ANNUAL FINANCIAL REPORT

MCDUFFIE COUNTY,
GEORGIA

YEAR ENDED DECEMBER 31, 2017

MCDUFFIE COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
McDuffie County, Georgia

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of McDuffie County, Georgia, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the McDuffie County Health Department, a discretely presented component unit, whose statements reflect total assets of $172,318 and total net position of ($243,992) as of June 30, 2017, and total revenues of $605,040 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 relates to the amounts included for the McDuffie County Health Department, is based on the report of other auditors.

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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the McDuffie County Health Department, a discretely presented component unit. 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 McDuffie County, Georgia, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of McDuffie County, Georgia, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 16), the Schedule of the Net Pension Liability (on page 56), the Schedule of Contributions (on page 57), the Schedule of Proportionate Share of the Net Pension Liability (on page 59) and budgetary comparison information (on page 52 through 55), 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 an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise McDuffie County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, the Schedule of Special Purpose Local Option Sales Taxes 2004-2008, Schedule of Special Purpose Local Option Sales Taxes 2009-2014, Schedule of Special Purpose Local Option Sales Taxes 2015-2019 and Schedule of Project Expenditures and Source and Application of Funds for Community Development Block Grants 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 Schedule of Special Purpose Local Option Sales Taxes 2004-2008, Schedule of Special Purpose Local Option Sales Taxes 2009-2014, Schedule of Special Purpose Local Option Sales Taxes 2015-2019 and Schedule of Project Expenditures and Source and Application ofFunds for Community Development Block Grants are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, the of Schedule Special Purpose Local Option Sales Taxes 2004-2008, Schedule of Special Purpose Local Option Sales Taxes 2009-2014, Schedule of Special Purpose Local Option Sales Taxes 2015-2019 and Schedule of Project Expenditures and Source and Application of Funds for Community Development Block Grants 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 June 26, 2018, on our consideration of McDuffie County Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering McDuffie County Georgia's internal control over financial reporting and compliance.

Baird Audit Group, LLC

The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
June 26, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of McDuffie County, we offer the readers of our financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented in this analysis along with the complete financial statements and notes in the 2017 Audit Report to enhance their understanding of McDuffie County's financial performance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to McDuffie County Government's financial statements which include government-wide and fund statements as well as notes to the financial statements. This report also contains other supplementary information in addition to the basic financials that may be of interest to the reader.

McDuffie County's basic financial statements are comprised of three components: The first component is government-wide financial statements, second is fund financial statements and third, notes to the financial statements. The Government-wide financial statements present an overall picture of McDuffie County's financial position and results of operations. The Fund financial statements present financial information for McDuffie County's major funds. The Notes to the financial statements provide additional information concerning McDuffie County's finances that are not disclosed in the Government-wide or Fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a similar manner to a private-sector business.

The statement of net position presents information on all the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. The purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers. This statement also presents a comparison between direct expense and program revenues for each function of the government.

Both statements attempt to distinguish functions of McDuffie County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

In the *Statement of Net Position* and the *Statement of Activities*, we divide the County into three kinds of activities:

- Governmental activities—Most of the County's basic services are reported here, including general government, public safety, highway and streets, health and welfare, culture and recreation, judicial system and economic development.
- Business-type activities—The County charges a fee to customers to help cover the cost of certain services it provides. The County's solid waste operations are reported here.
- Component units-- The County includes two separate entities in our report, The Development Authority of McDuffie County and the City of Thomson, and the McDuffie County Health Department. The Development Authority serves to promote, pursue and implement economic development in the County. The Health Department is a public health department serving all citizens and non-citizens of McDuffie County needing the available services provided by the Health Department.

The government-wide financial statements can be found on pages 18-23 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Like other state and local governments, McDuffie County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information present for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This will allow readers to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the major funds. McDuffie County reports three major governmental funds – General Fund, SPLOST VI, and the Transportation SPLOST.

Proprietary Funds

The Government has one type of proprietary funds report used to account for activities that operate similar to commercial enterprises found in the private sector. The proprietary fund is the Solid Waste fund. This fund charges fees for services provided to outside customers including other local governments and are known as enterprise funds.

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

Fiduciary Funds
Fiduciary Funds are used to account for resources held by the government for private organizations, other governments or other departments inside the government. The government is responsible for ensuring that these assets are used only for their intended purposes and are paid to the intended recipients. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's operation or programs. However, the accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 77-79 of this report.

Government-wide Financial Analysis

Net Position
Net position may serve over time as useful indicators of a Government's overall financial position to determine if the Government is improving or deteriorating. The Statement of Net Position presents information on all the Government's assets/deferred outflows and liabilities/deferred inflows, with the difference being reported as net position.

Government Assets exceed liabilities by $45 million and $43 million as of December 31, 2017 and December 31, 2016, respectively. Management has included comparative data which may be useful in comparing the current year and noting possible changes. The largest portion of McDuffie County's net position, 76%, reflects its investment in capital assets such as land, buildings, roads and equipment. The balance of unrestricted net position of 11% in 2017 and 2016 may be used to meet the Government's obligations to citizens and creditors.

The following table provides a summary of the County's governmental and business-type net position for fiscal year 2017 and 2016.

McDuffie County's Net Position
December 31, 2017 and 2016

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2016	2016
Assets						
Current and other assets	$ 13,435,488	$ 13,055,613	$ 365,035	$ 323,220	$ 13,800,523	$ 13,378,833
Capital assets, net	41,426,450	41,033,951	765,185	784,017	42,191,635	41,817,968
Total assets	54,861,938	54,089,564	1,130,220	1,107,237	55,992,158	55,196,801
Deferred Outflows of Resources						
Deferred outflows related to pension	835,385	737,430	-	-	835,385	737,430
Total deferred outflows of resources	835,385	737,430	-	-	835,385	737,430
Total assets and deferred outflows of resources	55,697,323	54,826,994	1,130,220	1,107,237	56,827,543	55,934,231
Liabilities						
Current and other liabilities	2,921,679	1,594,160	131,090	117,224	3,052,769	1,711,384
Long-term liabilities	7,526,560	10,057,893	224,893	245,218	7,751,453	10,303,111
Total liabilities	10,448,239	11,652,053	355,983	362,442	10,804,222	12,014,495
Deferred Inflows of Resources						
Deferred inflows related to pension	249,775	171,114	-	-	249,775	171,114
Total deferred inflows of resources	249,775	171,114	-	-	249,775	171,114
Total liabilities and deferred inflows of resources	10,698,014	11,823,167	355,983	362,442	11,053,997	12,185,609
Net Position						
Invested in capital assets, net related debt	34,356,450	32,278,951	765,185	784,017	35,121,635	33,062,968
Restricted - Capital Projects	4,461,046	4,567,035	-	-	4,461,046	4,567,035
Restricted - Special Revenues	1,352,173	1,374,091	-	-	1,352,173	1,374,091
Restricted - Debt Service	38,772	40,887	-	-	38,772	40,887
Unrestricted	4,790,868	4,742,863	9,052	(39,222)	4,799,920	4,703,641
Total net position	$ 44,999,309	$ 43,003,827	$ 774,237	$ 744,795	$ 45,773,546	$ 43,748,622

Changes in Net Position

Governmental Activities

Governmental activities increased the Government's net position by $1.9 million. Listed below are some of the key elements of this change:

Governmental Revenues: The main source of revenues for governmental activities is property tax collections which represented 49.6% of the total governmental revenues. Property taxes increased by $24,459 from 2016 as a result of a higher collection rate for 2017 and prior years. Sales tax increased by $82,566 from the previous year while along with the energy excise tax, and insurance premium taxes.

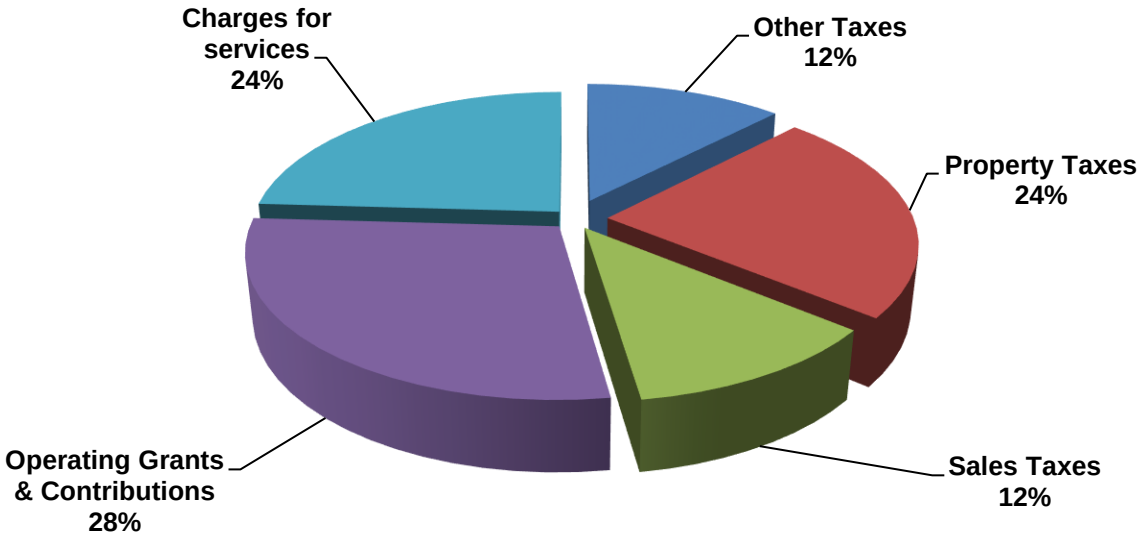
Governmental Functional Expenses: As reflected in the changes for net position, the Government expended $181,767 below the previous year. Some expenses such as general government and interest decreased while others such as public safety, public works, economic development and judicial expenses increased. The County was able to maintain a balance between all government functions and still spend below the previous year.

Business-type activities: Business-type activities increased the Government's net position by approximately $29,442. The Solid Waste Facility closely monitors the expenditures to ensure the facility is operating efficiently.

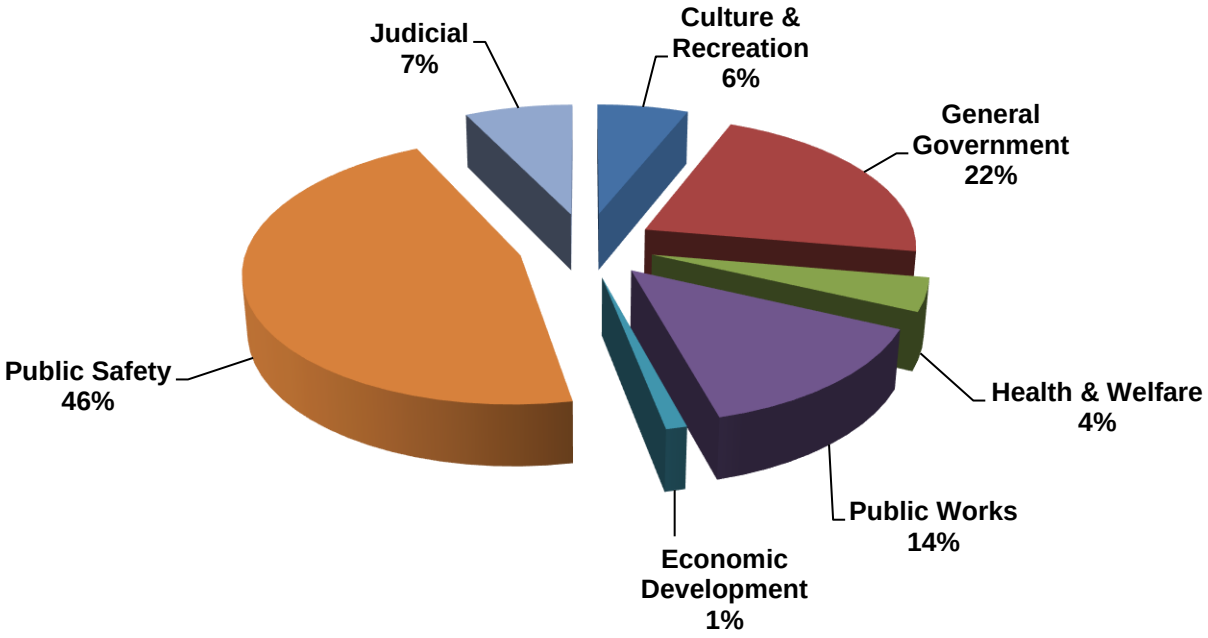
McDuffie County
Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services	$ 4,415,959	$ 5,464,807	$ -	$ -	$ 4,219,802	$ 4,219,802
Solid Waste	-	-	1,300,566	1,407,571	1,562,567	1,562,567
Operating Grants & Contributions	1,352,537	93,998	-	-	86,745	86,745
Capital Grants & Contributions	3,831,498	4,027,782	-	-	4,594,568	4,594,568
Total Program Revenues	9,599,994	9,586,587	1,300,566	1,407,571	10,463,682	10,463,682
General Revenues:						
Property taxes	4,336,367	4,311,908	-	-	4,336,367	4,311,908
Sales taxes	2,150,307	2,067,741	-	-	2,150,307	2,067,741
Franchise taxes	79,182	78,843	-	-	79,182	78,843
Intangible taxes	-	32,873	-	-	-	32,873
Hotel/motel taxes	264,515	272,794	-	-	264,515	272,794
Alcoholic beverage taxes	216,566	223,373	-	-	216,566	223,373
Financial institution tax	-	-	-	-	-	-
Real estate transfer tax	-	-	-	-	-	-
Energy Excise Tax	273,632	266,090	-	-	273,632	266,090
Timber tax	28,627	27,197	-	-	28,627	27,197
Insurance premium tax	870,121	812,464	-	-	870,121	812,464
Interest income	10,176	1,204	-	-	10,176	1,204
Payments in lieu of taxes	37,868	37,043	-	-	37,868	37,043
Railroad taxes	-	-	-	-	-	-
Motor Vehicle tax	403,518	458,255	-	-	403,518	458,255
Miscellaneous taxes	66,159	63,990	-	-	66,159	63,990
Total General Revenues	8,737,038	8,653,775	-	-	8,737,038	8,653,775
Total Revenue	18,337,032	18,240,362	1,300,566	1,407,571	18,337,032	18,240,362
Expenses:						
General government	3,463,068	4,728,210	-	-	3,463,068	4,728,210
Public Safety	7,357,786	6,592,317	-	-	7,357,786	6,592,317
Public Works	2,241,656	2,020,210	-	-	2,241,656	2,020,210
Health & welfare	660,586	653,897	-	-	660,586	653,897
Solid Waste	-	-	1,282,210	1,373,973	1,282,210	1,373,973
Economic Development	175,434	170,667	-	-	175,434	170,667
Culture & recreation	983,255	616,470	-	-	983,255	616,470
Judicial	1,165,918	1,095,989	-	-	1,165,918	1,095,989
Interest	282,761	334,471	-	-	282,761	334,471
Total Expenses	16,330,464	16,212,231	1,282,210	1,373,973	17,612,674	17,586,204
Transfers Out	(11,086)	(25,205)	11,086	25,205	-	-
Change in net position	1,995,482	2,002,926	29,442	58,803	2,024,924	2,061,729
Ending net position	$ 44,999,309	$ 43,003,827	$ 774,237	$ 744,795	$ 45,773,546	$ 43,748,622

