GLASCOCK COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Year Ended

December 31, 2016

Glascock County, Georgia
Annual Financial Report
For The Year Ended December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the
Board of Commissioners of Glascock County
Gibson, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Glascock County, Georgia, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Glascock County Health Department, a discretely presented component unit, whose statements reflect .6 percent of total assets of Glascock County, Georgia and (1) percent of total net position as of June 30, 2016, and 4.8 percent of total revenues of Glascock County, Georgia for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Glascock County Health Department, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Glascock County, Georgia, as of December 31, 2016 and the respective changes in financial position 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 budgetary comparison information on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Emphasis of Matter

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be

an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Glascock County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, the accompanying schedules of projects constructed with special purpose local option sales tax proceeds, and the Section 5311 Transportation Program Statement of Revenues and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the accompanying schedules of projects constructed with special purpose local option sales tax proceeds, and the Section 5311 Transportation Program Statement of Revenues and Expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and the Schedule of Projects Constructed with Special Sales Tax Proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2017, on our consideration of Glascock County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

James, James, Davis & Associates

Louisville, Georgia
May 4, 2017

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

	Primary Government	
	Governmental Activities	Component Units
Assets		
Current Assets		
Cash and cash equivalents	$ 1,845,245	$ 34,999
Receivables:		
Property taxes	333,860	-
Sales taxes	20,281	-
Other	81,466	19,319
Prepaid items	32,233	-
Capital Assets		
Nondepreciable capital assets	20,939	559,878
Depreciable capital assets, net	4,825,625	-
Total Assets	7,159,649	614,196
Deferred Outflows of Resources	-	20,405
Liabilities		
Current Liabilities		
Accounts payable	341,131	205
Other liabilities	29,804	7,099
Capital lease obligations	25,721	-
Landfill postclosure care costs	13,063	-
Compensated absences payable	5,437	-
Long-Term Liabilities:		
Capital lease obligations (net of current portion)	27,928	-
Landfill postclosure care costs (net of current portion)	127,567	-
Net pension liability	-	105,255
Compensated absences payable (net of current portion)	-	9,639
Total Liabilities	570,651	122,198
Deferred Inflows of Resources	-	12,634
Net Position		
Net investment in capital assets	4,792,915	559,878
Restricted for:		
Capital projects	16,168	-
Public works	397,176	-
Special revenue	39,906	-
Unrestricted (deficit)	1,342,833	(60,129)
Total Net Position	$ 6,588,998	$ 499,749

See accompanying notes to the basic financial statements.

Glascock County, Georgia
Statement of Activities
For the Year Ended December 31, 2016

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants, Contributions and Interest	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Units
Primary Government						
Governmental Activities						
General government	$ 320,302	$ 28,658	$ -	$ 258	$ (291,386)	$ -
Tax administration	158,251	-	-	-	(158,251)	-
Court system	256,693	52,156	-	-	(204,537)	-
Public works	615,636	7,959	-	336,875	(270,802)	-
Public safety	675,684	187,406	5,000	-	(483,278)	-
Culture and recreation	126,094	21,934	-	-	(104,160)	-
Conservation of natural resources	34,235	-	-	-	(34,235)	-
Health and welfare	196,242	-	58,137	-	(138,105)	-
Housing and development	6,000	-	-	-	(6,000)	-
Interest	1,415	-	-	-	(1,415)	-
Total Primary Government	$ 2,390,552	$ 298,113	$ 63,137	$ 337,133	(1,692,169)	-
Component Units						
Department of Public Health	$ 134,990	$ 26,203	$ 110,427	$ -	-	1,640
Development Authority	-	-	6,000	-	-	6,000
Total - Component Units	$ 134,990	$ 26,203	$ 116,427	$ -	-	7,640
		General Revenues:				
		Property taxes			1,165,813	-
		Sales taxes			565,562	-
		Insurance premium taxes			122,649	-
		Other taxes			107,038	-
		Investment earnings			1,887	-
		Miscellaneous			57,482	-
		Total General Revenues			2,020,431	-
		Change in Net Position			328,262	7,640
		Net Position, Beginning of Year			6,260,736	492,109
		Net Position, End of Year			$ 6,588,998	$ 499,749

See accompanying notes to the basic financial statements.

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

	General	SPLOST 2010 Capital Projects	SPLOST 2015 Capital Projects	TSPLOST Discretionary Fund	TSPLOST Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 1,006,767	$ 34,409	$ 116,859	$ 647,463	$ -	$ 39,747	$ 1,845,245
Receivables:							
Property taxes	333,860	-	-	-	-	-	333,860
Sales taxes	7,446	-	12,835	-	-	-	20,281
Interfund	220,309	-	-	-	-	-	220,309
Other	44,055	-	-	34,947	-	2,464	81,466
Prepaid items	32,233	-	-	-	-	-	32,233
Total Assets	$ 1,644,670	$ 34,409	$ 129,694	$ 682,410	$ -	$ 42,211	$ 2,533,394
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	$ 48,514	$ 5,078	$ -	$ 285,234	$ -	$ 2,305	$ 341,131
Other liabilities	12,413	-	-	-	-	-	12,413
Interfund payable	-	13,163	207,146	-	-	-	220,309
Intergovernmental payable	-	-	17,391	-	-	-	17,391
Total Liabilities	60,927	18,241	224,537	285,234	-	2,305	591,244
Deferred Inflows of Resources							
Unavailable revenue - property taxes	150,397	-	-	-	-	-	150,397
Total Deferred Inflows of Resources	150,397	-	-	-	-	-	150,397
Fund Balances							
Nonspendable:							
Prepaid items	32,233	-	-	-	-	-	32,233
Unassigned	1,224,436	-	(94,843)	-	-	-	1,129,593
Assigned - Fiscal Year Budget 2017	176,677	-	-	-	-	-	176,677
Restricted for:							
Capital projects	-	16,168	-	-	-	-	16,168
Public works	-	-	-	397,176	-	-	397,176
Public safety	-	-	-	-	-	21,651	21,651
Court system	-	-	-	-	-	18,255	18,255
Total Fund Balances	1,433,346	16,168	(94,843)	397,176	-	39,906	1,791,753
Total Liabilities , Deferred Inflows of Resources, and Fund Balances	$ 1,644,670	$ 34,409	$ 129,694	$ 682,410	$ -	$ 42,211	$ 2,533,394

See accompanying notes to the basic financial statements.

Glascock County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2016

Total Governmental Fund Balances		$ 1,791,753
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 not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	$ 7,301,391	
Less accumulated depreciation	(2,454,827)	4,846,564
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes		150,397
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net position:		
Interfund receivables	220,309	
Interfund payables	(220,309)	-
Liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases payable	(53,649)	
Landfill postclosure care costs	(140,630)	
Compensated absences payable	(5,437)	(199,716)
Net Position Of Governmental Activities		$ 6,588,998

See accompanying notes to the basic financial statements.

