TREUTLEN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

TREUTLEN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

Issued by: Lance Hooks, Chairman
under Authority of the Board of Commissioners

TREUTLEN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2018

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Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Treutlen County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Treutlen County, Georgia as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Treutlen 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 Treutlen County Public Health Center or the Treutlen County Development Authority, both of which are major component units, which statements reflect assets constituting 3 percent and 15 percent, respectively, of total assets at June 30, 2018, and revenues constituting 6 percent and 2 percent, respectively, of total revenues for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Treutlen County Public Health Center and the Treutlen County Development Authority, are based on the reports 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 the 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 activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Treutlen County, Georgia, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the County's Net Pension Liability and Related Ratios and Schedule of Pension Contributions, Budgetary Comparison Schedule – General Fund, Budgetary Comparison Schedule – 2013 SPLOST Fund, and Budgetary Comparison Schedule – TSPLOST Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Treutlen County, Georgia's basic financial statements. The combining and individual non-major fund financial statements and the Schedule of Expenditures of 2013 Special Purpose Local Option Sales Tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the Schedule of Expenditures of 2013 Special Purpose Local Option Sales Tax 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 non-major fund financial statements and the Schedule of Expenditures of 2013 Special Purpose Local Option Sales Tax 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 March 28, 2019 on our consideration of Treutlen 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Treutlen County, Georgia's internal control over financial reporting and compliance.

Very truly yours,

TJS Deemer Dana LLP

March 28, 2019
Dublin, Georgia

Basic Financial Statements

TREUTLEN COUNTY, GEORGIA

EXHIBIT 1

STATEMENT OF NET POSITION
June 30, 2018

	Primary Government			Component Units		
	Governmental Activities	Business-type Activity	Total	Treutlen County Development Authority	Treutlen County Public Health Center	Total
ASSETS						
Cash and cash equivalents	$ 3,610,785	$ 2,108	$ 3,612,893	$ 117,385	$ 342,633	$ 4,072,911
Certificate of deposit	360,221	-	360,221	-	-	360,221
Receivables, net of allowances for uncollectibles:						-
Taxes	112,731	-	112,731	-	-	112,731
Accounts	30,549	-	30,549	22,200	-	52,749
Intergovernmental	86,193	-	86,193	-	28,964	115,157
Prepaid expenses	38,487	-	38,487	100	-	38,587
Capital assets:						
Land and other non-depreciable assets	265,426	16,957	282,383	281,126	-	563,509
Other capital assets, net of depreciation	5,377,932	1,800	5,379,732	1,429,992	1,381	6,811,105
Total assets	9,882,324	20,865	9,903,189	1,850,803	372,978	12,126,970
DEFERRED OUTFLOWS (INFLOWS) OF RESOURCES	3,008	-	3,008	-	54,491	- 57,499
Pension Expense	3,008	-	3,008	-	54,491	57,499
Total deferred outflows of resources	3,008	-	3,008	-	54,491	57,499
Total assets and deferred outflows of resources	9,885,332	20,865	9,906,197	1,850,803	427,469	12,184,469
LIABILITIES						
Bank overdraft	-	-	-	-	-	-
Accounts payable	207,108	-	207,108	7,158	-	214,266
Intergovernmental payable	-	-	-	-	14,597	14,597
Accrued expenses	80,364	-	80,364	1,204	-	81,568
Accrued interest payable	-	-	-			-
Compensated absences payable - current	13,685	-	13,685	-	3,298	16,983
Deferred revenue	-	-	-			-
Long-term obligations:						
Compensated absences payable - noncurrent	13,684	-	13,684	-	13,190	26,874
Proportionate share of collective net pension liability	257,503	-	257,503	-	170,901	428,404
Proportionate share of collective net OPEB liability	-	-	-	-	152,297	152,297
Due within one year	412,703	14,500	427,203	36,778	-	463,981
Due in more than one year	71,669	168,316	239,985	728,380	-	968,365
Total liabilities	1,056,716	182,816	1,239,532	773,520	354,283	2,367,335
DEFERRED OUTFLOWS (INFLOWS) OF RESOURCES	83,453	-	83,453	-	47,292	- 130,745
Total liabilities and deferred inflows of resources	1,140,169	182,816	1,322,985	773,520	401,575	2,498,080
NET POSITION						
Net investment in capital assets	5,158,986	18,757	5,177,743	945,960	1,381	6,125,084
Restricted for:						
Public safety	187,096	-	187,096	-	-	187,096
Capital projects	601,326	-	601,326	-	-	601,326
Debt service	46,067	-	46,067	-	-	46,067
Public health center	-	-	-	-	16,174	16,174
Special programs	320,269	-	320,269	-	-	320,269
Unrestricted	2,431,419	(180,708)	2,250,711	131,323	8,339	2,390,373
Total net position	$ 8,745,163	$ (161,951)	$ 8,583,212	$ 1,077,283	$ 25,894	$ 9,686,389

The Accompanying Notes to the Financial Statements are an integral part of this statement

TREUTLEN COUNTY, GEORGIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Treutlen County Development Authority	Component Units: Treutlen County Public Health Center
Primary Government									
Governmental Activities:									
General government	$ 1,082,163	$ 289,880	$ 49,031	$ -	$ (743,252)	$ -	$ (743,252)	$ -	$ -
Public works	1,067,654	-	-	309,826	$ (757,828)	-	(757,828)	-	-
Public safety	1,801,021	610,538	60,841	921	(1,128,721)	-	(1,128,721)	-	-
Judicial	683,794	1,374,955	85,315	-	776,476	-	776,476	-	-
Conservation of natural resources	282,672	-	265,415	-	(17,257)	-	(17,257)	-	-
Health and welfare	204,140	-	-	-	(204,140)	-	(204,140)	-	-
Intergovernmental payments to other governments or agencies	51,016	-	-	-	(51,016)	-	(51,016)	-	-
Interest on long-term debt	15,781	-	-	-	(15,781)	-	(15,781)	-	-
Total governmental activities	5,188,242	2,275,373	460,602	310,747	(2,141,520)	-	(2,141,520)	-	-
Business-type activities -									
Solid waste management	18,018	-	9,016	-	-	(9,002)	(9,002)	-	-
Total primary government	$ 5,206,260	$ 2,275,373	$ 469,618	$ 310,747	(2,141,520)	(9,002)	(2,150,522)	-	-
Component Units									
Treutlen County Development Authority	$ 127,361	$ -	$ -	$ -	-	-	-	(127,361)	-
Treutlen County Public Health Center	300,261	96,080	245,080	-	-	-	-	-	40,899
Total component units	$ 427,622	$ 96,080	$ 245,080	$ -	-	-	-	(127,361)	40,899
General Revenues:									
Property taxes					1,955,932	-	1,955,932	-	-
Sales and other taxes					826,428	-	826,428	-	-
Unrestricted investment earnings					11,320	10	11,330	-	-
Intra/inter agency					-	-	-	-	32,047
Intergovernmental					-	5,306	5,306	42,000	-
Rental income					-	-	-	95,190	-
Other local funds					-	-	-	-	1,362
Miscellaneous					4,705	-	4,705	-	-
Gain (loss) on disposal of capital assets					13,494	-	13,494	-	-
Proceeds from sale of fixed assets					-	-	-	-	-
Total general revenues and transfers					2,811,879	5,316	2,817,195	137,190	33,409
Change in net position					670,359	(3,686)	666,673	9,829	74,308
Net position-beginning					8,074,804	(158,265)	7,916,539	1,067,454	127,604
Prior period adjustment - Implementation of GASB 75:							-		
Net OPEB liability					-	-	-	-	(195,867)
Deferred outflows of resources					-	-	-	-	19,849
Net position-beginning, as restated					8,074,804	(158,265)	7,916,539	1,067,454	(48,414)
Net position-ending					$ 8,745,163	$ (161,951)	$ 8,583,212	$ 1,077,283	$ 25,894

The Accompanying Notes to the Financial Statements are an integral part of this statement

