	-	-								
Administrative expense	(13,927)	(12,787)								
Other	(61,694)	(80,126)								
Net change in Fiduciary net position	28,247	195,813								
Fiduciary net position:										
Beginning	3,525,619	3,329,806								
Ending (b)	$ 3,553,866	$ 3,525,619								

* the amounts presented for each fiscal year were determined as of December 31.

(Historical Information prior to implementation of GASB 67/68 is not required)

Charlton County, Georgia
Schedule of the County's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability (a)	$ 4,846,375	$ 4,391,890								
Fiduciary net position (b)	3,553,866	3,525,619								
Net pension Liability (a) - (b)	$ 1,292,509	$ 866,271								
Plan fiduciary net position as a percentage of total pension liability	73.3%	80.3%								
Covered employee payroll	$ 2,097,626	$ 1,961,312								
Net pension liability as a percentage of covered employee payroll	61.6%	44.2%								

* the amounts presented for each fiscal year were determined as of December 31.

(Historical Information prior to implementation of GASB 67/68 is not required)

Analysis of the dollar amounts of Fiduciary Net Position available for benefits, Total Pension Liability, and Net Pension Liability in isolation can be misleading. Expressing the Fiduciary Net Position as a percentage of the Total Pension Liability provides one indication of funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

Trends in Net Pension Liability and annual covered payroll are both affected by inflation. Expressing the Net Pension Liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

Charlton County, Georgia
Schedule of the County's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Schedule of Contributions:										
Actuarially determined contricution	$ 268,400	$ 241,649	$ 253,300	$ 230,117	$ 248,517	$ 234,479	$ 218,249			
Contributions in relation to the actuarially determined contribution	268,400	243,099	253,300	230,577	256,221	189,694	187,258			
Contribution deficiency (excess)	-	1,450	-	460	7,704	(44,785)	(30,991)			
Covered-employee payroll	2,097,626	1,961,312	1,731,092	1,783,786	1,924,065	1,952,873	1,886,614			
Contribution as a percentage of covered employee payroll	12.8%	12.4%	14.6%	12.9%	13.3%	9.7%	9.9%			

(Historical Information prior to implementation of GASB 67/68 is not required)

Charlton County, Georgia
Schedule of the County's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

Changes in Assumptions:

Total Pension Liability Prior to Change in Mortality Table	$ 4,649,249
Total pension Liability after Change in Mortality Table	4,846,375
(Gain)/Loss due th Change in Assumption	$ 197,126

Year	Assumption(Gain)/Loss	Recognition Period	Amortized Amount
2015	$ 197,126	6.0	$ 32,854

Deferral of (Gain)/Loss due to Change in Assumption

Year	Deferred Outflow of Resources Prior to Recognition of Amortization Payment	Deferred Inflow of Resources Prior to Recognition of Amortization Payment	Amount Recognized in Pension Through 12/31/2015	Deferred Outflows of Resources At 12/31/2015
2015	$ 197,126	$ -	$ 32,854	$ 164,272

Benefit Changes:

There have been no changes in benefit provisions since GASB 67/68 implementation.

Charlton County, Georgia
Schedule of the County's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

Liability (Gain)/Loss

Total Pension Liability as of December 31, 2014	$ 4,391,890
Service Cost	97,088
Interest on Total Pension Liability	329,392
Benefit Payment Adjusted with Interest	(193,778)
Expected Total Pension Liability as of December 31, 2015	$ 4,624,592
Total Pension Liability as of December 31, 2015	4,649,249
Liability (Gain)/Loss for the Year Ended December 31, 2015	$ 24,657

Year	Liability (Gain/Loss	Recognition Period	Amortized Amount
2015	$ 24,657	6.0	$ 4,110

Deferral of (Gain)/Loss due to Change in Assumption

Year	Deferred Outflow of Resources Prior to Recognition of Amortization Payment	Deferred Inflow of Resources Prior to Recognition of Amortization Payment	Amount Recognized in Pension Through 12/31/2015	Deferred Outflows of Resources At 12/31/2015
2015	$ 24,657	$ -	$ 4,110	$ 20,547

Charlton County, Georgia
Schedule of the County's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

Asset (Gain)/Loss

Projected Earnings on Investments for Year End 12/31/2015	$ 265,239
Net Investment Earnings for Year End 12/31/2015	6,439
Asset (Gain)/Loss for Year End 12/31/2015	$ 258,800