Glascock County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General	SPLOST 2010 Capital Projects	SPLOST 2015 Capital Projects	TSPLOST Discretionary Fund	TSPLOST Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	$ 1,568,472	$ -	$ 136,176	$ 350,404	$ -	$ -	$ 2,055,052
Intergovernmental	63,137	-	-	-	336,875	-	400,012
Charges for services	201,679	-	-	-	-	32,129	233,808
Fines and forfeitures	58,411	-	-	-	-	5,894	64,305
Investment earnings	1,299	133	125	560	-	28	2,145
Miscellaneous	57,482	-	-	-	-	-	57,482
Total Revenues	1,950,480	133	136,301	350,964	336,875	38,051	2,812,804
Expenditures							
Current:							
General government	287,795	-	-	-	-	-	287,795
Tax administration	158,201	-	-	-	-	-	158,201
Court system	256,125	-	-	-	-	568	256,693
Public works	313,762	-	-	72,607	-	-	386,369
Public safety	632,784	-	-	-	-	39,594	672,378
Culture and recreation	95,388	-	-	-	-	-	95,388
Conservation of natural resources	31,562	-	-	-	-	-	31,562
Health and welfare	205,642	-	-	-	-	-	205,642
Housing and development	6,000	-	-	-	-	-	6,000
Intergovernmental	-	-	68,088			-	68,088
Capital Outlay	-	77,851	215,357	-	974,267	-	1,267,475
Debt Service							
Landfill postclosure care costs	13,063	-	-	-	-	-	13,063
Principal retirement	-	-	-	-	84,847	-	84,847
Interest and fiscal charges	-	-	-	-	1,415	-	1,415
Total Expenditures	2,000,322	77,851	283,445	72,607	1,060,529	40,162	3,534,916
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,842)	(77,718)	(147,144)	278,357	(723,654)	(2,111)	(722,112)
Other Financing Sources (Uses)							
Transfers In (Out)	(425,657)	-	-	(297,997)	723,654	-	-
Net Change in Fund Balances	(475,499)	(77,718)	(147,144)	(19,640)	-	(2,111)	(722,112)
Fund Balances, Beginning	1,908,845	93,886	52,301	416,816	-	42,017	2,513,865
Fund Balances, End of Year	$ 1,433,346	$ 16,168	$ (94,843)	$ 397,176	$ -	$ 39,906	$ 1,791,753

See accompanying notes to the basic financial statements.

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

Net Change In Fund Balances - Total Governmental Funds		$ (722,112)
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 outlay expense exceeded depreciation expense in the current period.		
Capital outlay	$ 1,364,785	
Depreciation expense	(297,587)	1,067,198
The book value of disposed capital assets is reported on the government-wide statement of activities but not reported at the fund financial reporting level.		(20,534)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes:		
Deferred @ 12/31/16	150,397	
Deferred @ 12/31/15	(244,387)	(93,990)
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		84,847
Certain liabilities are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		
Balance @ 12/31/16	(5,437)	
Balance @ 12/31/15	5,227	(210)
Landfill postclosure care costs		
Balance @ 12/31/16	(140,630)	
Balance @ 12/31/15	153,693	13,063
Change In Net Position of Governmental Activities		$ 328,262

See accompanying notes to the basic financial statements.

Glascock County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2016

Assets	
Cash and cash equivalents	$ 117,553
Liabilities	
Interfund payable	$ -
Due to others	117,553
Total Liabilities	$ 117,553

See accompanying notes to the basic financial statements.

Glascock County, Georgia
Combining Statement of Net Position
Component Units
December 31, 2016

	Department of Public Health (June 30, 2016)	Development Authority	Total Component Units
Assets			
Current:			
Cash and cash equivalents	$ 24,526	$ 10,473	$ 34,999
Receivables:			
Other	19,319	-	19,319
Capital Assets:			
Nondepreciable capital assets	-	559,878	559,878
Total Assets	43,845	570,351	614,196
Deferred Outflows of Resources	20,405	-	20,405
Liabilities			
Current Liabilities:			
Accounts payable	205	-	205
Accounts payable - DCH	7,099	-	7,099
Long-term Liabilities:			
Net pension liability	105,255	-	105,255
Compensated absences	9,639	-	9,639
Total Liabilities	122,198	-	122,198
Deferred Inflows of Resources	12,634	-	12,634
Net Position			
Investment in capital assets	-	559,878	559,878
Unrestricted	(70,582)	10,453	(60,129)
Total Net Position	$ (70,582)	$ 570,331	$ 499,749

See accompanying notes to the basic financial statements.

Glascock County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2016

	Department of Public Health (June 30, 2016)	Development Authority	Total Component Units
Expenses			
General government	$ -	$ -	$ -
Health and welfare	134,990	-	134,990
Total Expenses	134,990	-	134,990
Revenues			
Program revenues:			
Charges for services	26,203	-	26,203
Operating grants and contributions	110,427	6,000	116,427
Total Program Revenues	136,630	6,000	142,630
Net Program Revenues (Expenses)	1,640	6,000	7,640
General revenues			
Investment earnings	-	-	-
Total General Revenues	-	-	-
Change in Net Position	1,640	6,000	7,640
Net Position, Beginning of Year	(72,222)	564,331	492,109
Net Position, End of Year	$ (70,582)	$ 570,331	$ 499,749

See accompanying notes to the basic financial statements.

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Glascock County, Georgia (the County) is a political subdivision of the State of Georgia. The County is governed by a three member elected board of county commissioners which is governed by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge and Clerk of Superior Court.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The 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 the County, this entity includes the various constitutional officers including the Clerk of Court, the Sheriff, the Probate Court, the Tax Commissioner and the Magistrate Court.

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

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

A brief description of the discretely presented component unit follows:

Glascock County Board of Health (the Health Department) – The Board of Health works to promote and preserve the health of the citizens of the County. The Board consists of seven members, four of these members are appointed by the County Commission. Although the County does not have the authority to approve or modify the Board of Health's budgets, it does have the ability to control the amount of funding it provides to the Board of Health and such funding is significant to the overall operations of the Board of Health. Complete financial statements for the Health Department may be obtained from its administrative office.

Glascock County Development Authority (the Authority) – The Authority is responsible for encouraging economic development within the County. The County Commission appoints the members of the Authority Board. The Authority is fiscally dependent upon the County for operating subsidies. No separate financial statements are issued for the Authority.

1-B Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. The primary government and the component units are presented separately within these financial statements with the focus on the primary government.

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of net position presents the financial position of the governmental 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. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

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

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

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

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

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

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

SPLOST 2010 Capital Projects Fund – This fund accounts for the special purpose local option sales taxes approved in November 2009. The County is using these taxes for the following approved projects:

- Capital improvements for the county sheriff department and other buildings
- Capital improvements for new and existing county facilities and land
- Capital improvements to the City of Gibson, Town of Mitchell and City of Edgehill water and sewer systems

Note 1 - Summary of Significant Accounting Policies (Continued)

SPLOST 2015 Capital Projects Fund – This fund accounts for the special purpose local option sales taxes approved in November 2014. The County is using these taxes for the following approved projects:

- Capital improvements for the public safety building and improvements to other county buildings
- Capital improvements for roads and bridges; capital equipment for public works, public safety and sanitation
- Capital projects for economic development
- Capital improvements to the City of Gibson, Town of Mitchell and City of Edgehill water and sewer systems, waste disposal, roads and streets, and public safety.