TREUTLEN COUNTY, GEORGIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General	T SPLOST	LMIG	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,356,082	$ 422,776	$ 302,730	$ 529,197	$ 3,610,785
Certificate of deposit	360,221	-	-	-	360,221
Receivables, net of allowances for uncollectibles:					
Taxes	112,731	-	-	-	112,731
Accounts	9,793	-	-	20,756	30,549
Intergovernmental	34,934	14,186	-	37,073	86,193
Interfund balance	26,000	-	-	-	26,000
Prepaid expenditures	38,487	-	-	-	38,487
Other asset	-	-	-	-	-
Total assets	$ 2,938,248	$ 436,962	$ 302,730	$ 587,026	$ 4,264,966
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 68,742	-	138,366	$ -	$ 207,108
Interfund balance	-	-	-	26,000	26,000
Accrued expenses	72,770	-	-	7,594	80,364
Total liabilities	141,512	-	138,366	33,594	313,472
Deferred Inflows of Resources-					
Unavailable property taxes	106,370	-	-	-	106,370
Total liabilities and deferred inflows of resources	247,882	-	138,366	33,594	419,842
Fund Balances:					
Nonspendable for prepaid expenditures	38,487	-	-	-	38,487
Restricted for:					
Public safety	-	-	-	187,096	187,096
Other purposes	-	-	-	320,269	320,269
Capital projects	-	436,962	164,364	-	601,326
Debt Service	-	-	-	46,067	46,067
Unassigned	2,651,879	-	-	-	2,651,879
Total fund balances	2,690,366	436,962	164,364	553,432	3,845,124
Total liabilities and fund balances	$ 2,938,248	$ 436,962	$ 302,730	$ 587,026	$ 4,264,966

The Accompanying Notes to the Financial Statements are an integral part of this statement

TREUTLEN COUNTY, GEORGIA

EXHIBIT 4

RECONCILIATION OF NET POSITION – GOVERNMENTAL FUNDS IN THE STATEMENT OF NET POSITION TO TOTAL FUND BALANCE – GOVERNMENTAL FUNDS ON THE BALANCE SHEET

Year Ended June 30, 2018

Fund balance - total governmental funds	$	3,845,124
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.		5,643,358
Some of the County's taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures and are therefore reported as unavailable property taxes in the funds.		106,370
Deferred outflows of resources related to pensions represent unamortized difference between actual and projected income and changes in assumptions that accounting standards require to be amortized into income over future periods. These deferrals do not constitute current financial resources and are not reported in the funds.		(80,445)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Capital lease		(94,372)
Bonds payable		(390,000)
Net Pension liability		(257,503)
Compensated absences		(27,369)
Net position of governmental activities	$	8,745,163

The Accompanying Notes to the Financial Statements are an integral part of this statement

TREUTLEN COUNTY, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	General	T SPLOST	LMIG	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 2,182,726	$ 169,564	$ -	$ 412,332	$ 2,764,622
Fines and forfeitures	1,268,789	-	-	229,058	1,497,847
Intergovernmental revenues	358,541	24,130	309,826	77,931	770,428
Charges for services	675,860	-	-	101,666	777,526
Interest income	7,625	2,111	913	1,592	12,241
Other revenues	1,865	-	-	2,840	4,705
Total revenues	4,495,406	195,805	310,739	825,419	5,827,369
EXPENDITURES					
Current:					
General government	960,025	-	-	-	960,025
Public safety	1,336,165	-	-	351,489	1,687,654
Judicial	603,887	-	-	47,087	650,974
Public works	489,993	67,610	461,771	-	1,019,374
Conservation of Natural Resources	282,253	-	-	-	282,253
Health and welfare	218,847	-	-	-	218,847
Payments to other governments	42,000	-	-	-	42,000
Debt Service:					
Principal payments	22,134	-	-	385,000	407,134
Interest payments	2,994	-	-	12,787	15,781
Total expenditures	3,958,298	67,610	461,771	796,363	5,284,042
EXCESS (DEFIECIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	537,108	128,195	(151,032)	29,056	543,327
OTHER FINANCING SOURCES (USES):					
Transfers in	90,128	-	26,000	77,931	194,059
Transfers out	(86,947)	(51,128)	-	(65,000)	(203,075)
Proceeds from capital lease	-	-	-	-	-
Proceeds from sale of asset	13,494	-	-	-	13,494
Total other financing source (use)	16,675	(51,128)	26,000	12,931	4,478
NET CHANGES IN FUND BALANCES	553,783	77,067	(125,032)	41,987	547,805
FUND BALANCES, BEGINNING	2,136,583	359,895	289,396	511,445	3,297,319
FUND BALANCES, ENDING	$ 2,690,366	$ 436,962	$ 164,364	$ 553,432	$ 3,845,124

The Accompanying Notes to the Financial Statements are an integral part of this statement

TREUTLEN COUNTY, GEORGIA

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2018

Net change in fund balances - total governmental funds	$ 547,805
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.	109,567
Depreciation expenses on governmental capital assets are included in the governmental activities column in the Statement of Net Position but are not shown in the governmental funds.	(403,014)
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.	
Compensated absences	(1,714)
Pension expenditures represent contributions to the pension plan made during the fiscal year and are reported in the funds. Pension expense represents the change in the net pension liability and any amortization of differences in projects and actual earnings, changes in assumptions, and changes in benefits or differences between expected and actual experience. The statement of activities reports pension expense. These figures differ by:	(7,157)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the Statement of Net Position	407,134
Revenues in the statement of activities that do not provide financial resources are not reported as revenues in the funds. The amount of deferred revenues recognized as revenue in the statement of activities is as follows -	
Property taxes	17,738
Change in net position of governmental activities	$ 670,359

The Accompanying Notes to the Financial Statements are an integral part of this statement

TREUTLEN COUNTY, GEORGIA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2018

	Enterprise Fund Treutlen - Wheeler Solid Waste Management District Sanitary Landfill
ASSETS	
Current Assets:	
Cash	$ 2,108
Total current assets	2,108
Capital Assets:	
Land and other non-depreciable assets	16,957
Other capital assets, net of depreciation	1,800
Total capital assets	18,757
Total assets	20,865
LIABILITIES	
Current Liabilities:	
Post-closure care costs - current portion	14,500
Total current liabilities	14,500
Non-current Liability -	
Long-term debt - estimated liability for landfill closure and post-closure care costs	168,316
Total liabilities	182,816
NET POSITION	
Investment in capital assets	18,757
Unrestricted	(180,708)
Total net positon	$ (161,951)

The Accompanying Notes to the Financial Statements are an integral part of this statement

TREUTLEN COUNTY, GEORGIA

EXHIBIT 8

STATEMENT OF CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2018

	Enterprise Fund
	Treutlen - Wheeler Solid Waste Management District Sanitary Landfill
INTERGOVERNMENTAL REVENUE	$ 5,306
OPERATING EXPENSES	
Professional services	3,500
Depreciation expense	1,400
Provision for post-closure costs	13,118
Total operating expenses	18,018
OPERATING INCOME	(12,712)
NON-OPERATING REVENUE	
Interest income	10
Total non-operating revenues	10
OTHER FINANCING SOURCE (USE)	
Transfers in	9,016
Change in net position	(3,686)
TOTAL NET POSITION, BEGINNING	(158,265)
TOTAL NET POSITION, ENDING	$ (161,951)

The Accompanying Notes to the Financial Statements are an integral part of this statement

TREUTLEN COUNTY, GEORGIA

EXHIBIT 9

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2018

	Treutlen - Wheeler Solid Waste Management District Sanitary Landfill
OPERATING ACTIVITIES	
Cash receipts from other governments	$ 5,600
Cash receipts from primary government	9,016
Cash payments to others	(3,500)
Cash payments for accrued post-closure costs	(13,118)
Net cash used in operating activities	(2,002)
INVESTING ACTIVITIES	
Interest income	10
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,992)
CASH BALANCE, BEGINNING OF YEAR	4,100
CASH BALANCE, END OF YEAR	$ 2,108
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	$ (12,712)
Adjustments to reconcile change in net position to net cash used in operating activities:	
Depreciation expense	1,400
Net change in assets and liabilities attributable to operations:	
Due from other governments	294
Transfer from primary government	9,016
Accounts payable	-
Net cash used in operating activities	$ (2,002)

The Accompanying Notes to the Financial Statements are an integral part of this statement

TREUTLEN COUNTY, GEORGIA

EXHIBIT 10

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2018

	Agency Funds
ASSETS	
Cash	$ 253,157
LIABILITIES	
Other liabilities	$ 253,157

The Accompanying Notes to the Financial Statements are an integral part of this statement

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Treutlen County, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to Government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the County are described below.

Reporting Entity

The County is a local municipality governed by an elected five-member Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is considered to be financially accountable.

Blended component units, although legally separate entities, are in substance part of the governments operations. The component unit column in the government-wide financial statements (see note below for description) includes the financial data of the County's discretely presented component units. Each discretely presented component unit is reported in a separate column to emphasize it is legally separate from the County.

