TAYLOR COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

TAYLOR COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

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MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Taylor County, Georgia
Butler, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Taylor County, Georgia** (the "County") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Taylor 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Taylor County Department of Public Health, which represent 6%, 2%, and 37%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Taylor County Department of Public 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. 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 business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of Taylor County, Georgia, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison information for the General Fund and Solid Waste Surcharge Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Taylor County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option 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. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option 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 28, 2017, on our consideration of Taylor 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 Taylor County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 28, 2017

BASIC FINANCIAL STATEMENTS

TAYLOR COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 8,549,127	$ 30,432	$ 8,579,559
Receivables, net of allowances			
Taxes receivable	219,100	-	219,100
Accounts receivable	158,414	1,020	159,434
Due from other governments	80,091	-	80,091
Due from component unit	34,068	-	34,068
Inventories	1,147	-	1,147
Prepaid items	190,980	-	190,980
Capital assets, nondepreciable	854,755	-	854,755
Capital assets, depreciable, net of accumulated depreciation	12,276,405	711,182	12,987,587
Total assets	22,364,087	742,634	23,106,721
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	-	-	-
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable	835,820	829	836,649
Accrued liabilities	164,979	-	164,979
Due to other governments	19,780	-	19,780
Due to primary government	-	-	-
Capital leases due within one year	41,095	-	41,095
Capital leases due in more than one year	14,089	-	14,089
Compensated absences due within one year	107,001	-	107,001
Compensated absences due in more than one year	26,751	-	26,751
Landfill postclosure costs due within one year	11,000	-	11,000
Landfill postclosure costs due in more than one year	99,000	-	99,000
Net pension liability	-	-	-
Total liabilities	1,319,515	829	1,320,344

Component Units				
Department of Public Health	Development Authority	Recreation Commission	Airport Authority	Building Authority
$ 389,508	$ 1,219,192	$ 3,125	$ 49,443	$ 41,732
-	-	-	-	-
29,504	-	-	-	24,817
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	174,968	-	1,181,299	-
-	68,003	-	3,226,548	1,031,749
419,012	1,462,163	3,125	4,457,290	1,098,298
76,287	-	-	-	-
76,287	-	-	-	-
14,867	-	845	2,214	-
-	-	-	-	-
-	-	-	-	-
-	-	34,068	-	-
-	-	-	-	-
-	-	-	-	-
10,781	-	-	-	-
21,557	-	-	-	-
-	-	-	-	-
-	-	-	-	-
313,201	-	-	-	-
360,406	-	34,913	2,214	-

(Continued)

TAYLOR COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Pensions	$ -	$ -	$ -
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	13,075,976	711,182	13,787,158
Restricted for:			
Judicial	39,034	-	39,034
Public safety	142,125	-	142,125
Public works	2,155,820	-	2,155,820
Capital projects	915,080	-	915,080
Other purposes	-	-	-
Unrestricted	4,716,537	30,623	4,747,160
Total net position	$ 21,044,572	$ 741,805	$ 21,786,377

Component Units				
Department of Public Health	Development Authority	Recreation Commission	Airport Authority	Building Authority
$ 3,420	$ -	$ -	$ -	$ -
3,420	-	-	-	-
-	242,971	-	4,407,847	1,031,749
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
69,158	-	-	-	-
62,315	1,219,192	(31,788)	47,229	66,549
$ 131,473	$ 1,462,163	$ (31,788)	$ 4,455,076	$ 1,098,298

TAYLOR COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 1,539,527	$ 214,047	$ 14,385	$ -
Judicial	466,453	221,630	-	-
Public safety	2,128,711	964,361	182,889	-
Public works	2,617,682	719,378	-	979,480
Health and welfare	111,099	413,287	107,916	-
Culture and recreation	80,060	-	-	-
Housing and development	433,935	14,481	-	-
Interest on long-term debt	2,857	-	-	-
Total governmental activities	7,380,324	2,547,184	305,190	979,480
Business-type activities:				
Water and sewer	37,833	14,587	-	-
Total business-type activities	37,833	14,587	-	-
Total primary government	$ 7,418,157	$ 2,561,771	$ 305,190	$ 979,480
Component units:				
Department of Public Health	$ 322,728	$ 80,382	$ 274,061	$ -
Development Authority	48,594	-	388,235	-
Recreation Commission	154,458	51,219	77,359	-
Airport Authority	227,945	15,962	28,394	24,914
Building Authority	59,957	25,119	-	-
Total component units	$ 813,682	$ 172,682	$ 768,049	$ 24,914
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Total general revenues				
Change in net position				
Net position (deficit), beginning of year				
Net position (deficit), end of year				

