SCREVEN COUNTY, GEORGIA

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Screven County, Georgia
Table of Contents
For the Year Ended June 30, 2018

	Page
Independent Auditors' Report	4
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities	13
Component Units:	
Combining Statement of Net Position	14
Combining Statement of Activities	15
Notes to the Basic Financial Statements	16
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	47
Note to the Required Supplementary Information - General Fund	49
Screven County Department of Health (Discretely Presented Component Unit)	
Schedule of Proportionate Share of the Net Pension Liability - Employee's Retirement System	50
Schedule of Contributions - Employee's Retirement System	51
Schedule of Proportionate Share of the Net OPEB Liability - State of Georgia OPEB Fund	52
Schedule of Contributions State of Georgia OPEB Fund	53
Schedule of Proportionate Share of the Net OPEB Liability (Asset) - SEAD-OPEB Fund	54
Schedule of Contributions - SEAD-OPEB Fund	55
Notes to the Required Supplementary Information	56

Screven County, Georgia
Table of Contents
For the Year Ended June 30, 2018

	Page
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Major Governmental Funds	
General Fund:	
Comparative Balance Sheet	57
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	58
Major Capital Projects Fund	
2013 SPLOST Fund	
Comparative Balance Sheet	59
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances	60
Non-major Special Revenue Funds:	
Combining Balance Sheet	61
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	62
E-911 Fund	
Comparative Balance Sheet	63
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	64
Jail Improvement Fund	
Comparative Balance Sheet	65
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	66
Seized Funds Fund	
Comparative Balance Sheet	67
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	68
SCCI Telephone Fund	
Comparative Balance Sheet	69
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	70
Drug Abuse T & E Fund	
Comparative Balance Sheet	71
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	72
Law Library Fund	
Comparative Balance Sheet	73
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	74

Screven County, Georgia
Table of Contents
For the Year Ended June 30, 2018

	Page
Hotel/Motel Tax Fund	
Comparative Balance Sheet	75
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	76
Fiduciary Funds	
Agency Funds	
Combining Statement of Changes in Assets and Liabilities	77
Special Reports Section	
Special Purpose Local Option Sales Tax:	
Schedule of Projects Constructed with Special Sales Tax Proceeds - 2013 SPLOST	79
Other Reports Section	
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*	80
Schedule of Findings and Responses	82

CAINES HODGES
CERTIFIED PUBLIC ACCOUNTANTS

Donald T. Caines, CPA
Carlton H. Hodges, CPA

Caines, Hodges & Company, P.C.
200 E. Saint Julian Street • Suite 603
Savannah, GA 31401
Tel: (912) 233-6383
www.caineshodges.com

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

INDEPENDENT AUDITORS' REPORT

Honorable Chairman and Members of the
Board of Commissioners of Screven County
Sylvania, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Screven County, Georgia, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Screven County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Screven County Development Authority or Screven County Department of Health, which represent 93.7%, 99.1%, and 63.3%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Screven County Development Authority or Screven County Department of Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Screven County, Georgia, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 47 to 49, and the schedules of proportionate share of net pension liability/OPEB liability and schedules of contributions on pages 50 to 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The management of Screven County, Georgia, has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical contest. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Screven County, Georgia's basic financial statements. The combining, individual fund statements with comparative and budgetary information, and other schedules, including the Schedules of Projects Constructed with Special Sales Tax Proceeds, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, individual fund statements with comparative and budgetary information, and other schedules, including the Schedules of Projects Constructed with Special Sales Tax Proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining, individual fund statements with comparative and budgetary information, and other schedules, including the Schedules of Projects Constructed with Special Sales Tax Proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of Screven 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 Screven County, Georgia's internal control over financial reporting and compliance.

Carine Hodges & Company, P.C.

December 21, 2018

Screven County, Georgia
Statement of Net Position
June 30, 2018

	Primary Governmental	
	Governmental Activities	Component Units
Assets		
Current assets		
Cash and cash equivalents (Note 5)		
Unrestricted	$ 6,641,517	$ 1,977,127
Restricted	704,389	
Receivables:		
Accounts	219,906	42,323
From primary government		52,348
Property taxes	459,054	19,894
Sales taxes	184,898	
Intergovernmental	101,397	4,436
Prepaid items	171,666	
Noncurrent assets		
Proportionate share of collective net SEAD-OPEB asset		30,705
Capital assets (Note 8)		
Nondepreciable capital assets	249,665	1,254,472
Depreciable capital assets, net	20,821,985	7,173
Total assets	29,554,477	3,388,478
Deferred outflows of resources		
Related to pension contributions		56,817
Related to state OPEB contributions		40,400
Total deferred outflows of resources	0	97,217
Liabilities		
Current liabilities		
Accounts payable	590,364	107,659
Accrued expenses	149,919	
Accrued interest payable	13,379	
Compensated absences payable	147,704	
Capital lease payable	294,447	
Payable to component unit - Screven County Hospital Authority	52,348	
Intergovernmental agreement payable	115,000	
Landfill postclosure care costs payable	65,772	
Other		2,504
Long-term liabilities: (Note 10)		
Compensated absences payable (net of current portion)	105,517	11,916
Capital lease payable (net of current portion)	872,242	
Proportionate share of:		
Collective net pension liability		325,719
Net state OPEB liability		285,887
Landfill postclosure care costs payable (net of current portion)	804,653	
Total liabilities	3,211,345	733,685
Deferred inflows of resources		
Related to pension plan		4,097
Related to state OPEB fund		20,704
Related to SEAD-SPEB fund		6,257
Total inflows of resources	0	31,058
Net position		
Net investment in capital assets (Note 17)	19,789,961	1,261,645
Restricted for:		
Capital projects	704,389	
Program purposes	416,111	241,022
Unrestricted	5,432,671	1,218,285
Total net position	$ 26,343,132	$ 2,720,952

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

Screven County, Georgia
Statement of Activities
For the Year Ended June 30, 2018

Function/Program	Expenses	Program Revenues: Charges for Services and Fines	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit
Primary government						
Governmental activities						
General government	$ 1,905,425	$ 297,977			$ (1,607,448)	
Judicial	928,608	81,209			(847,399)	
Public safety	5,498,722	2,657,999		$ 62,983	(2,777,740)	
Public works	2,844,790	434,384		748,044	(1,662,362)	
Health and welfare	116,858				(116,858)	
Culture and recreation	817,629	160,180			(657,449)	
Housing and development	267,474	28,170			(239,304)	
Interest	18,077				(18,077)	
Total governmental activities	$ 12,397,583	$ 3,659,919	$ 0	$ 811,027	(7,926,637)	
Component units						
Department of Public Health	$ 338,264	$ 178,857	$ 307,877			$ 148,470
Industrial Development Authority	252,044	711	328,508			77,175
Hospital Authority	481,731		478,183			(3,548)
Total component units	$ 1,072,039	$ 179,568	$ 1,114,568	$ 0		222,097
		General revenues				
		Property taxes			4,575,459	
		Sales taxes			2,093,889	
		Insurance premium taxes			656,943	
		Other taxes			1,961,564	
		Investment earnings			7,247	2,907
		Gain on sale of assets			1,000	7,500
		Miscellaneous			60,309	
		Total general revenues			9,356,411	10,407
		Change in net position			1,429,774	232,504
		Net position beginning of year				
		As previously stated			24,913,358	2,755,422
		Prior period adjustment				(266,974)
		As restated			24,913,358	2,488,448
		Net position end of year			$ 26,343,132	$ 2,720,952

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

Screven County, Georgia
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	2013 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash				
Unrestricted	$ 5,839,565	$ 283,051	$ 518,901	$ 6,641,517
Restricted	704,389			704,389
Receivables:				
Accounts	204,326		15,580	219,906
Property taxes	459,054			459,054
Sales taxes	80,795	104,103		184,898
Interfund	118,069	125,944		244,013
Intergovernmental	101,397			101,397
Prepaid items	171,666			171,666
Total assets	$ 7,679,261	$ 513,098	$ 534,481	$ 8,726,840
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 642,411		$ 301	$ 642,712
Accrued expenditures	149,919			149,919
Interfund payable	125,944		118,069	244,013
Total liabilities	918,274	$ 0	118,370	1,036,644
Deferred inflows of resources				
Property taxes	392,218			392,218
Intergovernmental	82,845			82,845
	475,063	0	0	475,063
Total liabilities and deferred inflows of resources	1,393,337	0	118,370	1,511,707
Fund balances				
Nonspendable - prepaid items	171,666			171,666
Restricted for:				
Landfill closure and post-closure	870,425			870,425
Public safety			416,111	416,111
Capital outlays	704,389			704,389
Unassigned	4,539,444	513,098		5,052,542
Total fund balances	6,285,924	513,098	416,111	7,215,133
Total liabilities, deferred inflows of resources and fund balances	$ 7,679,261	$ 513,098	$ 534,481	$ 8,726,840

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

Screven County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Total Governmental Fund Balances		$ 7,215,133
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	$ 36,505,876	
Less accumulated depreciation	(15,434,226)	21,071,650
Property taxes are deferred in the governmental funds because they are not available but they are reported as revenue on the statement of activities.		392,218
Intergovernmental revenues are deferred in the governmental funds because they are not available but they are reported as revenue on the statement of activities.		82,845
Accrued interest on long-term debt is not reported at the fund financial reporting level, but is reported at the government-wide reporting level.		(13,379)
Liabilities, including bonds and compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Capital lease payable	(1,166,689)	
Intergovernmental agreement payable	(115,000)	
Landfill closure and postclosure care costs	(870,425)	
Compensated absences	(253,221)	(2,405,335)
Net Position of Governmental Activities		$ 26,343,132