Component Units and Related Entities

Blended Component Unit:

Treutlen – Wheeler Solid Waste Management District – The Treutlen-Wheeler Solid Waste Management District's governing board is appointed by Treutlen County and Wheeler County Commissioners. Treutlen County exercises significant influence over the operation of the District. The District operates as Treutlen – Wheeler Sanitary Landfill. The operating and capital budgets are funded by a 63 percent contribution from Treutlen County and a 37 percent contribution from Wheeler County. The entity's operations were audited in conjunction with the County audit and are shown in the government-wide financial statements. However, a separate set of financial statements is not issued.

Discretely Presented Component Units:

Treutlen County Development Authority – The Treutlen County Commissioners appoint the members for the Authority. The Authority is charged with promoting and expanding industry and trade within Treutlen County. The Authority receives revenue from operating leases as well as appropriations from the County. During the year ending June 30, 2018, the Authority received $42,000 from the Treutlen County general fund. At June 30, 2018 , the amount due to the Authority from the County was $0. The Authority is fiscally dependent on the County.

Complete financial statements can be obtained at the entity's administrative office.

Treutlen County Development Authority
County Offices
PO Box 622
Soperton, GA 30457

Treutlen County Public Health Center - The Treutlen County Public Health Center (the Center) provides various health services for citizens in Treutlen County under a contract with the Georgia Department of Human Resources (DHR). The Treutlen County Commissioners appoint the majority of the members for the governing body of the Center.

The County Commissioners have the authority to remove appointed members of the governing board at will, and the power to disapprove the Center's operating budget. The Center receives revenue through a contractual agreement with DHR as well as from Treutlen County, Georgia. During the twelve-month period ending June 30, 2018, the Center received participating and non-participating revenue of $12,327 and $67,673 respectively, from the Treutlen County general fund. At June 30, 2018, the amount due to the Center from the County was $-0-.

Complete financial statements can be obtained at the entity's administrative office.

Treutlen County Public Health Center
PO Box 585
Soperton, GA 30457

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Related Organizations – The County Commissioners appoint a majority of the board members of the Treutlen County Hospital Authority and the Department of Family and Children Services. In 2018, the County had expenditures in the amount of $450 and $-0- to the Department of Family and Children Services and Treutlen County Hospital Authority, respectively.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants 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 are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash 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 will be collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

The *General Fund* is the general operating fund of Treutlen County, Georgia. It is used to account for all financial resources of the general government, except those required legally or by sound financial management to be accounted for in another fund.

The *TSPLOST Capital Project Fund* accounts for the accumulation of TSPLOST revenues and the related capital expenditures.

The LMIG Fund accounts for the Local Maintenance and Improvement Grant (LMIG) funds that are legally restricted to expenditure for capital road projects within the County.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The County reports the following major proprietary fund:

The *Sanitary Landfill Fund*, a blended component unit of the government, is used to account for the activities of the Treutlen – Wheeler Solid Waste Management District (a joint venture of Treutlen County, Georgia and Wheeler County, Georgia).

Additionally, the County reports the following fund types:

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditure for specific purposes. The following Special Revenue Funds are used by Treutlen County, Georgia: Drug Abuse Treatment and Education, Crime Victims Assistance, Law Library, Drug Seizure, E911 Reserve, Jail and Sheriff Commissary.

The *Capital Projects Funds* account for revenue sources that are legally restricted to expenditure for capital improvements. The following Capital Project Funds is used by Treutlen County, Georgia: 2013 SPLOST Construction Fund.

The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The 2013 SPLOST Fund is used by Treutlen County, Georgia as a debt service fund as it accounts for specific revenue sources that are legally restricted for debt service..

The *Agency Funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Government holds for others in an agency capacity.

GASB 34 eliminates the presentation of *Account Groups*, but provides for these records to be maintained and used to account for capital assets and long-term liabilities that are not reflected on the balance sheet of Governmental type funds due to the current financial resources measurement focus that they use. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Governmental activities have been consolidated in the government-wide financial statements. Total governmental funds have been combined with general capital assets and long term liabilities. The effect of interfund activity has been removed from the government-wide financial statements. Due to/from other funds have been eliminated as well as transfers between funds.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. Non-operating revenues and expenses are revenues and expenses associated with items that are not connected with a proprietary's fund principal ongoing operations.

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

Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments - Cash includes amounts in both interest-bearing and non-interest-bearing demand deposits. State statutes authorize the Government to invest in obligations of the U.S. Treasury, obligations of the State of Georgia or any other states, obligations fully insured or guaranteed by the United States government or governmental agency, Local Government Investment Pool, commercial paper, corporate bonds, obligation of other

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

political subdivisions of the State of Georgia, and repurchase agreements. Any bank deposit in excess of the total FDIC insured amount must be secured by an equivalent amount of State or U.S. obligations.

Investments are recorded at cost or amortized cost plus accrued interest, which approximates market value.

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

2. Receivables and Payables - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The current portion of these interfund receivables and payables are classified as "interfund receivables" or "interfund payables" in the governmental funds.

   Property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 59 percent of outstanding property taxes at June 30, 2018. Property taxes are levied as of January 1 on property values assessed as of the same date.

3. Prepaid Items - For prepaid expenditures in the government-wide and fund financial statements, the County reports the expenditures during the benefiting period.

4. Restricted Assets – Certain assets, cash, of the Treutlen County Solid Waste Management Authority are classified as restricted assets because their use is completely restricted to the payment of post-closure costs when the landfill is closed.

5. Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements.

   The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

   Major outlays for capital assets and improvements are capitalized as projects are constructed. GASB statement 37 prohibits the capitalization of interest on assets constructed for use in governmental activities. However, interest from debt not considered to be general long-term debt may be included as part of the cost of assets constructed for business-type activities. The total interest expense incurred by the County during the current fiscal year was $15,781. Of this amount, $-0- was included as part of the cost of capital assets under construction in connection with public building construction projects.

   Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	15-35
Furniture and fixtures	7-10
Machinery and equipment	5-15
Vehicles	3-10
Improvements other than land	10-39

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

6. Compensated Absences - It is the Government'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 Government does not have a policy to pay any amounts when employees separate from service with the Government. 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 the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. 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 assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. 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 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.

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

   Fund Balance

   Generally, fund balance represents the difference between the 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 Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners 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 resolution, the County Commissioners can authorize a designee to assign fund balance.

   Unassigned – Fund balances are reported as unassigned 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.

   The County uses restricted amounts to be spent when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly, unassigned amounts from the unrestricted fund balances when expending funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of the assets.

Restricted net position – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of "net investment in capital assets" or "restricted net position."

9. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Prior to the fiscal year end, the Commission prepares a proposed operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The Commission holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Treutlen County. The budget is then revised and adopted or amended by the Commission shortly after the beginning of the year to which it applies. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase shall be made therein without provision also being made for financing same.

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) inasmuch as encumbrances are not recorded. Budgeted amounts for the year are as originally adopted, with no amendments by the Commission. The County Financial Clerk is delegated to transfer sums within departments. No increases in the departmental budgets for the County may be made without the approval of the Board of Commissioners and amendments to the budget. The General Fund is subject to budgetary control on a departmental basis.

During the fiscal year ended June 30, 2018, a budget was not adopted for the Sheriff Commissary Fund or Law Library Fund.

NOTE 3. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Investments – The Government owns no investments as of June 30, 2018.

Custodial Credit Risk - Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Neither the government, nor the Treutlen County Development Authority, discretely presented component unit, has a deposit policy for custodial credit risk. The Treutlen County Public Health Center has a deposit policy. As of June 30, 2018, none of the Government's bank balance was exposed to custodial credit risk.

Additional disclosures with regards to deposits and investments can be located in the *Summary of Significant Accounting Policies* under the *Assets, Liabilities and Equity* section.

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of fair market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be declared and reported on a return for tax purposes by May 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, the Board of Tax Assessors of Treutlen County makes all assessments.

Upon completion of all assessments and tax returns, the information is turned over to the Treutlen County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. If not, the Commissioner may require an across the board percentage adjustment to all real property. The County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes must be paid by the birth date of the owner of the vehicle. Property taxes are usually levied on assessed valuation as of January 1 and are due by December 31, and considered delinquent by January 1. Property taxes are usually levied around August 1 of each year. Property taxes are attached as an enforceable lien on the day the taxes become delinquent.

The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available (collected within 60 days of year-end) as net current assets. In the accompanying financial statements, the portion of the property tax levy for the tax year 2018 collected during the current year and within 60 days of year-end has been recognized as revenue.