Year	Liability (Gain/Loss	Recognition Period	Amortized Amount
2015	$ 258,800	5.0	$ 51,760
2014	$ 32,241	5.0	$ 6,448

Deferral of (Gain)/Loss due to Change in Assumption

Year	Deferred Outflow of Resources Prior to Recognition of Amortization Payment	Deferred Inflow of Resources Prior to Recognition of Amortization Payment	Amount Recognized in Pension Through 12/31/2015	Deferred Outflows of Resources At 12/31/2015
2015	$ 258,800	$ -	$ 51,760	$ 207,040
2014	25,793	-	6,448	19,345
Total	$ 284,593	$ -	$ 58,208	$ 226,385

Charlton County, Georgia
Schedule of the County's Net Pension Liability
Employees Pension Plan
Last 10 Fiscal Years *

Benefit Changes:

There have been no changes in benefit provisions since GASB 67/68 implementation.

Nonmajor Governmental Funds

Charlton County, Georgia
All Nonmajor Governmental Funds
Combining Balance Sheets
December 31, 2016

	Governmental Funds		Total
	Special	Capital	Nonmajor
Assets	Revenue	Project	Governmental Funds
Cash	$ 7,808	$ 407,088	$ 414,896
Receivables	-	-	-
Total Assets	$ 7,808	$ 407,088	$ 414,896
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	$ -	$ -	$ -
Total Liabilities	-	-	-
Fund Balances			
Restricted	-	407,088	407,088
Assigned	7,808	-	7,808
Total Fund Balances	7,808	407,088	414,896
Total Liabilities and Fund Balance	$ 7,808	$ 407,088	$ 414,896

Charlton County, Georgia
All Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	Governmental Funds		Total Nonmajor Governmental Funds
	Special Revenue	Capital Project	
REVENUES			
Charges for services	$ 30,542	$ -	$ 30,542
Intergovernmental	-	398,928	398,928
Contributions	-	-	-
Interest	-	763	763
Total Revenues	30,542	399,691	430,233
EXPENDITURES			
Current:			
General Government	-		-
Judicial	-	-	-
Culture and recreation	23,947	-	23,947
Capital Outlay			
General Government	-	-	-
Judicial	-	-	-
Putlic Safety	-	30,173	30,173
Public Works	-	399,092	399,092
Health & Welfare	-	-	-
Culture and recreation	-	-	-
Debt Service			
Principal	-		-
Interest	-		-
Total Expenditures	23,947	429,265	453,212
Net charge in Fund balances	6,595	(29,574)	(22,979)
Fund Balance Beginning	1,213	436,662	437,875
Fund balance ending	$ 7,808	$ 407,088	$ 414,896

NON-MAJOR SPECIAL REVENUE FUNDS

Account for the proceeds of specific revenue sources (other than those from expendable trusts or for major capital projects) that are restricted legally to expenditures for specified purposes.

The County's Non-major Special Revenue Funds are as follows:

Recreation Department

NON-MAJOR SPECIAL REVENUE FUNDS

Recreation Department: To account for revenue and expenditures of organized sports events conducted by the recreation department.

Charlton County, Georgia
Recreation Department
Balance Sheet
December 31, 2016

Assets:		
Cash	$	7,808
Receivable		-
Total Assets	$	7,808
Liabilities:	$	-
Fund Balance		
Restricted		-
Assigned		7,808
Total Fund Balances		7,808
Total Liabilities and Fund Balances	$	7,808

Charlton County, Georgia
Recreation Department
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:				
Charges for services	$ 29,500	$ 29,500	$ 30,542	$ 1,042
Total Revenues	29,500	29,500	30,542	1,042
Expenditures:				
Current:				
Recreation	29,500	29,500	23,947	5,553
Total Expenditures	29,500	29,500	23,947	5,553
Excess (deficiency) of Revenues over (under) Expenditures	-	-	6,595	6,595
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other F incncing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	6,595	6,595
Fund Balance Beginning			1,213	
Fund Balance Ending			$ 7,808	

NON-MAJOR CAPITAL PROJECT FUNDS

Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those facilities financed by proprietary funds and thust funds).

The County's Non-major Capital Project Funds are as follows:

Jail Special Local Option Sales Tax
CDBG 13p-y-024-1-5609

NON-MAJOR CAPITAL PROJECT FUNDS

Special Local Option Sales Tax Funds:

To account for the revenues and expenditures of the Special Local Option Sales Tax.