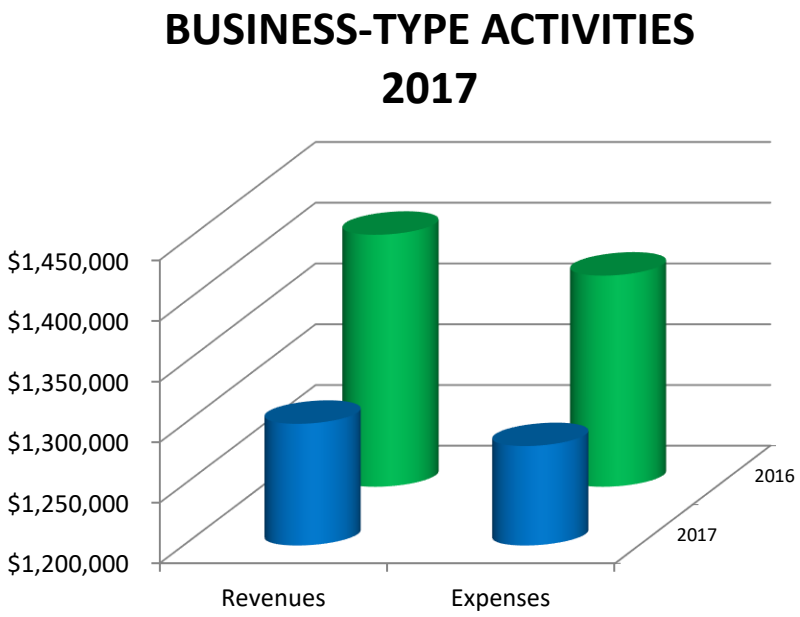
Government-Wide Revenues



Government-Wide Expenses



Business-type activities
Business type activities reflected lower expenses and revenues for 2017. The solid waste system incurred a profit of $18,356 for the year. The illustration below compares the revenues and expenses for 2017 and 2016.



Financial Analysis of McDuffie County's Funds

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

Governmental Funds
Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. In assessing McDuffie County's financing requirements, unassigned fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year. The governmental fund types include the General Fund, Special Revenue Funds and Capital Projects Fund. The major funds are General Fund, SPLOST VI, and Debt Services.

As of December 31, 2017, McDuffie County governmental funds, which include the major funds and various other funds, reported combined fund balances of $11,955,622.

The General Fund is the chief operating fund of the County. At December 31, 2017, total fund balance was $6,103,631. The fund balance of McDuffie County has increased by $458,579 since 2016.

Capital Project funds account for the construction of capital improvements with SPLOST VI being the major fund. The SPLOST Capital Project Fund reflects funds collected from the 1% Special Local Option Sales Tax and expended for capital items that are in agreement with the resolution approved by the voters. Because projects often bridge several years and involve design, land acquisition, and construction phases, expenditures may vary widely from year to year. Costs expended yearly in capital projects funds are added to the County's construction-in-progress until the project is complete, and then depreciated over the assets' useful lives.

Transportation SPLOST is another major fund for the Government. This fund reflects revenues collected from the 1% Special Local Option Sales Tax that is designated for road construction and improvements.

A Local Maintenance and Improvement Grant was awarded annually by the Georgia Department of Transportation. The Board of Commissioners submits a listing of recommendations along with the estimated costs to the State of Georgia. Once approved by the State, the grant is awarded and funds are disbursed to the County. Any additional funds needed are funded through SPLOST and T-SPLOST known as the Transportation Special Purpose Local Option Sales Tax.

Proprietary Funds

Proprietary fund statements provide the same information as in the business-type activities column of the government-wide statements, but in greater detail, and on a fund basis for enterprise funds.
Enterprise Funds – At December 31, 2017, total net position amounted to $774,237 for enterprise funds compared to $744,795 at December 31, 2016. The reason for this dramatic change is delineated below. Net position changes are a result of operations, other non-operating revenues and expenses, capital contributions and donated assets and grants.

The solid waste transfer system had earned a profit of $18,356 for the year. The revenues decreased by $107,005 and the expenditures decreased by $91,763 for the year.

Capital Assets and Debt Administration

Capital Assets

McDuffie County has invested $42,191,635 in capital assets (net of accumulated depreciation). Approximately 99% of this investment is related to governmental activities and includes infrastructure, land, buildings and machinery and equipment. As always McDuffie County continues to increase capital assets each year to provide the best services to the citizens of McDuffie County. Capital assets are discussed in more detail in Note 6 of the financial statements.

The Citizens of McDuffie County voted to pass the T-SPLOST and tax collections began in January, 2013. These additional revenues were used for the resurfacing and paving of roads in the community along with joint projects with other Counties. In 2015, Georgia Department of Transportation approved the expansion of the western bypass. This award was in the amount of $16,987,900. This expansion will be near the new University Hospital McDuffie facility and connect to the other completed portion of the western bypass. This project will be paid from the T-SPLOST proceeds for joint projects with other Counties.

During 2015, the County began receiving collections from SPLOST VI, which is the new six year SPLOST the voters approved in 2014. These funds will assist with many capital assets needed in the community.

Capital assets held by the County at the end of the fiscal year are summarized as follows:

McDuffie County Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	$3,595,233	$3,595,233	$312,891	$312,891	$3,908,124	$3,908,124
Buildings	40,134,392	39,934,671	212,237	212,237	40,346,629	40,146,908
Machinery & equipment	11,387,641	10,814,916	340,856	340,856	11,728,497	11,155,772
Infrastructure	44,908,728	43,536,283			44,908,728	43,536,283
Construction in progress	797,069	104,013	265,866	254,780	1,062,935	358,793
Total Assets	100,823,063	97,985,116	1,131,850	1,120,764	101,954,913	99,105,880
Accumulated Depreciation	-59,396,613	-56,951,165	-366,665	-336,747	-59,763,278	-57,287,912
Net Capital Assets	$41,426,450	$41,033,951	$765,185	$784,017	$42,191,635	$41,817,968

Listed below are some of the significant capital asset transactions which occurred in 2017:

- General Fund funded three patrol vehicles totaling $78,550, two ambulances totaling $234,434, digital images $13,841 and other capital assets totaling $245,900.

- Local maintenance and Improvement Grant funded a portion of road resurfacing in the amount of $427,477.

- SPLOST VI expended $100,000 towards the building of a Fire Station located in the Raysville Community. The previous building was destroyed during an automobile accident. This has been an ongoing project with additional funds being paid from Splost V and general fund.

- McDuffie County Solid Waste Facility is in the process of building a new inert landfill.

- T-SPLOST funded a portion of road resurfacing in the amount of $910,151.

- McDuffie County Board of Education donated to the City of Thomson and McDuffie County a gymnasium and tennis courts located on Main Street with a combined value of $373,436.

Debt Service

McDuffie County is a very fiscally conservative government. Debt agreements are used for capital outlay items. McDuffie County continues to have an excellent credit rating with Dunn & Bradstreet and should have no conflicts that would affect the financing of any planned facilities or services.

The County entered into a general obligation bond in the amount of $17,655,000 during 2008 to build a new government complex building. Interest and principal payments of $1,967,761 were paid from SPLOST VI collections towards the general obligation bond. During 2016, The County entered into a bond agreement for $5,585,000 with bearing interest rates of 2 – 3% to refund $5,280,000 of the County's bond which was issued during 2008. This refunding will save the County a present value of $236,386. All payments for this debt will be completed in the year 2021. Standard & Poor's Rating Services has raised its rating on McDuffie County's general obligation bond to AA- from A+.

The State of Georgia has established a limit on the amount of general obligation debt that a unit of government can issue. The law limits the debt to 10% of the total assessed value of taxable property located with the government's jurisdiction. The legal debt margin for McDuffie County is approximately $48 million.

The following table displays all debt owed by McDuffie County for the current and prior years. This entire amount is backed by full faith and credit of the government. This table presents accrued compensated absences which reflect the liability the county owes the employees for vacation time. Also, the table includes postclosure cost for the landfill. This liability represents the cost for routine water monitoring at the facility. The landfill was closed in 1995 and the county must maintain the landfill for thirty years. The net pension liability listed in the chart below represents the amount the County needs to fund future pension payments. This liability was calculated by the actuarial valuation as of December 31, 2016. Note 8 of the financial statements provide a summary of the long term liability transactions for the year ending 2016.

McDuffie County
Outstanding Debt
Fiscal Years 2017 and 2016

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Accrued compensated absences	$ 338,089	$ 333,122	$ 6,166	$ 6,540	$ 344,255	$ 339,662
Net pension liability	1,808,471	1,679,221	-	-	1,808,471	1,679,221
Bonds payable	7,070,000	8,755,000	-	-	7,070,000	8,755,000
Postclosure costs	-	-	218,727	238,678	218,727	238,678
Total Debt	$ 9,216,560	$ 10,767,343	$ 224,893	$ 245,218	$ 9,441,453	$ 11,012,561

Economic Factors and Rates

McDuffie County Board of Commissioners continues to aggressively address the current and future needs of the County by focusing on sound financial management, the reserve policy, the use of current resources for capital expenditures and the development of capital improvements plans. With a growing population the challenge is to continue to improve the quality of life by concentrating on the demands placed on other infrastructure such as providing residents in the County with water, sewer and many other quality services.

During 2017, the Family Y opened a new facility in McDuffie County. Also, additional medical offices continued to be built in the complex adjacent to the hospital. The newest facility built was Thomson Imaging. Fort Gordon Military base continues to work on opening an additional gate which is near the Richmond and Columbia County line. McDuffie County welcomes the opportunity for potential residents relocating to the area. Farmers State Bank built a new facility, a $1.1 million dollar project during 2017. These investments into the community should provide potential commercial growth and more jobs for the community.

McDuffie County is making every effort to keep the unemployment rate low. The unemployment rate as of December, 2017 was 5.8% compared to December, 2016 of 7%.

Budget Highlights for the Fiscal Year Ending December 31, 2018

- Balanced budget with no reduction in services and no tax increase
- A majority of County departments remained at the same budget allocation as 2017
- 2.5% cost of living pay increase was included for all full time and part time employees

Request for Information

This financial report is designed to provide a general overview of McDuffie County Government's finances for anyone interested in our County's finances. Questions concerning this report or any requests for additional information may be addressed to the McDuffie County Board of Commissioners, 210 Railroad Street, Thomson, GA 30824, and 706-597-7300 or at our Website: www.thomson-mcduffie.com.

BASIC FINANCIAL STATEMENTS

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
Assets					
Cash and cash equivalents	$ 10,150,902	$ 309,137	$ 10,460,039	$ 1,318,160	$ 157,198
Investments	1,470,150	-	1,470,150	-	-
Receivables					-
Taxes	732,917	-	732,917	-	-
Accounts	801,138	55,898	857,036	1,005,198	34,428
Intergovernmental	84,228	-	84,228	-	48,279
Restricted assets					
Cash and cash equivalents	196,153	-	196,153	-	-
Capital assets not being depreciated:					
Construction in progress	797,069	265,866	1,062,935	-	-
Land	3,595,233	312,891	3,908,124	3,770,709	-
Capital assets (net of accumulated depreciation)					
Buildings and improvements	28,099,696	87,160	28,186,856	1,949,716	-
Furniture, fixtures, and equipment	2,565,176	99,268	2,664,444	-	-
Infrastructure	6,369,276	-	6,369,276	-	-
Total assets	54,861,938	1,130,220	55,992,158	8,043,783	239,905
Deferred Outflows of Resources					
Deferred outflows related to pension	835,385	-	835,385	-	130,461
Total deferred outflows of resources	835,385	-	835,385	-	130,461
Total assets and deferred outflows of resources	55,697,323	1,130,220	56,827,543	8,043,783	370,366
Liabilities					
Accounts payable	941,312	126,288	1,067,600	-	23,854
Accrued liabilities	290,367	4,802	295,169	-	-
Due to others	-	-	-	-	-
Noncurrent liabilities					
Due within one year					
Bond payable	1,690,000	-	1,690,000	-	-
Due in more than one year					
Note payable	-	-	-	266,467	-
Bond payable	5,380,000	-	5,380,000	-	-
Closure and post closure costs payable	-	218,727	218,727	-	-
Compensated absences payable	338,089	6,166	344,255	-	19,638
Net pension liabilities	1,808,471	-	1,808,471	-	546,742
Total liabilities	10,448,239	355,983	10,804,222	266,467	590,234
Deferred inflows of Resources					
Deferred inflows related to pension	249,775	-	249,775	-	24,124
Total deferred inflows of resources	249,775	-	249,775	-	24,124
Total liabilities and deferred inflows of resources	10,698,014	355,983	11,053,997	266,467	614,358
Net Position					
Net investment in capital assets	34,356,450	765,185	35,121,635	5,453,958	-
Restricted for:					
Capital projects	4,461,046	-	4,461,046	-	-
Special revenues	1,352,173	-	1,352,173	-	-
Debt service	38,772	-	38,772	-	-
Unrestricted	4,790,868	9,052	4,799,920	2,323,358	(243,992)
Total net position	$ 44,999,309	$ 774,237	$ 45,773,546	$ 7,777,316	$ (243,992)