Property taxes receivable at June 30, 2018, is composed of the following:

Year of Levy:	
2017	$ 125,257
2016	65,737
2015	42,787
2014	22,526
2013	5,661
Prior to 2013	11,804
Total	273,772
Less - allowance for uncollectible	161,041
Net receivable	$ 112,731

Accounts Receivable

Primary Government

Receivables at June 30, 2018 for the County's individual major funds and its non-major and fiduciary funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	T SPLOST	LMIG	Other Governmental Funds	Total
Receivables:					
Taxes	$ 273,772	$ -	$ -	$ -	$ 273,772
Accounts	9,793	-	-	20,756	30,549
Intergovernmental	34,934	14,186	-	37,073	86,193
Gross receivables	318,499	14,186	-	57,829	390,514
Less: allowance for Uncollectibles	(161,041)	-	-	-	(161,041)
Net total receivables	$ 157,458	$ 14,186	$ -	$ 57,829	$ 229,473

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Discretely Presented Component Units

Receivables of the Treutlen County Development Authority and Treutlen County Public Health Center as of June 30, 2018 are as follows:

	Treutlen County Development Authority	Treutlen County Public Health Center
Receivables:		
Accounts	$ 22,200	$ -
Intergovernmental	-	28,964
Gross receivables	22,200	28,964
Less - allowance for Uncollectibles	-	-
Net total receivables	$ 22,200	$ 28,964

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Resources billed, but not yet received	$ 106,370	$ -

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Capital Assets

Primary Government

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

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated -				
Land	$ 265,426	$ -	$ -	$ 265,426
Total capital assets not being depreciated	265,426	-	-	265,426
Other capital assets:				
Improvements other than land	1,438,073	-	-	1,438,073
Buildings and other improvements	6,173,957	-	-	6,173,957
Equipment	4,048,517	109,567	317,005	3,841,079
Total other capital assets	11,660,547	109,567	317,005	11,453,109
Less accumulated depreciation for:				
Improvements other than land	709,301	51,355	-	760,656
Buildings and other improvements	2,147,847	155,612	-	2,303,459
Equipment	3,132,020	196,047	317,005	3,011,062
Total accumulated depreciation	5,989,168	403,014	317,005	6,075,177
Other capital assets, net	5,671,379	(293,447)	-	5,377,932
Governmental activities capital assets, net	$ 5,936,805	$ (293,447)	$ -	$ 5,643,358
Business-type activities				
Capital assets not being depreciated:				
Land	$ 16,957	$ -	$ -	$ 16,957
Total capital assets not being depreciated	16,957	-	-	16,957
Other capital assets:				
Equipment	7,000	-	-	$ 7,000
Total other capital assets	7,000	-	-	7,000
Less accumulated depreciation for:				
Equipment	3,800	1,400	-	5,200
Total accumulated depreciation	3,800	1,400	-	5,200
Other capital assets, net	3,200	(1,400)	-	1,800
Business-type activities capital assets, net	$ 20,157	$ (1,400)	$ -	$ 18,757

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

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

Governmental activities:	
General government	$ 120,556
Judicial	31,736
Public safety	174,046
Public works	76,676
Total governmental activities depreciation expense	$ 403,014
Business-type activities:	
Solid waste management	$ 1,400

Discretely Presented Component Units

Capital asset activity for the Treutlen County Development Authority and Treutlen County Public Health Center for the year ended June 30, 2018 was as follows:

	Discretely Presented Component Units			
	Beginning Balance	Increases	Decreases	Ending Balance
Treutlen County Development Authority				
Capital assets not being depreciated:				
Land	$ 275,698	$ 5,428	$ -	$ 281,126
Total capital assets not being depreciated	275,698	5,428	-	281,126
Other capital asset -				
Equipment and buildings	1,709,085	-	-	1,709,085
Less accumulated depreciation for:				
Equipment and buildings	(234,269)	(44,824)	-	(279,093)
Other capital assets:	1,474,816	(44,824)	-	1,429,992
Capital assets, net	$ 1,750,514	$ (39,396)	$ -	$ 1,711,118
Treutlen County Public Health Center				
Other capital assets -				
Furniture, fixtures and equipment	$ 5,082	$ -	$ -	$ 5,082
Less accumulated depreciation	(3,176)	(525)	-	(3,701)
Other capital assets, net	1,906	(525)	-	1,381
Capital assets, net	$ 1,906	$ (525)	$ -	$ 1,381

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Interfund Receivables, Payables and Transfers

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payables between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables. As of June 30, 2018, the composition of interfund balances, were as follows:

	Due from:
Due to:	2013 SPLOST
General Fund	$ 26,000
Total	$ 26,000

Interfund Transfers

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs. A reconciliation of transfers is as follows:

	Transfers Out	Transfers In
General Fund	$ 86,947	$ 90,128
T SPLOST	51,128	-
Treutlen-Wheeler Landfill	-	9,016
Jail Fund	65,000	-
LMIG	-	26,000
Emergency 911 Fund	-	77,931
Total interfund transfers	$ 203,075	$ 203,075

Due from Other Governments

Amounts due from other governmental entities at June 30, 2018 are as follows:

	Federal	State	Other	Total
General Fund	$ -	$ 34,934	$ -	$ 34,934
2013 SPLOST Fund	-	37,073	-	37,073
T SPLOST Fund	-	14,186	-	14,186
Total	$ -	$ 86,193	$ -	$ 86,193

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Long - Term Debt

Primary Government Bonds Payable

The Government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the Government. These bonds generally are issued as 5-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
General government	1.65%	$ 390,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Principal	Interest
2019	$ 390,000	$ 6,436

The above general obligation bond, which was used for various County and City of Soperton capital outlay projects, is to be repaid with Special Purpose Local Option Sales Tax (SPLOST) proceeds, which was passed by voters on November 6, 2012. The SPLOST will cease to exist on December 31, 2018.

Capital Lease Payable

The County has entered into a lease agreement as lessee for financing the acquisition of a Komatsu Wheel Loader. The lease qualifies as a capital lease for accounting purposes (bargain purchase option at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the equipment leased under the capital lease as of June 30, 2018:

	Governmental Activities
Leased Assets:	
Equipment	$ 116,506
Less: Accumulated depreciation	(15,534)
Total	$ 100,972

Amortization of the asset recorded under capital lease is included with depreciation expense. Depreciation expense associated with the leased asset was $11,651 for the year ended June 30, 2018.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

Year Ending June 30	Governmental Activities
2019	$ 25,128
2020	25,128
2021	25,128
2022	25,128
Total minimum lease payments	100,512
Less: amount representing interest	(6,140)
Present value of minimum lease payments	$ 94,372

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2018 was as follows:

Long-term liabilities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Governmental Activities						
General obligation bonds payable	$ 775,000	$ -	$ 385,000	390,000	$ 390,000	$ -
Capital Lease	116,506	-	22,134	94,372	22,703	71,669
Net pension liability	359,249	133,012	234,758	257,503	-	257,503
Compensated absences payable	25,655	1,714	-	27,369	13,685	13,684
Total Governmental Activities	$ 1,276,410	$ 134,726	$ 641,892	$ 769,244	$ 426,388	$ 342,856
Business-Type Activities						
Accrued landfill closure and postclosure care costs	$ 182,816	$ -	$ -	182,816	$ 14,500	$ 168,316
Total Business-Type Activities	$ 182,816	$ -	$ -	$ 182,816	$ 14,500	$ 168,316
Discretely Presented Component Units						
Treutlen County Development Authority						
General obligation notes payable	$ 800,566	$ -	$ 35,408	$ 765,158	$ 36,778	$ 728,380
Total Development Authority	$ 800,566	$ -	$ 35,408	$ 765,158	$ 36,778	$ 728,380
Treutlen County Public Health Center						
Net pension liability	$ 195,075	$ -	$ 24,174	$ 170,901	$ -	$ 170,901
OPEB Liability	176,018	-	23,721	152,297	-	152,297
Compensated absences payable	13,513	2,975	-	16,488	3,298	13,190
Total Public Health Center	$ 384,606	$ 2,975	$ 47,895	$ 339,686	$ 3,298	$ 336,388

Compensated absences are generally liquidated by the general fund and are therefore included in the above schedule. The Treutlen County Public Health Center implemented GASB 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pension” (OPEB) in the fiscal year 2018 and as a result had a restatement in the beginning net position and the net OPEB liability of the Health Center in the amount of $176,018. For more information, refer to the footnotes of the Treutlen County Public Health Center’s financial statements.