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

Net (Expenses) Revenues and Changes in Net Position								
Primary Government			Component Units					
Governmental Activities	Business-type Activities	Total	Department of Public Health	Development Authority	Recreation Commission	Airport Authority	Building Authority
$ (1,311,095)	$ -	$ (1,311,095)	$ -	$ -	$ -	$ -	$ -
(244,823)	-	(244,823)	-	-	-	-	-
(981,461)	-	(981,461)	-	-	-	-	-
(918,824)	-	(918,824)	-	-	-	-	-
410,104	-	410,104	-	-	-	-	-
(80,060)	-	(80,060)	-	-	-	-	-
(419,454)	-	(419,454)	-	-	-	-	-
(2,857)	-	(2,857)	-	-	-	-	-
(3,548,470)	-	(3,548,470)	-	-	-	-	-
-	(23,246)	(23,246)	-	-	-	-	-
-	(23,246)	(23,246)	-	-	-	-	-
(3,548,470)	(23,246)	(3,571,716)	-	-	-	-	-
-	-	-	31,715	-	-	-	-
-	-	-	-	339,641	-	-	-
-	-	-	-	-	(25,880)	-	-
-	-	-	-	-	-	(158,675)	-
-	-	-	-	-	-	-	(34,838)
-	-	-	31,715	339,641	(25,880)	(158,675)	(34,838)
2,123,147	-	2,123,147	-	-	-	-	-
1,781,018	-	1,781,018	-	-	-	-	-
629,724	-	629,724	-	-	-	-	-
2,505	-	2,505	113	-	-	-	-
4,536,394	-	4,536,394	113	-	-	-	-
987,924	(23,246)	964,678	31,828	339,641	(25,880)	(158,675)	(34,838)
20,056,648	765,051	20,821,699	99,645	1,122,522	(5,908)	4,613,751	1,133,136
$ 21,044,572	$ 741,805	$ 21,786,377	$ 131,473	$ 1,462,163	$ (31,788)	$ 4,455,076	$ 1,098,298

TAYLOR COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Solid Waste Surcharge Fund	T-SPLOST Fund	Capital Projects 2011 SPLOST Fund
ASSETS				
Cash and cash equivalents	$ 4,744,535	$ 1,070,245	$ 1,010,723	$ 1,514,147
Taxes receivable	155,293	-	-	63,807
Accounts receivable	102,759	50,980	4,675	-
Due from other governments	77,168	-	-	-
Due from other funds	-	1,100	-	-
Due from component units	14,068	20,000	-	-
Inventories	1,147	-	-	-
Prepaid items	184,480	6,500	-	-
Total assets	$ 5,279,450	$ 1,148,825	$ 1,015,398	$ 1,577,954
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 180,712	$ 1,903	$ -	$ 643,094
Accrued liabilities	164,979	-	-	-
Due to other governments	-	-	-	19,780
Due to other funds	1,100	-	-	-
Total liabilities	346,791	1,903	-	662,874
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	115,744	-	-	-
Total deferred inflows of resources	115,744	-	-	-
FUND BALANCES				
Fund balances:				
Nonspendable for:				
Inventory	1,147	-	-	-
Prepaid items	184,480	6,500	-	-
Restricted for:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	1,140,422	1,015,398	-
Capital projects	-	-	-	915,080
Committed for:				
Public safety	-	-	-	-
Unassigned	4,631,288	-	-	-
Total fund balances (deficit)	4,816,915	1,146,922	1,015,398	915,080
Total liabilities, deferred inflows of resources, and fund balances	$ 5,279,450	$ 1,148,825	$ 1,015,398	$ 1,577,954

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.
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.
Net position of governmental activities.

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

Capital Projects CDBG Fund	Other Governmental Funds	Total Governmental Funds
$ 63	$ 209,414	$ 8,549,127
-	-	219,100
-	-	158,414
-	2,923	80,091
-	-	1,100
-	-	34,068
-	-	1,147
-	-	190,980
$ 63	$ 212,337	$ 9,234,027
$ 5,830	$ 4,281	$ 835,820
-	-	164,979
-	-	19,780
-	-	1,100
5,830	4,281	1,021,679
-	-	115,744
-	-	115,744
-	-	1,147
-	-	190,980
-	39,034	39,034
-	142,125	142,125
-	-	2,155,820
-	-	915,080
-	26,897	26,897
(5,767)	-	4,625,521
(5,767)	208,056	8,096,604
$ 63	$ 212,337	
		13,131,160
		115,744
		(298,936)
		$ 21,044,572

TAYLOR COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Solid Waste Surcharge Fund	T-SPLOST Fund	Capital Projects 2011 SPLOST Fund
Revenues				
Property taxes	$ 2,131,813	$ -	$ -	$ -
Sales tax	463,212	-	514,185	803,621
Other taxes	629,724	-	-	-
Licenses and permits	47,011	-	-	-
Intergovernmental	716,974	39,760	-	-
Fines and forfeitures	280,159	-	-	-
Charges for services	1,237,232	591,542	-	-
Investment income	2,371	114	91	118
Miscellaneous	139,977	100,000	-	-
Total revenues	5,648,473	731,416	514,276	803,739
Expenditures				
Current:				
General government	1,071,317	154,157	-	-
Judicial	447,182	8,407	-	-
Public safety	1,844,779	-	-	-
Public works	1,388,810	253,638	-	-
Health and welfare	187,075	5,553	-	-
Culture and recreation	73,387	-	-	-
Housing and development	425,415	1,395	-	-
Intergovernmental	-	-	-	249,123
Capital outlay	-	-	248,654	653,075
Debt service:				
Principal	40,376	84,361	-	-
Interest	1,359	1,498	-	-
Total expenditures	5,479,700	509,009	248,654	902,198
Excess (deficiency) of revenues over (under) expenditures	168,773	222,407	265,622	(98,459)
Other financing sources (uses):				
Transfers in	424,000	-	-	-
Transfers out	-	(200,000)	(112,000)	-
Total other financing sources (uses)	424,000	(200,000)	(112,000)	-
Net change in fund balances	592,773	22,407	153,622	(98,459)
Fund balance (deficit), beginning of year	4,224,142	1,124,515	861,776	1,013,539
Fund balance (deficit), end of year	$ 4,816,915	$ 1,146,922	$ 1,015,398	$ 915,080