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue Expense) and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Development Authority	Component Units: Health Department
Primary government:									
Governmental activities:									
General government	$ 3,463,068	$ 3,371,655	$ 1,333,278	$ 3,820,702	$ 5,062,567	$ -	$ 5,062,567	$ -	$ -
Public safety	7,357,786	656,522	19,259	-	(6,682,005)	-	(6,682,005)	-	-
Public works	2,241,656	130	-	-	(2,241,526)	-	(2,241,526)	-	-
Health and welfare	660,586	-	-	-	(660,586)	-	(660,586)	-	-
Culture and recreation	983,255	-	-	-	(983,255)	-	(983,255)	-	-
Economic development	175,434	-	-	-	(175,434)	-	(175,434)	-	-
Judicial	1,165,918	387,652	-	-	(778,266)	-	(778,266)	-	-
Interest on long-term debt	282,761	-	-	10,796	(271,965)	-	(271,965)	-	-
Total governmental activities	16,330,464	4,415,959	1,352,537	3,831,498	(6,730,470)	-	(6,730,470)	-	-
Business-type activities:									
Solid Waste	1,282,210	1,300,566	-	-	-	18,356	18,356	-	-
Water	-	-	-	-	-	-	-	-	-
Total business-type activities	1,282,210	1,300,566	-	-	-	18,356	18,356	-	-
Total primary government	$ 17,612,674	$ 5,716,525	$ 1,352,537	$ 3,831,498	(6,730,470)	18,356	(6,712,114)	-	-
Component units:									
Development Authority	$ 153,852	$ 148,912	$ -	$ 509,600				504,660	-
Health Department	523,906	145,420	459,601	-				-	81,115
Total component units	$ 677,758	$ 294,332	$ 459,601	$ 509,600				504,660	81,115
	General revenues:								
	Property taxes				4,336,367	-	4,336,367	-	-
	Sales taxes				2,150,307	-	2,150,307	-	-
	Franchise taxes				79,182	-	79,182	-	-
	Insurance premium tax				870,121	-	870,121	-	-
	Hotel/motel taxes				264,515	-	264,515	-	-
	Motor vehicle tax				403,518	-	403,518	-	-
	Alcoholic beverage taxes				216,566	-	216,566	-	-
	Excise tax				273,632	-	273,632	-	-
	Timber tax				28,627	-	28,627	-	-
	Miscellaneous taxes				66,159	-	66,159	-	-
	Payments in lieu of taxes				37,868	-	37,868	-	-
	Interest - unrestricted				10,176	-	10,176	825	19
	Total general revenues				8,737,038	-	8,737,038	825	19
	Transfers				(11,086)	11,086	-	-	-
	Change in net position				1,995,482	29,442	2,024,924	505,485	81,134
	Net position, beginning of year				43,003,827	744,795	43,748,622	7,271,831	(325,126)
	Net position, end of year				$ 44,999,309	$ 774,237	$ 45,773,546	$ 7,777,316	$ (243,992)

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

MCDUFFIE COUNTY, GEORGIA
BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General	SPLOST VI	Debt Services	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 4,889,448	$ 2,496,481	$ 12,155	$ 2,752,818	$ 10,150,902
Investments	1,210,234	-	-	259,916	1,470,150
Receivables					
Property taxes, net allowance	459,627	-	-	-	459,627
Sales tax	100	273,190	-	-	273,290
Other	730,033	-	-	71,105	801,138
Due from other funds	9,412	-	-	119,345	128,757
Intergovernmental receivables	-	-	-	84,228	84,228
Restricted cash and investments	196,153	-	-	-	196,153
Total assets	$ 7,495,007	$ 2,769,671	$ 12,155	$ 3,287,412	$ 13,564,245
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 751,118	$ 22,007	$ -	$ 168,187	$ 941,312
Accrued liabilities	272,726	-	-	17,641	290,367
Due to others	-	-	-	-	-
Due to other funds	119,345	-	-	9,412	128,757
Total liabilities	1,143,189	22,007	-	195,240	1,360,436
Deferred inflows of resources					
Unavailable revenues - property taxes	248,187	-	-	-	248,187
Total deferred inflows	248,187	-	-	-	248,187
Fund Balances					
Restricted for:					
Capital projects	-	2,747,664	-	1,713,382	4,461,046
Special revenues	-	-	-	1,352,173	1,352,173
Debt	-	-	12,155	26,617	38,772
Unassigned	6,103,631	-	-	-	6,103,631
Total fund balances	6,103,631	2,747,664	12,155	3,092,172	11,955,622
Total liabilities, deferred inflows of resources and fund balances	$ 7,495,007	$ 2,769,671	$ 12,155	$ 3,287,412	$ 13,564,245

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

MCDUFFIE COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017

Total fund balances - governmental funds	$ 11,955,622
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Construction in process	797,069
Land	3,595,233
Infrastructure	44,908,728
Buildings and improvements	40,134,392
Furniture, fixtures, and equipment	11,387,641
Accumulated depreciation	(59,396,613)
Total capital assets	41,426,450
Some revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	248,187
The net pension liability is not due and payable in the current period and, therefore, it and the related deferred outflows of resources and deferred inflows of resources are not reported in the funds.	(1,222,861)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds	
General obligations	(7,070,000)
Compensated absences	(338,089)
Total long-term liabilities	(7,408,089)
Net position of governmental activities	$ 44,999,309

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

MCDUFFIE COUNTY, GEORGIA
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	SPLOST VI	Debt Services	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 9,494,342	$ 3,026,806	$ -	$ 1,058,411	$ 13,579,559
Licenses and permits	223,737	-	-	-	223,737
Intergovernmental	55,659	-	-	727,061	782,720
Fines and forfeitures	387,652	-	-	50,973	438,625
Charges for services	3,371,655	-	-	381,812	3,753,467
Contributions and donations from private sources	19,259	-	-	-	19,259
Rentals	44,277	-	-	-	44,277
Other revenue	323,843	-	-	1,245	325,088
Culture and recreation	60,407	-	-	-	60,407
Interest	10,176	3,804	603	6,389	20,972
Total revenues	13,991,007	3,030,610	603	2,225,891	19,248,111
EXPENDITURES					
Current expenditures:					
General government	2,767,246	-	-	12,105	2,779,351
Public safety	5,965,556	-	-	736,773	6,702,329
Public works	1,291,735	-	-	-	1,291,735
Health and welfare	624,189	-	-	5,006	629,195
Culture and recreation	858,293	-	-	-	858,293
Judicial	1,140,067	-	-	25,851	1,165,918
Economic development	-	-	-	175,434	175,434
Intergovernmental	-	-	-	6,100	6,100
Lawn care	7,959	-	-	-	7,959
Other	488,646	372	-	36,512	525,530
Capital outlay:					
General government	214,578	21,695	-	9,700	245,973
Public safety	-	100,000	-	158,567	258,567
Health and welfare	-	-	-	434,750	434,750
Culture and recreation	-	400,000	-	117,330	517,330
Public works	-	-	-	1,342,243	1,342,243
Debt service:					
Principal	-	-	1,685,000	-	1,685,000
Interest	-	-	282,761	-	282,761
Total expenditures	13,358,269	522,067	1,967,761	3,060,371	18,908,468
Excess (deficiency) of revenues over expenditures	632,738	2,508,543	(1,967,158)	(834,480)	339,643
OTHER FINANCING SOURCES (USES)					
Transfer in	334,479	-	1,837,799	520,637	2,692,915
Transfer out	(508,638)	(1,837,799)	-	(357,564)	(2,704,001)
Total other financing sources (uses)	(174,159)	(1,837,799)	1,837,799	163,073	(11,086)
CHANGE IN FUND BALANCES	458,579	670,744	(129,359)	(671,407)	328,557
FUND BALANCES, BEGINNING OF YEAR	5,645,052	2,076,920	141,514	3,763,579	11,627,065
FUND BALANCES, END OF YEAR	$ 6,103,631	$ 2,747,664	$ 12,155	$ 3,092,172	$ 11,955,622

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

MCDUFFIE COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - governmental funds	$ 328,557
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the costs of capital assets are allocated over their estimated useful lives as depreciation expense. For the current year, these amounts were:	
Capital outlay	2,837,947
Depreciation expense	(2,445,448)
Net change in capital assets	392,499
The net revenue (expenses) of internal service funds is reported with governmental activities.	(239,206)
Because some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds.	(295,651)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, the repayment of the principal of long- term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Net change in debt	1,685,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Net pension liability	129,250
Compensated absences	(4,967)
	124,283
Change in net position of governmental activities	$ 1,995,482

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

MCDUFFIE COUNTY, GEORGIA
STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Water Fund	Solid Waste Fund	Total
ASSETS			
Current assets			
Cash	$ -	$ 309,137	$ 309,137
Accounts receivable	-	55,898	55,898
Total current assets	-	365,035	365,035
Noncurrent assets			
Capital assets, net of accumulated depreciation	189,144	576,041	765,185
Total noncurrent assets	189,144	576,041	765,185
Total assets	$ 189,144	$ 941,076	$ 1,130,220
LIABILITIES AND NET POSITION			
Liabilities			
Current liabilities			
Accounts payable	-	126,288	126,288
Accrued liabilities	-	4,802	4,802
Total current liabilities	-	131,090	131,090
Noncurrent liabilities			
Compensated absences	-	6,166	6,166
Closure and post closure costs payable	-	218,727	218,727
Total noncurrent liabilities	-	224,893	224,893
Total liabilities	-	355,983	355,983
Net Position			
Net investment in capital assets	189,144	576,041	765,185
Unrestricted	-	9,052	9,052
Total net position	189,144	585,093	774,237
Total liabilties and net position	$ 189,144	$ 941,076	$ 1,130,220

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

MCDUFFIE COUNTY, GEORGIA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Water Fund	Solid Waste Fund	Total
OPERATING REVENUES			
Charges for services	$ -	$ 1,300,566	$ 1,300,566
Total operating revenues	-	1,300,566	1,300,566
OPERATING EXPENSES			
Personnel services	-	155,733	155,733
Operations	-	1,096,559	1,096,559
Depreciation	-	29,918	29,918
Total operating expenses	-	1,282,210	1,282,210
Operating income	-	18,356	18,356
NON-OPERATING REVENUES (EXPENSES)			
Capital contributions - City of Thomson	-	-	-
Total non-operating revenues (expenses)	-	-	-
Income (loss) before capital contributions and transfers	-	18,356	18,356
Transfers in	-	11,086	11,086
Change in net position	-	29,442	29,442
NET POSITION, BEGINNING OF YEAR	189,144	555,651	744,795
NET POSITION, END OF YEAR	$ 189,144	$ 585,093	$ 774,237

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

MCDUFFIE COUNTY, GEORGIA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-type Activities - Enterprise Funds		
	Water Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	$ -	$ 1,289,798	$ 1,289,798
Cash paid to suppliers and others	-	(1,102,538)	(1,102,538)
Cash paid to employees	-	(156,213)	(156,213)
Net cash provided by operating activities	-	31,047	31,047
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Construction of capital assets	-	(11,086)	(11,086)
Transfer from other funds	-	11,086	11,086
Net cash provided by provided by noncapital financing activities	-	-	-
Net increase (decrease) in cash	-	31,047	31,047
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	278,090	278,090
CASH AND CASH EQUIVALENTS, END OF YEAR	$ -	$ 309,137	$ 309,137
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ -	$ 18,356	$ 18,356
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:			
Depreciation	-	29,918	29,918
Change in accounts receivable	-	(10,768)	(10,768)
Change in accounts payable	-	13,012	13,012
Change in accrued postclosure	-	(19,951)	(19,951)
Change in accrued liabilities	-	854	854
Change in compensated absences	-	(374)	(374)
Total adjustments	-	12,691	12,691
Net cash provided by operating activities	$ -	$ 31,047	$ 31,047

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2017

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 694,309
Total assets	$ 694,309
LIABILITIES	
Due to others	$ 694,309
Total liabilities	$ 694,309

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

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

As permitted by accounting principles generally accepted in the United States of America, the County has elected to apply only applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, that do not contradict GASB pronouncements in its accounting and reporting practices for its government-wide and proprietary operations. The County's more significant accounting policies are described in the following:

B. The Financial Reporting Entity

McDuffie County, Georgia, (the County), is located in the Central Savannah River Area of Georgia, west of Augusta, Georgia. It was created from Columbia and Warren counties in 1872, the one-hundred thirty-second county created in Georgia. The County was named for George McDuffie, who was born in Georgia, served as governor and senator from South Carolina, and was a notable orator throughout the South. The County operates under an elected Commission, appointed manager, form of government.

The accompanying summary of the County's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These policies conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

A board of five elected County Commissioners (the Board) governs McDuffie County, Georgia. They appoint a County Manager who is the Chief Administrative Officer and is responsible for day to day operations and implementation of the policy decisions made by the Board. As required by generally accepted accounting principles, these financial statements present McDuffie County, Georgia, (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

C. Individual Component Unit Disclosures

Development Authority of McDuffie County and the City of Thomson - The Authority was created for the purpose of promoting and developing trade, commerce, industry, and employment opportunities within the County. A Board of Directors appointed by the County Board of Commissioners governs the Authority. The Authority is funded and administered by the County. Separate financial statements have not been prepared for the Development Authority of McDuffie County and the City of Thomson.

McDuffie County Health Department – The Health Department receives funding from McDuffie County. The McDuffie County Board of Commissioners appoints Board members. The McDuffie County Board of Health has a June 30, year-end, and the financial statements included herein are as of and for the year ended June 30, 2017. Separate financial statements have been issued, and are available from the McDuffie County Board of Health. The address is: McDuffie County Health Department, 300 Greenway Street, Thomson, GA 30824.

Discretely presented component units are presented in separate columns on the government-wide statement of net position and statement of activities to emphasize legal separation from the County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Certain County elected officials collect and disburse taxes, fees, fines, etc. Separate records of accountability are maintained for such transactions, which are recorded in the agency funds of the County. Receipts transferred from these funds to the County's General Fund, and Special Revenue Funds are included as revenue in these funds.

Operating costs for these officials are included as expenditures in the General Fund. These elected officials are:

Tax Commissioner
Probate Court Judge
Magistrate Court Judge
Clerk of Superior Court
Sheriff

D. Basic Financial Statements

The basic financial statements consist of the following:

Government-wide financial statements
Fund financial statements
Notes to the basic financial statements

Government-wide statements – The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with the program or function of the County's governmental activities. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements – The fund financial statements provide information about the County's funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented, although the latter is excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with financial related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The County reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state grants, and various other taxes and licenses. The primary expenditures are for general administration, public safety, highways and streets, health and welfare, and culture and recreation.