TSPLOST Discretionary Fund – This fund accounts for the discretionary portion of the Transportation Improvement Act of 2010. This accounts for TSPLOST proceeds and expenditures for transportation projects that are not capital projects.

TSPLOST Capital Projects Fund – This fund accounts for the capital portion of the Transportation Improvement Act of 2010. This accounts for TSPLOST proceeds and expenditures for transportation projects that are capital projects.

Fiduciary Funds – Fiduciary fund reporting focuses on net position. The County's fiduciary funds are its agency funds.

1-C Measurement Focus

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

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

1-D Basis of Accounting

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

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

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-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

Note 1 - Summary of Significant Accounting Policies (Continued)

specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days with the exception of sales taxes which is 30 days) before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

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

1-E Assets, Liabilities and 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:

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

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net position.

1-E-4 Prepaid Items

Payments made to vendors for services that will benefit periods beyond fiscal year end, 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-5 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 government fund financial statements.

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 began reporting its infrastructure prospectively beginning January 1, 2004. 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 fund is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Lives
Asset Class	Governmental Activities
Buildings	20 - 99 Years
Vehicles	7 - 20 Years
Machinery and equipment	5 - 20 Years
Roads and infrastructure	40-50 Years

1-E-6 Compensated Absences

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

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

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

1-E-7 Accrued Liabilities and Long-term Obligations

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-8 Deferred Outflows/Inflows Resources

The County implemented GASB Statements No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and No. 65, Items Previously Reported as Assets and Liabilities. These standards establish accounting and financial reporting for deferred outflows/ inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The County does not have any items that qualify for reporting in this category. The County's component unit, the Health Department, has a qualified reporting item in this category related to the Health Department's pension plan through the Employees' Retirement System of Georgia.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item that qualified for reporting in this category, unavailable revenue which arises only under a modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, which are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Also, the County's component unit, the Health Department, has a qualified reporting item in this category related to the Health Department's pension plan through the Employees' Retirement System of Georgia.

1-E-9 Equity

Equity at the governmental fund financial reporting level is classified as "fund balance." 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, government funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes from which amounts in those funds can be spent. Fund balances are classified as follows:

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

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

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

Assigned – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, the County has authorized the County Chairman 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. Negative unassigned fund balances may be reported in all other funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Committed
Assigned
Unassigned

Net Position - Net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net position 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. All other net position are reported as unrestricted.

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

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 the 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 (i.e., they are netted). Transfers between funds reported in the governmental activities column are eliminated.

1-E-11 Estimates

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

1-E-12 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A Budgetary Information – The County adopts an annual operating budget for the general fund and the other non-major governmental funds. 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 budgets are adopted on a basis consistent with GAAP.

Total appropriations for any fund may be increased if, during the year, sources of revenue become available to the County in excess of original anticipations, and these amounts are anticipated by the Finance Committee and subsequently appropriated by the Board of Commissioners. 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 County Commissioners.

Note 3 - Detailed Notes on All Funds

3-A Deposits and Investments

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be recovered. State statutes require all deposits and investments to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. The County's custodial credit risk policy requires all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits.

At December 31, 2016, all of the deposits of the County were properly insured and collateralized as required by OCGA Section 45-8-12(c) and as defined by GASB pronouncements.

At June 30, 2016, the County's deposits and investments were as follows:

Carrying amount of the County's deposits	$ 1,962,798
Bank balances of the County's deposits	1,987,096
Deposits covered by depository insurance	504,881
Deposits collateralized by securities	1,482,215

State statutes authorize the County to invest in obligations of, or obligations guaranteed by the U.S. government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; and the Office of State Treasurer. The County had no other investments that require disclosure as to the basis of valuation other than capital assets, the basis of which are properly disclosed.

3-B Receivables

Receivables at December 31, 2016, consisted of various types of taxes. 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, collectibility.

3-C Property Taxes

Property taxes are based on assessments of property values as of January 1. The Board of Commissioners approved the millage rate on August 2, 2016. Property taxes are billed on or around September 1 each year and are due by November 15. Property taxes attach as an enforceable lien on property as of January 1.

The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. Collection of the County's taxes and collection for the other governmental agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an agency fund.

(Continued on following page)

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 12/31/2015	Additions	Deductions	Balance 12/31/2016
Governmental activities:				
Non-depreciable capital assets:				
Land	$ 18,939	$ 2,000	$ -	$ 20,939
Construction in progress	10,375	-	10,375	-
Total non-depreciable capital assets	29,314	2,000	10,375	20,939
Non-depreciable capital assets:				
Buildings	3,155,962	309,800	-	3,465,762
Vehicles	325,479	56,694	-	382,173
Machinery and equipment	1,285,735	341,517	36,376	1,590,876
Roads and infrastructure	1,176,492	665,149	-	1,841,641
Total other capital assets	5,943,668	1,373,160	36,376	7,280,452
Total capital assets	5,972,982	1,375,160	46,751	7,301,391
Accumulated depreciation:				
Buildings	1,067,221	67,646	-	1,134,867
Vehicles	188,353	35,199	-	223,552
Machinery and equipment	714,250	117,094	(15,842)	815,502
Roads and infrastructure	203,258	77,648	-	280,906
Total accumulated depreciation	2,173,082	297,587	(15,842)	2,454,827
Governmental activities capital assets, net	$ 3,799,900	$ 1,077,573	$ 30,909	$ 4,846,564

Governmental activities depreciation expense

General government	$ 40,791
Public works	139,978
Public safety	54,887
Culture and recreation	30,706
Conservation of natural resources	2,673
Health and welfare	28,552
Total governmental activities depreciation expense	$ 297,587

Note 3 - Detailed Notes on All Funds (Continued)

3-E Interfund Balances and Transfers

Interfund balances and transfers for the year ended 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. The following are the interfund balances and transfers between funds:

Interfund Transfers

	Transfers from:		
Transfers To:	General Fund	TSPLOST Discretionary Fund	Total
TSPLOST Capital Projects Fund	$ 425,657	$ 297,997	$ 723,654
	$ 425,657	$ 297,997	$ 723,654

The transfer from the General Fund and the TSPLOST Discretionary Fund to the TSPLOST Capital Projects Fund is related to the County purchasing capital items and infrastructure with LMIG and TSPLOST funds.

Interfund Balances

	Due from:		
Due To:	SPLOST 2010 Capital Projects Fund	SPLOST 2015 Capital Projects Fund	Total
General Fund	$ 13,163	$ 207,146	$ 220,309
	$ 13,163	$ 207,146	$ 220,309

This interfund balance is due to the General Fund, which paid for expenditures designated for the SPLOST 2010 Capital Projects Fund and the SPLOST 2015 Capital Projects Fund in order to expedite these SPLOST projects approved by resolution. This interfund balance will be repaid subsequent to the fiscal year end.