Jail Special Local Option Sales Tax

Community Development Block Grant (CDBG)

To account for the revenues and expenditures of the project funded by the Grant

Jail Special Local Option Sales Tax

13p-y-024-1-5609

Charlton County, Georgia
All Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2016

	Capital Projects		
Assets:	**Jail SPLOST**	**CDBG 13p --y-024-1 5609**	**Total Nonmajor Capital Project Funds**
Cash	$ 407,088	$ -	$ 407,088
Receivable	-	-	-
Other	-	-	-
Total Assets	407,088	-	407,088
Liabilities and Fund Balance			
Liabilities:	-	-	-
Total Liabilities	-	-	-
Fund Balance:			
Assigned	-	-	-
Restricted	47,088	-	47,088
Total Fund Balance	47,088	-	47,088
Total Liabilities and Fund Balance	47,088	-	47,088

Charlton County, Georgia
All Nonmajor Capital Project Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	Captal Project Funds		
Revenues	Jail SPLOST	CDBG 13p --y-024-1 5609	Total Nonmajor Capital Project Funds
Intergovernmental	$ -	$ 398,928	$ 398,928
Interest	763	-	763
Total Revenues	763	398,928	399,691
Expenditures			
Current			
General Government	-	-	-
Capital Outlay:			
General Government	-	-	-
Judicial	-	-	-
Public Safety	30,173	-	30,173
Public Works	-	399,092	399,092
Culture and recreation	-	-	-
Debt Service:			
Principal retirement	-		-
Interest	-		-
Total Expenditures	30,173	399,092	429,265
Excess (Deficiency) of Revenues over (under) Expenditures	(29,410)	(164)	(29,574)
Other Financial Sources (Uses)			
Operating Transfer In	-	-	-
Operating Transfers (Out)	-	-	-
Proceeds from notes	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(29,410)	(164)	(29,574)
Fund Balance Beginning	436,498	164	436,662
Fund Balance Ending	$ 407,088	$ -	$ 407,088

Charlton County, Georgia
Jail SPLOST
Balance Sheet
December 31, 2016

Assets:		
Cash	$	407,088
Receivable		-
Total Assets	$	407,088
Liabilities and Fund Balance:		
Liabilities:	$	-
Fund Balance		
Restricted		407,088
Assigned		-
Total Fund Balance		407,088
Total Liabilities and Fund Balance	$	407,088

Charlton County, Georgia
Budgetary Comparison Schedule--Jail SPLOST Fund
For the Year Ended December 31, 2016

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Sales taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Interest	1,000	1,000	763	(237)
Total Revenue	1,000	1,000	763	(237)
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Capital Expenditures:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	35,000	35,000	30,173	4,827
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
	-	-		
Debt Service:		-		
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total Expenditures	35,000	35,000	30,173	4,827
Excess Revenues Over (Under) Expenditures	(34,000)	(34,000)	(29,410)	4,590
Other Financing Sources				
Contingency	-	-	-	-
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Proceeds from Notes	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(34,000)	(34,000)	(29,410)	4,590
Fund Balance Beginning of Year	436,498	436,498	436,498	-
Fund Balance End of Year	$ 402,498	$ 402,498	$ 407,088	$ 4,590

Charlton County, Georgia
CDBG 13p-y-024-1-5609
Balance Sheet
December 31, 2016

Assets:	
Cash	$ -
Receivable	-
Total Assets	$ -
Liabilities and Fund Balance:	
Liabilities:	$ -
Fund Balance	
Restricted	-
Assigned	-
Total Fund Balance	-
Total Liabilities and Fund Balance	$ -

Charlton County, Georgia
Budgetary Comparison Schedule--CDBG 13p-y-024-1-5609
For the Year Ended December 31, 2016

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Intergovernmental	$ 500,000	$ 500,000	$ 398,928	$ (101,072)
Interest	-	-	-	-
Total Revenue	500,000	500,000	398,928	(101,072)
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Capital Expenditures:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	500,000	500,000	399,092	100,908
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
	-	-		
Debt Service:		-		
Principal retirement	-	-	-	-
Interest	-	-	-	-
			-	
Total Expenditures	500,000	500,000	399,092	100,908
Excess Revenues Over (Under) Expenditures	-	-	(164)	(164)
Other Financing Sources				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Proceeds from Notes	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	(164)	(164)
Fund Balance Beginning -Restated See Note 3H page 57	164	164	164	-
Fund Balance Ending	$ 164	$ 164	$ -	$ (164)

CAPITAL PROJECT FUNDS

A MAJOR FUND

The Capital Project Fund is to account for all activities associated with the County's Capital Projects.