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

Capital Projects CDBG Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 2,131,813
-	-	1,781,018
-	-	629,724
-	-	47,011
413,342	-	1,170,076
-	246,363	526,522
-	19,285	1,848,059
-	20	2,714
-	-	239,977
413,342	265,668	8,376,914
-	-	1,225,474
-	4,873	460,462
-	208,139	2,052,918
-	-	1,642,448
-	-	192,628
-	-	73,387
-	-	426,810
-	-	249,123
413,012	-	1,314,741
-	-	124,737
-	-	2,857
413,012	213,012	7,765,585
330	52,656	611,329
-	-	424,000
-	(112,000)	(424,000)
-	(112,000)	-
330	(59,344)	611,329
(6,097)	267,400	7,485,275
$ (5,767)	$ 208,056	$ 8,096,604

TAYLOR COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	611,329
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		314,349
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(8,666)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		135,737
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(14,457)
Changes in net position - governmental activities	$	987,924

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

TAYLOR COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 2,160,134	$ 2,150,876	$ 2,131,813	$ (19,063)
Sales tax	420,000	470,000	463,212	(6,788)
Other taxes	598,650	497,810	629,724	131,914
Licenses and permits	75,383	21,500	47,011	25,511
Intergovernmental	574,729	792,000	716,974	(75,026)
Fines and forfeitures	163,000	248,000	280,159	32,159
Charges for services	1,167,594	1,202,535	1,237,232	34,697
Investment income	1,600	1,600	2,371	771
Miscellaneous	76,164	247,319	139,977	(107,342)
Total revenues	5,237,254	5,631,640	5,648,473	16,833
Expenditures:				
Current:				
General government:				
Governing body	558,349	551,349	381,700	169,649
General administration	139,700	139,700	104,393	35,307
Tax commissioner	160,057	168,057	165,357	2,700
Tax assessor	124,306	124,306	120,085	4,221
Registrar	89,577	89,492	75,178	14,314
Records management	2,000	2,000	-	2,000
Buildings and plant	173,982	225,982	219,944	6,038
Board of equalization	2,800	6,885	4,660	2,225
Total general government	1,250,771	1,307,771	1,071,317	236,454
Judicial:				
Superior court	275,504	275,504	256,949	18,555
Probate court	168,712	180,712	175,483	5,229
Public defender	15,568	15,568	14,750	818
Total judicial	459,784	471,784	447,182	24,602
Public safety:				
Sheriff	695,184	778,504	744,375	34,129
Jail	553,567	553,567	541,010	12,557
Ambulances	392,822	467,822	416,185	51,637
Emergency management	18,992	38,992	34,129	4,863
Fire	71,737	71,737	62,682	9,055
Coroner	16,539	16,539	12,877	3,662
Emergency communication	28,155	33,521	33,521	-
Total public safety	1,776,996	1,960,682	1,844,779	115,903
Public works:				
Roads and bridges	1,317,270	1,417,270	1,167,092	250,178
Garage	28,765	28,765	13,078	15,687
Landfill	207,001	210,976	208,640	2,336
Total public works	1,553,036	1,657,011	1,388,810	268,201

(Continued)

TAYLOR COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget			Variance with
	Original	Final	Actual	Final Budget
Expenditures (continued):				
Current (continued):				
Health and welfare:				
Health department	$ 150,980	$ 150,980	$ 119,388	$ 31,592
Family and children services	46,664	46,664	27,386	19,278
Mental retardation	10,616	10,616	10,616	-
Council on aging	28,173	29,198	27,587	1,611
Neighborhood service center	3,000	3,000	2,098	902
Total health and welfare	239,433	240,458	187,075	53,383
Culture and recreation:				
Parks	46,974	50,974	49,608	1,366
Libraries	23,779	23,779	23,779	-
Total culture and recreation	70,753	74,753	73,387	1,366
Housing and development:				
County agent	49,619	49,619	46,922	2,697
Planning and zoning	92,532	92,532	58,052	34,480
Transit	225,712	255,712	250,582	5,130
Airport	10,000	10,000	10,000	-
Forestry	23,180	23,180	23,180	-
Soil conservation	34,438	37,138	36,679	459
Total housing and development	435,481	468,181	425,415	42,766
Debt service				
Principal	-	-	40,376	(40,376)
Interest	-	-	1,359	(1,359)
Total debt service	-	-	41,735	(41,735)
Total expenditures	5,786,254	6,180,640	5,479,700	700,940
Excess (deficiency) of revenues over (under) expenditures	(549,000)	(549,000)	168,773	717,773
Other financing sources:				
Transfers in	549,000	549,000	424,000	(125,000)
Total other financing sources	549,000	549,000	424,000	(125,000)
Net change in fund balance	-	-	592,773	592,773
Fund balance, beginning of year	4,224,142	4,224,142	4,224,142	-
Fund balance, end of year	$ 4,224,142	$ 4,224,142	$ 4,816,915	$ 592,773