3-F Fund Balances

The County's fund balances reported as restricted, assigned and unassigned are summarized as follows:

Nonspendable:	
Prepaid items	$ 32,233
Restricted:	
Capital projects	16,168
Public works	397,176
Public safety	21,651
Court system	18,255
Assigned – Fiscal Year Budget 2017	176,677
Unassigned	1,129,593
Total Fund Balance	$ 1,791,753

Note 3 - Detailed Notes on All Funds (Continued)

The County has assigned fund balance to account for the amount appropriated in the subsequent year's budget. The County reported negative unassigned fund balance in the SPLOST 2015 Capital Projects Fund. This negative fund balance was the result of the General Fund paying for expenditures designated for the SPLOST 2015 Capital Project Fund in order to expedite the SPLOST projects. These funds will be repaid to the General Fund subsequent to year end. The negative fund balance will be alleviated as fund revenues are received and expenditures are reduced.

3-G Landfill Postclosure Care Liability

State and Federal laws and regulations require the County to place a final cover on its landfill when it stops accepting waste, and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Recognition of a liability for landfill closure and postclosure care costs is based upon the capacity used to date of the County's landfill. The landfill has been closed and, accordingly, 100% of the estimated postclosure care costs are recognized. The estimated costs are the engineers' best estimate of future costs and could increase or decrease due to changes in inflation or deflation, technology or applicable laws and regulations. Expenditures of postclosure care costs reduce the liability.

Costs incurred and expended for the year ended December 31, 2016 totaled $ 13,063. The revised remaining estimated liability for landfill postclosure care is $ 140,630.

Postclosure care activities will be revised on an annual basis, with the total estimated liability reduced as these costs are incurred. The County is exempt from the state requirement to establish a trust fund with an independent third party to accumulate assets needed for the actual payout of postclosure care costs.

3-H Long-term Debt

At December 31, 2016, the County's general long-term debt consisted of estimated post-closure care costs of the County's landfill, capital leases and compensated absences.

Capital Leases

The County is obligated under this agreement for public works equipment. The original amount of $ 232,095 was financed under this lease agreement with an interest rate of 1.68%. The equipment acquired by the lease is included in governmental activities general capital assets, with an acquisition cost of $ 232,095 less accumulated depreciation of $ 58,025. The lease is due in monthly payments of $ 6,615 for 36 months with the final payment due August 2016. This capital lease was paid in full during 2016.

The County is obligated under this agreement for public works equipment. The original amount of $ 102,151 was financed under this lease agreement with an interest rate of 1.760%. The equipment was acquired on lease and is included in governmental activities general capital assets, with an acquisition cost of $ 102,151, less accumulated depreciation of $ 30,402. The lease is due in monthly payments of $ 2,205 for 48 months with the final payment due January, 2019.

A summary of payments for the capital lease is as follows:

Year	Amount
2017	$ 26,465
2018	26,465
2019	2,206
Subtotal	55,136
Less amount representing interest	(1,487)
Principal balance	$ 53,649

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:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Capital leases:					
BB&T Governmental Finance	$ 138,496	$ -	$ 84,847	$ 53,649	$ 25,721
Landfill post-closure costs	153,693		13,063	140,630	13,063
Compensated absences	5,227	6,748	6,538	5,437	5,437
Total Governmental Activities	$ 297,416	$ 6,748	$ 104,448	$ 199,716	$ 44,221
Component Units:					
Net pension liability	$ 103,067	$ 2,188	$ -	$ 105,255	$ -
Compensated absences	7,372	4,795	2,528	9,639	
Total Component Units	$ 110,439	$ 6,983	$ 2,528	$ 114,894	$ -

The landfill post-closure care costs will be financed through future General Fund financial resources. The compensated absences liability will be paid from the fund which the employee's salaries are paid, the General Fund.

3-I Pensions

The County has a defined contribution retirement plan whereby all full-time county employees meeting eligibility requirements are eligible to participate in the plan. The plan, administered by the GEB Corp., is open to all full-time employees, exclusive of elected officials who are eligible for state provided retirement benefits. The County contributes two percent of covered employees' salaries to a 401A Plan annually. Employees are 100% vested in the County contribution after five years of service. Employees do not contribute to the 401A Plan. In conjunction with resolution establishing the 401A Plan, the County also adopted a 457 Deferred Compensation Plan. Under the 457 Deferred Compensation Plan, employees are eligible to receive up to an additional one percent contribution to the 401A Plan if they participate in the 457 Deferred Compensation Plan. The current year covered payroll was approximately $ 650,494 and the total current payroll was $ 758,812. The County's required and actual contribution for the fiscal year ended December 31, 2016, for the 401A Plan was $18,467, which was 2.7% of the covered payroll. There were no funds forfeited by the Plan for the fiscal year ended and there was no outstanding liability as of December 31, 2016.

Other State of Georgia Pension Plans – The Sheriff, Clerk of Superor Court, Probate Judge, Magistrate Judge, Tax Commissioner, and various other employees of the County are covered by the State of Georgia retirement plans and are not included as part of the County's plan described above. These State Plans are funded, in part, through County fines and forfeitures collections.

Information on the Sheriff Retirement plan may be found at the following:

Georgia Sheriffs Association Retirement Fund
P. O. Box 1000
Stockbridge, Georgia 30281

Information on the Clerk of Superior Court Retirement plan may be found at the following:

Superior Court of Clerk's Retirement Fund of Georgia
124 N. McDonough St # 3
Jonesboro, Georgia 30236

Note 3 - Detailed Notes on All Funds (Continued)

Information on the Probate Judge Retirement plan may be found at the following:

Probate Retirement Fund of Georgia
P. O. Box 56
Griffin, Georgia 30224

Information on the Magistrate Court Retirement plan may be found at the following:

Magistrate Retirement Fund
P. O. Box 56
Griffin, Georgia 30224

Information on the Tax Commissioners Retirement plan may be found at the following:

Employee Retirement System
Two Northside 75, Suite 300
Atlanta, Georgia 30318

Information on the Peace Officers' Annuity and Benefit Fund plan may be found at the following:

Peace Officers' Annuity and Benefit Fund
P. O. Box 56
Griffin, Georgia 30224

3-J Net Position

Net investment in capital assets on the government-wide statement of net position as of December 31, 2016, are as follows:

Net investment in capital assets:	Governmental Activities	Component Unit
Cost of capital assets	$ 7,301,391	$ 559,878
Less accumulated depreciation	(2,454,827)	-
Book value	4,846,564	559,878
Less capital related debt	(53,649)	-
Net investment in capital assets	$ 4,792,915	$ 559,878

Note 4 - Other Notes

4-A Risk Management

The County maintains third party coverage for claims arising from property and casualty claims, theft, errors and omissions and general liability claims.