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

Screven County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General Fund	2013 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 8,182,899	$ 1,178,927	$ 5,657	$ 9,367,483
Licenses and permits	59,366			59,366
Intergovernmental	1,029,274			1,029,274
Charges for services	2,904,559		292,910	3,197,469
Fines and forfeitures	303,652		99,432	403,084
Investment earnings	6,432	116	815	7,363
Miscellaneous	60,309			60,309
Total revenues	12,546,491	1,179,043	398,814	14,124,348
Expenditures				
Current:				
General government	1,910,828		5,657	1,916,485
Judicial	925,487		2,507	927,994
Public safety	4,752,121		554,894	5,307,015
Public works	3,417,914			3,417,914
Health and welfare	115,987			115,987
Culture and recreation	683,103			683,103
Housing and development	258,871			258,871
Capital outlay - SPLOST		158,269		158,269
Intergovernmental - SPLOST		203,847		203,847
Debt service:				
Principal retirement		235,262		235,262
Interest and fiscal charges		19,056		19,056
Total expenditures	12,064,311	616,434	563,058	13,243,803
Excess (deficit) of revenues to expenses	482,180	562,609	(164,244)	880,545
Other financing sources (uses)				
Proceeds from sales of surplus	1,000			1,000
Proceeds from capital lease	870,000			870,000
Transfers	(210,781)		210,781	0
Total other financing sources	660,219	0	210,781	871,000
Change in fund balances	1,142,399	562,609	46,537	1,751,545
Fund balance beginning of year	5,143,525	(49,511)	369,574	5,463,588
Fund balance end of year	$ 6,285,924	$ 513,098	$ 416,111	$ 7,215,133

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

Screven County, Georgia

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2018

Net Changes In Fund Balances - Total Governmental Funds		$ 1,751,545
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.		
Depreciation expense	$ (1,139,765)	
Capital outlay	1,790,306	650,541
Property taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred at 6/30/18	392,218	
Deferred at 6/30/17	(471,846)	(79,628)
Intergovernmental revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred at 6/30/18	82,845	
Deferred at 6/30/17	(301,208)	(218,363)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		(870,000)
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		235,262
Interest expense reported in the statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.		
Liability at 6/30/18	(13,379)	
Liability at 6/30/17	14,358	979
Landfill closure and post closure care reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Liability at 6/30/18	(870,425)	
Liability at 6/30/17	855,035	(15,390)
Compensated absences 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.		
Liability at 6/30/18	(253,221)	
Liability at 6/30/17	228,049	(25,172)
Change In Net Position of Governmental Activities		$ 1,429,774

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

Screven County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2018

Assets	
Cash and cash equivalents	$ 278,963
Liabilities	
Due to other jurisdictions	$ 278,963

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

Screven County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2018

	Screven County Department of Health	Screven County Development Authority	Screven County Hospital Authority	Total
Assets				
Current assets				
Cash	$ 353,112	$ 1,598,225	$ 25,790	$ 1,977,127
Receivables:				
Accounts	42,323			42,323
From primary government			52,348	52,348
Taxes		19,894		19,894
Intergovernmental		4,436		4,436
Noncurrent assets				
Proportionate share of collective net SEAD-OPEB asset	30,705			30,705
Capital assets				
Nondepreciable capital assets		1,254,472		1,254,472
Depreciable capital assets, net		7,173		7,173
Total assets	426,140	2,884,200	78,138	3,388,478
Deferred outflows of resources				
Related to pension contributions	56,817			56,817
Related to state OPEB contributions	40,400			40,400
Total deferred outflows of resources	97,217	0	0	97,217
Liabilities				
Current liabilities				
Accounts payable	20,486	34,825	52,348	107,659
Other liabilities		2,504		2,504
Long-term liabilities				
Compensated absences	11,916			11,916
Proportionate share of:				
Collective net pension liability	325,719			325,719
Net state OPEB liability	285,887			285,887
Total liabilities	644,008	37,329	52,348	733,685
Deferred inflows of resources				
Related to pension plan	4,097			4,097
Related to state OPEB fund	20,704			20,704
Related to SEAD-SPEB fund	6,257			6,257
	31,058	0	0	31,058
Net position				
Investment in capital assets		1,261,645		1,261,645
Restricted for health and welfare programs	241,022			241,022
Unrestricted	(392,731)	1,585,226	25,790	1,218,285
Total net position	$ (151,709)	$ 2,846,871	$ 25,790	$ 2,720,952

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

Screven County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2018

	Screven County Department of Health	Screven County Development Authority	Screven County Hospital Authority	Total
Expenses				
Health and welfare	$ 338,264		$ 481,731	$ 819,995
General government		$ 252,044		252,044
Total expenses	338,264	252,044	481,731	1,072,039
Revenues				
Program revenues				
Charges for services	178,857	711		179,568
Operating grants and contributions	307,877	328,508	478,183	1,114,568
Total program revenues	486,734	329,219	478,183	1,294,136
Net program expense	148,470	77,175	(3,548)	222,097
General revenues				
Gain on sale of property		7,500		7,500
Investment earnings	570	2,337		2,907
Total general revenues	570	9,837	0	10,407
Change in net position	149,040	87,012	(3,548)	232,504
Net position beginning of year				
As previously stated	(33,775)	2,759,859	29,338	2,755,422
Prior period adjustment	(266,974)			(266,974)
As restated	(300,749)	2,759,859	29,338	2,488,448
Net position end of year	$ (151,709)	$ 2,846,871	$ 25,790	$ 2,720,952

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

Note 1 - Reporting Entity

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

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the various constitutional officers including the Clerk of Court, the Sheriff, the Probate Court, the Tax Commissioner and the Magistrate Court.

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

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

A brief description of the discretely presented component units follows:

Screven County Industrial Development Authority (the Development Authority) - The Development Authority is responsible for encouraging economic development within the County. All of the members of the board of the Development Authority are appointed by the County Commission. The Development Authority is fiscally dependent upon the County due to the fact that the Development Authority has received operating subsidies from the County for several years, and thus a pattern of financial burden upon the County has been established. Separately issued financial statements for the Development Authority may be obtained from its administrative office.

Screven County Department of Health (the Department of Health) - The Department of Health works to promote and preserve the health of the citizens of Screven County. The board of directors of the Department of Health consists of seven members, a majority of these board members being appointed by the County Commission. Although the County does not have the authority to approve or modify the Department of Health's budgets, it does have the ability to control the amount of funding it provides to the Department of Health and such funding is significant to the overall operations of the Department of Health. Separately issued financial statements are available from the Department of Health's administrative offices.

Note 1 - Reporting Entity (continued)

Screven County Hospital Authority - (the Hospital Authority) The Hospital Authority is a public corporation that was created on September 23, 1947, by the Board of County Commissioners of Screven County, Georgia, to operate, control, and manage all matters concerning the county's health care functions. The County nominates a voting majority of the Authority Board members and one County Commissioner serves as a member of the Hospital Authority. The County has also guaranteed certain debt of the Authority. Prior to December 7, 2010, the Hospital Authority operated an acute care hospital, Screven County Hospital, and two physician practices, Screven Medical Associates and Screven County Family Medicine. On December 6, 2010, the Hospital Authority entered an Asset Purchase Agreement to sell substantially all of the assets and liabilities of its operating hospital to Screven County Hospital, LLC, a subsidiary of Optim Healthcare. The agreement became effective at 12:01 AM on the following day. The Hospital Authority retained responsibility of the frozen defined benefit pension plan and the 403(b) pension plan, but did not have any other significant activities subsequent to the effective date of the Asset Purchase Agreement. The Hospital Authority employees were given the option to rollover their 403(b) pension amounts into a new Screven County Hospital, LLC 401(k) pension plan. Additionally, the County has agreed to reimburse the new owners for indigent care in an amount up to $600,000 per year. The Hospital Authority does not issue separate financial statements.

Note 2 - Summary of Significant Accounting Policies

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

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

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. All funds other than fiduciary activities are included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish between governmental activities and business-type activities. Governmental activities are generally supported by taxes, intergovernmental revenues and other nonexchange revenues. The County does not have any business-type activities.

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Note 2 - Summary of Significant Accounting Policies (continued)

The statement of net position presents the financial position of the governmental activities of the County and it's discretely presented component units at year-end.

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

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

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

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

Major individual governmental funds are reported in separate columns.

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

Major Capital Projects Fund - 2013 SPLOST Fund - This fund is used to account for financial resources to be used for the acquisition or construction of capital projects authorized and funded by the 2013 special purpose local option sales tax. This special purpose local option sales tax was approved in November, 2011, and went into effect January 1, 2013.

Fiduciary Funds – The County's fiduciary fund reporting focuses on changes in assets and liabilities. The County's fiduciary funds are all agency funds used by the various constitutional offices to report collections and disbursements of property taxes, fees, and fines.

Measurement Focus

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

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

Basis of Accounting

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 7) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On both the government-fund financial statements and the government-wide financial statements, revenues are deferred for grants and entitlements received before the eligibility requirements are met (e.g., cash advances).

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

Assets, Liabilities and Fund Equity

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

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Prepaid Items
Payments made to vendors for services that will benefit periods beyond the current year end, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation. Prepaid items consist of prepayments of insurance. Premiums paid for insurance coverage are allocated between the periods for which coverage is obtained.