SPLOST VI Fund - The SPLOST VI Fund is used to account for proceeds from SPLOST VI.

Debt Service Fund - to account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The County reports the following major enterprise funds:

Water Fund – The Water Fund is used to account for water operations as well as construction and maintenance of water projects.

Solid Waste Fund – The Solid Waste Fund is used to account for the cost of operating and maintaining the landfill facility.

Additionally, the County reports the following fund types:

Fiduciary Funds – Fiduciary Funds are custodial in nature and do not involve the measurement of operating results. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the County in an agency capacity for individuals and other government units.

Fiduciary funds include all trust funds which account for assets held by the County as a trustee for individuals or other government units. The accounting used for fiduciary funds is accrual basis, much like that used for proprietary funds.

The County has adopted GASB Statement No. 20, Accounting and Financial Reporting of Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting and has elected to follow GAAP prescribed by GASB and all Financial Accounting Standard Board (FASB) standards issued prior to November 30, 1989. Subsequent to this date, the County accounts for its proprietary funds as presented by GASB.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary funds are accounted for using the accrual basis of accounting and distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for enterprise funds include costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Budgets and Budgetary Accounting

Annual appropriated budgets are adopted by the Board of Commissioners for the General, Debt Services and Special Revenue Funds on a total revenues and total expenditures basis.

The following are the statutory procedures followed by the Board in establishing a budget:

1. Prior to July 20, the County Manager receives budget requests from County Departments for the fiscal year commencing January 1.
2. Prior to the first Wednesday in August, the County Manager presents the proposed budget to the Board of Commissioners.
3. The Board of Commissioners holds public hearings.
4. Prior to October 20, the Board of Commissioners formally adopts the budget for the fiscal year commencing January 1.
5. The legal level of budgetary control is the departmental level.
6. All appropriations lapse at year end.
7. The operating budgets originally adopted may be revised or amended throughout the year as presented below:
    a. The County Manager may authorize transfers (revisions) within the departments, except for substantive salary amendments.
    b. The Board approves transfers (amendments) between departments or between funds.
    c. Increases or decreases in the total fund appropriation are by authority of the Board.
    d. Increases or decreases within any department are by authority of the Board.
    e. Appropriation of fund balances in excess of established reserve requirements are by authority of the Board.

The County's legally adopted budget is on the cash basis. The County adopted fiscal year 2017 budgets for the General Fund, Debt Services and Special Revenue Funds. A reconciliation of cash basis to generally accepted accounting principles (GAAP) is included in the financial statements. A project-length balanced budget was adopted for each capital project fund.

G. Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

At December 31, 2017, the County reported no reserve for encumbrances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Assets, Liabilities and Fund Equity

Cash and Investments
The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments that mature within three months of the date acquired.

The County follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* Nonparticipating interest-earning investment contracts (investments whose value is not affected by interest rates or other market changes), including savings accounts, certificates of deposit, repurchase agreements, money market investments (short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations) and participating interest-bearing investment contracts, that have a remaining maturity, at purchase, of one year or less are reported at cost or amortized cost assuming their fair value has not been impacted by changes in the credit worthiness of the issuer or similar factors. All other investments are reported at fair value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

"Georgia Fund 1", created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAA rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on a $1.00 per share. The Office of the State Treasurer is the regulatory oversight agency for Georgia Fund 1.

Receivables
All receivables are reported at their net realizable value.

Inventories
Inventories are valued at cost using the first-in/first-out (FIFO) or specific identification methods. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded in the year of purchase in both government-wide and fund financial statements.

Interfund Receivables and Payables
During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables and payables on the balance sheet of the fund financial statements and as "internal balances" on the statement of net position in the government-wide financial statements.

Restricted Assets
The restricted cash recorded in the Debt Service Fund reflects amounts set aside for debt service. Amounts equal to two payments of the debt service are restricted.

The restricted cash recorded in the Water-Sewer Expansion Fund reflects amounts set aside for debt service. Amounts equal to one-tenth of the monthly debt service are restricted.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets
Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than $2,500 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure acquired prior to June 30, 1980 is not reported.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary assets is included as part of the capitalized value of the assets constructed. All reported capital assets are depreciated. 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:

	Years
Buildings	25–50
Building improvements	20–25
Infrastructure	20–50
Furniture, fixtures and equipment	5–15
Vehicles	3–5
Specialized use equipment	2–10
Water system additions	15–40

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had outflow of resources related to net pension liability.

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 net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and resources related to net pension liability.

Compensated Absences
It is the County's policy to permit employees to accumulate earned but unused leave benefits. Employees are allowed to accumulate a maximum of 320 hours' vacation time; there are no limits on the accumulation of sick time. The County's government-wide and proprietary funds include an accrual for the estimated compensation costs attributable to employee earned but unused leave benefits. Compensated absences are liquidated through the General Fund.

Long-Term Obligations
In the government-wide financial statements and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary funds statement of net position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Fund balance reported in the governmental funds financial statements generally represents the difference between current assets and current liabilities. Fund balance classifications represent a hierarchy based primarily on the extent to which the County is bound to honor constraints on specific purposes for which amounts in those funds can be spent. These classifications may consist of the following:

a. **Nonspendable** - Fund balances are classified as nonspendable when amounts cannot be spent because they are either i) in nonspendable form or ii) they are legally contractually required to be maintained intact. The County includes items that are not expected to be converted to cash such as inventories and prepaid amounts.
b. **Restricted -** Fund balances are reported as restricted when their use is restricted for specific purposes including i) constraints on funds externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or ii) constraints imposed by law through constitutional provisions or enabling legislation.
c. **Committed** - Fund balances are reported as committed if their use is for a specific purpose as approved by formal action by the County Council (resolution). Amounts committed cannot be used for any other purpose unless Council removes or changes the specific use by approving such action through resolution at a Council meeting. Budget resolutions are considered a plan for specific use.
d. **Assigned** - Fund balances are reported as assigned when constrained by the County's intent to use the funds for specific purposes that are neither restricted nor committed. Assigned fund balances include i) all remaining amounts (except negative balances) reported in governmental funds, other than the General fund, that are not classified as nonspendable, restricted or committed, and ii) amounts in the General Fund intended for a specific use identified by either the County Manager or Finance Director, and iii) amounts appropriated to eliminate a projected budget deficit in the subsequent year.
e. **Unassigned** - Fund balances are reported as unassigned when the balances do not meet any of the above four criteria for classification. The County reports positive unassigned fund balance in only the General Fund. Negative unassigned fund balances may be reported in all governmental funds.

For purposes of fund balance disbursement, unless otherwise approved by the County Council, the County will expend restricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Next the County will expand committed fund balance when an expenditure is paid for which unrestricted fund balance is available. The County would next disburse fund balance assigned for purposes of the fund before disbursing other assigned fund balance amounts. In the General Fund, the County would disburse unassigned fund balance prior to disbursing fund balance assigned for financial policy reserve levels or amounts assigned to eliminate subsequent year's budget deficit.

Net position is classified in three components in the government-wide financial statements.

a. **Invested in capital assets, net of related debt** consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
b. **Restricted net position** consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. **Unrestricted net position** consists of all other net position that does not meet the definition of "restricted" or "invested in capital assets".

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I. Use of Estimates

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

J. Property Taxes

Property taxes are an enforceable lien on property as of January 1 of the current tax year. Generally, taxes are levied in September and are due and payable on or before November 15. Since the tax digest, which is prepared by the McDuffie County Tax Appraiser, has to be approved by the Georgia Department of Revenue, the tax levy may be delayed later than September. In such cases, the taxes are due within 60 days after levy. The County bills and collects its property taxes. County property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that their collectability is improbable based on management's estimate of the amount to be collectible. Current year property taxes were levied September 6, 2017, and were due November 15, 2017.

K. Local Option Sales Tax

The County receives sixty-seven percent (67%) of a one percent (1%) local option sales tax on all retail sales within the County. The proceeds of this tax are used to reduce, on a dollar-for-dollar basis, the millage equivalent amount of property taxes to be levied in the subsequent year. Insurance premium taxes collected must also reduce the ensuing property tax levy. The County has established a fiscal policy to designate that portion of the General Fund's fund balance, if available, for subsequent years' expenditures.

NOTE 2 – MCDUFFIE COUNTY/CITY OF THOMSON, GEORGIA WATER AND SEWER COMMISSION

The City of Thomson, Georgia and McDuffie County, Georgia have established the McDuffie County/City of Thomson, Georgia, Water and Sewer Commission to operate, maintain and extend the water and sewerage system for the City/County area. The Commission assumed the ownership and operations of the City of Thomson Water and Sewer Enterprise Fund in 1988, in conjunction with funding for expansion with the one percent (1%) Special Purpose Local Option Sales Tax. The Commission has seven members, three each from the City and County, and the seventh appointed by the Commission. The Commission was established for a term of fifty years. The City and County are equally responsible for the ownership of and the future maintenance and improvements to the System. The System is a closed system whereby all funds derived from the operation of the System must be used for the purposes of operating, maintaining, improving, or expanding the System.

Based on the standards established by Statement No. 14 of the Governmental Accounting Standards Board, the Commission is a legally separate governmental organization classified as a joint venture. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants in a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

Generally, the purpose of a joint venture is to pool resources and share the costs, risks, and rewards of providing goods or services to the venture participants directly, or for the benefit of the general public or specific service recipients. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

An ongoing financial interest in a joint venture includes an equity interest when the agreement stipulates that the participating governments have a present or future claim on the net resources of the joint venture.

A participating government has an ongoing financial responsibility for a joint venture if it is obligated in some manner for the debts of the joint venture, or if the joint venture's continued existence depends on continued funding by the government.

NOTE 2 – MCDUFFIE COUNTY/CITY OF THOMSON, GEORGIA WATER AND SEWER COMMISSION- Continued

Each participating government of the Commission has final authority for establishing rules and water and sewer rates, fees, standards and any other policy matters as are appropriate for the efficient delivery of water and sewer services. As such, each participating government has an indirect financial responsibility for the System, as defined by GASB Statement No. 14.

The City and County share certain responsibilities with respect to the Commission. The City is responsible for operations, maintenance and customer billing for the System. The County is responsible for administering construction funds obtained through the Special Purpose Local Option Sales Tax. The City and County jointly or individually administer grant and other funds, depending on the terms of such funding.

The basic financial statements of the Commission are presented in a manner consistent with primary governments. Operating transfers to the Commission by the participating governments are accounted for as intergovernmental transfers. Federal and state grant funds transferred to the Commission by the participating governments are accounted for as sub-recipient grant funds. Financial information for the year ended December 31, 2017, is summarized as follows:

Operating revenues	$ 4,883,148
Depreciation and amortization expense	1,349,518
Operating income (loss)	32,331
Change in net position	(265,843)
Capital asset change	50,661
Net working capital	2,894,709
Total assets	39,560,552
Deferred outflows of resources	86,351
Revenue bonds and other long-term liabilities	10,119,492
Deferred inflows of resources	6,310
Total net position	28,630,921

The Commission has issued a separate financial report that may be obtained from:

City of Thomson
P. O. Box 1017
Thomson, Georgia 30824

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Bonds Payable
As of December 31, 2017, the County is in compliance, in all material respects, with requirements under covenants relating to its bonds payable.

Credit Risk – State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Custodial Credit Risk – Deposits – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY- Continued

Custodial Credit Risk – Investments – Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTE 4 – CASH AND TEMPORARY INVESTMENTS

As of December 31, 2017, the County had the following investments:

Investments	Weighted Avg Maturities	Fair Value	Credit Rating
Primary Government:			
Various Certificates of Deposit	43 days	$ 1,470,150	AAAm
Total fair value		$ 1,470,150	

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

NOTE 5 – TAXES RECEIVABLE

The County's Tax Commissioner bills and collects property taxes, then remits to the County its respective share of property taxes. Current year property taxes were levied September 6, 2017 and were due November 15, 2017. Property taxes become a lien on the first day of the levy year. Unpaid property taxes received within 60 days of year end are recognized and recorded as revenue (considered measurable and available), and property taxes unpaid 60 days after year end are recorded as unearned revenue. A summary of the 2017 tax levy follows:

		General Fund
2017 millage rate -	incorporated	8.50
	unincorporated	7.80
Net property tax levy		$ 4,501,817
Property tax receivable		$ 647,669
Allowance for doubtful account		(188,042)
Property tax receivable, net allowance		$ 459,627
Unearned property tax revenues		$ 248,187

NOTE 6 – CAPITAL ASSETS

Governmental capital assets activity for the year ended December 31, 2017, was as follows:

	Balance 1/1/2017	Transfers/ Additions	Deletions	Balance 12/31/2017
Capital assets not being depreciated				
Construction in process	$ 104,013	$ 693,056	$ -	$ 797,069
Land	3,595,233	-	-	3,595,233
Total capital assets not being depreciated	3,699,246	693,056	-	4,392,302
Capital assets being depreciated				
Infrastructure	43,536,283	1,372,445	-	44,908,728
Buildings and improvements	39,934,671	199,721	-	40,134,392
Furniture, fixtures, and equipment	10,814,916	572,725	-	11,387,641
Total capital assets being depreciated	94,285,870	2,144,891	-	96,430,761
Less accumulated depreciation:				
Infrastructure	(37,711,625)	(827,827)	-	(38,539,452)
Buildings and improvements	(11,078,457)	(956,239)	-	(12,034,696)
Furniture, fixtures, and equipment	(8,161,083)	(661,382)	-	(8,822,465)
Less accumulated depreciation	(56,951,165)	(2,445,448)	-	(59,396,613)
Net capital assets being depreciated	37,334,705	(300,557)	-	37,034,148
Governmental activities capital assets - net	$ 41,033,951	$ 392,499	$ -	$ 41,426,450

Depreciation expense was charged to functions as follows:

General Government	$ 683,717
Public Safety	655,457
Highways and Streets	949,921
Health and Welfare	31,391
Culture and Recreation	124,962
	$ 2,445,448

NOTE 6 – CAPITAL ASSETS - Continued

Business-type capital assets activity for the year ended December 31, 2017, was as follows:

Water Fund:

	Balance 1/1/2017	Additions	Transfers/ Deletions	Balance 12/31/2017
Capital assets not being depreciated				
Construction in process	$ 189,144	$ -	$ -	$ 189,144
Total capital assets not being depreciated	189,144	-	-	189,144

Solid Waste Fund:

	Balance 1/1/2017	Additions	Transfers/ Deletions	Balance 12/31/2017
Capital assets not being depreciated				
Construction in process	$ 65,636	$ 11,086	$ -	$ 76,722
Land	312,891	-	-	312,891
Total capital assets not being depreciated	378,527	11,086	-	389,613
Capital assets being depreciated				
Buildings and improvements	212,237	-	-	212,237
Furniture, fixtures, and equipment	340,856	-	-	340,856
Total capital assets being depreciated	553,093	-	-	553,093
Less accumulated depreciation:				
Buildings and improvements	(119,771)	(5,306)	-	(125,077)
Furniture, fixtures, and equipment	(216,976)	(24,612)	-	(241,588)
Less accumulated depreciation	(336,747)	(29,918)	-	(366,665)
Net capital assets being depreciated	216,346	(29,918)	-	186,428
Business-type activities capital assets - net	$ 784,017	$ (18,832)	$ -	$ 765,185

Depreciation expense on capital assets of the Proprietary Funds was $29,918 for the year ended December 31, 2017.