The County is a member of the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a risk sharing public entity risk pool. This fund was created to provide its members with an alternative method in which to finance their workers' compensation coverage. The authority to participate in this fund rests with the County Commissioners. The County's responsibility relates to paying an annual premium to the fund for its workers' compensation coverage. The fund purchases excess insurance to protect the fund from catastrophic losses and for any unexpected increase in frequency of smaller claims. As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage

Note 4 - Other Notes (Continued)

descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

4-B Contingent Liabilities

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 to 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 was a defendant in a lawsuit at December 31, 2016. In the opinion of the County management, the outcome of this contingency will not have a material effect on the financial position of the County.

4-C Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the fourteen county east central Georgia area, is a member of the Central Savannah River Area Regional Commission (RC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for debts or obligations of an RC. Separate financial statements may be obtained from:

Central Savannah River Area Regional Commission
P. O. Box 2800
Augusta, Georgia 30914

4-D Subsequent Events

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through May 4, 2017. Management has not identified any items requiring recognition or disclosure.

4-E Compliance with the Uniform Guidance

The County is not subject to the requirements of the Uniform Guidance for the year ended December 31, 2016.

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

	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes	$ 1,452,987	$ 1,573,987	$ 1,568,472	$ (5,515)
Intergovernmental	73,000	73,000	63,137	(9,863)
Charges for services	142,500	198,000	201,679	3,679
Fines and forfeitures	98,000	99,500	58,411	(41,089)
Investment earnings	-	-	1,299	1,299
Miscellaneous	1,500	3,500	57,482	53,982
Total Revenues	1,767,987	1,947,987	1,950,480	2,493
Expenditures				
Current:				
General government	351,149	291,149	287,795	3,354
Tax administration	180,020	180,020	158,201	21,819
Court system	269,690	269,690	256,125	13,565
Public safety	622,904	645,904	632,784	13,120
Public works	373,186	360,686	313,762	46,924
Culture and recreation	81,542	95,542	95,388	154
Conservation of natural resources	47,369	47,369	31,562	15,807
Health and welfare	171,607	207,107	205,642	1,465
Housing and development	6,500	6,500	6,000	500
Debt Service:				
Landfill postclosure costs	15,000	15,000	13,063	1,937
Total Expenditures	2,118,967	2,118,967	2,000,322	118,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	(350,980)	(170,980)	(49,842)	121,138
Other Financing Sources				
Operating transfer out	-	-	(425,657)	(425,657)
Net Change in Fund Balances	$ (350,980)	$ (170,980)	(475,499)	$ (304,519)
Fund Balance, Beginning of Year			1,908,845	
Fund Balance, End of Year			$ 1,433,346	

Glascock County, Georgia
Notes to the Required Supplementary Information
For the Year Ended December 31, 2016

Note 1 - Budgetary Information

The budget for the general fund is adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

The County's financial statements did not have any departments that reflected expenditures in excess of budgeted amounts.

Glascock County, Georgia
General Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 1,006,767	$ 1,820,876
Receivables:		
Property taxes	333,860	301,599
Sales taxes	7,446	7,108
Interfund	220,309	-
Other	44,055	53,964
Prepaid items	32,233	35,650
Total Assets	$ 1,644,670	$ 2,219,197
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	$ 48,514	$ 11,332
Other liabilities	12,413	4,633
Other current liabilities	-	50,000
Total Liabilities	60,927	65,965
Deferred Inflows of Resources		
Unavailable revenue - property taxes	150,397	244,387
Total Deferred Inflows of Resources	150,397	244,387
Fund Balances		
Nonspendable:		
Prepaid items	32,233	35,650
Unassigned	1,224,436	1,846,521
Assigned - Subsequent Fiscal Year Budget	176,677	26,674
Total Fund Balances	1,433,346	1,908,845
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,644,670	$ 2,219,197

Glascock County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance	2015 Actual
Revenues					
Taxes					
Property:					
General property tax	$ 1,155,877	$ 1,219,377	$ 1,207,656	$ (11,721)	$ 967,719
Motor vehicle tax	-	27,000	37,029	10,029	47,131
Mobile home tax	-	-	15,118	15,118	15,544
Real estate transfer tax	3,500	3,500	2,570	(930)	2,292
Railroad equipment tax	3,500	4,500	4,407	(93)	4,350
Vehicle title advalorem tax	85,000	98,000	98,238	238	92,558
Sales taxes	98,610	98,610	78,982	(19,628)	81,669
Insurance premium taxes	105,000	120,500	122,649	2,149	115,254
Bank taxes	1,500	2,500	1,823	(677)	1,481
Total Taxes	1,452,987	1,573,987	1,568,472	(5,515)	1,327,998
Fines, Forfeitures and Fees					
Clerk of state/superior court	28,000	28,000	12,098	(15,902)	20,281
Sheriff department	6,500	6,500	6,255	(245)	6,940
Probate court	60,000	60,000	35,230	(24,770)	40,674
Magistrate court	3,500	5,000	4,828	(172)	3,070
Total Fines and Forfeitures	98,000	99,500	58,411	(41,089)	70,965
Intergovernmental					
Section 5311 transportation program	37,000	37,000	34,768	(2,232)	30,364
GEMA Grant	5,000	5,000	5,000	-	5,000
LMIG	-	-	-	-	143,125
Nutrition program	31,000	31,000	23,369	(7,631)	26,853
Total Intergovernmental	73,000	73,000	63,137	(9,863)	205,342
carried forward	1,623,987	1,746,487	1,690,020	(56,467)	1,604,305

(continued)

Glascock County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

(continued)

	2016				
	Original Budget	Final Budget	Actual	Variance	2015 Actual
Revenues					
brought forward	$ 1,623,987	$ 1,746,487	$ 1,690,020	$ (56,467)	$ 1,604,305
Charges for Services					
Ambulance fees	100,000	140,000	143,128	3,128	121,506
Rental income	13,000	27,500	28,658	1,158	12,108
Recreation fees	22,000	22,000	21,934	(66)	13,882
Landfill usage fees	7,500	8,500	7,959	(541)	23,854
Total Charges for Services	142,500	198,000	201,679	3,679	171,350
Investment Earnings	-	-	1,299	1,299	1,744
Miscellaneous					
Jefferson Energy Foundation Grant	-	-	-	-	7,000
Sale of equipment	1,000	2,000	38,000	36,000	-
Other	500	1,500	19,482	17,982	16,642
Total Miscellaneous	1,500	3,500	57,482	53,982	23,642
Total Revenues	$ 1,767,987	$ 1,947,987	$ 1,950,480	$ 2,493	$ 1,801,041