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars or at management's discretion for items less than this threshold. The County capitalizes all infrastructure constructed after July 1, 2003 and it consists of roads and bridges. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

	Governmental Activities	Component Units
Buildings	20 - 40 years	20-40 years
Equipment	5 - 25 years	7 years
Computers and peripherals	3 - 5 years	
Transportation equipment	5 years	10 years
Roads and infrastructure	40 -50 years	

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Postemployment Benefits other then Pensions (OPEB) - Component Unit - Department of Health
For the year ended June 30, 2018, the Department of Health implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* GASB Statement No. 75 established standards for measuring and recognizing net OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to OPEB provided through defined benefit OPEB plans. In addition, Statement No. 75 requires disclosure of information related to OPEB. See Note 4 for prior period adjustments that were required to be in compliance with GASB Statement No. 75.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Georgia State Employees Postemployment Benefit Fund (State OPEB Fund), and additions to/deductions from the State OPEB Fund fiduciary net position have been determined on the same basis as they are reported by the State OPEB Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Employee's Assurance Department Retired and vested Inactive Members Trust Fund (SEAD-OPEB) Plan (the Plan) and additions to/deductions from the SEAD-OPEB's fiduciary net position have been determined on the same basis as they are reported by SEAD-OPEB. For this purpose, death benefits are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Deferred Inflows
Deferred inflows of resources are an acquisition of net position by the County that is applicable to a future reporting period, and include primarily receivables that will not be collected within the available period.

Debt Premiums, Discounts and Issuance Costs
On the government-wide statement of net position, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

At governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditures.

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

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

Nonspendable fund balance - amounts that are not in spendable form (such as inventory or prepaid items) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e., County Commission). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.

Note 2 - Summary of Significant Accounting Policies (continued)

Assigned fund balance - amounts the County intends to use for a specific purpose. Intent can be expressed by the County or by an official or body to which the County Commission delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The County Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the County Commission through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service, or other purposes). Additionally, assigned fund balance may reflect management's intended use of resources to be set forth in current or future annual budgets and any amendments thereto.

Net Position - Net position represents the difference between assets and liabilities. The net position component "net investment in capital assets" consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted fund balances are available unless there are legal documents or contracts that prohibit doing this. Additionally, the County would first use committed fund balance, followed by assigned fund balance, then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the "unrestricted" fund balance classifications could be used.

Interfund Activity

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

Estimates

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

Note 2 - Summary of Significant Accounting Policies (continued)

Comparative Data

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

Note 3 - Stewardship, Compliance and Accountability

Budgetary Information

The County is required to adopt an annual operating budget for the general fund and each special revenue fund. A project-length budget is adopted for the capital projects fund (2013 SPLOST Fund). The County adopted a budget for all required funds. The general fund budget and special revenue funds are adopted on a basis consistent with GAAP. Budgets for capital projects funds are adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the County Commission. The department director may approve budget transfers within departments, with certain exceptions. All unexpended annual appropriations lapse at year-end.

Special Local Option Sales Tax Expenditures

The County expended 2013 SPLOST funds for unqualified purposes in the amount of $125,944, which resulted from an error in calculating amounts due to the general fund for amounts paid by the general fund for SPLOST projects. This amount has been recorded by the general fund as an interfund balance payable to the 2013 SPLOST fund and is to be repaid by the general fund to the SPLOST.

Note 4 - Prior Period Adjustment - Component Unit - The Department of Health

The Department of Health determined that a restatement of beginning fund balance of the General Fund and net position of the Governmental Activities is necessary as a result of the adjustment for net financial position. An adjustment was made to restate the beginning fund balance as indicated on the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental funds. The beginning fund balance of the General fund has been restated from the prior year as follows:

Fund balance, June 30, 2017, as previously reported	$	300,122
Prior period adjustment		(1,914)
Fund balance, June 30, 2017, restated	$	298,208

Note 4 - Prior Period Adjustment - Component Unit - The Department of Health (continued)

Governmental Activities: The beginning net position of the governmental activities has been restated from the prior year as follows:

Net position, June 30, 2017, as previously reported	$	(33,775)
Implementation of GASB Statement No. 75		(265,060)
Prior period adjustment		(1,914)
Fund balance, June 30, 2017, restated	$	(300,749)

Note 5 - Cash and Cash Equivalents

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

Note 6 - Receivables

Receivables at June 30, 2018, consisted of taxes, interest, accounts (billings for user charges), and intergovernmental receivables arising from grants.

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

Note 7 - Property Taxes

The Board of Commissioners levy property taxes on or about August 15th of each year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about October 15th of each year and are payable within sixty days. The county bills and collects its own property taxes and also collects property taxes for the County Board of Education, the County Hospital Authority, and the County Industrial Development Authority. Collection of the County's taxes and for the other governmental agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an Agency fund. County property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For 2018, property taxes were levied on August 15, 2017, and were due December 20, 2017.

Note 8 - Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance 6/30/2017	Additions	Disposals	Balance 6/30/2018
Governmental activities:				
Nondepreciable capital assets				
Land	$ 249,665			$ 249,665
Other capital assets:				
Buildings	13,139,938	$ 9,811		13,149,749
Transportation equipment	2,257,814	540,019	$ 93,826	2,704,007
Equipment	8,025,607	583,570		8,609,177
Computers and peripherals	183,182			183,182
Roads and infrastructure	10,953,190	656,906		11,610,096
Total other capital assets	34,559,731	1,790,306	93,826	36,256,211
Total capital assets	34,809,396	1,790,306	93,826	36,505,876
Accumulated depreciation:				
Buildings	4,399,573	324,946		4,724,519
Transportation equipment	1,933,232	109,240	93,826	1,948,646
Machinery and equipment	6,118,013	405,584		6,523,597
Computers and peripherals	172,689	4,134		176,823
Roads and infrastructure	1,764,780	295,861		2,060,641
Total accumulated depreciation	14,388,287	1,139,765	93,826	15,434,226
Governmental activities capital assets, net	$ 20,421,109	$ 650,541	$ 0	$ 21,071,650

Governmental activities depreciation expense	
General government	$ 72,634
Public safety	393,334
Public works	524,423
Health and welfare	10,681
Culture and recreation	129,934
Housing and development	8,759
Total governmental activities depreciation expense	$ 1,139,765

Note 8 - Capital Assets (continued)

	Balance 6/30/2017	Additions	Deductions	Balance 6/30/2018
Component unit:				
Nondepreciable capital assets				
Land	$ 1,172,092	$ 45,055	$ 2,500	$ 1,214,647
Construction in progress		39,825		39,825
	1,172,092	84,880	2,500	1,254,472
Other capital assets:				
Machinery and equipment	126,465			126,465
Transportation equipment	11,646			11,646
Total other capital assets	138,111	0	0	138,111
Total capital assets	1,310,203	84,880	2,500	1,392,583
Accumulated depreciation:				
Machinery and equipment	117,241	2,051		119,292
Transportation equipment	11,646			11,646
	128,887	2,051	0	130,938
Component unit capital assets, net	$ 1,181,316	$ 82,829	$ 2,500	$ 1,261,645

Note 9 - Interfund Balances and Transfers

Interfund balances at June 30, 2018, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year, except the 2013 SPLOST Fund, which will be repaid as soon as the funds become available from SPLOST collections.

Payable to General Fund from:	
E-911 fund	$ 28,877
Drug T&E fund	1,423
Jail Fund	87,769
Payable to 2013 SPLOST Fund from:	
General Fund	125,944

Note 9 - Interfund Balances and Transfers (continued)

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

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer. Transfers from the general fund to the E-911 fund are used to offset the excess operating costs of these funds. For the fiscal year ended June 30, 2018, the general fund transferred $195,727 to the E-911 fund.

Note 10 - Long-Term Liabilities

Governmental Activities

Capital Leases - From time to time, the County enters into capital leases for various pieces of property and equipment. These leases meet the criteria of a capital lease since they transfer benefits and risks of ownership to the lessee at the end of the lease term. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The cost of the assets purchased with capital leases is capitalized and depreciated over the estimated useful life of the asset. depreciation expense on capital assets purchased with capital leases is reported as a direct expense in the activity that utilized the asset.

Capital lease with Branch Banking and Trust Company with an original amount of $441,000, bearing interest at 1.91%, payable in 5 annual installments of approximately $93,318 beginning in January, 2016 through May 2020. This lease was used to purchase roads and bridges equipment with a cost totaling $170,186 and sanitation equipment with a cost totaling $269,738. The equipment acquired by the lease is included in the governmental activities general capital assets in the amount of $208,534 (cost of $439,924 less accumulated depreciation of 231,390). Annual debt service requirements to amortize this capital lease as of June 30, 2018, is as follows:

Year	Principal	Interest	Total
2019	$ 89,853	$ 3,465	$ 93,318
2020	91,568	1,750	93,318
Total	$ 181,421	$ 5,215	$ 186,636

Capital lease with Branch Banking and Trust Company with an original amount of $188,810, bearing interest at 1.77%, payable in 5 annual installments of approximately $41,306 beginning in May 2017 through May 2021. This lease was used to purchase equipment for emergency medical services with a cost totaling $135,810 and sanitation equipment with a cost totaling $53,000. The equipment acquired by the lease is included in the governmental activities general capital assets in the amount of $136,031 (cost of $188,810 less accumulated depreciation of $52,779). Annual debt service requirements to amortize this capital lease as of June 30, 2018, is as follows:

Note 10 - Long-Term Liabilities (continued)

Year	Principal	Interest	Total
2019	$ 37,750	$ 2,041	$ 39,791
2020	38,418	1,373	39,791
2021	39,100	691	39,791
Total	$ 115,268	$ 4,105	$ 119,373

Capital lease with Branch Banking and Trust Company with an original amount of $870,000, bearing interest at 2.10%, payable in 5 annual installments of approximately $185,114 beginning in December 2018 through December 2022. This lease was used to purchase emergency medical services equipment with a cost totaling $142,285, roads and bridges equipment with a cost totaling $484,681, and sanitation equipment with a cost totaling $199,500. The equipment acquired by the lease is included in the governmental activities general capital assets in the amount of $790,467 (cost of $826,466 less accumulated depreciation of $35,999). Additionally, the County is holding approximately $40,000 of unspent capital lease proceeds. Annual debt service requirements to amortize this capital lease as of June 30, 2018, is as follows:

Year	Principal	Interest	Total
2019	$ 166,844	$ 18,270	$ 185,114
2020	170,348	14,766	185,114
2021	173,925	11,189	185,114
2022	177,577	7,537	185,114
2023	181,306	3,808	185,114
Total	$ 870,000	$ 55,570	$ 925,570

Series 2003 Screven County, Georgia - $2,330,000 - Revenue bonds due in semi-annual installments through September 1, 2018, with annual interest at rates ranging from 1.92% to 5.45%.