Capitalization of Interest Costs requires that interest expenditures incurred during construction of assets be capitalized. *Capitalization of Interest Costs in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants* concludes that constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) should include capitalized interest only to the extent that interest costs exceed interest earned on related interest-bearing borrowing. There were no construction period interest costs capitalized in the Water and Sewer Fund during the year ended December 31, 2017.

NOTE 6 – CAPITAL ASSETS – Continued

Capital assets of the Discretely Presented Component Units consist of the following:

Development Authority	Balance 1/1/2017	Additions	Transfers/ Deletions	Balance 12/31/2017
Capital assets not being depreciated				
Land and land improvements	$ 3,825,464	$ -	$ (54,755)	$ 3,770,709
Property, plant and equipment				
Buildings and improvements	2,048,491	554,755	-	2,603,246
Equipment and furniture	57,001	-	-	57,001
Total property, plant and equipment	2,105,492	554,755	-	2,660,247
Less accumulated depreciation				
Buildings	(575,026)	(78,504)	-	(653,530)
Equipment and furniture	(53,820)	(3,181)	-	(57,001)
Total accumulated depreciation	(628,846)	(81,685)	-	(710,531)
Net capital assets being depreciated	1,476,646	473,070	-	1,949,716
Component unit capital assets - net	$ 5,302,110	$ 473,070	$ (54,755)	$ 5,720,425

Depreciation expense on capital assets of the Development Authority was $81,685 for the year ended December 31, 2017.

At June 30, 2017, the Health Department's investment in capital assets totaled $15,348, all of which were fully depreciated. Schedule included in the Health Departments financial statements.

NOTE 7 – NOTES RECEIVABLE

At December 31, 2017, the Development Authority of McDuffie County and the City of Thomson (a discretely presented component unit) had the following notes receivable outstanding. The notes were collateralized by real estate.

Note receivable bearing interest at 2.75%, due in monthly installments of $1,697, including principal and interest, maturing in 2024.	$ 115,356
Note receivable bearing interest at 2.50%, due in monthly installments of $5,656, including principal and interest, maturing in 2021.	532,934
Notes receivable bearing interest at the federal fund rate as adjusted every six months, loan facility will be for a term of 10 years.	213,085
Notes receivable bearing interest at the federal fund rate as adjusted every six months, loan facility will be for a term of 15 years.	143,823
	$ 1,005,198

NOTE 8 – LONG TERM DEBT

The following is a summary of the long-term liability transactions for the year ended December 31, 2017:

	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017	Due within One Year
Governmental Activities					
2008 Bonds payable	$ 3,170,000	$ -	$ (1,555,000)	$ 1,615,000	$ 1,615,000
2016 Bonds payable	5,585,000	-	(130,000)	5,455,000	75,000
Accrued compensated absences	333,122	4,967	-	338,089	-
Total debt - governmental activities	$ 9,088,122	$ 4,967	$ (1,685,000)	$ 7,408,089	$ 1,690,000

Bonds Payable

In December 2008, the County entered into a bond agreement for $17,655,000 bearing interest rates of 3% - 5.25% for the purpose of paying the costs of the acquisition and furnishing of a City of Thomson/McDuffie County government center. Annual debt service requirements to maturity for these bonds are as follows:

For the year ending December 31,	Principal	Interest	Total Debt Service
2018	$ 1,615,000	$ 304,650	$ 1,919,650
Total	$ 1,615,000	$ 304,650	$ 1,919,650

In August 2017, the County entered into a bond agreement for $5,585,000 bearing interest rates of 2.00% - 3.00% for the purpose to refund $5,280,000 of the County's General Obligation Bonds, Series 2008. Annual debt service requirements to maturity for these bonds are as follows:

For the year ending December 31,	Principal	Interest	Total Debt Service
2018	$ 75,000	$ 144,150	$ 219,150
2019	1,760,000	117,000	1,877,000
2020	1,800,000	72,600	1,872,600
2021	1,820,000	27,300	1,847,300
Total	$ 5,455,000	$ 361,050	$ 5,816,050

NOTE 8 – LONG TERM DEBT - Continued
Long Term Debt-Discretely Presented Component Units

The following is a summary of the Discretely Presented Component Units' long-term debt:

Health Department	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017	Due within One Year
Accrued compensated absences	24,665	20,591	(25,618)	19,638	-
Total debt	$ 24,665	$ 20,591	$ (25,618)	$ 19,638	$ -

Development Authority	Balance 1/1/2017	Additions	Deletions	Balance 12/31/2017	Due within One Year
Note payable	$ 291,160	$ -	$ (24,693)	$ 266,467	$ -

NOTE 9 – RETIREMENT PLAN

Defined Benefit Pension Plan
The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for McDuffie County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (an agent multiple-employer pension plan, administered by GEB Corp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing Government Employees Benefits Corporation of Georgia, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

All full-time County employees are eligible to participate in the Plan after completing three years of service with benefits vesting after five years of service. Participants become eligible to retire with unreduced benefits at the earlier of age 65 with 5 years of participation in the Plan, or by age 62 with 35 years of service. Upon eligibility to retire, participants are entitled to a monthly benefit in the amount of 1% of average annual compensation up to $10,000 plus 1.5% of average annual compensation in excess of $10,000, plus $36 for each year of service up to 35 years, payable as a ten-year certain and life annuity. Average annual compensation is calculated based on the highest five-year period during the ten years prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Participant counts as of January 1, 2016, (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees and beneficiaries receiving benefits	49
Terminated Plan participants entitled to, but not yet receiving benefits	64
Active employees participating in the Plan	110
Total number of Plan participants	223
Covered compensation for active participants	$ 3,581,137

NOTE 9 – RETIREMENT PLAN- Continued

Contributions

The County is required to contribute an actuarially determined rate. Sections 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on the total covered compensation of active plan participants and are added to the state-required annual funding requirement. For 2017 the required contribution is $439,023.

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

Net Pension Liability

The County's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Inflation	3.50%	
Salary Increases	3.50%	per year with an age based scale
Investment rate of return	7.50%	per year

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females set back two years for males and set back three years for females.

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

Asset Class	Target Allocation	Range
Fixed income:	30%	25% - 35%
Domestic large equities	30%	25% - 35%
Domestic mid equities	5%	2.5% - 10%
Domestic small equities	5%	2.5% - 10%
REIT	5%	2.5% - 10%
International	15%	10% - 20%
Multi cap	5%	2.5% - 10%
Global allocation	5%	2.5% - 10%
TOTAL	100%	

*Rates shown are net of the 3.5% assumed rate of inflation

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability

NOTE 9 – RETIREMENT PLAN – Continued
Change in the Net Pension Liability

	Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2015	$ 9,596,045	$ 7,916,824	$ 1,679,221
Changes for the year:			
Service cost	173,775	-	173,775
Interest	719,703	-	719,703
Liability experience (gain)/loss	(137,970)		(137,970)
Assumption change	298,344		298,344
Contribution-employer	-	432,435	(432,435)
Net investment income	-	580,110	(580,110)
Benefit payments	(383,979)	(370,100)	(13,879)
Administrative expense	-	(24,167)	24,167
Other changes	-	(77,655)	77,655
Net changes	669,873	540,623	129,250
Balance at December 31, 2016	$ 10,265,918	$ 8,457,447	$ 1,808,471

The following presents the County's net pension liability calculated using the discount rate of 7.50%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
County's net pension liability	$ 3,141,805	$ 1,808,471	$ 688,511

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

For the year ended December 31, 2016, the County recognized pension expense of $542,391. At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows/inflows of resources related to pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Aseet (Gain)/Loss	$ 400,071	$ -
Liability (Gain)/Loss	-	(249,775)
(Gain)/Loss due to Assumpution Change	432,314	-
Total	$ 832,385	$ (249,775)

Amounts report as deferred outflows of resources and deferred inflows of resources related to pension will be amortized in pension expense as follows:

Deferred Outflows/(Inflows) Recognized in Future Years

2017	$ 124,848
2018	124,848
2019	124,848
2020	124,848
2021	124,848
Thereafter	(41,630)

NOTE 9 – RETIREMENT PLAN – Continued

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

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

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

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

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

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

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

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

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

Deferred Compensation Plans
The County has adopted deferred compensation plans in accordance with Section 457 of the Internal Revenue Code. The plans allow any employee participant to voluntarily defer the lesser of 100% of the participant's gross compensation or $15,000 per year. All administrative costs of the plans are deducted from the participants' accounts. Benefit payments are payable upon termination of employment, unforeseeable emergency, retirement or death. The Custodial Account Agreement requires the County set aside assets and income from the plan in trust for the exclusive benefit of the participants and their beneficiaries. The County is in compliance with the agreement.

Information about the GEBCorp Deferred Compensation plan may be found at the following:

The Charles Schwab Trust
425 Market Street, 7th Floor
San Francisco, CA 94105

The County believes that it has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor.

The investments are managed by the Plan Administrator in one of three investment options or a combination thereof. The available options include fixed annuity, variable annuity and universal life insurance. The participant makes the choice of investment option(s).

NOTE 9 – RETIREMENT PLAN – Continued

At December 31, 2017, 14.69%, or 41, of the County's 279 employees, were participants in the deferred compensation plans.

The employees of the County contributed $67,910, respectively, to GEBCorp deferred compensation plan during the year ended December 31, 2017.

GASB Statement No. 2, *Financial Reporting of Deferred Compensation Plans Adopted under the provisions of Internal Revenue Code Section 457,* established reporting requirements for IRC Section 457 plans. Based on the laws in effect at the time of its passage, that Statement required that all amounts deferred by the plan participants be reported as assets of the employer until made available to the participants or their beneficiaries. The laws governing these plans were changed to state that, as of August 20, 1996, new plans will not be considered eligible plans "unless all assets and income of the plan described in subsection (b)(6) are held in trust for the exclusive benefit of the participants and their beneficiaries". In the case of an existing plan, a trust need not be established before January 1, 1999. Since the County amended its plan to comply with the requirements of subsection (g) of Internal Revenue Code Section 457, it has adopted GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*

NOTE 10 – RISK MANAGEMENT, LITIGATION, AND CONTINGENCIES

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government is a member of a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The County has joined other municipalities in the state as part of the Georgia Inter-Local Risk Management Agency Property and Liability Insurance Fund and the Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund (ACCG-GSIWCF). As part of these risk pools, the Government is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds. The funds are to defend and protect 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.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims. Liabilities include amounts that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is reported as long-term debt because it is not expected that it will be liquidated from expendable available financial resources. As of December 31, 2017, the County had recorded no liability for claims.

The change in the balances of the workers' compensation pool claims during fiscal year 2017 is as follows:

Unpaid claims, beginning of fiscal year	$ 343,737
Incurred claims	195,527
Claim payments	(84,682)
Unpaid claims, end of fiscal year	$ 454,582

NOTE 10 – RISK MANAGEMENT, LITIGATION, AND CONTINGENCIES – CONTINUED

General, property, and vehicle liabilities are provided for by commercial insurance coverage. Insurance bonding in amounts proportionate to employee exposure provides surety coverage. The County is liable for the $1,000 deductible. The change in the property and liability claims during the year 2017 is as follows:

Unpaid claims, beginning of fiscal year	$ 185,627
Incurred claims	155,292
Claim payments	(4,812)
Unpaid claims, end of fiscal year	$ 336,107

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's management and counsel that resolution of these matters will not have a material effect on the financial condition of the County.

NOTE 11 – INTERFUND TRANSACTIONS

Due From/To Other Funds

Interfund receivables and payables account for loans between funds for cash management purposes. Interfund receivables and payables as of December 31, 2017 were as follows:

	Payable Fund		
Receivable Fund	General Fund	Non-major Govt Funds	Total
Hotel/Motel	$ 119,345	$ -	$ 119,345
General Fund	-	9,412	9,412
Total	$ 119,345	$ 9,412	$ 128,757

Transfers To/From Other Funds

Transfers between the General Fund and other governmental funds were primarily to support the operations of the funds.

	Transfers in				
Transfers out	General Fund	Non-major Govt Funds	Debt Service Fund	Solid Waste Landfill	Total
General Fund	$ -	$ 508,638	$ -	$ 11,086	$ 519,724
SPLOST VI	-	-	1,837,799	-	$ 1,837,799
Non-major Govt Funds	334,479	15,387	-	-	349,866
Total	$ 334,479	$ 524,025	$ 1,837,799	$ 11,086	$ 2,707,389

NOTE 12 – NET POSITION/FUND EQUITY

Reservations of net position/fund equity are created to either satisfy legal covenants that require a portion of the fund balance be segregated or identify the portion of the fund balance that is not appropriated for future expenditures. Specific reservations of the fund balance accounts are summarized as follow:

Restricted for encumbrances – This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts signed by the County but not completed as of the close of the fiscal year.

Restricted for designated purposes – This reserve represents the portion of net position that is legally restricted for specified purposes.

Unrestricted – This represents the portion of net position that is not restricted and not designated for other purposes.

The McDuffie County Health Department had a deficit in restricted net position totaling $243,992 as of June 30, 2017. The deficit will be funded through operations of the Department.