Glascock County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance	2015 Actual
General Government					
Personal services	$ 71,239	$ 71,239	$ 70,182	$ 1,057	$ 80,624
Operating	179,410	179,410	177,992	1,418	171,408
Other	100,000	-	-	-	50,000
Capital	500	40,500	39,621	879	10,375
Total General Government	351,149	291,149	287,795	3,354	312,407
Tax Administration					
Personal services	98,585	98,585	103,612	(5,027)	95,871
Operating	81,435	81,435	54,589	26,846	68,303
Total Tax Administration	180,020	180,020	158,201	21,819	164,174
Court System					
Personal services	171,427	171,427	150,926	20,501	145,717
Operating	98,263	98,263	105,199	(6,936)	75,791
Total Court System	269,690	269,690	256,125	13,565	221,508
Public Safety					
Sheriff's Dept.:					
Personal services	208,460	209,460	209,287	173	197,008
Operating	147,376	159,376	159,355	21	142,392
Capital	46,800	51,800	51,579	221	6,500
Total Sheriff's Dept.	402,636	420,636	420,221	415	345,900
EMA:					
Personal services	4,189	4,189	13,596	(9,407)	11,673
Operating	20,505	20,505	7,953	12,552	6,451
Total EMA	24,694	24,694	21,549	3,145	18,124
EMS:					
Operating	135,000	135,000	125,677	9,323	130,348
Fire Department:					
Personal services	117	117	1,722	(1,605)	1,366
Operating	58,271	58,271	56,458	1,813	62,157
Total Fire Department	58,388	58,388	58,180	208	63,523
Coroner:					
Operating	2,186	7,186	7,157	29	5,484
Total Public Safety	622,904	645,904	632,784	13,120	563,379
carried forward	1,423,763	1,386,763	1,334,905	51,858	1,261,468

Glascock County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

(continued)

	2016				
	Original Budget	Final Budget	Actual	Variance	2015 Actual
brought forward	$ 1,423,763	$ 1,386,763	$ 1,334,905	$ 51,858	$ 1,261,468
Public Works					
Personal services	211,067	198,567	162,992	35,575	153,571
Operating	162,119	162,119	150,770	11,349	157,793
Total Public Works	373,186	360,686	313,762	46,924	311,364
Culture and Recreation					
Recreation	58,758	72,758	72,604	154	57,620
Library	22,784	22,784	22,784	-	22,784
Total Culture and Recreation	81,542	95,542	95,388	154	80,404
Conservation of Natural Resources					
Agriculture:					
Personal services	18,038	18,038	20,550	(2,512)	18,860
Operating	29,331	29,331	11,012	18,319	10,542
Total Conservation of Natural Resources	47,369	47,369	31,562	15,807	29,402
Health and Welfare					
Nutrition	82,165	101,665	101,519	146	100,662
Transit Program	66,595	82,595	82,347	248	62,365
Health Department	22,847	22,847	21,776	1,071	23,112
Total Health and Welfare	171,607	207,107	205,642	1,465	186,139
Housing and Development					
Development Authority	6,500	6,500	6,000	500	-
Total Housing and Development	6,500	6,500	6,000	500	-
Debt Service					
Landfill postclosure care costs	15,000	15,000	13,063	1,937	13,063
Total Debt Service	15,000	15,000	13,063	1,937	13,063
Total Expenditures	$ 2,118,967	$ 2,118,967	$ 2,000,322	$ 118,645	$ 1,881,840

Glascock County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	E-911 Fund	Drug Abuse T & E Fund	Jail Fund	Condemned Funds	Law Library Fund	Total Nonmajor Governmental Funds
Assets						
Cash and cash equivalents	$ 1,959	$ 15,434	$ 3,175	$ 924	$ 18,255	$ 39,747
Other receivables	2,305	-	159	-	-	2,464
Total Assets	$ 4,264	$ 15,434	$ 3,334	$ 924	$ 18,255	$ 42,211
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ 2,305	$ -	$ -	$ -	$ -	$ 2,305
Total Liabilities	2,305	-	-	-	-	2,305
Fund Balances						
Restricted for program purposes	1,959	15,434	3,334	924	18,255	39,906
Total Liabilities and Fund Balances	$ 4,264	$ 15,434	$ 3,334	$ 924	$ 18,255	$ 42,211

Glascock County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	E -911 Fund	Drug Abuse T & E Fund	Jail Fund	Condemned Funds	Law Library Fund	Total Nonmajor Governmental Funds
Revenues						
Charges for services	$ 32,129	$ -	$ -	$ -	$ -	$ 32,129
Fines and forfeitures	-	1,011	3,498	-	1,385	5,894
Investment earnings	-	23	5	-	-	28
Total Revenues	32,129	1,034	3,503	-	1,385	38,051
Expenditures						
Current:						
Public safety	32,204	1,591	5,425	374	-	39,594
Court system	-	-	-	-	568	568
Total Expenditures	32,204	1,591	5,425	374	568	40,162
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75)	(557)	(1,922)	(374)	817	(2,111)
Fund Balances Beginning of Year	2,034	15,991	5,256	1,298	17,438	42,017
Fund Balances End of Year	$ 1,959	$ 15,434	$ 3,334	$ 924	$ 18,255	$ 39,906

Glascock County, Georgia
E-911 Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 1,959	$ 2,034
Receivables:		
Others	2,305	2,528
Total Assets	$ 4,264	$ 4,562
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 2,305	$ 2,528
Total Liabilities	2,305	2,528
Fund Balances		
Restricted for public safety	1,959	2,034
Total Liabilities and Fund Balances	$ 4,264	$ 4,562

Glascock County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Charges for services	$ 3,088	$ 33,088	$ 32,129	$ (959)	$ 36,526
Expenditures					
Current:					
Public safety	3,088	33,088	32,204	884	37,580
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	(75)	$ (75)	(1,054)
Fund Balance, Beginning of Year			2,034		3,088
Fund Balance, End of Year			$ 1,959		$ 2,034

Glascock County, Georgia
Drug Abuse T & E Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 15,434	$ 15,742
Receivables:		
Others	-	249
Total Assets	$ 15,434	$ 15,991
Fund Balances		
Restricted for public safety	$ 15,434	$ 15,991

Glascock County, Georgia
Drug Abuse T & E Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Fines and forfeitures	$ 16,452	$ 16,452	$ 1,011	$ (15,441)	$ 1,504
Investment earnings	-	-	23	23	-
Total Revenues	16,452	16,452	1,034	(15,418)	1,504
Expenditures					
Current:					
Public safety	16,452	16,452	1,591	14,861	1,965
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	(557)	$ (557)	(461)
Fund Balance, Beginning of Year			15,991		16,452
Fund Balance, End of Year			$ 15,434		$ 15,991

Glascock County, Georgia
Jail Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 3,175	$ 4,976
Receivables:		
Other	159	280
Total Assets	$ 3,334	$ 5,256
Fund Balances		
Restricted for public safety	$ 3,334	$ 5,256

Glascock County, Georgia
Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Fines and forfeitures	$ 6,241	$ 6,241	$ 3,498	$ (2,743)	$ 4,450
Investment earnings	-	-	5	5	8
Total Revenues	6,241	6,241	3,503	(2,738)	4,458
Expenditures					
Current:					
Public safety	6,241	6,241	5,425	816	5,443
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	(1,922)	$ (1,922)	(985)
Fund Balance, Beginning of Year			5,256		6,241
Fund Balance, End of Year			$ 3,334		$ 5,256

Glascock County, Georgia
Condemned Funds
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 924	$ 1,298
Total Assets	$ 924	$ 1,298
Fund Balances		
Restricted for public safety	$ 924	$ 1,298