Component Unit - Treutlen County Development Authority

Long-term Debt - The following is a summary of long-term debt at June 30, 2018:

	Total	Current	Long-Term
Note Payable - Morris Bank, assignment and deed to secure DFCS building in the Parkway Corporation name, a blended component unit. Payable in monthly installments of $5,568.17, interest at 4.5%. Maturity date 2/19/32.	$ 684,687	$ 36,778	$ 647,909
Note Payable - Bank of Soperton, assignment and deed to secure land in 150.91 acres Highway 29, Soperton, Georgia. Payable in three consecutive interest payments and one final balloon payment of $81,345.52, interest at 4.25%. Maturity date 2/1/21.	80,471	-	80,471
Total	$ 765,158	$ 36,778	$ 728,380

The Treutlen County Development Authority issued bonds August 1, 2011, in the amount of $880,000. The bonds were issued for the purpose of the Parkview Corporation financing the development and construction of the Treutlen County Department of Family and Children Services. The debt was assigned to Morris Bank on the same date. This note is between Morris Bank and Parkview Corporation but has been included on the financial statements of the Authority because Parkview Corporation is a blended component unit of the Authority.

At June 30, 2018, the five-year maturity schedule of these notes payable is as follows:

Year Ending 30-Jun	Principal	Interest
2019	$ 36,778	$ 33,498
2020	38,467	31,808
2021	120,707	28,321
2022	42,083	24,725
2023	44,016	22,791
2024-2028	252,336	81,703
2029-2032	230,771	20,374
	$ 765,158	$ 243,220

NOTE 4. OTHER INFORMATION

OTHER DISCLOSURES – TREUTLEN-WHEELER SOLID WASTE MANAGEMENT DISTRICT

Deficit Net Position

The deficit net position is primarily due to the accrual of estimated costs associated with closure and post-closure care of the Treutlen-Wheeler Solid Waste Management District. These costs are expected to be funded through transfers from the general funds of Treutlen and Wheeler Counties.

Requirements of Solid Waste Management Act of 1990

The Georgia Comprehensive Solid Waste Management Act of 1990 includes several mandated reductions and/or changes in solid waste disposal. This Act includes a requirement to reduce solid waste disposal by 25% and requirements for recycling programs among others. The Treutlen-Wheeler Solid Waste Management District has elected to participate in the Solid Waste Management Plan developed by the Heart of Georgia Regional Development Center for the jurisdiction in the region. This plan has a ten-year implementation strategy to fulfill the requirements of the Solid Waste Management Act of 1990. The Plan will file all reports required by the Solid Waste Management Act of 1990.

Requirements of EPA Subtitle D Regulations

EPA Subtitle D requires landfill operators to meet financial assurance guidelines that demonstrate adequate financial resources to fund closure and post-closure costs at the end of the landfills useful life. Based on information provided by EPA, Treutlen-Wheeler Solid Waste Management District was in compliance with the financial assurance obligations for the permitted solid waste site as of June 30, 2018.

Closure and Post-closure Care Costs

General Disclosures

As of July 1, 1998, the Treutlen-Wheeler Solid Waste Management District terminated operations and no longer accepted any more solid waste.

State and federal laws and regulations require the Counties to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

NOTE 4. OTHER INFORMATION, continued

On May 8, 1998, Treutlen-Wheeler Solid Waste Management District entered into a contract with Geosciences, Inc. (now known as Advanced Environmental Management, Inc.) for engineering services for landfill closure costs. The services consist of groundwater monitoring, methane monitoring, sedimentation pond cleanout and soil replacement required during a 30 year post closure care period. The estimated contract cost totaled $182,816 at June 30, 2018. Of this amount, $14,500 represented costs expected to be incurred during the year ended June 30, 2018. Actual post closure care costs may differ from the estimate due to inflation, changes in technology, or changes in regulation.

DEFINED BENEFIT PENSION PLAN

The following pension and retirement plans are in effect but are not under the direct control of the County.

1. Probate Judges' Retirement Fund of Georgia - The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses, fines and bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

2. Clerk of Superior Court Retirement Fund - The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees, fines and bond forfeitures be remitted to the pension plan before the payment of any cost or other claims.

3. Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund - The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

4. Defined Benefit Pension Plan

a. Plan Description

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The Plan does not issue a stand-alone financial report, but the Plan is included in the financial report of the ACCG. A copy of the financial report may be obtained from GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

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

b. Benefits Provided

All full-time County employees are eligible to participate in the Plan at their date of hire. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 50% of average compensation up to $6,600 plus 1.00% of average annual compensation in excess of $6,600 plus $36.00 for each year of credited service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Plan membership consisted of the following at January 1, 2017, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	19
Terminated plan members entitled to but not yet receiving benefits	10
Active employees participating in the Plan	41
Total	70

The County's payroll for employees participating in the Plan as of January 1, 2017, (the most recent actuarial valuation date) was $1,043,403 (based on W-2 earnings for the preceding year).

NOTE 4. OTHER INFORMATION, continued

c. Summary of Significant Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and increments in the cash value of pre-retirement life insurance policies owned by the trust.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested approximately in 70% equities and 30% fixed income securities on a cost basis.

Plan assets do not include any loans, notes, bonds, or other instruments or securities for the County or related parties.

d. Contributions

In order to participate in the Plan, County employees are required to contribute 2% of their salary to the Plan. The County contributes the remaining cost of the Plan, using the actuarial basis described in the annual valuation report. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement.

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

e. Net Pension Liability

The County's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

Actuarial assumptions
The total pension liability as of the January 1, 2017 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.75%
Salary Increases	3.5%-5% based on age
Investment Rate of Return	7.25%

Mortality rates were based on the RP-2000 Combined Mortality Table with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the January 1, 2017 actuarial valuation were determined based on the results of an actuarial experience study conducted February 2014.

Change in assumption
The actuarial valuation as of January 1, 2017 used the RP-2000 mortality table, projected with Scale AA to 2017 in estimating the total pension liability. The prior valuation used the RP-2000 mortality table, projected with Scale AA to 2016. Changing the mortality table used in the valuation resulted in the actuarially determined total pension liability increasing by $3,575.

NOTE 4. OTHER INFORMATION, continued

Discount rate

The discount rate used to measure the total pension liability was 7.25%. In projecting cash flows, the assumed contribution was based on the average contribution made to the plan over the prior five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected benefits promised to current plan participants. Therefore, the expected long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate is determined using a building block approach based on 20-year benchmarks (33.33% weighting), 30-year benchmarks (33.33% weighting), and forward-looking capital market assumptions for a moderate asset allocation as determined by UBS (33.34% weighting). The discount rate is rounded to the nearest 0.25%.

The discount rate is calculated as follows:

	Expected Return	Weighting	Weighted Return
20-year benchmark weighted average return	6.82%	33.33%	2.27%
30-year benchmark weighted average return	8.28%	33.33%	2.76%
UBS capital market moderate asset allocation assumption	6.40%	33.34%	2.13%
Calculated discount rate			7.16%
Rounded to the nearest 0.25% and used as the discount rate			**7.25%**

The 20 and 30 year benchmark weighted average returns are calculated using the following asset allocation and historical returns based on their compounded annual growth rate (CAGR):

Benchmark	Asset Allocation	Weighted 20 Year Return	Weighted 30 Year Return
S&P 500	30%	2.37%	3.07%
Barlay's Agg.	30%	1.68%	1.97%
MSCI EAFE	15%	0.64%	0.86%
Citi Non US WEBI	5%	0.23%	0.30%
NAREIT Equity	5%	0.54%	0.52%
Russell 2000	5%	0.40%	0.47%
Russell 3000	5%	0.40%	0.51%
S&P Mid Cap	5%	0.56%	0.58%
Total	100%		
Weighed Return		6.82%	8.28%

Sensitivity of the net pension liability to changes in the discount rate

The following presents the County's net pension liability calculated using the discount rate of 7.25%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate the is 1-percentage –point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	6.25%	7.25%	8.25%
Total Pension Liability	$ 1,448,204	$ 1,288,772	$ 1,154,828
Fiduciary Net Position	1,031,269	1,031,269	1,031,269
Net Pension Liability	$ 416,935	$ 257,503	$ 123,559

NOTE 4. OTHER INFORMATION, continued

Pension plan fiduciary net position
Detailed information about the pension plan's fiduciary net pension is available in separately issued financial report. That report may be obtained by writing to Treutlen County Board of Commissioners, 1830 Martin Luther King Jr. Drive, Soperton, Georgia 30457.