The Major Capital Project Funds are as Follows:

Grants Fund
2014 SPLOST

Charlton County, Georgia
Budgetary Comparison Schedule--Grants Fund
For the Year Ended December 31, 2016

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Intergovernmental	$ 580,000	$ 580,000	$ 582,153	$ 2,153
Interest		-	-	-
Total Revenue	580,000	580,000	582,153	2,153
EXPENDITURES:				
County Commissioner's Office				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	1,000	(1,000)
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Capital Expenditures:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	345,000	345,000	340,325	4,675
Public works	235,000	235,000	231,521	3,479
Culture and recreation	-	-	-	-
Debt Service:				-
Principal retirement	-	-	-	-
Interest	-	-	-	-
	-			
Total Expenditures	580,000	580,000	572,846	7,154
Excess Revenues Over (Under) Expenditures	-	-	9,307	9,307
Other Financing Sources (Uses)				
Contingency	-	-	-	-
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Inceptions of Notes:	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	$ -	$ -	9,307	$ 9,307
Fund Balance Beginning of Year			13,640	
Fund Balance End of Year			$ 22,947	

Charlton County, Georgia
Budgetary Comparison Schedule--2014 SPLOST
For the Year Ended December 31, 2016

Description:	Budgeted Amounts Original Budget	Budgeted Amounts Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:				
Intergovernmental	$ 1,100,000	$ 1,100,000	$ 1,080,158	$ (19,842)
Interest		-	-	-
Total Revenue	1,100,000	1,100,000	1,080,158	(19,842)
EXPENDITURES:				
County Commissioner's Office				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-		-
Capital Expenditures:				
General government	21,000	21,000	20,837	163
Judicial	-	-	-	-
Public safety	160,000	160,000	157,992	2,008
Public works	200,000	200,000	182,760	17,240
Health and welfare	50,000	50,000	49,611	
Culture and recreation	14,000	14,000	13,689	311
Debt Service:				-
Principal retirement	238,247	238,247	238,247	-
Interest	11,146	11,146	11,146	-
	-			
Total Expenditures	694,393	694,393	674,282	19,722
Excess Revenues Over (Under) Expenditures	405,607	405,607	405,876	(120)
Other Financing Sources (Uses)				
Contingency	-	-	-	-
Transfers In:	-	-	-	-
Transfers (Out):	-	-	-	-
Inceptions of Notes:	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	$ 405,607	$ 405,607	405,876	$ (120)
Fund Balance Beginning of Year			178,573	
Fund Balance End of Year			$ 584,449	

FIDUCIARY FUNDS

The Fiduciary Funds are used to account for ASSETS held by the County in a fiduciary capacity.

The County's Fiduciary-Agency Funds are as follows:

Tax Commissioner
Sheriff
Clerk of Court
Magistrate Court
Probate Court

Charlton County, Georgia
Combining Schedule of Fiduciary Assets and Liabilities
All Agency Funds
December 31, 2016

	Tax Commissioner	Sheriff	Clerk of Court	Magistrate Court	Probate Court	Totals
Assets:						
Cash	$ -	$ 7,286	$ 265,887	$ -	$ 6,442	$ 279,615
Total Assets	$ -	$ 7,286	$ 265,887	$ -	$ 6,442	$ 279,615
Liabilities:						
Due to other funds	$ -	$ -	$ -	$ -	$ -	$ -
Due to other governments and individuals	-	7,286	265,887	-	6,442	279,615
Total Liabilities	$ -	$ 7,286	$ 265,887	$ -	$ 6,442	$ 279,615

Charlton County, Georgia
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
December 31, 2016

Tax Commissioner	Balance Jan. 1,2016	Additions	Deductions	Balance Dec. 31, 2016
Assets:				
Cash	$ -	$ 12,560,399	$ 12,560,399	$ -
Total Assets	$ -	$ 12,560,399	$ 12,560,399	$ -
Liabilities:				
Due to Other Funds	$ -	$ 6,197,074	$ 6,197,074	$ -
Due to Other Governments and Individuals	-	6,363,325	6,363,325	-
Total Liabilities	$ -	$ 12,560,399	$ 12,560,399	$ -