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

TAYLOR COUNTY, GEORGIA

SOLID WASTE SURCHARGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 45,000	$ 45,000	$ 39,760	$ (5,240)
Charges for services	650,000	650,000	591,542	(58,458)
Investment income	125	125	114	(11)
Miscellaneous income	105,000	105,000	100,000	(5,000)
Total revenues	800,125	800,125	731,416	(68,709)
Expenditures:				
Current:				
General government	388,050	388,050	154,157	233,893
Judicial	12,500	12,500	8,407	4,093
Public works	285,000	285,000	253,638	31,362
Health and welfare	8,000	8,000	5,553	2,447
Housing and development	7,000	7,000	1,395	5,605
Debt service:				
Principal	86,500	86,500	84,361	2,139
Interest	13,075	13,075	1,498	11,577
Total expenditures	800,125	800,125	509,009	291,116
Excess of revenues over expenditures	-	-	222,407	222,407
Other financing uses:				
Transfers out	-	-	(200,000)	(200,000)
Total other financing uses	-	-	(200,000)	(200,000)
Net change in fund balance	-	-	22,407	22,407
Fund balance, beginning of year	1,124,515	1,124,515	1,124,515	-
Fund balance, end of year	$ 1,124,515	$ 1,124,515	$ 1,146,922	$ 22,407

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

TAYLOR COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Major Enterprise Fund Water and Sewer Fund
ASSETS	
Current assets:	
Cash	$ 30,432
Accounts receivable, net of allowance	1,020
Total current assets	31,452
Capital assets:	
Capital assets, depreciable, net of accumulated depreciation	711,182
Total assets	742,634
LIABILITIES	
Current liabilities:	
Accounts payable	829
NET POSITION	
Investment in capital assets	711,182
Unrestricted	30,623
Total net position	$ 741,805

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

TAYLOR COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Major Enterprise Fund Water and Sewer Fund
Operating revenues:	
Charges for services:	
Water and sewer sales	$ 14,587
Total operating revenues	14,587
Operating expenses:	
Repairs and maintenance	2,528
Utilities	5,373
Dues and supplies	4,038
Depreciation	25,894
Total operating expenses	37,833
Change in net position	(23,246)
Net position, beginning of year	765,051
Net position, end of year	$ 741,805

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

TAYLOR COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Major Enterprise Fund Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 14,892
Payments to suppliers and service providers	(11,520)
Net cash provided by operating activities	3,372
Net increase in cash and cash equivalents	3,372
Cash and cash equivalents:	
Beginning of year	27,060
End of year	$ 30,432
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (23,246)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	25,894
Decrease in accounts receivable	305
Increase in accounts payable	419
Net cash provided by operating activities	$ 3,372

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

TAYLOR COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 636,462
Taxes receivable	314,797
Total assets	$ 951,259
LIABILITIES	
Due to others	$ 636,462
Uncollected taxes	314,797
Total liabilities	$ 951,259

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The County is governed by an elected five-member Board of Commissioners. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Taylor County, Georgia (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61, the financial statements of the component units are discretely presented in the financial statements.

The Taylor County Airport Authority was established as a legally separate entity in 1994 and given the power to acquire, construct, equip, maintain, operate, own, and improve airports and landing fields for the use of aircraft and related buildings and equipment. The five members of the Airport Authority are appointed by the Board of Commissioners.

The Taylor County Recreation Commission was established as a legally separate entity in 1946. The Commission is governed by a six-member board composed of two members from the County and two from the City of Reynolds and the City of Butler. The County approves the budget of the Commission, and carries out its day-to-day operations.

The Taylor County Building Authority was established as a legally separate entity in 1995 and is responsible for the operations of the Taylor County Multi-Purpose Facility. The five members of the Building Authority are appointed by the Board of Commissioners.

The Taylor County Department of Public Health is governed by a seven-member board, of which four members are appointed by the governing authority of the County. The County approves the required local match portion of the budget requested by the Health Department which is administered by the appointed Board of the Health Department. The Health Department’s financial statements have been presented separately and can be obtained by writing to the Taylor County Department of Public Health, P. O. Box 158, Butler, Georgia 31006.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Taylor County Development Authority was established as a legally separate entity in 1984. The seven members of the Development Authority are appointed by the Board of Commissioners.

The Taylor County Development Authority, the Taylor County Airport Authority, the Taylor County Recreation Commission and the Taylor County Building Authority are audited along with the primary government financial statements in accordance with GASB Statement No. 14. However, separate financial statements are not prepared.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. The agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the County's financial activity.

The County reports the following major governmental funds:

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Solid Waste Surcharge Fund*** is a special revenue fund used to account for the funds received from the use of the S.R. 137 landfill in accordance with the Official Code of Georgia (OCGA) Section 12-8-39.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***T-SPLOST*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by Transportation Special Purpose Local Option Sales Tax proceeds.

The ***SPLOST 2011 Fund*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by 2011 Special Purpose Local Option Sales Tax proceeds.

The ***CDBG Fund*** is a capital projects fund used to account for the operations of the Community Development Block Grant program.

The County reports the following major proprietary fund:

The ***Water and Sewer Fund*** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***Capital Projects Fund*** accounts for revenue sources that are to be used for the acquisition and construction of major capital facilities.