Changes in the Net Pension Liability for the year ended June 30, 2018 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2017	$ 1,273,644	$ 914,395	$ 359,249
Changes for the year:			
Service Cost	45,561	-	45,561
Interest	88,923	-	88,923
Liability experience (gain)/loss	(28,696)	-	(28,696)
Assumption Change	3,575	-	3,575
Employer Contributions	-	72,169	(72,169)
Employee Contributions	-	21,881	(21,881)
Net Investment Income	-	140,708	(140,708)
Benefit Payments	(94,235)	(94,235)	-
Administrative Expense	-	(7,787)	7,787
Other Changes	-	(15,862)	15,862
Net Changes	15,128	116,874	(101,746)
Balance at June 30, 2018	$ 1,288,772	$ 1,031,269	$ 257,503

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

The following schedule reconciles the pension contributions to the total pension expense reported by the County in the government-wide statements:

Pension contributions	$ 72,169
Change in net pension liability	(101,746)
Deferred inflow related to investment results	74,140
Deferred outflow related to change in assumption	(3,575)
Deferred inflows related to experience gain	28,696
Amortization of deferred inflows	(20,672)
Amortization of deferred outflows	49,771
Pension expense	$ 98,783

The unamortized deferred outflows and inflows related to pension items are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 24,141
Changes in assumptions	3,008	-
Net difference between projected and actual earnings on pension plan investments	-	59,312
Total:	$ 3,008	$ 83,453

NOTE 4. OTHER INFORMATION, continued

The County made its pension contribution for the 2017 plan year (calendar year 2017) in March 2018. Accordingly, the County did not make any contributions to the pension plan between the measurement date and the County's fiscal year-end, so the County does not report a deferred outflow of resources related to pension contributions. None of the deferred outflows of resources will be recognized as a reduction of the net pension liability.

The County amortizes the differences between projected and actual investment returns into pension expense equally over a closed five year amortization period. The County amortizes differences between actual and expected experience and any changes in assumptions over the expected remaining service period of participants (six years). The expected amortization of the County's current deferred outflows and inflows over the next five years and thereafter is:

Year ended June 30,	Experience Difference	Assumption Change	Investment Results Difference
2019	$ 4,555	$ 568	$ 14,828
2020	4,555	568	14,828
2021	4,555	568	14,828
2022	4,555	568	14,828
2023	4,555	568	-
2024 and thereafter	1,366	170	-
	$ 24,141	$ 3,008	$ 59,312

RISK MANAGEMENT - CLAIMS AND JUDGEMENTS

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County joined the Association Interlocal Risk Management Agency on June 28, 1991. This membership allows the County to share liability, crime, motor vehicle and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Interlocal Risk Management Agency (IRMA) is a municipal interlocal risk management agency organized to function as an unincorporated nonprofit instrumentality of its member municipalities - IRMA establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. IRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of IRMA against liability or loss.

The County must participate at all times in at least one fund which is established by IRMA. Other responsibilities of the County are as follows:

- To pay all contributions, assessments, or other sums due to IRMA at such times and in such amounts as shall be established by IRMA.
- To select a person to serve as a Member representative.
- To allow IRMA and its agents reasonable access to all facilities of the County and all records, including but not limited to financial records, which relate to the purposes of IRMA.
- To allow attorneys appointed by IRMA 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 Fund or Funds established by IRMA.
- To assist and cooperate in the defense and settlement of claims against the County.
- To furnish full cooperation to IRMA's attorneys, claim adjusters, Service Company and any agent, employee, officer or independent contractor of IRMA relating to the purposes of IRMA.
- To follow all loss reduction and prevention procedures established by IRMA.
- To furnish to IRMA such budget, operating and underwriting information as may be requested.

- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the County participates.

NOTE 4. OTHER INFORMATION, continued

The County retains the first $2,500 of each risk of loss in the form of a deductible. The County files all claims with IRMA. IRMA bills the County for any risk of loss up to the $2,500 deductible.

The basis for estimating the liabilities for unpaid claims is the "IBNR" established by an actuary.

Pursuant to Title 34, Chapter 9, Article 150 of the Official Code of Georgia Annotated, the County became a member of the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund. The County is obligated to pay all contributions and assessments as prescribed by the fund, to cooperate with the fund's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The County is also to allow the fund'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 fund.

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.

Joint Venture

Under Georgia law, Treutlen County, in conjunction with other cities and counties in the seventeen county Middle Georgia area, is a member of the Heart of Georgia Regional Commission and is required to pay annual dues thereto. Membership in a Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia. The Commission 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 a Commission.

Separate financial statements may be obtained from:

Heart of Georgia Regional Commission
501 Oak Street
Eastman, Georgia 31023

Commitments

Reservations of fund balances of Governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Designations of fund balance represent tentative management plans that are subject to change.

Contingent Liabilities

Grant Funds

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

Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County's legal counsel reports no cases pending against the County. Based upon the information available, management does not expect

potential liabilities as of June 30, 2018 to impair the County's financial position.

NOTE 4. OTHER INFORMATION, continued

Tax Abatements

The County was not under a tax abatement agreement and no property taxes were reduced for the year ended June 30, 2018.

Subsequent Events

The County performed an evaluation of subsequent events through March 28, 2019, the date upon which the County's financial statements were available for issue. The County has not evaluated subsequent events after this date. No subsequent events were identified that would have required a change to the financial statements or disclosure in the notes to the financial statements.

Required Supplementary Information Other Than Management's Discussion and Analysis

TREUTLEN COUNTY, GEORGIA

EXHIBIT 11

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
Year Ended June 30, 2018

CHANGES IN TOTAL PENSION LIABILITY	
Total Pension Liability - beginning of year	$ 1,273,644
Service cost	45,561
Interest	88,923
Assumption change	3,575
Benefit payments	(94,235)
Liability experience gain/loss	(28,696)
Total Pension Liability - end of year	$ 1,288,772
CHANGES IN FIDUCIARY NET POSITION	
Fiduciary Net Position - beginning of year	$ 914,395
Employer contributions	72,169
Employee contributions	21,881
Net investment income	140,708
Benefit payments	(94,235)
Administrative expense	(7,787)
Other	(15,862)
Fiduciary Net Position - end of year	$ 1,031,269
Net Pension Liability	$ 257,503
Plan Fiduciary Net Position as a % of Total Pension Liability	80%
Covered payroll	$ 1,043,403
Net Pension Liability as a % of Covered Payroll	25%

Schedule of County Pension Contributions

	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2017	$ 71,512	$ 72,169	$ (657)	$ 1,043,403	7%
2016	74,005	75,546	(1,541)	968,101	8%
2015	54,107	56,971	(2,864)	1,078,840	5%

Note: As information becomes available it will be added to this schedule until a 10 year history is presented.

TREUTLEN COUNTY, GEORGIA

EXHIBIT 12

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
REVENUES				
Taxes revenues	$ 2,089,000	$ 2,089,000	$ 2,182,726	$ 93,726
Fines and forfeitures	952,500	952,500	1,268,789	316,289
Intergovernmental revenues	106,500	106,500	358,541	252,041
Charges for services	482,090	482,090	675,860	193,770
Interest income	5,000	5,000	7,625	2,625
Other revenues	2,000	2,000	1,865	(135)
Total revenues	$ 3,637,090	$ 3,637,090	$ 4,495,406	$ 858,316
EXPENDITURES				
General government	$ 988,606	$ 974,101	$ 960,025	$ 14,076
Public safety	1,207,586	1,298,300	1,336,165	(37,865)
Judicial	578,320	596,795	603,887	(7,092)
Public works	461,993	486,421	489,993	(3,572)
Conservation of natural resources	207,488	217,246	282,253	(65,007)
Health and welfare	196,517	217,433	218,847	(1,414)
Payments to other government agencies	42,000	42,000	42,000	-
Debt service	25,128	25,128	25,128	-
Total expenditures	$ 3,682,510	$ 3,857,424	$ 3,958,298	$ (100,874)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(45,420)	(220,334)	537,108	757,442
OTHER FINANCING SOURCE (USE)				
Transfer in	45,000	45,000	90,128	45,128
Transfer out	(82,169)	(82,169)	(86,947)	(4,778)
Proceeds from capital lease	-	-	-	-
Proceeds from sale of capital assets	-	-	13,494	13,494
Total other financing source (use)	(37,169)	(37,169)	16,675	53,844
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCE OVER (UNDER) EXPENDITURES AND OTHER FINANCING USE	(82,589)	(257,503)	553,783	811,286
FUND BALANCE, BEGINNING	2,136,583	2,136,583	2,136,583	-
FUND BALANCE, ENDING	$ 2,053,994	$ 1,879,080	$ 2,690,366	$ 811,286