Sheriff	Balance Jan. 1,2016	Additions	Deductions	Balance Dec. 31, 2016
Assets:				
Cash	$ 29,989	$ 39,730	$ 62,433	$ 7,286
Total Assets	$ 29,989	$ 39,730	$ 62,433	$ 7,286
Liabilities:				
Due to Other Funds	$ -	$ 38,127	$ 38,127	$ -
Due to Other Governments and Individuals	29,989	1,603	24,306	7,286
Total Liabilities	$ 29,989	$ 39,730	$ 62,433	$ 7,286

Charlton County, Georgia
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
December 31, 2016

Clerk of Court	Balance Jan. 1,2016	Additions	Deductions	Balance Dec. 31, 2016
Assets:				
Cash	$ 267,655	$ 635,215	$ 636,983	$ 265,887
Total Assets	$ 267,655	$ 635,215	$ 636,983	$ 265,887
Liabilities:				
Due to Other Funds	$ -	$ 298,175	$ 298,175	$ -
Due to Other Governments and Individuals	267,655	337,040	338,808	265,887
Total Liabilities	$ 267,655	$ 635,215	$ 636,983	$ 265,887

Magistrate Court	Balance Jan. 1,2016	Additions	Deductions	Balance Dec. 31, 2016
Assets:				
Cash	$ 2,701	$ 54,961	$ 57,662	$ -
Due from Other Funds	-	-	-	-
Total Assets	$ 2,701	$ 54,961	$ 57,662	$ -
Liabilities:				
Due to Other Funds	$ -	$ 10,221	$ 10,221	$ -
Due to Other Governments and Individuals	2,701	44,740	47,441	-
Total Liabilities	$ 2,701	$ 54,961	$ 57,662	$ -

Charlton County, Georgia
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
December 31, 2016

Probate Court	Balance Jan. 1,2016	Additions	Deductions	Balance Dec. 31, 2016
Assets:				
Cash	$ 9,108	$ 87,323	$ 89,989	$ 6,442
Total Assets	$ 9,108	$ 87,323	$ 89,989	$ 6,442
Liabilities:				
Due to Other Funds	$ -	$ 65,805	$ 65,805	$ -
Due to Other Governments and Individuals	9,108	21,518	24,184	6,442
Total Liabilities	$ 9,108	$ 87,323	$ 89,989	$ 6,442

Total all Agencies	Balance Jan. 1,2016	Additions	Deductions	Balance Dec. 31, 2016
Assets:				
Cash	$ 309,453	$ 13,377,628	$ 13,407,466	$ 279,615
Total Assets	$ 309,453	$ 13,377,628	$ 13,407,466	$ 279,615
Liabilities:				
Due to Other Funds	$ -	$ 6,609,402	$ 6,609,402	$ -
Due to Other Governments and Individuals	309,453	6,768,226	6,798,064	279,615
Total Liabilities	$ 309,453	$ 13,377,628	$ 13,407,466	$ 279,615

CAPITAL ASSETS

USED IN THE OPERATION

OF GOVERNMENTAL FUNDS

The Capital Assets of the County are presented by source, function and activity, and changes by function and activity.

Charlton County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
December 31, 2016

	2016	2015
Governmental Funds Capital Assets		
Land	$ 763,700	$ 738,700
Buildings	10,514,132	10,413,512
Machinery and Equipment	10,980,075	10,712,242
Infrastructure	6,250,332	5,461,233
Construction in Progress	-	-
Total Governmental Funds Capital Assets	$ 28,508,239	$ 27,325,687
Investments in Governmental Funds Capital Assets by Source		
General Fund	11,290,421	11,290,421
Special Revenue Funds	-	-
Capital Projects Funds	17,217,818	16,035,266
Total Governmental Funds Capital Assets	$ 28,508,239	$ 27,325,687