The ***Agency Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. These include the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund and each special revenue fund. Project length budgets are adopted for the capital projects fund. All annual appropriations lapse at fiscal year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit or assign that portion of the applicable appropriation, is not employed by the County.

E. Deposits and Investments

For purposes of the statement of cash flows, the Water and Sewer Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments are reported at fair value. At June 30, 2017, the County has no investments.

F. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Items

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

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $1,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB Statement No. 34, the County has elected not to include infrastructure acquired or constructed prior to July 1, 2003.

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

Capital assets of the primary government and component units are depreciated using the straight-line method over the following useful lives:

Asset Category	Years
Land improvements	15-20
Buildings and improvements	15-40
Machinery and equipment	5-10
Infrastructure	20-50
Water system	40

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amount when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Deferred Outflows/Inflows of Resources

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2017, the County has no items that qualify for reporting in this category.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of these items, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

M. 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 assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

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

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

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Fund Balance (Continued)

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. 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 net assets are available.

N. Use of Estimates

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

O. Tax Abatement Agreements

During the year ended June 30, 2017, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $298,936 difference are as follows:

Capital leases payable	$ (55,184)
Landfill post-closure costs	(110,000)
Compensated absences	(133,752)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (298,936)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $314,349 difference are as follows:

Capital outlay	$ 1,072,221
Depreciation expense	(757,872)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 314,349

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this $135,737 difference are as follows:

Principal repayments:	
Capital leases	$ 124,737
Landfill post-closure costs	11,000
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 135,737

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $14,457 difference are as follows:

Compensated absences	$ (14,457)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (14,457)

NOTE 3. LEGAL COMPLIANCE - BUDGETS

Taylor County, Georgia follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. Prior to May 1, the Department Heads submit to the County Manager proposed operating budgets for the fiscal year commencing the following July 1, for the General Fund and each special revenue fund. The operating budget includes proposed expenditures and the means of financing them. The proposed budgets are then submitted to the Board of Commissioners by the County Manager for study.

2. Public hearings are conducted at the courthouse to obtain taxpayer comments.

3. The budget is legally adopted by the Board of Commissioners.

4. Any revisions of the budget must be approved by the Board of Commissioners.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and each special revenue fund.

6. Budgets for the General Fund and each special revenue fund were adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Budgeted amounts are as originally adopted on June 30, 2016 or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County had no investments as of June 30, 2017.

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

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2017, all of the County's bank balances were properly insured and collateralized as defined by GASB pronouncements and the State of Georgia.

NOTE 5. RECEIVABLES

Property taxes attach as an enforceable lien on property as of December 20, 2016. Taxes were levied on September, 26, 2016, and payable on or before December 20, 2016. The County bills and collects its own property taxes. Property taxes levied for 2016 are recorded as receivables, net of estimated uncollectibles.

The net receivables collected during the year ended June 30, 2017 and expected to be collected by August 31, 2017, are recognized as revenues in the year ended June 30, 2017. Net receivables estimated to be collectible subsequent to August 31, 2017, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

Receivables consisted of the following at June 30, 2017:

	General	Solid Waste Surcharge	T-SPLOST	2011 SPLOST
Receivables:				
Taxes	$ 193,874	$ -	$ -	$ 63,807
Accounts	102,759	50,980	4,675	-
Due from other funds	-	1,100	-	-
Due from other governments	77,168	-	-	-
Gross receivables	373,801	52,080	4,675	63,807
Less allowance	38,581	-	-	-
Net total receivables	$ 335,220	$ 52,080	$ 4,675	$ 63,807

	Water and Sewer Fund	Other Gov'tal Funds	Total
Receivables:			
Taxes	$ -	$ -	$ 257,681
Accounts	1,488	-	159,902
Due from other funds	-	-	1,100
Due from other governments	-	2,923	80,091
Gross receivables	1,488	2,923	498,774
Less allowance	468	-	39,049
Net total receivables	$ 1,020	$ 2,923	$ 459,725

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 414,369	$ 440,386	$ -	$ 854,755
Total	414,369	440,386	-	854,755
Capital assets, being depreciated:				
Land improvements	94,295	-	-	94,295
Buildings and improvements	8,276,433	10,760	-	8,287,193
Machinery and equipment	5,892,806	621,075	(214,482)	6,299,399
Infrastructure	5,775,825	-	-	5,775,825
Total	20,039,359	631,835	(214,482)	20,456,712
Less accumulated depreciation for:				
Land improvements	90,366	2,623	-	92,989
Buildings and improvements	2,525,084	223,822	-	2,748,906
Machinery and equipment	4,384,248	415,910	(164,114)	4,636,044
Infrastructure	586,851	115,517	-	702,368
Total	7,586,549	757,872	(164,114)	8,180,307
Total capital assets, being depreciated, net	12,452,810	(126,037)	(50,368)	12,276,405
Governmental activities capital assets, net	$ 12,867,179	$ 314,349	$ (50,368)	$ 13,131,160

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Buildings and improvements	$ 7,800	$ -	$ -	$ 7,800
Water system	1,002,766	-	-	1,002,766
Total	1,010,566	-	-	1,010,566
Less accumulated depreciation for:				
Buildings and improvements	4,246	-	-	4,246
Water system	269,244	25,894	-	295,138
Total	273,490	25,894	-	299,384
Total capital assets, being depreciated, net	737,076	(25,894)	-	711,182
Business-type activities capital assets, net	$ 737,076	$ (25,894)	$ -	$ 711,182