Annual debt service requirements to amortize all revenue bonds outstanding as of June 30, 2018, is as follows:

Year	Principal	Interest	Total
2019	$ 115,000	$ 3,133	$ 118,133

The remainder of this page has been intentionally left blank.

Note 10 - Long-Term Liabilities (continued)

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2018:

	Outstanding 7/1/2017	Additions	Reductions	Outstanding 6/30/2018	Amounts Due in One Year
Governmental Activities					
Capital leases	$ 421,951	$ 870,000	$ 125,262	$ 1,166,689	$ 294,447
Intergovernmental agreement - Revenue bonds	225,000		110,000	115,000	115,000
Landfill postclosure	855,035	15,390		870,425	65,772
Compensated absences	228,049	158,193	133,021	253,221	147,704
Total Governmental Activities	$ 1,730,035	$ 1,043,583	$ 368,283	$ 2,405,335	$ 622,923

The intergovernmental agreement payable will be repaid from proceeds of special purpose local option sales tax (1%). The landfill obligation will be repaid from the general fund. The compensated absences liability is being paid from the general fund from which all of the county employees' salaries are paid.

The total interest incurred for the year ended June 30, 2018, was $18,077, all of which was charged to expense.

	Outstanding 6/30/2017 (Restated)	Additions	Reductions	Outstanding 6/30/2018	Amounts Due in One Year
Component Unit:					
The Department of Health					
Compensated absences	$ 12,094	$ 10,888	$ 11,066	$ 11,916	$ -
Net pension liability	370,013		44,294	325,719	-
Net State OPEB liability	320,848		34,961	285,887	
Total Department of Health	$ 382,107	$ 10,888	$ 55,360	$ 337,635	$ 0

Note 11 - Landfill Closure and Postclosure Care

State and federal laws and regulations require the County to place a final cover on its landfill when it stops accepting waste, and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. Recognition of a liability for landfill closure and postclosure costs is based upon the capacity used to date of the County's landfill. The County's landfill has been closed and 100% of the unexpended postclosure care costs for the landfill are recognized. The liability recognized in the financial statements for estimated postclosure care costs is $870,425.

The estimate of postclosure care activities will be revised on an annual basis, with the total estimated liability reduced as these costs are incurred. The estimated costs are the engineer's best estimate of future costs and could increase or decrease due to changes in inflation or deflation, technology or applicable laws and regulations.

Note 12 - Defined Contribution Plan

The County has a defined contribution plan administered by GEBCorp (an Association County Commissioners of Georgia company). This plan is a combined 457 and 401(a) plan. The County makes a basic contribution to the 401(a) plan in the amount of 3% of qualified compensation. In addition the County matches participant contributions on a 1:2 ratio up to 1% of compensation. For the year ended June 30, 2018, the County contributed $149,729, and participants contributed $134,880. Plan provisions and contribution requirements are established and amended by a resolution of the County Commission. Participants vest in the 401(a) plan over 5 years and become fully vested after 5 years of service. Participants become fully vested at age 65 (the normal retirement age).

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees. Investments are managed by the Plan's trustees under one of the investment options or a combination thereof. The choice of investment options is made by the participants.

Note 13 - Retirement Benefits - Component Unit - The Department of Health

General Information about the Employees' Retirement System of Georgia (ERS)

Plan description: The Department of Health participates in the Employees' Retirement System of Georgia (ERS). ERS is a cost-sharing multiple-employee defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

Benefits provided: The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employee's Pension and Savings Plan (GSEPSP). Employees under the old plan started membership prior to July 1, 1982, and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982, but prior to January 1, 2009, are new plan members subject to modified plan provisions.

Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009, also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirements benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Note 13 - Retirement Benefits - Component Unit - The Department of Health (continued)

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to member's benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the old plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Department of Health's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2018, was 24.81% of annual covered payroll for old and new plan members and 21.78% for GSEPS members. The rates include the annual actuarially determined employer contribution rate of 24.69% of annual covered payroll for old and new plan members and 21.66% for GSEPS members, plus a .12% adjustment for the HB751 one-time benefit adjustment of 3% to retired state employees. The Department of Health's contributions to ERS totaled $47,633 for the year ended June 30, 2018. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2018, the Department of Health reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the pension liability was based on an actuarial valuation as of June 30, 2016. The expected total pension liability of June 30, 2017, was determined using standard roll-forward techniques. The Department of Health's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2017. At June 30, 2017, the Employer's proportion was 0.008020%, which was a decrease of 0.000198% from its proportion measured as of June 30, 2016.

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Note 13 - Retirement Benefits - Component Unit - The Department of Health (continued)

For the year ended June 30, 2018, the Department of Health recognized pension income of negative $1,440. At June 30, 2018, the Department of Health reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,569	$ 3
Changes in assumptions	742	
Net difference between projected and actual earnings on pension plan investment		811
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,142	3,283
Employer contributions subsequent to measurement date	47,363	
	$ 56,816	$ 4,097

Department of Health Contributions subsequent to the measurement date of $47,363 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,:	
2019	$ (3,892)
2020	14,827
2021	3,656
2022	(9,235)
	$ 5,356

Actuarial assumptions: The total pension liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25-7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Note 13 - Retirement Benefits - Component Unit - The Department of Health (continued)

Post retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries; The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the system. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a long-normal 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 asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	-0.50%
Domestic large equities	37.20%	9.00%
Domestic mid equities	3.40%	12.00%
Domestic small equities	1.40%	13.50%
International developed market equities	17.80%	8.00%
International emerging market equities	5.20%	12.00%
Alternatives	5.00%	10.50%
	100.00%	

*Rates shown net of inflation

Discount rate: 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 the current contribution rate and that employer and State of Georgia 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 13 - Retirement Benefits - Component Unit - The Department of Health (continued)

Sensitivity of the Department of Health's proportionate share of the net pension liability to changes in the discount rate: The following presents the Department of Health's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Department of Health's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	$ 459,736	$ 325,719	$ 211,398

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/formspubs/formspubs.

Note 14 - State OPEB Fund - Component Unit - The Department of Health

General Information about the State OPEB Fund

Plan description: Employees of State organizations as defined in 45-18-25 of the *Official Code of Georgia Annotated* (O.C.G.A) are provided OPEB through the State OPEB fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (Board). title 45 of the O.C.G.A assigns the authority to establish and amend the benefit terms of the group health plan to the Board.

Benefits provided: The State OPEB fund provides healthcare benefits for retirees and their dependents due under the group health plan for employees of state organization (including technical colleges) and other entities authorized by law to contract with the Department of Community Health (DCH) for inclusion in the plan. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employees' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees Retirement System (PERS). If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Plan (HDHP). The State OPEB fund also pays for administrative expenses for the fund. By law, no other use of the assets of the State OPEB Fund is permitted.

Contributions: As established by the Board, the State OPEB fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the State OPEB Fund from the Health Department were $33,311 for the year ended June 30, 2018. Active employees are not required to contribute to the State OPEB Fund.

Note 14 - State OPEB Fund - Component Unit - The Department of Health (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resourses Related to OPEB

At June 30, 2018, the Health Department reported a liability of $285,887 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017. the total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2016. An expected total OPEB liability as of June 30, 2017, was determined using standard roll-forward techniques. The Department of Health's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2017. At June 30, 2017, the Department of Health's proportion was .007017%, which was an increase of 0.000163% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Department of Health recognized OPEB expense of $13,614. At June 30, 2018 the Department of Health reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions		$ 20,704
Net difference between projected and actual earnings on OPEB investments	$ 1,225	
Changes in proportion and differences between Department of Health contributions and proportionate share of contributions	5,864	
Employer contributions subsequent to measurement date	33,311	
	$ 40,400	$ 20,704

The Department of Health's contributions subsequent to the measurement date of $33,311 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,:	
2019	$ (4,164)
2020	(4,164)
2021	(4,164)
2022	(1,123)
	$ (13,615)

Note 14 - State OPEB Fund - Component Unit - The Department of Health (continued)

Actuarial assumptions: The total OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017:

Inflation	2.75%
Salary increases	Includes inflation
ERS	3.25% - 7.00%
JRS	4.50%
LRS	None
TRS	3.25% - 9.00%
PSERS	N/A
Long-term expected rates of return	3.88%, compounded annually, net of investment expense, and including inflation
Healthcare cost trend rate	
Pre-Medicare eligible	7.75%
Medicare eligible	5.75%
Ultimate trend rate	
Pre-Medicare eligible	5.0%
Medicare eligible	5.00%
Year of Ultimate trend rate	2022

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB as follows:

For ERS, JRS and LRS members: The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward 2 years for both males and females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table projected to 2015 with projection scale BB and set back 7 years form males and set forward 3 years for females is used for the period after disability retirement.