NOTE 13 – SOLID WASTE FUND

The County maintains a solid waste landfill facility, which was established as an enterprise fund as of January 1, 1993. The current landfill was closed during 1994, to avoid the thirty-year post-closure monitoring for leaks into the ground water and removal and treatment of leachate, as required by regulations issued by the U.S. Environmental Protection Agency. By closing the facility, the County is required to monitor the facility. The licensure process for a new landfill has been completed, and the permit has been extended until completion.

The Solid Waste Fund is expected ultimately to be self-supporting. All revenues related to the collection and disposal of solid waste, and the expenses related to the operation are reported in this fund.

Government Accounting Standards Board Statement No. 18 (GASB-18) was issued effective June 15, 1993, to establish accounting standards for reporting the liabilities associated with required closure and post-closure costs. The standard states that the total estimated current cost of closure and post-closure monitoring is to be recognized as a liability as the landfill's usable area is consumed. The estimated total current cost includes: (1) the cost of equipment expected to be installed and facilities expected to be constructed, (2) the cost of the final earth cover to be applied when the landfill is full, and (3) the estimated costs of monitoring and maintaining the landfill in the post closure period. The accrued closure and post-closure costs liability totaled $218,727 as of December 31, 2017.

Costs for closure and post-closure care are based on engineering estimates and are subject to change based on various factors some of which include inflation, deflation, changes in technology, and changes in laws and regulations. These costs are to be funded by collection fees and by tonnage costs. Costs incurred during 2017 totaled $19,951.

NOTE 14 – HOTEL/MOTEL LODGING TAX

McDuffie County has levied a 5% lodging tax pursuant to O.C.G.A. 48-13-51. At least 40% of the tax is to be used for tourism related purposes. During 2017, approximately 61% of receipts were allocated for tourism. Transactions for the year ended December 31, 2017 were as follows:

Balance as of December 31, 2016	$ 117,059
Tax Collections during 2017	264,515
Reimbursement received during 2017	1,245
Disbursements for promotion of tourism	(175,434)
Transfer to General Fund	(80,171)
Balance as of December 31, 2017	$ 127,214

NOTE 15 – JOINT VENTURE

Under Georgia law, the County in conjunction with other cities and counties in the Central Savannah River Area, is a member of the Central Savannah River Area Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2017, the County paid $14,548 in such dues. Membership in the 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 any debts or obligations of the RC. Separate financial statements may be obtained from:

Central Savannah River Area Regional Commission
3023 Riverwatch Parkway, Suite A
Augusta, Georgia 30907-2018

NOTE 16 – RELATED PARTY TRANSACTIONS

There were no material related party transactions during the year ended December 31, 2017.

NOTE 17 - SUBSEQUENT EVENTS

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through June 26, 2018. Management has not identified any items requiring recognition or disclosure.

NOTE 18- Constitutional Officers and Firefighters Pension Plans

The County's Constitutional Officers and some of their staff and firefighters belong to one of six pension's plans, listed below, established by the Georgia General Assembly for providing retirement benefits for these participants. These plans are cost sharing multiple employer defined benefit plans.

Name of Pension Plan	Plan Website
Employees Retirement System of Georgia - Tax Commissioner	ers.ga.gov
Judges of the Probate Courts Retirement Fund of Georgia	pjrf.georgia.gov
Sheriffs' Retirement Fund of Georgia	georgiasheriffs.org
Peace Officers' Annuity & Benefit Fund of Georgia	poab.georgia.gov
Georgia Firefighters' Pension Fund	gfpf.org
Georgia Judicial Retirement System	ers.ga.gov

Pension liabilities and pension expense with all plans above combined and summarized as follows:

McDuffie County's proportionate share of net pension liability	$ -
State of Georgia's proportionate share of net pension liability associated with McDuffie County	852,211
Total	$ 852,211
McDuffie recognized pension expense	$ (194,743)
McDuffie recognized revenue from State of Georgia support	$ (194,743)

These plans are considered special funding situations; and 100% of the collective net pension liabilities are allocated to the State of Georgia. The County does not contribute to any of these plans.

Pension plan descriptions, assumptions and related disclosures may be found in separately issued reports at June 30, 2016 for each of these plans and are available at the websites listed above.

REQUIRED SUPPLEMENTARY INFORMATION

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Cash Basis			
	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property tax	$ 3,808,358	$ 3,808,358	$ 3,485,542	$ (322,816)
Property tax penalties	60,000	60,000	56,721	(3,279)
Prior year property tax	589,027	589,027	699,572	110,545
Local option sales tax	2,100,000	2,100,000	2,017,445	(82,555)
LOST-TAVT	170,000	170,000	132,862	(37,138)
TAV - administration	40,000	40,000	36,761	(3,239)
SPLOST - TAVT	250,000	250,000	199,044	(50,956)
Alcohol beverage tax	250,000	250,000	216,566	(33,434)
Insurance premium tax	825,000	870,500	870,121	(379)
Excise tax	250,000	250,000	273,632	23,632
Franchise tax	80,000	80,000	79,182	(818)
Motor vehicle tax	160,000	160,000	126,866	(33,134)
AAVT tax	9,600	9,600	1,264	(8,336)
True up tax	220,000	220,000	275,388	55,388
Mobile home tax	60,000	60,000	56,308	(3,692)
Mobile home tax penalties	7,000	7,000	9,747	2,747
Timber tax	25,000	25,000	28,627	3,627
Light district	28,000	28,000	29,356	1,356
Railroad tax	6,500	6,500	6,735	235
Payments in lieu of tax	38,000	38,000	37,868	(132)
Commissions	250,000	250,000	223,130	(26,870)
FIFA	30,000	30,000	21,443	(8,557)
Motor vehicle late fee tax	45,000	45,000	53,981	8,981
BK lic tax	50,000	50,000	42,713	(7,287)
Equipment tax	-	-	42	42
Penalties and fines	34,085	34,085	28,477	(5,608)
Total taxes	9,385,570	9,431,070	9,009,393	(421,677)
Licenses and permits				
Beer and wine licenses	10,000	10,000	6,500	(3,500)
Alcohol licenses	26,000	26,000	22,980	(3,020)
Business licenses	100,000	100,000	97,846	(2,154)
Building permits and licenses	121,500	121,500	87,759	(33,741)
Total licenses and permits	257,500	257,500	215,085	(42,415)
Intergovernmental				
Reimbursements	1,386,622	1,483,294	1,360,407	(122,887)
Government center - City of Thomson	115,400	115,400	113,737	(1,663)
Home delivered meals	11,156	11,156	9,270	(1,886)
Grants	65,948	105,012	53,879	(51,133)
Tax assessor	3,000	3,000	1,424	(1,576)
Total intergovernmental	1,582,126	1,717,862	1,538,717	(179,145)
Charges for services				
Recreation fees	79,050	97,350	89,810	(7,540)
Campground rentals	65,000	77,500	77,478	(22)
Senior citizens fees	12,100	17,100	17,060	(40)
Rent	156,418	156,418	149,712	(6,706)
Animal shelter	5,500	5,500	12,579	7,079
Sheriff	499,660	499,660	476,331	(23,329)
Sheriff administration	154,615	154,615	104,382	(50,233)
Transportation	10,000	10,000	13,839	3,839
Public works	2,750	2,750	4,079	1,329
EMS	1,484,500	1,529,500	1,515,028	(14,472)
Vending machine	500	500	104	(396)
Fire fees	15,401	19,401	20,430	1,029
Total charges for services	2,485,494	2,570,294	2,480,832	(89,462)

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Cash Basis			
	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES - Continued				
Fines and forfeitures				
Superior court fines and fees	$ 254,000	$ 254,000	$ 185,542	$ (68,458)
Probate court fines and fees	250,010	250,010	244,522	(5,488)
Magistrate court fines and fees	79,500	79,500	88,671	9,171
Total fines and forfeitures	583,510	583,510	518,735	(64,775)
Other				
Flood control	1,800	1,800	1,544	(256)
Interest	1,600	11,300	10,176	(1,124)
Surplus sales	5,000	5,000	-	(5,000)
Election qual	500	500	639	139
Airport-GA	2,000	2,000	1,492	(508)
Bad check	100	100	35	(65)
Prior year	-	90,000	-	(90,000)
Employee relations	10,000	10,000	10,683	683
Scrap	500	500	5,952	5,452
Miscellaneous	10,000	10,000	7,702	(2,298)
Total other	31,500	131,200	38,223	(92,977)
Total revenues	14,325,700	14,691,436	13,800,985	(890,451)
EXPENDITURES				
General government				
Governing body	246,292	271,502	237,685	(33,817)
County manager	224,223	243,903	243,692	(211)
Elections office	203,873	204,792	177,940	(26,852)
Administration	1,322,966	1,119,412	1,009,054	(110,358)
Government center complex	115,908	113,631	94,857	(18,774)
Finance	279,532	280,852	269,213	(11,639)
Technical support	338,859	339,706	306,510	(33,196)
Tax commissioner	334,107	340,512	334,258	(6,254)
Tax assessor	434,505	436,413	403,330	(33,083)
Board of equalization	3,903	4,093	3,947	(146)
General government buildings	225,738	225,842	191,543	(34,299)
Superior court	151,145	148,581	116,926	(31,655)
Clerk of superior court	358,663	359,705	359,451	(254)
District attorney	77,569	87,130	86,040	(1,090)
Child support	7,500	7,500	6,854	(646)
Magistrate court	165,167	166,127	160,135	(5,992)
Probate court	183,680	190,511	190,401	(110)
Juvenile court	110,772	128,605	128,528	(77)
Public defender	88,019	88,466	83,765	(4,701)
Planning and zoning	273,818	275,465	246,735	(28,730)
Total general government	5,146,239	5,032,748	4,650,864	(381,884)

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (BUDGETARY BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Cash Basis			
	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES - Continued				
Public safety				
Sheriff	$ 3,400,369	$ 3,416,344	$ 3,171,767	$ (244,577)
Sheriff administrative	154,415	154,415	33,416	(120,999)
Fire	2,250,144	2,614,956	2,614,562	(394)
Emergency management	65,493	65,493	61,785	(3,708)
Coroner	21,908	27,658	27,633	(25)
Total public safety	5,892,329	6,278,866	5,909,163	(369,703)
Highways and streets				
Vehicle and equipment maintenance	218,472	219,860	196,673	(23,187)
Public works	1,146,617	1,152,400	972,215	(180,185)
Total highways and streets	1,365,089	1,372,260	1,168,888	(203,372)
Health and welfare				
Family and children services	32,500	31,480	22,462	(9,018)
Health department	112,450	118,850	118,658	(192)
Mental health	200	200	178	(22)
Rural transportation	195,566	196,561	194,547	(2,014)
Senior citizens	179,977	180,739	143,005	(37,734)
Soil & waste conservation	500	500	350	(150)
Home delivered meals	97,145	97,413	79,132	(18,281)
Total health and welfare	618,338	625,743	558,332	(67,411)
Culture and recreation				
Library	88,278	88,278	88,278	-
Boys and Girls Club	4,000	6,000	5,831	(169)
Rockhouse	5,000	3,939	965	(2,974)
Raysville campground	38,780	49,351	49,095	(256)
Recreation	737,151	747,206	723,785	(23,421)
Development Authority	98,378	99,240	58,237	(41,003)
Total culture and recreation	971,587	994,014	926,191	(67,823)
Other				
Cooperative extension service	94,960	93,418	84,117	(9,301)
Airport	109,500	109,500	89,961	(19,539)
Forestry	9,014	9,014	9,014	-
Human development	-	-	-	-
Lawn care services	-	18,055	17,992	(63)
Employee relations	10,000	10,000	3,990	(6,010)
Recycling center	71,364	71,364	61,161	(10,203)
Grants	25,948	65,012	62,496	(2,516)
Animal shelter	91,503	91,613	60,507	(31,106)
Total other	412,289	467,976	389,238	(78,738)
Total Expenditures	14,405,871	14,771,607	13,602,676	(1,168,931)
Other financing sources				
Transfer in	80,171	80,171	84,479	4,308
Net change in fund balance	$ -	$ -	$ 282,788	$ 282,788
RECONCILIATION TO GAAP BASIS				
To record effect of changes in receivables and other assets and payables and other liabilities			175,791	
FUND BALANCE, BEGINNING OF YEAR			5,645,052	
FUND BALANCE, END OF YEAR			$ 6,103,631	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
DEBT SEVERICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Interest	$ 3,000	$ 3,000	$ 603	$ (2,397)
Prior year	-	-	-	-
Total Revenues	3,000	3,000	603	(2,397)
Expenditures				
General government	1,969,263	1,969,263	1,967,761	(1,502)
Total Expenditures	1,969,263	1,969,263	1,967,761	(1,502)
Other Financing Sources				
Transfers	1,966,263	1,966,263	1,837,799	(128,464)
Net Change in Fund Balance	$ -	$ -	(129,359)	$ (129,359)
Fund Balance, beginning of year			141,514	
Fund Balance, end of year			$ 12,155	

MCDUFFIE COUNTY, GEORGIA
RICQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY-
ACCG PENSION PLAN FOR MCDUFFIE COUNTY EMPLOYEES
FOR THE YEAR ENDED DECEMBER 31, 2017

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 422,092	$ 439,023	$ 435,778
Contribution in Relation to the Contractually Required Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	422,092	439,023	435,778
Contributions Deficiency (Excess)	$-	$-	$-	$-	$-	$-	$-	$ -	$ -	$ -
Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ 4,008,169	$ 3,943,434	$ 3,706,447
Contribution as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10.5%	11.1%	11.8%

MCDUFFIE COUNTY, GEORGIA
RICQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS-
ACCG PENSION PLAN FOR MCDUFFIE COUNTY EMPLOYEES
FOR THE YEAR ENDED DECEMBER 31, 2017

For the Year Ended December 30,	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net pension liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$1,111,156	$1,679,221	$1,808,471
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$4,008,169	$3,810,081	$3,581,137
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	27.70%	44.10%	50.50%
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	87.70%	82.50%	82.40%

MCDUFFIE COUNTY, GEORGIA
RICQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2017 (JUNE 30, 2015 MEASUREMENT DATE)

	Employees Retirement System of Georgia - Tax Commissioner	Georgia Judicial Retirement System	Peace Officers' Annuity & Benefit Fund of Georgia	Judges of the Probate Courts Retirement Fund of Georgia	Sheriffs' Retirement Fund of Georgia	Georgia Firefighters' Pension Fund
McDuffie County's proportion of net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
McDuffie County's proportionate share of net pension liability	$ -	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of net pension liability associated with McDuffie	398,065	(40,453)	(6,483)	(70,171)	402,696	168,557
Total	398,065	(40,453)	(6,483)	(70,171)	402,696	168,557
McDuffie County's covered-empoyee payroll	$ 60,308	$ 75,846	$ 1,332,354	$ 66,846	$ 91,503	$ 747,267
McDuffie County's proportionate share of net pension liability as percentage of its covered-employee payroll	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Plan fiduciary net position as a percentage of the total pension liability	76.20%	113.38%	98.28%	115.77%	56.67%	79.03%

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

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

MCDUFFIE COUNTY
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Jail Fund – to account for fines charged by the County that are to be used for jail improvements.