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

Governmental activities	
General government	$ 85,420
Judicial	4,180
Public safety	306,725
Public works	331,693
Health and welfare	17,800
Culture and recreation	5,781
Housing and development	6,273
Total depreciation expense - governmental activities	$ 757,872
Business-type activities:	
Water and sewer	$ 25,894
Total depreciation expense - business-type activities	$ 25,894

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Taylor County Development Authority for the fiscal year ended June 30, 2017, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 54,968	$ 120,000	$ -	$ 174,968
Capital assets, being depreciated:				
Equipment	6,889	-	-	6,889
Building	65,532	-	-	65,532
Total	72,421	-	-	72,421
Less accumulated depreciation for:				
Building	2,209	2,209	-	4,418
Total capital assets, being depreciated, net	70,212	(2,209)	-	68,003
Capital assets, net	$ 125,180	$ 117,791	$ -	$ 242,971

Capital asset activity for the Taylor County Airport Authority for the fiscal year ended June 30, 2017, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,181,299	$ -	$ -	$ 1,181,299
Capital assets, being depreciated:				
Equipment	7,209	-	-	7,209
Buildings	400,536	-	-	400,536
Infrastructure	3,385,311	-	-	3,385,311
Total	3,793,056	-	-	3,793,056
Less accumulated depreciation for:				
Equipment	7,209	-	-	7,209
Buildings	14,354	26,702	-	41,056
Infrastructure	436,332	81,911	-	518,243
	457,895	108,613	-	566,508
Total capital assets, being depreciated, net	3,335,161	(108,613)	-	3,226,548
Capital assets, net	$ 4,516,460	$ (108,613)	$ -	$ 4,407,847

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Taylor County Building Authority for the fiscal year ended June 30, 2017, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Building	$ 1,558,339	$ -	$ -	$ 1,558,339
Less accumulated depreciation for:				
Building	486,633	39,957	-	526,590
Total capital assets, being depreciated, net	1,071,706	(39,957)	-	1,031,749
Capital assets, net	$ 1,071,706	$ (39,957)	$ -	$ 1,031,749

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the primary government for the fiscal year ended June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 179,921	$ -	$ 124,737	$ 55,184	$ 41,095
Landfill post-closure	121,000	-	11,000	110,000	11,000
Compensated absences	119,294	91,642	77,184	133,752	107,001
Totals	$ 420,215	$ 91,642	$ 212,921	$ 298,936	$ 159,096

For governmental activities, compensated absences are ordinarily liquidated by the General Fund, while landfill post-closure costs are liquidated by the Solid Waste Surcharge Fund.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of vehicles. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. The expense resulting from the amortization of assets recorded under capital leases is included with depreciation expense.

The following is an analysis of leased assets under capital leases as of June 30, 2017:

	Governmental Activities
Equipment	$ 726,358
Less: Accumulated depreciation	(493,926)
	$ 232,432

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2017:

	Governmental Activities
Fiscal Year Ending June 30,	
2018	$ 45,435
2019	10,434
Total minimum lease payments	55,869
Less amount representing interest	(685)
Present value of future minimum lease payments	$ 55,184

Conduit Debt Obligations – Development Authority. During the past three fiscal years, the Development Authority has issued seven separate revenue bonds to acquire capital projects consisting of equipment which will be used in solar energy facilities. The issuances total $765,000,000. The acquired equipment will be leased to a third party. The Development Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

NOTE 8. INTERFUND TRANSACTIONS

As of June 30, 2017, the General Fund had a payable to the Solid Waste Surcharge Fund in the amount of $1,100.

This balance resulted from the time lag between the dates that payments between funds are made.

Interfund transfers:

	Transfer To General Fund
Transfer From	
Solid Waste Surcharge Fund	$ 200,000
T-SPLOST Fund	112,000
Nonmajor Governmental Funds	112,000
Total	$ 424,000

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that the statute or budget requires to expend them, and (2) use of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

A. Plan Description

The Taylor County, Georgia Retirement Plan is a defined contribution plan which was established and may be amended by the County to provide benefits at retirement to general employees of the County. The Plan is administered by Nationwide Life Insurance Company. Plan members are not required to contribute to this plan. Taylor County is required to contribute 5% of annual covered payroll. Plan provisions and contribution requirements are established and may be amended by the Taylor County Board of Commissioners. Total contributions made to the Plan by Taylor County, Georgia during the fiscal year ended June 30, 2017 were $94,099.

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

B. Significant Accounting Policies

Basis of Accounting: The Taylor County, Georgia Retirement Plan financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due.

Methods Used to Value Investments: Plan investments are reported at fair value. Short-term investments are purchased at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

NOTE 10. LANDFILL POST-CLOSURE COSTS

Effective July 16, 1990, the Taylor County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate post-closure costs of approximately $110,000 over the remaining 10-year period. These costs are based on what it would cost to perform all post-closure care in 2017. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases commercial insurance to cover property and liability and professional liability claims.