For TRS members: The RP-2000 White collar Mortality Table projected to 2025 with projection scale BB (set forward 1 year for males) is used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward two years for males and four years for females) is used for death after disability retirement.

For PERS members: The RP-2000 Blue-Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females) is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward 5 years for both males and females) is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the pension systems, which covered the five-year period ending June 30, 2014.

Note 14 - State OPEB Fund - Component Unit - The Department of Health (continued)

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

Additionally, there was a change that affected measurement of the total OPEB liability since the prior measurement date. The methodology used to determine employee and retiree participation in the State OPEB Fund is based on their current or last employer payroll location. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are allocated to the State OPEB Fund irrespective of retirement system affiliation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of 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	Long-term expected real rate of return*
Local Government Investment Pool	100.00%	3.88%

Discount rate: The discount rate has changed since the prior measurement date from 3 .09% to 3.60%. In order to measure the total OPEB liability for the State OPEB Fund, a single equivalent interest rate of 3.60% was used as the discount rate. This is comprised mainly of the yield or index rate for 20 year tax-exempt general obligation municipal bonds with an average rating of AA or higher (3.56% per the Bond Buyers Index). The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2115. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through year 2029. Therefore, the calculated discount rate of 3.60% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the Health Department's proportionate share of the net OPEB liability calculated using the discount rate of 3.60%, as well as what the Health Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.60%) or 1-percentage-point higher (4.60%) than the current discount rate:

Note 14 - State OPEB Fund - Component Unit - The Department of Health (continued)

	1% Decrease (2.6%)	Current discount rate (3.6%)	1% Increase (4.6%)
Employer's proportionate share of the net OPEB liability	$ 341,894	$ 285,887	$ 241,190

Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the Health Department's proportionate share of the net OPEB liability, as well as what the Health Department's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend rate	1% Increase
Net OPEB liability	$ 236,293	$ 285,887	$ 348,663

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the Comprehensive Annual Financial Report (CAFR) which is publically available at https://sao.georgia.gov/comprehensive-annual-financial-reports.

Note 15 - SEAD-OPEB Fund - Component Unit - The Department of Health

General Information about the SEAD-OPEB Fund

Plan description: SEAD-OPED was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employees Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefit plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than OPEB Plans.* The SEAD-OPEB trust fund accumulated the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

Benefits provided: The amount of insurance for a retiree with creditable service prior to April 1, 1964, is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 2964, is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

Note 15 - SEAD OPEB Fund - Component Unit - The Department of Health (continued)

Contributions: Georgia law provides that employee contribution to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. There was no employer contribution required for the fiscal year ended June 30, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Health Department reported an asset of $30,705 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2016. An expected total OPEB asset as of June 30, 3017, was determined using standard roll-forward techniques. The Health Department's proportion of the net OPEB asset was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2017. As of June 30, 2017, the Department of Health's proportion was .011814%, which was an increase of 0.001197% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Department of Health recognized OPEB expense reduction of $3,621. At June 30, 2018, the Department of Health reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB investments		$ 4,692
Changes in proportion and differences between Department of Health contributions and proportionate share of contributions		1,565
	$ 0	$ 6,257

Amounts reported as deferred inflows of resources related to OEB will be recognized in OPEB expense as follows:

Year ended June 30,:	
2019	$ (1,956)
2020	(1,955)
2021	(1,173)
2022	(1,173)
	$ (6,257)

Actuarial assumptions: The total OPEB liability as of June 30, 2017, was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017:

Note 15 - SEAD OPEB Fund - Component Unit - The Department of Health (continued)

Actuarial cost method	Entry age
Amortization method	Projected unit credit
Remaining amortization period	Dollar infinite
Asset valuation method	Market value of assets
Inflation	2.75%
Salary increases	Includes inflation
ERS	3.25% - 7.00%
GJRS	4.50%
LRS	N/A
Investment rate of return	7.5%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

Post mortality rates were based on RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB set forward 2 years for both males and females for service retirements and dependent beneficiaries. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period of July 1, 2009 through June 30, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of 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 asset allocation and estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	-0.50%
Domestic large equities	37.20%	9.00%
Domestic mid equities	3.40%	12.00%
Domestic small equities	1.40%	13.50%
International developed market equities	17.80%	8.00%
International emerging market equities	5.20%	12.00%
Alternatives	5.00%	10.50%
	100.00%	

*Rates shown net of inflation

Note 15 - SEAD OPEB Fund - Component Unit - The Department of Health (continued)

Discount rate: 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 the current contribution rate and that employer and State of Georgia 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.

Sensitivity of the Department of Health's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the Department of Health's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Department of Health's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	$ 16,806	$ 30,705	$ 42,096

OPEB plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/formspubs/formspubs.

Note 16 - Deferred Inflows of Resources

Deferred inflows of resources are comprised of property taxes and intergovernmental receivables because they are recognized as receivables in excess of the amount collected within the available period. Deferred inflows of resources related to property taxes and intergovernmental are reported on the General Fund statement of net position as of June 30, 2018, in the amount of $392,218 and $82,845, respectively.

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Note 17 - Net Investment in Capital Assets

Net position on the Government-wide statement of net position as of June 30, 2018, is as follows:

	Governmental Activities
Cost of capital assets	$ 36,505,876
Less accumulated depreciation	15,434,226
Book value	21,071,650
Less capital related debt:	
Notes payable and capital leases	1,281,689
Investment in capital assets, net of related debt	$ 19,789,961

Note 18 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions; and workers compensation for which the County carries the following insurance coverage.

There were no significant reductions of insurance coverage compared to the prior year. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

The County joined with other counties in the state as part of the Association County Commissioners of Georgia - Interlocal Risk Management Agency (IRMA). Insurance coverage and deductible options for property, casualty and crime under the policy are selected by the County's management based on the anticipated needs. The County is required to pay all premiums, applicable deductibles and assessments billed by IRMA, as well as following loss reduction and prevention procedures established by IRMA. IRMA's responsibility includes paying claims, and representing the County in defense and settlement of claims. IRMA's basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary. The County has not compiled a record of claims paid up to the applicable deductible for the prior year or the current fiscal year. The County is unaware of any claims for which the County is liable (up to the applicable deductible) which were outstanding and unpaid at June 30, 2018. No provisions have been made in the financial statements for the year ended June 30, 2018, for any estimate of potential unpaid claims.

The County has elected to be a member of the ACCG Group Self Insurance Workers' Compensation Fund (the Fund). As a participant in the Fund, the County has no legal obligation to pay its own workers' compensation claims. The County is required to make an annual contribution to the Fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the County's annual contribution, the County has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the Fund permits the Fund to levy an assessment upon its members to make up any deficiency the Fund may have in surplus or reserves. No amount has been recorded in the financial statements for this contingency as management believes the likelihood for assessment is remote.

Note 19 - Commitments and Contingencies

Operating leases - The following is a schedule by years of future minimum rental payments under an operating lease which has noncancelable lease terms as of June 30, 2018.

For the year ended June 30,	
2019	$ 23,964
2020	19,563
2021	14,857
2022	13,528
2023	4,481
	$ 76,393

Lease expense relating to operating leases was $26,307 for 2017.

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

Note 20 - Joint Ventures

Under Georgia law, the County in conjunction with other cities and counties in the coastal Georgia area, is a member of the Coastal Regional Commission (CRC) and is required to pay annual dues thereto. Membership in a CRC is required by OCGA Section 5-8-34 which provides for the organizational structure of the CRC in Georgia. The CRC board membership includes the chief elected official of each county or municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the CRC. Separate financial statements may be obtained from Coastal Regional Commission, 127 F Street, Brunswick, Georgia 31520.

Note 21 - Hotel/Motel Lodging Tax

Screven County has levied a 5% lodging tax. The County collects the hotel/motel lodging tax and distributes the funds to the Screven County Chamber of Commerce (100%) which uses this to fund tourism promotion and beautification projects. The tax collected for the year ended June 30, 2018, totaled $4,525. The County remitted $4,525 to the Screven County Chamber of Commerce. All expenditures were for the promotion of tourism as required by O.C.G.A. 48-13-51. A summary of the transactions for the year ended June 30, 2018, follows:

Balance July 1, 2018	$ 0
Lodging tax receipts for current fiscal year	5,657
Disbursements to Screven County Chamber of Commerce for tourism/industry promotion	(5,356)
Balance June 30, 2018	$ 301

Note 22 - Subsequent Events

The County has evaluated subsequent events through December 21, 2018, the date on which the financial statements were available.