Drug Task Force Fund – to account for add-on fees received from fines to be used to assist with drug enforcement needs.

Wireless Emergency Telephone System Fund – to account for collection of wireless 911 phone surcharges used for operation and maintenance of the 911-phone system.

Landfill Surcharge Fund – to account for fees received from Solid Waste.

Hotel/Motel Fund – to account for tax to be used for tourism-related purposes.

Law Library Fund– to account for receipt of fee revenue generated to support the legal library for the McDuffie County court system.

Juvenile Probation Fund – to account for fee revenue generated for juvenile probation.

Emergency Telephone System Fund – is used to account for the collection of 911 phone surcharges used for operation and maintenance of the 911-telephone system.

Drug Forfeiture Fund – to account for funds received as a result of property and cash seizures by the Sheriff's Department.

CAPITAL PROJECTS FUNDS

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

Special Purpose Local Option Sales Tax IV Fund – to account for property acquisition and construction of projects designated to be funded by revenue from local option sales tax collections for the years 2004 – 2008.

Special Purpose Local Option Sales Tax V Fund – to account for property acquisition and construction of projects designated to be funded by revenue from local option sales tax collections for the years 2009-2013.

Bond Fund – to account for the cost of the acquisition and furnishing of the City of Thomson/McDuffie County government center.

LMIG Fund – to account for the construction of transportation related projects funded by the LMIG.

CDBG Fund – to account for the construction related to projects funded by the CDBG grant.

TSPLOST Fund – The TSPLOST Fund is used to account for the construction of transportation related projects funded by TPLOST.

MCDUFFIE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	Special Revenue Funds										Capital Projects Funds						
	Jail	Law Library	Juvenile Probation	Drug Task Force	Drug Court	Hotel/ Motel Tax	Wireless Emergency Telephone System	Landfill Surcharge	Drug Forfeiture	Emergency Telephone System	LMIG	SPLOST IV	SPLOST V	CDBG	Bond Fund	TSPLOST	Total Nonmajor Governmental Funds
Assets																	
Assets																	
Cash	$230,272	$15,673	$ 47,762	$ 269,877	$ 25,087	$ -	$ 198,925	$ 134,042	$ 277,336	$ 42,515	$20,177	$ 404,060	$ 56,310	$ 80	$ 26,717	$1,003,985	$ 2,752,818
Investments	-	-	-	-	-	-	-	-	-	-	-	-	259,916	-	-	-	259,916
Due from other funds	-	-	-	-	-	119,345	-	-	-	-	-	-	-	-	-	-	119,345
Other receivables	-	-	-	-	-	13,596	-	-	-	57,509	-	-	-	-	-	-	71,105
Intergovernmental receivables	2,267	-	-	1,080	-	-	-	-	-	-	-	-	-	-	-	80,881	84,228
Total Assets	$232,539	$15,673	$ 47,762	$ 270,957	$ 25,087	$132,941	$ 198,925	$ 134,042	$ 277,336	$ 100,024	$20,177	$ 404,060	$ 316,226	$ 80	$ 26,717	$1,084,866	$ 3,287,412
Liabilities and Fund Balances																	
Liabilities																	
Accounts payable	$ -	$ -	$ -	$ -	$ 10,476	$ 4,334	$ -	$ -	$ -	$ 40,480	$ 267	$ 341	$ 451	$ 850	$ 100	$ 110,888	$ 168,187
Accrued liabilities	-	-	-	-	-	1,393	-	-	-	16,248	-	-	-	-	-	-	17,641
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	9,412	-	-	9,412
Total Liabilities	-	-	-	-	10,476	5,727	-	-	-	56,728	267	341	451	10,262	100	110,888	195,240
Fund balances																	
Capital Projects	-	-	-	-	-	-	-	-	-	-	19,910	403,719	315,775	-	26,617	-	766,021
Special Revenues	232,539	15,673	47,762	270,957	14,611	127,214	198,925	134,042	277,336	43,296	-	-	-	(10,182)	-	-	1,352,173
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	973,978	973,978
Total Fund Balances	232,539	15,673	47,762	270,957	14,611	127,214	198,925	134,042	277,336	43,296	19,910	403,719	315,775	(10,182)	26,617	973,978	3,092,172
Total Liabilities and Fund Balances	$232,539	$15,673	$ 47,762	$ 270,957	$ 25,087	$132,941	$ 198,925	$ 134,042	$ 277,336	$ 100,024	$20,177	$ 404,060	$ 316,226	$ 80	$ 26,717	$1,084,866	$ 3,287,412

MCDUFFIE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds										Capital Projects Funds						
	Jail	Law Library	Juvenile Probation	Drug Task Force	Drug Court	Hotel/ Motel Tax	Wireless Emergency Telephone System	Landfill Surcharge	Drug Forfeiture	Emergency Telephone System	LMIG	SPLOST IV	SPLOST V	CDBG	Bond Fund	TSPLOST	Total Nonmajor Governmental Funds
Revenues																	
Fees for services	$ -	$ -	$ 937	$ -	$ -	$ -	$ -	$ 27,121	$ -	$ 353,754	$ -	$ -	$ -	$ -	$ -	$ -	$ 381,812
Fines and forfeitures	25,732	9,199	-	16,042	-	-	-	-	-	-	-	-	-	-	-	-	50,973
Intergovernmental	15,142	-	-	9,783	95,127	-	-	-	-	-	447,477	-	-	-	-	159,532	727,061
Interest income	-	13	-	-	-	-	-	-	-	-	-	-	3,206	-	90	3,080	6,389
Other	-	-	-	-	-	1,245	-	-	-	-	-	-	-	-	-	-	1,245
Taxes	-	-	-	-	-	264,515	-	-	-	-	-	-	-	-	-	793,896	1,058,411
Total Revenues	40,874	9,212	937	25,825	95,127	265,760	-	27,121	-	353,754	447,477	-	3,206	-	90	956,508	2,225,891
Expenditures																	
Current																	
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	6,100	-	-	-	6,100
General government	-	-	-	7,570	-	-	-	-	-	-	167	-	-	482	-	3,886	12,105
Public safety	22,312	-	2,100	-	76,459	-	-	-	-	635,902	-	-	-	-	-	-	736,773
Public works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	21,410	-	-	-	341	401	-	14,360	-	36,512
Health and welfare	-	-	-	-	-	-	-	-	5,006	-	-	-	-	-	-	-	5,006
Economic development	-	-	-	-	-	175,434	-	-	-	-	-	-	-	-	-	-	175,434
Judicial	-	25,851	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,851
Capital outlay															-		
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	9,700	-	-	9,700
Public works			-	-	-	-	-	-	-	-	427,477	-	4,615	-	-	910,151	1,342,243
Public safety	5,600	-	-	-	-	-	15,775	-	-	-	-	-	137,192	-	-	-	158,567
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	434,750	434,750
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	117,330	-	-	-	117,330
Economic development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	27,912	25,851	2,100	7,570	76,459	175,434	15,775	21,410	5,006	635,902	427,644	341	265,638	10,182	14,360	1,348,787	3,060,371
Excess (deficiency) of revenues over expenditures	12,962	(16,639)	(1,163)	18,255	18,668	90,326	(15,775)	5,711	(5,006)	(282,148)	19,833	(341)	(262,432)	(10,182)	(14,270)	(392,279)	(834,480)
Transfers in (out)	-	-	-	(12,000)	7,692	(80,171)	-	(11,086)	1,419	257,219	-	-	-	-	-	-	163,073
Net Change	12,962	(16,639)	(1,163)	6,255	26,360	10,155	(15,775)	(5,375)	(3,587)	(24,929)	19,833	(341)	(262,432)	(10,182)	(14,270)	(392,279)	(671,407)
FUND BALANCES, BEGINNING OF YEAR	219,577	32,312	48,925	264,702	(11,749)	117,059	214,700	139,417	280,923	68,225	77	404,060	578,207	-	40,887	1,366,257	3,763,579
FUND BALANCES, END OF YEAR	$ 232,539	$ 15,673	$ 47,762	$ 270,957	$ 14,611	$ 127,214	$ 198,925	$ 134,042	$ 277,336	$ 43,296	$ 19,910	$ 403,719	$ 315,775	$ (10,182)	$ 26,617	$ 973,978	$ 3,092,172

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
JAIL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fines and forfeitures	$ 52,500	$ 52,500	$ 41,292	$ (11,208)
Prior year	59,000	59,000	-	(59,000)
Total Revenues	111,500	111,500	41,292	(70,208)
Expenditures				
Public safety	79,500	79,500	21,912	(57,588)
Capital outlay	32,000	32,000	6,000	(26,000)
Total Expenditures	111,500	111,500	27,912	(83,588)
Net Change in Fund Balance	$ -	$ -	13,380	$ 13,380
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			(418)	
Fund Balance, beginning of year			219,577	
Fund Balance, end of year			$ 232,539	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
LAW LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fines and forfeitures	$ 9,000	$ 9,000	$ 9,199	$ 199
Interest income	30	30	10	(20)
Other	-	-	-	-
Prior year	14,262	17,262	-	(17,262)
Total Revenues	23,292	26,292	9,209	(17,083)
Expenditures				
General government	23,292	26,292	26,282	(10)
Total Expenditures	23,292	26,292	26,282	(10)
Net Change in Fund Balance	$ -	$ -	(17,073)	$ (17,073)
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			434	
Fund Balance, beginning of year			32,312	
Fund Balance, end of year			$ 15,673	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
JUVENILE PROBATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fees for services	$ 3,000	$ 3,000	$ 937	$ (2,063)
Total Revenues	3,000	3,000	937	(2,063)
Expenditures				
Public safety	3,000	3,000	2,100	(900)
Total Expenditures	3,000	3,000	2,100	(900)
Net Change in Fund Balance	$ -	$ -	(1,163)	$ (1,163)
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			-	
Fund Balance, beginning of year			48,925	
Fund Balance, end of year			$ 47,762	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
DRUG TASK FORCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fines and forfeitures	$ 36,000	$ 36,000	$ 28,042	$ (7,958)
Other	-	-	-	-
Prior year	30,000	30,000	-	(30,000)
Total Revenues	66,000	66,000	28,042	(37,958)
Expenditures				
Capital outlay	7,400	7,400	-	(7,400)
Public safety	23,000	23,000	6,320	(16,680)
Total Expenditures	30,400	30,400	6,320	(24,080)
Other Financing Sources				
Transfers	-	-	(12,000)	(12,000)
Net Change in Fund Balance	$ 35,600	$ 35,600	9,722	$ (25,878)
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			(3,467)	
Fund Balance, beginning of year			264,702	
Fund Balance, end of year			$ 270,957	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
HOTEL/MOTEL TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 250,000	$ 250,000	$ 264,338	$ 14,338
Other	1,000	1,000	1,245	245
Total Revenues	251,000	251,000	265,583	14,583
Expenditures				
General government	170,829	170,829	175,626	4,797
Total Expenditures	170,829	170,829	175,626	4,797
Other Financing Sources				
Transfers	(80,171)	(80,171)	(80,171)	-
Net Change in Fund Balance	$ -	$ -	9,786	$ 9,786
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			369	
Fund Balance, beginning of year			117,059	
Fund Balance, end of year			$ 127,214	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
EMERGENCY TELEPHONE SYSTEM FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fees for services	$ 380,000	$ 380,000	$ 336,562	$ (43,438)
Intergovernmental	50,000	50,000	20,699	(29,301)
Total Revenues	430,000	430,000	357,261	(72,739)
Expenditures				
Public safety	642,510	642,510	641,673	(837)
Total Expenditures	642,510	642,510	641,673	(837)
Other Financing Sources				
Transfers from General Fund	212,510	212,510	257,219	44,709
Net Change in Fund Balance	$ -	$ -	(27,193)	$ (71,902)
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			2,234	
Fund Balance, beginning of year			68,255	
Fund Balance, end of year			$ 43,296	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
LANDFILL SURCHARGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fees for services	$ 34,000	$ 34,000	$ 27,121	$ (6,879)
Total Revenues	34,000	34,000	27,121	(6,879)
Expenditures				
Other	-	-	21,410	21,410
Capital outlay	34,000	34,000	-	(34,000)
Total Expenditures	34,000	34,000	21,410	(12,590)
Other Financing Sources				
Transfers	-	-	(11,086)	(11,086)
Net Change in Fund Balance	-	-	(5,375)	(5,375)
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			-	
Fund Balance, beginning of year			139,417	
Fund Balance, end of year			$ 134,042	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
WIRELESS EMERGENCY TELEPHONE SYSTEM FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Prior year	$ 27,800	$ 27,800	$ -	$ (27,800)
Total Revenues	27,800	27,800	-	(27,800)
Expenditures				
Capital outlay	27,800	27,800	15,775	(12,025)
Total Expenditures	27,800	27,800	15,775	(12,025)
Net Change in Fund Balance	$ -	$ -	(15,775)	$ (15,775)
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			-	
Fund Balance, beginning of year			214,700	
Fund Balance, end of year			$ 198,925	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
DRUG FORFEITURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Federal	$ 2,000	$ 2,000	$ -	$ (2,000)
State	2,000	2,000	1,419	(581)
Prior year	53,700	53,700	-	(53,700)
Total Revenues	57,700	57,700	1,419	(56,281)
Expenditures				
Public safety	57,700	57,700	5,006	(52,694)
Total Expenditures	57,700	57,700	5,006	(52,694)
Net Change in Fund Balance	$ -	$ -	(3,587)	$ (3,587)
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			-	
Fund Balance, beginning of year			280,923	
Fund Balance, end of year			$ 277,336	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
LMIG FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental	$ 330,000	$ 330,000	$ 447,477	$ 117,477
Total Revenues	330,000	330,000	447,477	117,477
Expenditures				
Public works	330,000	330,000	427,477	97,477
Total Expenditures	330,000	330,000	427,477	97,477
Net Change in Fund Balance	$ -	$ -	20,000	$ 20,000
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			(167)	
Fund Balance, beginning of year			77	
Fund Balance, end of year			$ 19,910	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
DRUG COURT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fines and forfeitures	$ 109,005	$ 109,005	$ 95,127	$ (13,878)
Other	1,000	1,000	-	(1,000)
Prior year	-	-	-	-
Total Revenues	110,005	110,005	95,127	(14,878)
Expenditures				
Capital outlay	-	-	-	-
Public safety	110,005	110,005	76,838	(33,167)
Total Expenditures	110,005	110,005	76,838	(33,167)
Other Financing Sources				
Transfers	-	-	7,692	7,692
Net Change in Fund Balance	$ -	$ -	25,981	$ 25,981
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			379	
Fund Balance, beginning of year			(11,749)	
Fund Balance, end of year			$ 14,611	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Interest	100	100	90	(10)
Prior year	42,000	42,000	-	(42,000)
Bond proceeds	-	-	-	-
Total Revenues	42,100	42,100	90	(42,010)
Expenditures				
Public works	42,100	42,100	14,360	(27,740)
Total Expenditures	42,100	42,100	14,360	(27,740)
Net Change in Fund Balance	$ -	$ -	(14,270)	$ (14,270)
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			-	
Fund Balance, beginning of year			40,887	
Fund Balance, end of year			$ 26,617	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (BUDGETARY BASIS) AND ACTUAL
CDBG FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental	$ 306,000	$ 306,000	$ -	$ (306,000)
Total Revenues	306,000	306,000	-	(306,000)
Expenditures				
Capital outlay	306,000	306,000	9,432	(296,568)
Total Expenditures	306,000	306,000	9,432	(296,568)
Net Change in Fund Balance	$ -	$ -	(9,432)	$ (9,432)
Reconciliation to GAAP Basis				
To record effect of changes in receivables and other assets and payables and other liabilities			(750)	
Fund Balance, beginning of year			-	
Fund Balance, end of year			$ (10,182)	