The County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool; to cooperate with the pool’s agents and attorneys; to follow loss reduction procedures established by the fund; and to report as promptly as possible, in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool’s agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

NOTE 11. RISK MANAGEMENT (CONTINUED)

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

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

NOTE 12. JOINT VENTURE

River Valley Regional Commission

Under Georgia law, the County, in conjunction with other cities and counties in the 16-county west central Georgia area, is a member of the River Valley Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2017, the County paid $5,473 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from: River Valley Regional Commission, 228 West Lamar Street, Americus, Georgia 31709.

Middle Flint Regional E-911 Authority

The Middle Flint Regional E-911 Authority (the “E-911 Authority”) is comprised of eight board members: two appointed by the County and the remaining six appointed by the other representative counties. The County allocated to the E-911 Authority $33,521 during the year to assist with general operating expenses. The County’s governing body does not approve the budget nor does it have any oversight of the day-to-day operations of the E-911 Authority. The E-911 Authority was established to provide emergency communications services to Dooly, Macon, Marion, Schley, Sumter, Taylor and Webster counties. Separate financial statements may be obtained from: Middle Flint Regional E-911 Authority, 222 Hayes Avenue, Ellaville, Georgia 31806.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

NOTE 14. TAX ABATEMENT AGREEMENTS

The County entered into property tax abatement agreements with multiple companies related to capital projects consisting of equipment which will be used in solar energy facilities. The County entered into these agreements for the purpose of increasing the property tax base. Under these agreements, the County did not assess personal property taxes during the construction phase of the solar energy facilities. These tax abatement agreements are issued on a case-by-case basis for each project. In return for the abatement, the companies commit to a community investment goal, which range from $25,000,000 to $145,000,000 for the various projects.

During the year ended June 30, 2017, the County abated an estimated $610,000 in personal property taxes. These tax abatements during the current year represent 100% of the estimated assessed personal property values.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Jail Fund – To account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

Law Library Fund – To account for costs of operating and maintaining the Taylor County Law Library. Financing is provided from a $2 charge added to and collected on all costs in civil and criminal cases.

Special Purpose Drug Fund – To account for monies deemed as forfeited property by courts to Taylor County from cases related to illegal drug activity and the disbursement of these funds for drug prevention activities.

Drug Education Fund – To account for fines collected as required by state law for drug abuse treatment and educational purposes.

Inmate Fund – To account for revenues from telephone commissions at the Sheriff's Office and the disbursement of these funds for items to benefit the inmates.

TAYLOR COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue					
	Jail Fund	Law Library Fund	Special Purpose Drug Fund	Drug Education Fund	Inmate Fund	Totals
ASSETS						
Cash	$ 76,115	$ 39,034	$ 17,517	$ 45,570	$ 31,178	$ 209,414
Due from other governments	2,670	-	-	253	-	2,923
Total assets	$ 78,785	$ 39,034	$ 17,517	$ 45,823	$ 31,178	$ 212,337
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ 4,281	$ 4,281
Total liabilities	-	-	-	-	4,281	4,281
FUND BALANCES						
Restricted for:						
Judicial	-	39,034	-	-	-	39,034
Public safety	78,785	-	17,517	45,823	-	142,125
Committed for:						
Public safety	-	-	-	-	26,897	26,897
Total fund balances	78,785	39,034	17,517	45,823	26,897	208,056
Total liabilities and fund balances	$ 78,785	$ 39,034	$ 17,517	$ 45,823	$ 31,178	$ 212,337

TAYLOR COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Special Revenue					
	Jail Fund	Law Library Fund	Special Purpose Drug Fund	Drug Education Fund	Inmate Fund	Totals
Revenues:						
Fines and forfeitures	$ 43,854	$ 6,037	$ 183,684	$ 12,788	$ -	$ 246,363
Charges for services	-	-	-	-	19,285	19,285
Investment income	16	-	-	4	-	20
Total revenues	43,870	6,037	183,684	12,792	19,285	265,668
Expenditures:						
Current:						
Judicial	-	4,873	-	-	-	4,873
Public safety	4,309	-	183,091	5,220	15,519	208,139
Total expenditures	4,309	4,873	183,091	5,220	15,519	213,012
Excess of revenues over expenditures	39,561	1,164	593	7,572	3,766	52,656
Other financing uses:						
Transfers out	(112,000)	-	-	-	-	(112,000)
Total other financing uses	(112,000)	-	-	-	-	(112,000)
Net change in fund balances	(72,439)	1,164	593	7,572	3,766	(59,344)
Fund balances, beginning of year	151,224	37,870	16,924	38,251	23,131	267,400
Fund balances, end of year	$ 78,785	$ 39,034	$ 17,517	$ 45,823	$ 26,897	$ 208,056

TAYLOR COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2011 ISSUE FOR THE YEAR ENDED JUNE 30, 2017

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Construction of County Courthouse	$ 500,000	$ 500,000	$ 226,075	$ -	$ 226,075
Construction of Recreational Facilities	150,000	150,000	16,874	892	17,766
Construction of Public Safety Facilities	100,000	100,000	34,101	3,534	37,635
Construction of County Communication Equipment	100,000	100,000	11,752	-	11,752
Construction of Fire Protection and Rescue Facilities	650,000	650,000	153,034	-	153,034
Construction and Repair of Roads, Streets, and Bridges	4,020,000	4,020,000	1,438,035	648,649	2,086,684
City of Butler	1,360,000	1,360,000	740,868	136,616	877,484
City of Reynolds	1,120,000	1,120,000	610,130	112,507	722,637
	$ 8,000,000	$ 8,000,000	$ 3,230,869	$ 902,198	$ 4,133,067

AGENCY FUNDS

Tax Commissioner – To account for the collection and payment to Taylor County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Taylor County and other taxing units.