Required Supplementary Information

Screven County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Taxes	$ 8,222,671	$ 8,222,671	$ 8,182,899	$ (39,772)
Licenses and permits	68,726	68,726	59,366	(9,360)
Intergovernmental	929,588	929,588	1,029,274	99,686
Charges for services	2,838,240	2,838,240	2,904,559	66,319
Fines and forfeitures	251,800	251,800	303,652	51,852
Investment earnings	4,551	4,551	6,432	1,881
Miscellaneous	68,253	68,253	60,309	(7,944)
Total revenues	12,383,829	12,383,829	12,546,491	162,662
Expenditures				
Current expenditures				
General government				
Board of Commissioners	365,239	384,904	384,876	28
Elections\Registrar	45,706	45,706	36,334	9,372
Tax commissioner	283,171	283,171	277,028	6,143
Tax assessor	238,084	258,084	258,045	39
Buildings and grounds	270,860	329,131	322,833	6,298
Other general government	906,988	857,334	631,712	225,622
	2,110,048	2,158,330	1,910,828	247,502
Judicial				
Superior court	253,786	255,101	241,357	13,744
Clerk of court	292,056	292,056	286,737	5,319
State court	74,195	76,717	76,717	0
Magistrate court	114,948	115,448	115,404	44
Probate court	227,248	227,248	204,734	22,514
Juvenile court	2,700	2,700	538	2,162
Total judicial	964,933	969,270	925,487	43,783
Public safety				
Sheriff and jail	1,018,948	921,061	921,021	40
Patrol/traffic	839,892	835,577	709,189	126,388
Correctional institute	1,311,354	1,311,354	1,117,385	193,969
Fire	704,349	704,349	664,599	39,750
Emergency medical services	1,203,356	1,203,356	1,184,273	19,083
Coroner	15,522	15,522	12,382	3,140
Animal control	106,042	109,662	109,655	7
Civil defense/emergency management	12,440	33,663	33,617	46
Total public safety	5,211,903	5,134,544	4,752,121	382,423
Public works				
Roads and streets	2,744,459	2,744,459	2,325,422	419,037
Sanitation	1,168,214	1,168,214	1,092,492	75,722
Total public works	3,912,673	3,912,673	3,417,914	494,759

See the accompanying notes to the required supplementary information.

Screven County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Health and welfare				
Health department	62,478	62,478	62,478	0
Department of Family and Children's Services	8,962	8,962	8,962	0
Senior citizens	29,720	29,924	29,924	0
Keep Screven Beautiful	15,388	15,388	12,223	3,165
WEE care center	2,400	2,400	2,400	0
Total health and welfare	118,948	119,152	115,987	3,165
Culture and recreation				
Recreation department	499,160	499,160	497,956	1,204
Library	185,147	185,147	185,147	0
Total culture and recreation	684,307	684,307	683,103	1,204
Housing and development				
Extension Service - County Agent	82,529	82,529	73,689	8,840
Coastal Regional Commission	21,000	28,700	28,664	36
Conservation - Forestry	46,945	48,727	48,668	59
Zoning	109,329	109,329	104,314	5,015
Livestock association	3,536	3,536	3,536	0
Total housing and development	263,339	272,821	258,871	13,950
Total expenditures	13,266,151	13,251,097	12,064,311	1,186,786
Excess (deficit) of revenues to expenditures	(882,322)	(867,268)	482,180	1,349,448
Other financing sources (uses)				
Proceeds from sale of surplus			1,000	1,000
Proceeds from capital lease	842,000	842,000	870,000	28,000
Transfer to E-911 fund	(262,580)	(262,580)	(195,727)	66,853
Transfer to Jail Improvement fund		(15,054)	(15,054)	0
Total other financing sources	579,420	564,366	660,219	95,853
Net change in fund balance	$ (302,902)	$ (302,902)	1,142,399	$ 1,445,301
Fund balance - beginning of year			5,143,525	
Fund balance - end of year			$ 6,285,924	

See the accompanying notes to the required supplementary information.

Note 1 - Budgetary Information

The County adopts an annual operating budget for the general fund, each special revenue fund, and each capital projects

All budgets are adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for the general fund budget generally is the department level. Any change in total to a departmental appropriation within the general fund requires approval of the County Commission. The department director may approve budget transfers within departments, with certain exceptions. For the fiscal year, the County Commission approved budget revisions. All unexpended annual appropriations lapse at year-end.

SCREVEN COUNTY, GEORGIA
SCREVEN COUNTY DEPARTMENT OF HEALTH (COMPONENT UNIT)
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017	2016	2015
Department of Health's proportion of the net pension liability	0.802000%	0.007822%	0.008397%	0.011212%
Department of Health's proportionate share of the net pension liability	$ 325,719	$ 370,013	$ 340,196	$ 420,519
Department of Health's covered-employee payroll	$ 200,100	$ 185,024	$ 186,403	$ 241,609
Department of Health's proportionate share of the net pension liability as a percentage of its covered-employee payroll	162.78%	199.98%	182.51%	174.05%
Plan fiduciary net position as a percentage of the total pension liability	76.33%	72.34%	76.20%	77.99%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

SCREVEN COUNTY, GEORGIA
SCREVEN COUNTY DEPARTMENT OF HEALTH (COMPONENT UNIT)
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017	2016	2015
Contractually required contribution	$ 47,363	$ 48,803	$ 44,958	$ 43,401
Contributions in relation to the contractually required contribution	$ 47,363	$ 48,803	$ 44,958	$ 43,401
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0
Department of Health's covered-employee payroll	$ 200,100	$ 108,024	$ 186,403	$ 241,069
Contributions as a percentage of covered-employee payroll	23.67%	45.18%	24.12%	18.00%

See the accompanying notes to the required supplementary information.

SCREVEN COUNTY, GEORGIA
SCREVEN COUNTY DEPARTMENT OF HEALTH (COMPONENT UNIT)
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
STATE OF GEORGIA OPEB FUND
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Department of Health's proportion of the collective net OPEB liability	0.007017%	0.006854%
Department of Health's proportionate share of the collective net OPEB liability	$ 285,887	$ 320,848
Department of Health's covered-employee payroll	$ 172,048	$ 159,302
Department of Health's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	166.17%	201.41%
Plan fiduciary net position as a percentage of the total collective OPEB liability	17.34%	9.93%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See the accompanying notes to the required supplementary information.

SCREVEN COUNTY, GEORGIA
SCREVEN COUNTY DEPARTMENT OF HEALTH (COMPONENT UNIT)
SCHEDULE OF CONTRIBUTIONS
STATE OF GEORGIA OPEB FUND
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Contractually required contribution	$ 33,311	$ 28,783
Contributions in relation to the contractually required contribution	33,311	28,783
Contribution deficiency (excess)	$ 0	$ 0
Department of Health's covered-employee payroll	$ 172,048	$ 159,302
Contributions as a percentage of covered-employee payroll	19.36%	18.07%

See the accompanying notes to the required supplementary information.

SCREVEN COUNTY, GEORGIA
SCREVEN COUNTY DEPARTMENT OF HEALTH (COMPONENT UNIT)
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY (ASSET)
SEAD-OPEB FUND
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Department of Health's proportion of the collective net OPEB liability	0.011814%	0.006854%
Department of Health's proportionate share of the collective net OPEB liability (asset)	$ (30,705)	$ (20,828)
Department of Health's covered-employee payroll	$ 172,048	$ 159,302
Department of Health's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	-17.85%	-13.07%
Plan fiduciary net position as a percentage of the total collective OPEB liability	130.17%	123.56%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See the accompanying notes to the required supplementary information.

SCREVEN COUNTY, GEORGIA
SCREVEN COUNTY DEPARTMENT OF HEALTH (COMPONENT UNIT)
SCHEDULE OF CONTRIBUTIONS
SEAD-OPEB FUND
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Contractually required contribution	$ 0	$ 0
Contributions in relation to the contractually required contribution	$ 0	$ 0
Contribution deficiency (excess)	$ 0	$ 0
Department of Health's covered-employee payroll	$ 172,048	$ 159,302
Contributions as a percentage of covered-employee payroll	0.00%	0.00%

See the accompanying notes to the required supplementary information.

Employees' Retirement System (ERS)

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contribution for the year ended June 30, 2018, reported in the schedule:

Valuation date	June 30, 2016
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	19.4 years
Asset valuation method	Five-year smoothed market
Inflation rate	2.75%
Salary increases	3.25%-7.00%, include inflation
Investment rate of return.	7.50%, net of pension plan investment expense, including inflation

Georgia State Employees Postemployment Benefit Fund (State OPEB Fund)

Changes of benefit terms: In the June 30, 2010, actuarial valuation, there was a change of benefits terms to require Medicare-eligible recipients to enroll in a Medicare Advantage plan to receive the State subsidy.

Changes of assumptions: In the revised June 30, 2017, actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

In the June 30, 2015, actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the retirement Systems' experience studies. In the June 30, 2012, actuarial valuation, a data audit was performed and data collection procedures and assumptions were changed.

State Employees' Assurance Department Retired and Vested Inactive Members Trust (SEAD-OPEB)

Changes of assumptions: On December 17, 2015, the Board of Trustees adopted recommended changes to the economic and demographic assumptions utilized by the Plan. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. For other actuarial assumptions, refer to Note 15 of the financial statements.