Glascock County, Georgia
Condemned Funds
Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Fines and forfeitures	$ 1,762	$ 1,762	$ -	$ (1,762)	$ -
Investment earnings	-	-	-	-	1
Total Revenues	1,762	1,762	-	(1,762)	1
Expenditures					
Current:					
Public safety	1,762	1,762	374	1,388	465
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	(374)	$ (374)	(464)
Fund Balance, Beginning of Year			1,298		1,762
Fund Balance, End of Year			$ 924		$ 1,298

Glascock County, Georgia
Law Library Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 18,255	$ 17,438
Total Assets	$ 18,255	$ 17,438
Fund Balances		
Restricted for court system	$ 18,255	$ 17,438

Glascock County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Fines and forfeitures	$ 16,303	$ 16,303	$ 1,385	$ (14,918)	$ 1,650
Total Revenues	16,303	16,303	1,385	(14,918)	1,650
Expenditures					
Current:					
Court system	16,303	16,303	568	15,735	515
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	817	$ 817	1,135
Fund Balance, Beginning of Year			17,438		16,303
Fund Balance, End of Year			$ 18,255		$ 17,438

Glascock County, Georgia
SPLOST 2010 Capital Projects Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 34,409	$ 93,906
Total Assets	$ 34,409	$ 93,906
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 5,078	$ -
Interfund payable	13,163	20
Total Liabilities	18,241	20
Fund Balances		
Restricted for capital projects	16,168	93,886
Total Liabilities and Fund Balances	$ 34,409	$ 93,906

Glascock County, Georgia
SPLOST 2010 Capital Projects Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016	2015
Revenues		
Sales taxes	$ -	$ 36,040
Investment earnings	133	617
Total Revenues	133	36,657
Expenditures		
Capital:		
General Government	-	9,478
Public safety	75,801	-
Health and welfare	-	40,615
Culture and recreation	2,050	446,621
Total Expenditures	77,851	496,714
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,718)	(460,057)
Fund Balance, Beginning of Year	93,886	553,943
Fund Balance, End of Year	$ 16,168	$ 93,886

Glascock County, Georgia
SPLOST 2015 Capital Projects Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 116,859	$ 57,828
Receivables:		
Sales taxes	12,835	12,254
Interfund	-	20
Total Assets	$ 129,694	$ 70,102
Liabilities and Fund Balances		
Liabilities		
Intergovernmental payable	$ 17,391	$ 17,801
Interfund payable	207,146	-
Total Liabilities	224,537	17,801
Fund Balances		
Restricted for capital projects	-	52,301
Unassigned	(94,843)	-
Total Liabilities and Fund Balances	$ 129,694	$ 70,102

Glascock County, Georgia
SPLOST 2015 Capital Projects Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016	2015
Revenues		
Sales taxes	$ 136,176	$ 104,755
Investment earnings	125	24
Total Revenues	136,301	104,779
Expenditures		
General government:		
Other expenses	-	104
Capital:		
Public safety	215,357	-
Intergovernmental	68,088	52,374
Total Expenditures	283,445	52,478
Excess (Deficiency) of Revenues Over (Under) Expenditures	(147,144)	52,301
Fund Balance, Beginning of Year	52,301	-
Fund Balance, End of Year	$ (94,843)	$ 52,301

Glascock County, Georgia
TSPLOST Discretionary Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 647,463	$ 384,579
Taxes receivable	34,947	33,460
Total Assets	$ 682,410	$ 418,039
Liabilities		
Accounts payable	$ 285,234	$ 1,223
Total Liabilities	285,234	1,223
Fund Balances		
Restricted for public works	397,176	416,816
Total Liabilities and Fund Balances	$ 682,410	$ 418,039

Glascock County, Georgia
TSPLOST Discretionary Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016	2015
Revenues		
Taxes - TSPLOST	$ 350,404	$ 361,305
Investment earnings	560	474
Total Revenues	350,964	361,779
Expenditures		
Current:		
Public works	72,607	100,016
Excess (Deficiency) of Revenues Over (Under) Expenditures	278,357	261,763
Other Financing Sources (Uses)		
Transfer out	(297,997)	(68,126)
Net Change in Fund Balance	(19,640)	193,637
Fund Balance, Beginning of Year	416,816	223,179
Fund Balance, End of Year	$ 397,176	$ 416,816

Glascock County, Georgia
TSPLOST Capital Projects Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ -	$ -
Total Assets	$ -	$ -
Fund Balances		
Restricted for capital projects	$ -	$ -

Glascock County, Georgia
TSPLOST Capital Projects Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016	2015
Revenues		
Intergovernmental-GDOT LMIG	$ 336,875	$ -
Total Revenues	336,875	-
Expenditures		
Capital:		
Public works	974,267	135,011
Debt Service:		
Principal	84,847	76,390
Interest	1,415	2,995
Total Expenditures	1,060,529	214,396
Excess (Deficiency) of Revenues Over (Under) Expenditures	(723,654)	(214,396)
Other Financing Sources (Uses)		
Transfer in	723,654	214,396
Net Change in Fund Balance	-	-
Fund Balance, Beginning of Year	-	-
Fund Balance, End of Year	$ -	$ -

Glascock County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended December 31, 2016

Clerk of Court	Balance January 1, 2016	Additions	Deductions	Eliminations	Balance December 31, 2016
Assets					
Cash and cash equivalents	$ 31,868	$ 45,422	$ 37,589	$ -	$ 39,701
Liabilities					
Interfund payable	$ -	$ 17,486	$ 17,486	$ -	$ -
Due to others	31,868	27,936	20,103	-	39,701
Total Liabilities	$ 31,868	$ 45,422	$ 37,589	$ -	$ 39,701

Probate Court	Balance January 1, 2016	Additions	Deductions	Eliminations	Balance December 31, 2016
Assets					
Cash and cash equivalents	$ 4,821	$ 66,919	$ 65,511	$ 2,513	$ 3,716
Liabilities					
Interfund payable	$ -	$ 48,665	$ 46,152	$ 2,513	$ -
Due to others	4,821	18,254	19,359	-	3,716
Total Liabilities	$ 4,821	$ 66,919	$ 65,511	$ 2,513	$ 3,716

Sheriff	Balance January 1, 2016	Additions	Deductions	Eliminations	Balance December 31, 2016
Assets					
Cash and cash equivalents	$ 704	$ 7,025	$ 6,850	$ 200	$ 679
Liabilities					
Interfund payable	$ -	$ 7,025	$ 6,825	$ 200	$ -
Due to others	704	-	25	-	679
Total Liabilities	$ 704	$ 7,025	$ 6,850	$ 200	$ 679

(continued)

Glascock County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended December 31, 2016

(continued)

Tax Commissioner	Balance January 1, 2016	Additions	Deductions	Eliminations	Balance December 31, 2016
Assets					
Cash and cash equivalents	$ 104,673	$ 3,334,840	$ 3,339,865	$ 27,356	$ 72,292
Liabilities					
Interfund payable	$ -	$ 1,259,277	$ 1,231,921	$ 27,356	$ -
Due to others	104,673	2,075,563	2,107,944	-	72,292
Total Liabilities	$ 104,673	$ 3,334,840	$ 3,339,865	$ 27,356	$ 72,292