FIDUCIARY FUNDS

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

Clerk of Court – to account for the receipt and disbursement of court ordered fines and fees made on behalf of third parties.

Probate Court – to account for the receipt and disbursement of funds held on behalf of others and fees for services provided under State law.

Sheriff – to account for the receipt and disbursement of fees and services provided under State law.

Tax Commissioner - to account for tax billings, collections, and remittances held by the Tax Commissioner on behalf of other governmental agencies.

Magistrate's Court – to account for the receipt and disbursement of bonds and court ordered fines and fees made on behalf of third parties.

MCDUFFIE COUNTY, GEORGIA
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2017

	Agency Funds					
	Clerk of Court	Probate Court	Sheriff	Tax Commissioner	Magistrate Court	Total
Assets						
Assets						
Cash	$ 249,502	$ 32,094	$ 136,224	$ 250,079	$ 26,410	$ 694,309
Total Assets	$ 249,502	$ 32,094	$ 136,224	$ 250,079	$ 26,410	$ 694,309
Liabilities						
Liabilities						
Due to others	$ 249,502	$ 32,094	$ 136,224	$ 250,079	$ 26,410	$ 694,309
Total Liabilities	$ 249,502	$ 32,094	$ 136,224	$ 250,079	$ 26,410	$ 694,309

MCDUFFIE COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Agency Funds					
	Clerk of Court	Probate Court	Sheriff	Tax Commissioner	Magistrate Court	Total
Assets						
Cash						
Balance at beginning of year	$ 215,823	$ 29,087	$ 126,536	$ 252,438	$ 25,052	$ 648,936
Additions	465,860	479,556	595,132	20,218,174	267,986	22,026,708
Deletions	432,181	476,549	585,444	20,220,533	266,628	21,981,335
Balance at end of year	249,502	32,094	136,224	250,079	26,410	694,309
Total Assets	$ 249,502	$ 32,094	$ 136,224	$ 250,079	$ 26,410	$ 694,309
Liabilities						
Due to others						
Balance at beginning of year	$ 215,823	$ 29,087	$ 126,536	$ 252,438	$ 25,052	$ 648,936
Additions	465,860	479,556	595,132	20,218,174	267,986	22,026,708
Deletions	432,181	476,549	585,444	20,220,533	266,628	21,981,335
Balance at end of year	249,502	32,094	136,224	250,079	26,410	694,309
Total Liabilities	$ 249,502	$ 32,094	$ 136,224	$ 250,079	$ 26,410	$ 694,309

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SUPPLEMENTARY INFORMATION

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

To the Board of Commissioners
McDuffie County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of McDuffie County, Georgia, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise McDuffie County, Georgia 's basic financial statements and have issued our report thereon dated June 26, 2018. Our report includes a reference to other auditors who audited the financial statements of McDuffie County Health Department, as described in our report on the McDuffie County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Baird Audit Group, LLC

The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
June 26, 2018

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX 2004-2008
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Purpose (in funding sequence)	Estimated Cost	Revised Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Funded simultaneously						
City of Thomson						
Ladder truck	$ 517,000	$ 517,000	$ 517,000	$ -	$ 517,000	100%
Breathing appartus	65,000	64,242	64,242	-	64,242	100%
T/E project	260,000	260,000	259,212		259,212	100%
Big Creek	2,515,000	3,370,550	3,370,550	-	3,370,550	100%
Scada	175,000	143,273	143,273	-	143,273	100%
Other City water/sewer projects	721,000	130,032	213,469	-	213,469	164%
Development Authority						
Economic development	1,900,000	1,710,250	1,369,504	-	1,369,504	80%
Thomson Company	500,000	689,750	689,750	-	689,750	100%
McDuffie County						
Boys & Girls Club	-	117,909	116,894	-	116,894	99%
Water and sewer	2,906,998	768,145	633,380	-	633,380	82%
Airport	-	8,240	10,443	-	10,443	127%
Road Construction and Improvements	2,721,482	2,795,178	2,707,271	-	2,707,271	97%
Recreation	2,500,000	2,453,644	2,512,123	-	2,512,123	102%
Technology	50,000	-	-	-	-	-
Land	-	25,621	25,709	-	25,709	100%
Public Safety						
Pumpers (2)	243,992	34,440	-	-	-	0%
Fire station #1	1,044,114	1,086,477	1,179,433	-	1,179,433	109%
Fire station #6	-	-	-	-	-	
Brush trucks (2)	-	61,340	61,340	-	61,340	100%
Rescue truck	61,340	-	-	-	-	
Information technology	50,000	-	-	-	-	
Gear	520	47,810	59,938		59,938	125%
Government Complex	1,600,000	2,514,038	2,524,871	-	2,524,871	100%
Government complex	100,000	101,552	97,255	-	97,255	96%
Senior Citizens Center						
Senior Citizens Center	-	23,397	23,685	-	23,685	101%
Department Family & Children Services						
Improvements	-	3,999	3,999	-	3,999	100%
Advertising costs	-	-	293	341	634	
McDuffie County Hospital						
Ambulances (3)	270,000	234,630	234,630	-	234,630	100%
Cardiac monitor		41,928	41,928	-	41,928	100%
Hospital expansion	1,000,000	1,000,000	1,000,000	-	1,000,000	100%
Town of Dearing						
Fire station	-	25,000	25,000	-	25,000	100%
Gym renovations	-	78,331	78,331	-	78,331	100%
Totals	$ 19,201,446	$ 18,306,776	$ 17,963,523	$ 341	$ 17,963,864	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX 2009-2014
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Purpose (in funding sequence)	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Funded simultaneously						
City of Thomson						
City street resurfacing	$ 700,000	$ 630,000	$ 624,385	$ -	$ 624,385	99%
City fire engine	300,000	283,997	283,997	-	283,997	100%
Citys Station #2 improvements	100,000	50,000	-	-	-	0%
Skate park	300,000	198,554	198,554	-	198,554	100%
Walking track	25,000	23,523	23,523	-	23,523	100%
Water/Sewer						
Water line replacement	120,000	98,918	98,917	-	98,917	100%
Sewer plant improvement	1,000,000	1,000,468	1,022,409	-	1,022,409	102%
Usry pond improvement	750,000	-	-	-	-	0%
Augusta Road plant project	1,250,000	255,481	224,739	-	224,739	88%
Raising Usry pond dam	690,000	-	-	-	-	0%
Big Creek		34,590	34,590	-	34,590	100%
De-watering project		988,276	988,278	-	988,278	100%
Development Authority						
Land development	250,000	75,000	25,300	-	25,300	34%
Land acquisition	250,000	75,000	-	-	-	0%
Thomson company redevelopment	250,000	150,000	126,430	-	126,430	84%
Infrastructure	150,000	240,000	221,127	6,100	227,227	95%
Information technology	50,000	50,000	42,962	-	42,962	86%
Landscaping/signage	50,000	10,000	-	-	-	0%
McDuffie County						
Government Center Complex						
Government center	11,510,428	12,229,377	10,189,507	-	10,189,507	83%
Roads & Streets						
County road resurfacing	1,800,000	1,620,000	1,520,957	4,615	1,525,572	94%
Airport						
Runway overlay	200,000	160,000	169,269	-	169,269	106%

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX 2009-2014
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Recreation						
Restrooms @ Sweetwater Park football	$ 75,000	$ 71,712	$ 71,712	$ -	$ 71,712	100%
Bleachers for gym @ Sweetwater Park	57,000	42,594	42,594	-	42,594	100%
Outdoor bleachers cover for shade	75,000	-	-	-	-	0%
Walking track improvements @ Sweetwater	60,000	14,709	14,709	-	14,709	100%
Recreation other	690,000	150,673	50,597	117,330	167,927	111%
Land acquisition for City parks	108,000	91,081	91,200	-	91,200	100%
Information Technology						
New computer applications & improvements	500,000	500,000	500,000	-	500,000	100%
Public Safety						
EMS, 2 ambulances	225,000	225,000	225,000	-	225,000	100%
County fire engine	300,000	291,621	291,621	-	291,621	100%
County brush truck	100,000	105,452	100,673	-	100,673	95%
County fire service truck	150,000	59,809	64,588	-	64,588	108%
County station #4	150,000	176,622	39,597	137,191	176,788	100%
Advertising costs			312	351	663	
Banking fees				50	50	
McDuffie County Hospital						
New inpatient unit (partial for debt service)	3,000,000	500,000	500,000	-	500,000	100%
Town of Dearing						
City Hall playground area	-	78,816	78,816	-	78,816	100%
Bill Eubanks improvement	150,000	5,913	5,913	-	5,913	100%
Totals	$ 25,385,428	$ 20,487,186	$ 17,872,276	$ 265,637	$ 18,137,913	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX 2015-2019
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Purpose (in funding sequence)	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Funded simultaneously						
CITY OF THOMSON						
City HVAC, lighting, plumbing	$ 96,000	$ 96,000	$ -	$ -	$ -	0%
City shop improvements	150,000	150,000	-	-	-	0%
City fire protection equipment	400,000	400,000	-	-	-	0%
Capital equipment - City	140,000	140,000	-	-	-	0%
Grant match for storm water improvements	75,000	75,000	-	-	-	0%
City street improvements/equipment	715,040	715,040	-	21,695	21,695	3%
Fire station facilities improvements	350,000	350,000	-	-	-	0%
Water/Sewer						
Capital equipment, water and sewer distribution	80,000	80,000	-	-	-	0%
Sewer main improvements and grant match	250,000	250,000	147,651	-	147,651	59%
Vacuum truck for clearing	150,000	150,000	-	-	-	0%
Sewer plant improvements						0%
Sludge dewatering	750,000	750,000	-	-	-	0%
Headworks improvements	350,000	350,000	-	-	-	0%
Generator	75,000	75,000	-	-	-	0%
DEVELOPMENT AUTHORITY						
Industrial capital improvements	500,000	500,000	-	-	-	0%
Rock house improvements	450,000	450,000	-	-	-	0%
						0%
MCDUFFIE COUNTY						0%
Airport						
Airport infrastructure improvements and grant match	150,000	150,000	-	-	-	0%
Energy Efficiency Imporvement Projects						
County HVAC, lighting, plumbing	204,000	204,000	-	-	-	0%
Government Center Complex						
Government center debt	11,556,151	11,556,151	-	1,837,799	1,837,799	16%
Information Technology						
SCADA upgrades	75,000	75,000	-	-	-	0%
Computer applications and improvements	100,000	100,000	-	-	-	0%
County Maintenance Shop						
County shop improvements	160,000	160,000	-	-	-	0%

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX 2015-2019
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Public Safety						
Law enforcement center improvements	$ 1,900,000	$ 1,900,000	$ 1,900,000	$ -	$ 1,900,000	100%
Fire stations	100,000	100,000	-	100,000	100,000	100%
County fire protection equipment	800,000	800,000	-	-	-	0%
Ambulances (2)	250,000	250,000	-	-	-	0%
Animal shelter	40,000	40,000	-	-	-	0%
Air compressor	45,000	45,000	-	-	-	0%
Recreation						
Recreation facilities	400,000	400,000	-	400,000	400,000	100%
Recreation equipment	215,000	215,000	-	-	-	0%
Roads/Streets						
Capital equipment - County	300,000	300,000	-	-	-	0%
County road improvements/equipment	1,781,960	1,781,960	-	-	-	0%
Solid Waste						
Current station replacement	100,000	100,000	-	-	-	0%
Inert landfill improvements	200,000	200,000	-	-	-	0%
TOWN OF DEARING						
Dearing fire equipment	15,000	15,000	-	-	-	0%
Dearing recreation	77,000	77,000	-	-	-	0%
OTHER						
Advertising costs	-	-	366	372	738	
TOTALS	$ 23,000,151	$ 23,000,151	$ 2,048,017	$ 2,359,866	$ 4,407,883	

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES AND SOURCE AND APPLICATION OF FUNDS
FOR COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Project:	Community Development Block Grant
Public Facilities:	Community Housing Investment Program
Grant Number:	08m-y-094-1-6011
Commencement of Project :	September 2008

Purpose	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Improvements	$290,104	$278,433	$ -	$278,433	96%