Other Supplementary Information

Screven County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents		
Unrestricted	$ 5,839,565	$ 4,031,559
Restricted	704,389	372,598
Receivables:		
Accounts	204,326	508,298
Property taxes	459,054	512,298
Sales taxes	80,795	80,198
Interfund	118,069	276,633
Intergovernmental	101,397	483,809
Prepaid items	171,666	279,813
Total assets	$ 7,679,261	$ 6,545,206
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 642,411	$ 488,950
Accrued expenditures	149,919	139,677
Interfund	125,944	
Total liabilities	918,274	628,627
Deferred inflows of resources		
Property taxes	392,218	471,846
Intergovernmental	82,845	301,208
Total deferred inflows of resources	475,063	773,054
Total liabilities and deferred inflows of resources	1,393,337	1,401,681
Fund balances		
Nonspendable - prepaid items	171,666	279,813
Restricted for:		
Landfill closure and post-closure	870,425	855,035
Capital outlays	704,389	372,598
Unassigned	4,539,444	3,636,079
Total fund balances	6,285,924	5,143,525
Total liabilities, deferred inflows of resources and fund balances	$ 7,679,261	$ 6,545,206

Screven County, Georgia
General Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2018 and 2017

	2018	2017
Revenues		
Taxes	$ 8,182,899	$ 7,852,132
Licenses and permits	59,366	62,897
Intergovernmental	1,029,274	1,529,942
Charges for services	2,904,559	2,808,864
Fines and forfeitures	303,652	278,222
Investment earnings	6,432	5,851
Other revenues	60,309	21,945
Total revenues	12,546,491	12,559,853
Expenditures		
Current:		
General government	1,910,828	1,858,120
Judicial	925,487	915,876
Public safety	4,752,121	4,519,732
Public works	3,417,914	2,983,086
Health and welfare	115,987	117,729
Culture and recreation	683,103	658,978
Housing and development	258,871	245,583
Total expenditures	12,064,311	11,299,104
Excess of revenues to expenditures	482,180	1,260,749
Other financing sources (uses)		
Proceeds from sales of surplus	1,000	
Proceeds from capital lease	870,000	2,106
Transfers out	(210,781)	(286,093)
Total other financing sources (uses)	660,219	(283,987)
Net change in fund balance	1,142,399	976,762
Fund balances beginning of year	5,143,525	4,166,763
Funds balances end of year	$ 6,285,924	$ 5,143,525

Screven County, Georgia
2013 SPLOST Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash	$ 283,051	$ 97,374
Receivables - sales taxes	104,103	103,331
Interfund receivable	125,944	
Total assets	$ 513,098	$ 200,705
Liabilities and fund balances		
Liabilities		
Interfund payable		$ 250,216
Fund balances		
Restricted for capital projects	$ 513,098	(49,511)
Total liabilities and fund balances	$ 513,098	$ 200,705

Screven County, Georgia
2013 SPLOST Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2018 and 2017

	2018	2017
Revenues		
Special local option sales tax	$ 1,178,927	$ 1,159,558
Investment earnings	116	54
	1,179,043	1,159,612
Expenditures		
Capital Outlay		
General government	8,886	1,920
Public Safety		
Fire	18,000	46,288
E-911		26,008
Public works - roads and streets	131,383	267,175
Parks and recreation		40,550
Intergovernmental		
Sylvania	147,342	143,884
Rocky Ford	8,145	7,954
Newington	15,498	15,134
Hiltonia	19,344	18,890
Oliver	13,518	13,201
Debt service		
Principal retirement	235,262	133,847
Interest and fiscal charges	19,056	13,749
Total expenditures	616,434	728,600
Net change in fund balance	562,609	431,012
Fund deficit beginning of year	(49,511)	(480,523)
Funds balance (deficit) end of year	$ 513,098	$ (49,511)

Screven County, Georgia
Combining Balance Sheet
Non-major Special Revenue Funds
June 30, 2018

	E-911	Jail Improvement	Seized Funds	SCCI Telephone	Drug Abuse T & E	Law Library	Hotel/ Motel Tax	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents	$ 18,028	$ 83,920	$ 5,411	$ 136,610	$ 263,765	$ 10,866	$ 301	$ 518,901
Receivables - accounts	10,849	3,849			882			15,580
Total assets	$ 28,877	$ 87,769	$ 5,411	$ 136,610	$ 264,647	$ 10,866	$ 301	$ 534,481
Liabilities and fund balances								
Liabilities								
Accounts payable							$ 301	301
Interfund payable	$ 28,877	$ 87,769			$ 1,423			$ 118,069
Total liabilities	28,877	87,769	$ 0	$ 0	1,423	$ 0	301	118,370
Fund balances								
Restricted for public safety			5,411	136,610	263,224	10,866		416,111
Total liabilities and fund balances	$ 28,877	$ 87,769	$ 5,411	$ 136,610	$ 264,647	$ 10,866	$ 301	$ 534,481

Screven County, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the Year Ended June 30, 2018

	E-911	Jail Improvement	Seized Funds	SCCI Telephone	Drug Abuse T & E	Law Library	Hotel/ Motel Tax	Total Nonmajor Special Revenue Funds
Revenues								
Taxes							$ 5,657	$ 5,657
Charges for services	$ 238,960			$ 53,950				292,910
Fines and forfeitures		$ 65,432	$ 2,649		$ 24,610	$ 6,741		99,432
Investment earnings	33	77		208	497			815
Total revenues	238,993	65,509	2,649	54,158	25,107	6,741	5,657	398,814
Expenditures								
Current:								
General government							5,657	5,657
Judicial						2,507		2,507
Public safety	434,720	92,018	4,725	23,431				554,894
Total expenditures	434,720	92,018	4,725	23,431	0	2,507	5,657	563,058
Excess (deficit) of revenues over expenditures	(195,727)	(26,509)	(2,076)	30,727	25,107	4,234	0	(164,244)
Other financing sources								
Transfers in	195,727	15,054						210,781
Net change in fund balance	0	(11,455)	(2,076)	30,727	25,107	4,234	0	46,537
Fund balances beginning of year	0	11,455	7,487	105,883	238,117	6,632	0	369,574
Funds balances end of year	$ 0	$ 0	$ 5,411	$ 136,610	$ 263,224	$ 10,866	$ 0	$ 416,111

Screven County, Georgia
E-911 Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 18,028	$ 5,677
Accounts receivable	10,849	8,512
Total assets	$ 28,877	$ 14,189
Liabilities and fund balances		
Liabilities		
Interfund payable	$ 28,877	$ 14,189
Fund balances		
Restricted for public safety	0	0
Total liabilities and fund balances	$ 28,877	$ 14,189

Screven County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Totals For the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Charges for services	$ 180,482	$ 180,482	$ 238,960	$ 58,478	$ 151,990
Investment earnings	20	20	33	13	15
Total revenues	180,502	180,502	238,993	58,491	152,005
Expenditures					
Current					
Public safety	443,082	443,082	434,720	8,362	438,098
Deficit of revenues to expenditures	(262,580)	(262,580)	(195,727)	66,853	(286,093)
Other financing sources					
Transfers in	262,580	262,580	195,727	(66,853)	286,093
Net change in fund balance	$ 0	$ 0	0	$ 0	0
Fund balances beginning of year			0		0
Funds balances end of year			$ 0		$ 0

Screven County, Georgia
Jail Improvement Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 83,920	$ 20,386
Accounts receivables	3,849	1,874
Total Assets	$ 87,769	$ 22,260
Liabilities and fund balances		
Liabilities		
Interfund	$ 87,769	$ 10,805
Fund balances		
Restricted for public safety	0	11,455
Total liabilities and fund balances	$ 87,769	$ 22,260

Screven County, Georgia
Jail Improvement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Totals For the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Fines and forfeitures	$ 74,213	$ 65,432	$ 65,432	$ 0	$ 64,305
Investment earnings	30	77	77	0	32
Total revenues	74,243	65,509	65,509	0	64,337
Expenditures					
Current:					
Public safety	74,243	92,018	92,018	0	69,317
Deficit of revenues to expenditures	0	(26,509)	(26,509)	0	(4,980)
Other financing sources					
Transfers in		15,054	15,054	0	
Net change in fund balance	$ 0	$ (11,455)	(11,455)	$ 0	(4,980)
Fund balances beginning of year			11,455		16,435
Funds balances end of year			$ 0		$ 11,455

Screven County, Georgia
Seized Funds Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 5,411	$ 7,487
Liabilities and fund balances		
Fund balances		
Restricted for public safety	$ 5,411	$ 7,487

Screven County, Georgia
Seized Funds Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Totals For the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Fines and forfeitures	$ 1,140	$ 2,649	$ 2,649	$ 0	$ 0
Expenditures					
Current					
Public safety	1,140	4,725	4,725	0	505
Net change in fund balance	$ 0	$ (2,076)	(2,076)	$ 0	(505)
Fund balances beginning of year			7,487		7,992
Funds balances end of year			$ 5,411		$ 7,487

Screven County, Georgia
SCCI Telephone Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 136,610	$ 105,883
Liabilities and fund balances		
Fund balances		
Restricted for public safety	$ 136,610	$ 105,883

Screven County, Georgia
SCCI Telephone Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Totals For the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Charges for services	$ 38,854	$ 38,854	$ 53,950	$ 15,096	$ 41,888
Investment earnings	79	79	208	129	93
Total revenues	38,933	38,933	54,158	15,225	41,981
Expenditures					
Public safety	38,933	38,933	23,431	15,502	19,007
Net change in fund balance	$ 0	$ 0	30,727	$ 30,727	22,974
Fund balances beginning of year			105,883		82,909
Funds balances end of year			$ 136,610		$ 105,883

Screven County, Georgia
Drug Abuse T & E Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 263,765	$ 238,331
Accounts receivables	882	1,209
Total Assets	$ 264,647	$ 239,540
Liabilities and fund balances		
Liabilities		
Interfund	$ 1,423	$ 1,423
Fund balances		
Restricted for public safety	263,224	238,117
Total liabilities and fund balances	$ 264,647	$ 239,540

Screven County, Georgia
Drug Abuse T & E Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Totals For the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Fines and forfeitures	$ 35,000	$ 35,000	$ 24,610	$ (10,390)	$ 34,098
Investment earnings	470	470	497	27	442
Total revenues	35,470	35,470	25,107	(10,363)	34,540
Expenditures					
Current					
Public safety	35,470	35,470		35,470	
Net change in fund balance	$ 0	$ 0	25,107	$ 25,107	34,540
Fund balances beginning of year			238,117		203,577
Funds balances end of year			$ 263,224		$ 238,117

Screven County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 10,866	$ 6,632
Liabilities and fund balances		
Fund balances		
Restricted for public safety	$ 10,866	$ 6,632

Screven County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Totals For the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Fines and forfeitures	$ 4,290	$ 4,290	$ 6,741	$ 2,451	$ 5,560
Expenditures					
Current					
Judicial	4,290	4,290	2,507	1,783	2,400
Net change in fund balance	$ 0	$ 0	4,234	$ 4,234	3,160
Fund balances beginning of year			6,632		3,472
Funds balances end of year			$ 10,866		$ 6,632