Clerk of Superior Court – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Sheriff – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

TAYLOR COUNTY, GEORGIA

COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2017

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
ASSETS						
Cash	$ 264,567	$ 353,842	$ 5,542	$ 9,186	$ 3,325	$ 636,462
Taxes receivable	314,797	-	-	-	-	314,797
Total assets	$ 579,364	$ 353,842	$ 5,542	$ 9,186	$ 3,325	$ 951,259
LIABILITIES						
Due to others	$ 264,567	$ 353,842	$ 5,542	$ 9,186	$ 3,325	$ 636,462
Uncollected taxes	314,797	-	-	-	-	314,797
Total liabilities	$ 579,364	$ 353,842	$ 5,542	$ 9,186	$ 3,325	$ 951,259

COMPLIANCE SECTION

MAULDIN & JENKINS

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

Board of Commissioners
of Taylor County, Georgia
Butler, Georgia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Taylor County, Georgia (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 28, 2017. Our report includes a reference to other auditors who audited the financial statements of the Taylor County Department of Public Health, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting on 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 the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2017-001 and 2017-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2017-002 to be a significant deficiency.

Compliance and Other Matters

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

Taylor County, Georgia's Responses to Findings

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 28, 2017

TAYLOR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ Yes ____ No
Significant deficiencies identified not considered to be material weaknesses?	__X__ Yes ____ None Reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

There was not an audit of major federal programs as of June 30, 2017 due to the total amount expended being less than $750,000.

TAYLOR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2017-001. Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the receivable and revenue accounts during the year ended June 30, 2017.

Context/Cause: During our testing of revenues and receivables, audit adjustments were required to correct various account balances. These adjustments were due to the inclusion of receivables that should not have been recorded at year-end and additional receivables that should have been recorded.

Effect: Audit adjustments to decrease revenues in the amount of $165,283, decrease accounts receivable in the amount of $176,838, decrease allowance for doubtful accounts in the amount of $2,889, and decrease deferred tax revenue in the amount of $8,666 were required to be recorded in the General Fund as of June 30, 2017. An audit adjustment to decrease revenues and fund balance in the amount of $49,811 was required to be recorded in the T-SPLOST Fund as of June 30, 2017. Finally, an audit adjustment to decrease revenue and accounts receivable in the amount of $10,924 was required to be recorded for the Airport Authority as of June 30, 2017.

Recommendation: We recommend the County record the necessary adjustments to reflect the accounts receivable balances at the conclusion of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur. We will take appropriate measures to ensure all receivables are appropriately recorded at year-end.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2017-002. Segregation of Duties

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County.

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures. This was noted in the following offices/departments:

- Finance – The same individual is involved with accounts payable, cash disbursements, and general ledger maintenance. Also, the same individual is involved with payroll, personnel records, and general ledger maintenance.
- Water – The same individual is involved with billing, collection, posting to the general ledger, and maintenance of accounts receivable.
- Clerk of Court – The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process.
- Probate/Magistrate Court – The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process. Also, the same individual is involved with preparing the checks and approving the amounts to be paid.
- Sheriff's Office – The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process. Additionally, no one reviews the bank reconciliations.
- Tax Commissioner – The same individual is involved in with opening the mail and recording the receipts. The same individual is involved with the receipting process and the bank reconciliation process. Also, the same individual is involved with the billing and collection function. Additionally, no one reviews the bank reconciliations.
- Development Authority – The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process. Additionally, no one reviews the bank reconciliations.

Effect: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Recommendation: The duties of recording, distribution, and reconciliation of accounts should be segregated among employees. There should also be a process in which an individual reviews the bank reconciliations and documents their approval of them.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2017-002. Segregation of Duties (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur. The offices are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

2017-003. Capital Assets

Criteria: Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including capital assets.

Condition: The County did not appropriately record all capital asset transactions in the Airport Authority during the year ended June 30, 2017.

Context/Cause: See above condition.

Effect: An audit adjustment to increase depreciation expense and accumulated depreciation in the amount of $108,613 was required to be recorded in the Airport Authority as of June 30, 2017.

Recommendation: We recommend the County record all capital asset transactions appropriately as they occur during the year.

Views of Responsible Officials and Planned Corrective Action: We concur. We will record all capital asset transactions appropriately as they occur during the year.

TAYLOR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

TAYLOR COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

2016-001. Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the receivable and revenue accounts during the year ended June 30, 2016. Additionally, the County did not properly reverse all entries made during the prior year involving the receivable and revenue accounts during the year ended June 30, 2016.

Auditee Response/Status: Unresolved. See current year finding number 2017-001.

2016-002. Segregation of Duties

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County.

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Auditee Response/Status: Unresolved. See current year finding number 2017-002.

2016-003. Capital Assets

Criteria: Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including capital assets.

Condition: The County did not appropriately record all capital asset transactions in the Airport Authority during the year ended June 30, 2016.

Auditee Response/Status: Unresolved. See current year finding number 2017-003.