Magistrate Court	Balance January 1, 2016	Additions	Deductions	Eliminations	Balance December 31, 2016
Assets					
Cash and cash equivalents	$ 3,244	$ 23,546	$ 25,603	$ 22	$ 1,165
Liabilities					
Interfund payable	$ -	$ 5,066	$ 5,044	$ 22	$ -
Due to others	3,244	18,480	20,559	-	1,165
Total Liabilities	$ 3,244	$ 23,546	$ 25,603	$ 22	$ 1,165

Total	Balance January 1, 2016	Additions	Deductions	Eliminations	Balance December 31, 2016
Assets					
Cash and cash equivalents	$ 145,310	$ 3,477,752	$ 3,475,418	$ 30,091	$ 117,553
Liabilities					
Interfund payable	$ -	$ 1,337,519	$ 1,307,428	$ 30,091	$ -
Due to others	145,310	2,140,233	2,167,990	-	117,553
Total Liabilities	$ 145,310	$ 3,477,752	$ 3,475,418	$ 30,091	$ 117,553

Glascock County, Georgia
Schedule of Projects Funded
For the Year Ended December 31, 2016

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percent Completed
			Prior Years	Current Year	Total	
Special Sales Tax Imposed 2010 - 2015						
Capital improvements for County Sheriff department and other County offices, water and sewer projects in the Cities						
Construction costs -						
All projects (undesignated)	$ 1,500,000	$ 555,000	$ 21,807	$ 70,724	$ 92,531	17%
Public safety:						
Vehicles and equipment	-	130,000	75,950	5,077	81,027	62%
Public works:						
Vehicles and equipment	-	120,000	117,326	-	117,326	98%
Culture and recreation:						
Vehicles, equipment and improvements	-	545,000	541,286	2,050	543,336	100%
Intergovernmental:						
City of Gibson	-	50,000	50,000	-	50,000	100%
City of Edgehill		50,000	50,000	-	50,000	100%
Town of Mitchell	-	50,000	50,000	-	50,000	100%
TOTALS	$ 1,500,000	$ 1,500,000	$ 906,369	$ 77,851	$ 984,220	

Glascock County, Georgia
Schedule of Projects Funded
For the Year Ended December 31, 2016

	Original Estimated Cost	Expenditures			Estimated Percent Completed
		Prior Years	Current Year	Total	
Special Sales Tax Imposed 2015 - 2020					
Capital improvements for County Sheriff department and other County offices, water and sewer projects in the Cities					
Construction costs -					
All projects (undesignated)	$ 1,850,000	$ 104	$ 207,146	$ 207,250	11%
Public safety:					
Vehicles and equipment	-	-	8,211	8,211	0%
Public works:					
Vehicles and equipment	-	-	-	-	0%
Culture and recreation:					
Vehicles and equipment	-	-	-	-	0%
Intergovernmental					
City of Gibson	50,000	17,807	23,150	40,957	82%
City of Edgehill	50,000	16,760	21,788	38,548	77%
Town of Mitchell	50,000	17,807	23,150	40,957	82%
TOTALS	$ 2,000,000	$ 52,478	$ 283,445	$ 335,923	

Glascock County, Georgia
SECTION 5311 TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended December 31, 2016

	Program # MTG00-T005429 01/01/16 to 06/30/16	Program # MTG00-T005885 07/01/16 to 12/31/16	Totals
REVENUES			
Reimbursements received from Georgia Department of Transportation	$ 18,203	$ 16,566	$ 34,769
Other program income	1,446	1,865	3,311
Total	19,649	18,431	38,080
EXPENDITURES			
Salaries and fringe benefits			
Administrative	6,605	8,269	14,874
Operating	23,264	20,183	43,447
Fuel and operational supplies	4,322	3,947	8,269
Vehicle maintenance	2,416	2,683	5,099
General insurance	2,000	-	2,000
Telephone	1,170	568	1,738
Office supplies	151	421	572
Audit	500	-	500
Drug and alcohol testing	141	354	495
Travel and training	450	387	837
Total	41,019	36,812	77,831
Revenues in Excess of (less than) Expenditures	$ (21,370)	$ (18,381)	$ (39,751)

* * The revenues and expenditures listed above are the amounts on the monthly reimbursement requests for the periods shown. In some instances, these amounts will exceed the amounts shown in the departmental accounts. This is due to the fact that all expenditures are not departmentalized according to their purpose.

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GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Chairman and Members of the
Board of Commissioners of Glascock County
Gibson, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Glascock County, Georgia, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Glascock County, Georgia's basic financial statements, and have issued our report thereon dated May 4, 2017. We did not audit the financial statements of the Glascock County Health Department, a discretely presented component unit, whose statements reflect .6 percent of total assets of Glascock County, Georgia and (1) percent of total net position as of June 30, 2016, and 4.8 percent of total revenues of Glascock County, Georgia for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it related to the amounts included for the Glascock County Health Department, is based on the report of other auditors.

Internal Control Over Financial Reporting

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

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

schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2016-1 to be a material weaknesses.

Compliance and Other Matters

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

Glascock County, Georgia's Responses to Findings

Glascock County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Glascock County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

Purpose of this Report

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

Jones, Jones, Levin & Associates

Louisville, Georgia
May 4, 2017

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2016

Findings - Financial Statement Audit

2016-1 Absence of Optimum Level of Segregation of Duties

Condition: There is not adequate segregation of duties between the recording, processing, distribution and reconciliation of cash accounts and other operational functions in the various funds, departments, and offices maintained by the County.

Criteria: A properly designed and effective system of internal control requires that there are a sufficient number of properly trained, skilled personnel to be able to segregate duties and responsibilities among personnel so that individuals initiating, verifying, reviewing, approving, recording or processing financial transactions are not performed by the same individual.

Effect: Errors, intentional or otherwise, and fraud could occur in the processing of financial transactions and the preparation of financial statements.

Cause: The material weakness is the result of the County not having sufficient personnel to provide an optimum level of appropriate segregation of duties and responsibilities between recording, processing, distribution and reconciliation of cash accounts and other operational functions in the various funds, departments, and offices maintained by the County.

Recommendation: The County should require reconciliations of all bank accounts maintained by the County to be performed by someone independent of the cash receipting and check disbursement functions. All adjusting journal entries made to cash accounts should be made monthly and approved by management and indication of approval should be noted on the records. Additionally, the County should continue to monitor this situation and use alternative control measures where available to assist in safeguarding the County's assets.

Management's Response: Management concurs with the finding, but due to the limited number of personnel, we have determined that it is not cost effective to fully segregate duties. The County will continue to evaluate the costs and related benefits of adding additional personnel to alleviate this problem. Management has implemented compensating controls to the extent practical to include management supervision and review of employees' duties to assist in safeguarding the County's assets.