Screven County, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	$ 301	$ 0
Liabilities and fund balances		
Current liabilities		
Accounts payable	$ 301	$ 0

Screven County, Georgia
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Totals For The Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Taxes	$ 6,000	$ 6,000	$ 5,657	$ (343)	$ 4,525
Expenditures					
General government	6,000	6,000	5,657	343	4,525
Net change in fund balance	$ 0	$ 0	0	$ 0	0
Fund balances beginning of year			0		0
Funds balances end of year			$ 0		$ 0

Screven County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2018

Clerk of Court	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash	$ 91,505	$ 617,806	$ 600,027	$ 109,284
Liabilities				
Due to other funds	$ 0	$ 401,628	$ 401,628	$ 0
Due to others	91,505	216,178	198,399	109,284
Total Liabilities	$ 91,505	$ 617,806	$ 600,027	$ 109,284

Probate Court	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash	$ 340	$ 56,908	$ 56,508	$ 740
Liabilities				
Due to other funds	$ 0	$ 47,374	$ 47,374	$ 0
Due to others	340	9,534	9,134	740
Total Liabilities	$ 340	$ 56,908	$ 56,508	$ 740

Sheriff's Office	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash	$ 101,069	$ 126,245	$ 128,541	$ 98,773
Liabilities				
Due to other funds	$ 0	$ 18,142	$ 18,142	$ 0
Due to others	101,069	108,103	110,399	98,773
Total Liabilities	$ 101,069	$ 126,245	$ 128,541	$ 98,773

(continued on next page)

Screven County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2018

Magistrate Court	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash	$ 9,329	$ 180,742	$ 179,083	$ 10,988
Liabilities				
Due to other funds	$ 0	$ 57,217	$ 57,217	$ 0
Due to others	9,329	123,525	121,866	10,988
Total Liabilities	$ 9,329	$ 180,742	$ 179,083	$ 10,988

SCCI Stores Account	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash	$ 42,507	$ 127,052	$ 110,381	$ 59,178
Liabilities				
Due to others	$ 42,507	$ 127,052	$ 110,381	$ 59,178

Tax Commissioner	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash	$ 0	$ 17,202,792	$ 17,202,792	$ 0
Liabilities				
Due to other funds	$ 0	$ 7,549,085	$ 7,549,085	$ 0
Due to others	0	9,653,707	9,653,707	0
Total Liabilities	$ 0	$ 17,202,792	$ 17,202,792	$ 0

Total	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets				
Cash	$ 244,750	$ 18,311,545	$ 18,277,332	$ 278,963
Liabilities				
Due to other funds	$ 0	$ 8,073,446	$ 8,073,446	$ 0
Due to other governments	244,750	10,238,099	10,203,886	278,963
Total Liabilities	$ 244,750	$ 18,311,545	$ 18,277,332	$ 278,963

Screven County, Georgia
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Year Ended June 30, 2018

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage Complete
			Prior Years	Current Period	Total	
2011 Voter Approved Special Sales Tax (2013 SPLOST Fund):						
SPLOST Referendum expense	$ 10,816	$ 10,838	$ 10,838		$ 10,838	100.0%
Courthouse Renovation (level one)	1,500,000	1,500,000	1,454,871		1,454,871	97.0%
General government- buildings & equipment			12,263	$ 8,886	21,149	
Public Safety						
Emergency medical services			135,810		135,810	
Fire			916,323	18,000	934,323	
E-911			26,008	0	26,008	
Public works						
Road projects			750,302	131,383	881,685	
Sanitation - landfill projects			351,688		351,688	
Parks and recreation			40,550	0	40,550	
Debt service			890,270	129,056	1,019,326	
Retire debt for new jail, road department and E-911 equipment; recreation complex improvements; narrow band radio equipment; landfill improvements; mental health building roof; construction of fire stations; repairs and improvement to other county buildings; purchase of law enforcement and other county vehicles and equipment; improvements to airport infrastructure; and road construction	6,929,357	6,929,335	3,123,214	287,325	3,410,539	49.2%
Other municipalities						
City of Sylvania	1,645,205	1,645,205	731,158	147,342	878,500	
City of Newington	173,046	123,658	76,905	15,498	92,403	
City of Oliver	150,942	97,143	67,080	13,518	80,598	
City of Hiltonia	215,992	161,688	95,991	19,344	115,335	
Town of Rocky Ford	90,944	71,396	40,417	8,145	48,562	
Total other municipalities	2,276,129	2,099,090	1,011,551	203,847	1,215,398	57.9%
	$ 10,716,302	$ 10,539,263	$ 5,600,474	$ 491,172	$ 6,091,646	

Reconciliation of current year disbursements	
Total disbursements per the Schedule of Revenues, Expenditures and Changes in Fund Balance	616,434
Amount disbursed for principal payments on debt service for assets purchased in prior year	(125,262)
	491,172

Other Reporting Requirements

CAINES HODGES
CERTIFIED PUBLIC ACCOUNTANTS

Donald T. Caines, CPA
Carlton H. Hodges, CPA

Caines, Hodges & Company, P.C.
200 E. Saint Julian Street • Suite 603
Savannah, GA 31401
Tel: (912) 233-6383
www.caineshodges.com

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

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*

Honorable Chairman and Members of the
Board of Commissioners of Screven County
Sylvania, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Screven County, Georgia, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Screven County, Georgia's basic financial statements and have issued our report thereon dated December 21, 2018. Our report includes a reference to other auditors who audited the financial statements of Screven County Development Authority and Screven County Department of Health, as described in our report on Screven 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 Screven 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 Screven County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Screven 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.

Honorable Chairman and Members of the
Board of Commissioners of Screven County
Sylvania, Georgia

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain in internal control, described in the accompanying schedule of findings and responses at 2018-01 through 2018-03 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Screven 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2018-04.

Screven County, Georgia's Response to Findings

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

Purpose of this Report

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

Cairns Hodges & Company, P.C.

December 21, 2018

INTERNAL CONTROL

2018-01 Lack of Segregation of Duties - (Agency offices - Sheriff' Office, Probate Court, Magistrate Court, Correctional Institute, Superior Court, Law Library, Tax Commissioner's Office) - (repeat finding 2017-01)

Condition: There is not adequate segregation of duties between recording, processing, disbursement and reconciliation of cash accounts and other operational functions in the various funds, departments and offices maintained by the County. This condition exists in several of the constitutionally elected offices of the County.

Criteria: The internal control environment of an entity should allow proper segregation of duties so that an employee will not have access to overlapping duties in regards to the receipt and/or disbursements of funds, reconciliation of accounts, posting of accounting records, etc.

Effect: An absence of appropriate segregation of duties could increase the risk of misappropriation of assets if other controls are not in place or do not function properly.

Recommendation: The County should continue to monitor this situation and use alternative control measures where available to assist in safeguarding County assets.

Management response: We are aware of this situation. We will continue to work with agency offices, most of which are constitutional offices, to attempt implementing procedures to have adequate segregation of duties between recording, processing, disbursement, and reconciliation of cash accounts and other operational functions in various funds to safeguard County assets.

2018-02 Lack of final review of machine-signed checks (repeat finding 2017-02)

Condition: Disbursement checks are prepared with signatures printed by the computer and are not reviewed before being issued. The proof report and check register are reviewed, but the check is not reviewed.

Criteria: The internal control environment of an entity should provide procedures to determine the actual checks are reviewed prior to being issued to ensure that a check is not altered or otherwise made payable to a vendor other than that recorded in the check proof report or the check register.

Effect: Checks issued without final review present a risk of fraudulent cash disbursement.

Recommendation: Establish procedures to ensure management review of disbursement checks prior to approval for mailing.

Management response: Management concurs with the finding and will establish procedures to ensure that the actual disbursement checks are reviewed by management prior to mailing or other distribution.

2018-03 Lack of segregation of duties - payroll (repeat finding 2017-03)

Condition: The employee in charge of inputting payroll and processing payroll disbursements also has full access to the employee master list.

Criteria: The internal control environment of an entity should allow proper segregation of duties so that an employee will not have access to overlapping duties in regards to input of payroll data, the processing of payroll disbursements and the maintenance of the employee master file.

Effect: This lack of segregation of duties could lead to fictitious (ghost) employees, improper pay rates or other payroll related fraud.

Recommendation: Establish procedures to ensure that maintenance of the master employee file is performed by an individual not involved in the inputting or processing of payroll data.

Management response: Management agrees with the finding and will re-assign the duty of maintaining the employee master file to an employee otherwise not involved in any aspect of the payroll function and will remove all access to employee master file maintenance from all employees otherwise involved in the payroll function.

ISSUES OF NON-COMPLIANCE

2018-04 SPLOST monies over-remitted to the General Fund

Condition: The County expended 2013 SPLOST funds for unqualified purposes, which resulted from an error in calculating amounts due to the general fund for amounts paid by the general fund for SPLOST projects.

Criteria: State law requires that all SPLOST monies remain in a separate SPLOST fund until expended for eligible SPLOST expenditures.

Effect: Violation of state law requiring all SPLOST monies to remain in a separate SPLOST fund until expended for eligible SPLOST expenditures.

Recommendation: Establish procedures to ensure that for SPLOST projects paid out of other funds, the amount due from the SPLOST Fund is accurately calculated prior to remittance.

Management response: Management agrees with the finding and will establish procedures to ensure that SPLOST reimbursements are accurately calculated prior to remittance to other funds.