Charlton County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2016

Function and Activity	Land	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government	$ 463,700	$ 2,381,977	$ 122,973	$ -	$ -	$ 2,968,650
Judicial	-	3,628,061	151,066	-	-	3,779,127
Public Safety	50,000	2,772,568	4,519,444	-	-	7,342,012
Public Works	50,000	41,143	5,687,176	6,250,332	-	12,028,651
Health and Welfare	50,000	472,956	34,729	-	-	557,685
Culture and Recreation	150,000	1,217,427	464,687	-	-	1,832,114
Total Governmental Fund Capital Assets	$ 763,700	$ 10,514,132	$ 10,980,075	$ 6,250,332	$ -	$ 28,508,239

Charlton County, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2016

Function and Activity	Governmental Funds Capital Assets Jan. 1, 2016	Additions	Deductions	Governmental Funds Capital Assets Dec. 31, 2016
Land	$ 738,700	$ 25,000	$ -	$ 763,700
Buildings	10,413,512	100,620	-	10,514,132
Machinery and equipment	10,712,242	536,282	268,449	10,980,075
Infrastructure	5,461,233	789,099	-	6,250,332
Construction in progress	-	-	-	-
	$ 27,325,687	$ 1,451,001	$ 268,449	$ 28,508,239

STATE COMPLIANCE SECTION

SPECIAL REPORTS

The Special Report is applicable to the Special 1 Percent Sales and Use tax required by the State of Georgia.

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Independent Auditor's Report on the Schedule of Special Purpose Local Option Sales Tax

To The County Commissioners
Charlton County, Georgia

I have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the Charlton County, Georgia for the year ended December 31, 2016. This schedule is the responsibility of the Charlton County's management. My responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Purpose Local Option Sales Tax if free of material misstatement. An audit includes examining, on a test basis, evidence suppurating the amounts and disclosures in the Schedule of special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of special Purpose Local Option Sales Tax. I believe that my audit provides a reasonable basis for my opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code to Georgia Annotated, 48-8-121 on the modified accrual basis of accounting used for the SPLOST schedule as described in Note 1-D and is not intended to be a complete presentation of Charlton County's revenues and expenditures.

In my opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in Charlton County's resolution or ordinance calling for the tax for the year ended December 31, 2016, in conformity with accounting principles generally accepted in the United states of America.

Earl A. Lawson
Certified Public Accountant
June 7, 2017

Charlton County, Georgia
Jail Projects Constructed With Special Purpose
Local Option Sales Tax Proceeds
For the Year Ended December 31, 2016

Project	Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Jail	2,000,000	2,294,690	30,173	2,324,863	116.24%
TOTAL	$ 2,000,000	$ 2,294,690	$ 30,173	$ 2,324,863	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

Charlton County, Georgia
2008 Schedule of Projects Constructed With Special Purpose
Local Option Sales Tax Proceeds
For the Year Ended December 31, 2016

Project	Initial Total Estimated Cost	Revised Total Estimated Cost	Prior Years As Previously Reported	Prior Years As Adjusted	Current Year	Total	Estimated Percentage of Completion
Courthouse Complex:							
Renovations and expar	$ 3,000,000	$ 2,582,994	$ 2,035,554	$ 2,584,173	$ -	$ 2,584,173	100.05%
Better and improvements of equipment and facilities of the Charlton Memorial Hospital, to include possible purchase of supplies and equipment.	150,000	150,000	158,994	150,000	-	150,000	100.00%
Better and improvements to the emergency medical service by the purchase of an ambulance	150,000	150,000	227,487	158,994	-	158,994	106.00%
Better and improvements to the Sheriff's Department by the purchase of new law enforcement vehicles	300,000	299,987	210,584	288,071	-	288,071	96.03%
Betterment and improvements of Equipment and Resources of the Fire Departments to include possible purchase of supplies and equipment.	300,000	300,332	165,901	165,901	-	165,901	55.24%
Betterment and improvements of equipment and resources of the Public Works:							
New Trash Truck	100,000	100,000	100,000	100,000	-	100,000	100.00%
Road Equipment	300,000	333,650	1,063,336	1,063,336	-	1,063,336	318.70%
Paving of roads and street Improvements, betterments, and paving	2,000,000	2,241,235	693,790	1,555,404	-	1,555,404	69.40%
Total Road Equipment, Imprp Betterments, and Paving	2,300,000	2,574,885	1,757,126	2,618,740	-	2,618,740	101.70%

Charlton County, Georgia
2008 Schedule of Projects Constructed With Special Purpose
Local Option Sales Tax Proceeds
For the Year Ended December 31, 2016