TREUTLEN COUNTY, GEORGIA

EXHIBIT 13

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – LMIG
Year Ended June 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	$ 290,000	$ 309,826	$ 19,826
Interest income	-	913	913
Total revenues	290,000	310,739	20,739
EXPENDITURES			
Public works	290,000	461,771	(171,771)
OTHER FINANCING SOURCE			
Transfer in	-	26,000	26,000
NET CHANGE IN FUND BALANCE	-	(125,032)	(125,032)
FUND BALANCE, BEGINNING	289,396	289,396	-
FUND BALANCE, ENDING	$ 289,396	$ 164,364	$ (125,032)

TREUTLEN COUNTY, GEORGIA

EXHIBIT 14

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – T SPLOST
Year Ended June 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Sales tax revenues	$ 160,000	$ 169,564	$ 9,564
Intergovernmental revenues	-	24,130	24,130
Interest income	-	2,111	2,111
Total revenues	160,000	195,805	35,805
EXPENDITURES			
Public works	90,378	67,610	22,768
Total expenditures	90,378	67,610	(3,574)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	69,622	128,195	39,379
OTHER FINANCING SOURCE (USE)			
Transfer out	-	(51,128)	(51,128)
NET CHANGE IN FUND BALANCE	69,622	77,067	7,445
FUND BALANCE, BEGINNING	359,895	359,895	-
FUND BALANCE, ENDING	$ 429,517	$ 436,962	$ 7,445

Other Supplementary Information

Non-major Governmental Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

- Drug Abuse Treatment and Education accounts for drug training fees collected on all drug related charges which are specifically designated for drug training expenditures or capital outlay.

- Crime Victims Assistance accounts for the portion of all state court fines designated to be used for crime victims who have been displaced.

- Law Library accounts for the law library fees included in all fines which are specifically designated for the County's law library.

- Drug Seizure accounts for drug seized drug funds which are specifically designated for drug enforcement or capital outlay.

- E911 Reserve accounts for surcharges collected on all local phone service which is specifically designated to fund the County's E911 system.

- Jail Fund accounts for the jail fees included in all fines which are specifically designated for the expansion of the County's jail or jail operations.

- Sheriff Commissary accounts for the activities of the inmate canteen operated by the Sheriff's Department.

Capital Project Funds are used to account for specific revenues that are legally restricted to capital expenditures.

- 2013 SPLOST Construction Fund accounts for the payment of various County capital outlay projects.

Debt Service Funds are used to account for specific revenues that are legally restricted to debt service.

- 2013 SPLOST Fund accounts for specific revenue sources that are legally restricted to expenditure for debt service.

TREUTLEN COUNTY, GEORGIA

EXHIBIT 15

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue							Capital Project	Debt Service	Total
	Drug Abuse Treatment & Education	Crime Victims Assistance	Law Library	Drug Seizure	E911	Jail	Sheriff Commissary	2013 SPLOST Construction	2013 SPLOST	Nonmajor Governmental Funds
ASSETS										
Cash and cash equivalents	$ 27,351	$ 86,366	$ 41,879	$ 1,871	$ 32,472	$ 100,435	$ 11,805	$ 192,024	$ 34,994	$ 529,197
Accounts receivable	-	-	-	-	10,776	9,980	-	-	-	20,756
Due from others	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-	37,073	37,073
Interfund receivable	-	-	-	-	-	-	-	-	-	-
Total assets	$ 27,351	$ 86,366	$ 41,879	$ 1,871	$ 43,248	$ 110,415	$ 11,805	$ 192,024	$ 72,067	$ 587,026
LIABILITIES AND FUND BALANCE										
Liabilities:										
Other liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,594	$ -	$ -	$ 7,594
Interfund payable	-	-	-	-	-	-	-	-	26,000	26,000
Total liabilities	-	-	-	-	-	-	7,594	-	26,000	33,594
Fund Balances:										
Restricted for public safety	27,351	-	-	1,871	43,248	110,415	4,211	-	-	187,096
Restricted for judicial	-	86,366	41,879	-	-	-	-	-	-	128,245
Restricted for capital projects	-	-	-	-	-	-	-	192,024	-	192,024
Restricted for debt service	-		-	-	-	-	-	-	46,067	46,067
Assigned to public safety	-	-	-	-	-	-	-	-	-	-
Total fund balance	27,351	86,366	41,879	1,871	43,248	110,415	4,211	192,024	46,067	553,432
Total liabilities and fund balance	$ 27,351	$ 86,366	$ 41,879	$ 1,871	$ 43,248	$ 110,415	$ 11,805	$ 192,024	$ 72,067	$ 587,026

TREUTLEN COUNTY, GEORGIA

EXHIBIT 16

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	Special Revenue							Capital Project		Total
	Drug Abuse Treatment & Education	Crime Victims Assistance	Law Library	Drug Seizure	E911	Jail	Sheriff Commissary	2013 SPLOST Construction	2013 SPLOST	Nonmajor Governmental Funds
REVENUES										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 412,332	$ 412,332
Charges for services	-	-	-	822	84,753	-	16,091	-	-	101,666
Fines and forfeitures	18,628	64,829	19,469	-	-	126,132	-	-	-	229,058
Intergovernmental revenue	-	-	-	-	77,931	-	-	-	-	77,931
Interest income	49	150	95	5	114	230	28	478	443	1,592
Other income	-	2,840	-	-	-	-	-	-	-	2,840
Total revenues	18,677	67,819	19,564	827	162,798	126,362	16,119	478	412,775	825,419
EXPENDITURES										
Public Safety	11,564	-	-	1,904	261,867	51,589	24,565	-	-	351,489
Judicial	-	30,862	16,225	-	-	-	-	-	-	47,087
Debt service	-	-	-	-	-	-	-	-	397,787	397,787
Total expenditures	11,564	30,862	16,225	1,904	261,867	51,589	24,565	-	397,787	796,363
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,113	36,957	3,339	(1,077)	(99,069)	74,773	(8,446)	478	14,988	29,056
OTHER FINANCING SOURCE (USE)										
Transfers in	-	-	-	-	77,931	-	-	-	-	77,931
Transfers out	-	-	-	-	-	(65,000)	-	-	-	(65,000)
Total other financing source (use)	-	-	-	-	77,931	(65,000)	-	-	-	12,931
NET CHANGE IN FUND BALANCES	7,113	36,957	3,339	(1,077)	(21,138)	9,773	(8,446)	478	14,988	41,987
FUND BALANCE, BEGINNING	20,238	49,409	38,540	2,948	64,386	100,642	12,657	191,546	31,079	511,445
FUND BALANCE, ENDING	$ 27,351	$ 86,366	$ 41,879	$ 1,871	$ 43,248	$ 110,415	$ 4,211	$ 192,024	$ 46,067	$ 553,432

TREUTLEN COUNTY, GEORGIA

EXHIBIT 17

BUDGETARY COMPARISON – DRUG ABUSE TREATMENT & EDUCATION FUND
Year Ended June 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fines and forfeitures	$ 20,000	$ 18,628	$ (1,372)
Interest income	-	49	49
Total revenues	20,000	18,677	(1,323)
EXPENDITURES			
Public safety	13,500	11,564	1,936
Total expenditures	13,500	11,564	1,936
NET CHANGE IN FUND BALANCE	6,500	7,113	613
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCE OVER (UNDER) EXPENDITURES	6,500	7,113	613
FUND BALANCE, BEGINNING	20,238	20,238	-
FUND BALANCE, ENDING	$ 26,738	$ 27,351	$ 613

TREUTLEN COUNTY, GEORGIA

EXHIBIT 18

BUDGETARY COMPARISON – CRIME VICTIMS ASSISTANCE FUND
Year Ended June 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fines and forfeitures	$ 43,000	$ 64,829	$ 21,829
Interest income	100	150	50
Other revenue	-	2,840	2,840
Total revenues	43,100	67,819	24,719
EXPENDITURES			
Judicial	22,218	30,862	(8,644)
Total expenditures	22,218	30,862	(8,644)
NET CHANGE IN FUND BALANCE	20,882	36,957	16,075
FUND BALANCE, BEGINNING	49,409	49,409	-
FUND BALANCE, ENDING	$ 70,291	$ 86,366	$ 16,075