Project	Initial Total Estimated Cost	Revised Total Estimated Cost	Prior Years As Previously Reported	Prior Years As Adjusted	Current Year	Total	Estimated Percentage of Completion
Betterment and improvement of recreational facilities and equipment to include possible puchase of supplies and equipment.	200,000	200,000	101,261	185,422	-	185,422	92.71%
Betterment and improvements of equipment, resources roads, and drainage:							
Folkston	200,000	200,000	221,331	200,000	-	200,000	100.00%
Homeland	100,000	100,000	100,000	100,000	-	100,000	100.00%
Totals	$ 6,800,000	$ 6,658,198	$ 5,078,238	$ 6,551,301	$ -	$ 6,551,301	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

Charlton County, Georgia
2014 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2016

Project	Total Estimated Cost	Revised Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Renovation of, repairs, and improvements to Health Department Building	$ 50,000	$ 50,000	$ -	$ 49,611	$ 49,611	99.22%
Renovation of, repairs, and improvements to Family Practice Clinic and purahase necessary equipment	150,000	-	-	-	-	0.00%
Purchase of vehicles, construstion or provision of necessary housing, and purchase of necessary county-wide Enhanced 911	950,000	1,021,000	428,151	132,552	560,703	59.02%
Renovation of, repairs, and improvements to County Library and purchase of equipment	50,000	50,000	-	-	-	0.00%
Expansion, revovation of, repairs, and improvements to County Senior Citizens Center	80,000	80,000	-	-	-	0.00%
Purchase of vehicles and equipment for County Sheriff's office	500,000	579,000	225,718	23,629	249,347	49.87%
Improvement, renovation, and/or construction of County Physical plant, including needed building repairs, construction of fuel shelters, shop, and purchase of equipment, computer software and hardware	455,000	455,000	156,801	20,837	177,638	39.04%

Charlton County, Georgia
2014 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2016

Project	Total Estimated Cost	Revised Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Renovation of, repairs, and improvements to County Volunteer Firefighter Stations 1 thru 5	225,000	225,000	-	1,727	1,727	0.77%
Construction of Georgia Bend Training Room/Polling Place	50,000	50,000	-	-	-	0.00%
Construction, repair, and improvement of County roads and bridges	2,000,000	2,000,000	563,972	154,366	718,338	35.92%
Purchase of fire vehicles, breathing apparatus, turnout gear, and other equipment for use by County volunteer firefighters	550,000	550,000	136,747	165,349	302,096	54.93%
Improvement and expansion of County parks and recreation facilities and purchase of major equipment	330,000	330,000	562	13,689	14,251	4.32%
Purchase of major equipment for use by County Road Department	830,000	830,000	57,559	112,522	170,081	20.49%
Purchase of two (2) trash trucks for the County Sanitation Department	280,000	280,000	146,623	-	146,623	52.37%
Renvoations, improvements, expansion and purchase of personal property relating to streets, sidewalks, water and wastewater system and other public facilites in Folkston	200,000	200,000	200,000	-	200,000	100.00%

Charlton County, Georgia
2014 Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds
For the Year Ended December 31, 2016

Project	Total Estimated Cost	Revised Total Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Renvoations, improvements, expansion and purchase of personal property relating to streets, sidewalks, water and wastewater system and other public facilites in Homeland	100,000	100,000	100,000	-	100,000	100.00%
Totals	$ 6,800,000	$ 6,800,000	$ 2,016,133	$ 674,282	$ 2,690,415	

Note (1): Estimated percentage of completion is based on expenditures by the County to date in relation to total estimated expenditures, which have provided by County management.

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

To The County Commissioners
Charlton County, Georgia

I 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, each major fund, aggregate discretely presented component unit and the aggregate remaining fund information of Charlton County, Georgia, as of and for the year ended December 31, 2016, and the related notes to the financial statements which collectively comprise Charlton County's basic financial statements, and have issued my report thereon dated June 7, 2017. My report includes a reference to other auditors who audited the financial statements of the Charlton County Health Department, as described in my report of Charlton County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Charlton, County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charlton County's internal control. Accordingly, I do not express an opinion on the effectiveness to the Charlton County'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 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

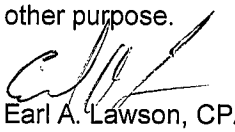
Member: American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.



Earl A. Lawson, CPA
Blackshear, Georgia
June 7, 2017