TREUTLEN COUNTY, GEORGIA

EXHIBIT 19

BUDGETARY COMPARISON – DRUG SEIZURE FUND
Year Ended June 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fines and forfeitures	$ -	$ 822	$ 822
Interest income	-	5	5
Total revenues	-	827	827
EXPENDITURES			
Public safety	-	1,904	(1,904)
Total expenditures	-	1,904	(1,904)
NET CHANGE IN FUND BALANCE	-	(1,077)	(1,077)
FUND BALANCE, BEGINNING	2,948	2,948	-
FUND BALANCE, ENDING	$ 2,948	$ 1,871	$ (1,077)

TREUTLEN COUNTY, GEORGIA

EXHIBIT 20

BUDGETARY COMPARISON – E911 RESERVE FUND
Year Ended June 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for services	$ 75,000	$ 84,753	$ 9,753
Intergovernmental revenue	82,169	77,931	(4,238)
Interest income	-	114	114
Total revenues	157,169	162,798	5,629
EXPENDITURES			
Public safety	239,338	261,867	(22,529)
Total expenditures	239,338	261,867	(22,529)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(82,169)	(99,069)	(16,900)
OTHER FINANCING SOURCE			
Transfer in	82,169	77,931	(4,238)
NET CHANGE IN FUND BALANCE	-	(21,138)	(21,138)
FUND BALANCE, BEGINNING	64,386	64,386	-
FUND BALANCE, ENDING	$ 64,386	$ 43,248	$ (21,138)

TREUTLEN COUNTY, GEORGIA

EXHIBIT 21

BUDGETARY COMPARISON – JAIL FUND
Year Ended June 30, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Fines and forfeitures	$ 92,500	$ 92,500	$ 126,132	$ 33,632
Interest income	-	-	230	230
Total revenues	92,500	92,500	126,362	33,862
EXPENDITURES				
Public safety	25,000	47,500	51,589	(4,089)
Total expenditures	25,000	47,500	51,589	(4,089)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	67,500	45,000	74,773	29,773
OTHER FINANCING SOURCE				
Transfers out	(65,000)	(65,000)	(65,000)	-
Total other financing source (use)	(65,000)	(65,000)	(65,000)	-
NET CHANGE IN FUND BALANCE	2,500	(20,000)	9,773	29,773
FUND BALANCE, BEGINNING	100,642	100,642	100,642	-
FUND BALANCE, ENDING	$ 103,142	$ 80,642	$ 110,415	$ 29,773

TREUTLEN COUNTY, GEORGIA

EXHIBIT 22

BUDGETARY COMPARISON – 2013 SPLOST CONSTRUCTION FUND
Year Ended June 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Interest income	$ -	$ 478	$ 478
Total revenues	-	478	478
EXPENDITURES			
Capital outlay	100,000	-	100,000
Total expenditures	100,000	-	100,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(100,000)	478	99,522
NET CHANGE IN FUND BALANCE	(100,000)	478	99,522
FUND BALANCE, BEGINNING	191,546	191,546	-
FUND BALANCE, ENDING	$ 91,546	$ 192,024	$ 99,522

TREUTLEN COUNTY, GEORGIA

EXHIBIT 23

BUDGETARY COMPARISON – SPLOST FUND
Year Ended June 30, 2018

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Sales tax revenue	$ 382,000	$ 412,332	$ 30,332
Interest income	-	443	443
Total revenues	382,000	412,775	30,775
EXPENDITURES			
Debt service:			
Principal payments	380,000	385,000	(5,000)
Interest expenditures	15,923	12,787	3,136
Total expenditures	395,923	397,787	(1,864)
NET CHANGE IN FUND BALANCE	(13,923)	14,988	28,911
FUND BALANCE, BEGINNING	31,079	31,079	31,079
FUND BALANCE, ENDING	$ 17,156	$ 46,067	$ 59,990

Agency Funds

TREUTLEN COUNTY, GEORGIA

EXHIBIT 24

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
Year Ended June 30, 2018

	Tax Commissioner's Office	Clerk of Superior Court	Probate Court	Clerk of Magistrate Court	Sheriff's Office	Total Agency Funds
ASSET						
Cash	$ 118,852	$ 133,025	$ 29	$ 1,251	$ -	$ 253,157
LIABILITY						
Other liabilities	$ 118,852	$ 133,025	$ 29	$ 1,251	$ -	$ 253,157

Other Reports

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*

To the Board of Commissioners
Treutlen County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Treutlen County, Georgia, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Treutlen County, Georgia's basic financial statements and have issued our report thereon dated March 28, 2019. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the financial statements of the Treutlen County Public Health Center and the Treutlen County Development Authority, as described in our report on Treutlen 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 Treutlen 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 Treutlen County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Treutlen County, Georgia'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 over financial reporting 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 deficiency 2018-1, described in the accompanying schedule of findings and responses to be a material weakness.

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 over financial reporting 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 *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 deficiencies 2018-2 and 2018-3, described in the accompany schedule of findings and responses to be significant deficiencies.

Compliance and Other Matters

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

Treutlen County, Georgia's Response to Findings

Treutlen County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Treutlen 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.

Very truly yours,

TJS Deemer Dana LLP

March 28, 2019

Dublin, Georgia

TREUTLEN COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS:

2018-1 Segregation of Duties

Condition: Due to the limited number of personnel, overlapping of duties exists in the County's operations primarily in the areas of cash receipts and disbursements.

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

Effect: This overlapping of duties presents situations where unauthorized use of assets could occur and not be detected within a timely period.

Recommendation: The duties of recording, processing and reconciliation of cash accounts should be segregated between employees. We also recommend two individuals sign each check to ensure that no one authorized signer is able to write, sign, and cash checks autonomously.

Response: The County concurs with the importance of segregation of duties. To mitigate this issue, incumbent in small counties, we have additional internal controls over the cash accounts and check writing procedures. All check processing is handled by a separate employee. The Manager approves payment of the invoices, verifies the check process report and matches the final check process report to the check register produced when printing the checks. All checks issued by the Treutlen County Board of Commissioners have two required signatures. One of the required signatures is from the Chairman or Vice-Chairman and the second signature is from the County Manager or County Clerk. No two staff members or elected officials can complete a check process request through the issuance of a check. This process applies to all checks issued in accounts payable, payroll and small fund accounts.

SIGNIFICANT DEFICIENCIES:

2018-2 Budget

Condition: No budget was adopted for the Sheriff Commissary Fund or Law Library Fund (special revenue funds) as required by law. We also noted instances whereby operating expenditures of the Crime Victims Assistance Fund, Drug Abuse and Treatment Education Fund, Drug Seizure, E911, Jail, and TSPLOST Fund exceeded budgeted expenditures.

Criteria: The County should undergo a comprehensive review of the budgeting and cash flow process so that steps can be taken to project the cash flow needs and to provide sufficient funding to operating the County in an efficient and effective manner. A balanced legal budget should be formulated and adopted for all Governmental Fund Types including all Special Revenue Funds.

Effect: Georgia State Law requires that balanced budgets be adopted for all Governmental Fund Types therefore, the lack of a balanced budget is a violation of State Law. Failure to properly budget the County's revenues and expenditures could lead to future cash flow problems.

Recommendation: During the budget process, we recommend the County Commissioners verify that an approved, sufficient budget has been prepared for all Governmental Fund Types.

Response: We concur with the recommendation. We will continue reviewing the budgeting process in order to provide a better monitoring system of the County's cash flows, as well as establish a balanced budget for all Governmental Fund Types.

2018-3 Agency - Clerk of Superior Court – Due to Others

Condition: As a result of procedures performed, we determined the record keeping and controls over the "Due to Others" account in the Superior Court Fund is considered inadequate.

Criteria: Controls should be in place whereby the amounts due to third parties can be accounted for and are paid out in a timely fashion.

Effect: Failure to properly monitor amounts due to third parties leads to inaccurate reporting regarding cash and liabilities.

Recommendation: The County should become more organized regarding amounts due to third parties. The County should ensure this money is appropriately accounted for and paid out in a timely manner.

Response: We concur with the recommendation. Procedures will be enhanced to ensure all money due to third parties is paid out in a timely fashion.

TREUTLEN COUNTY, GEORGIA

SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2018

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS:

2017-1 Segregation of Duties

Condition: Due to the limited number of personnel, overlapping of duties exists in the County's operations primarily in the areas of cash receipts and disbursements. As a result of the lack of segregation of duties, we noted an authorized signer on the General Fund Juror account signed a check that was written to themselves.

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

Effect: This overlapping of duties presents situations where unauthorized use of assets could occur and not be detected within a timely period.

Recommendation: The duties of recording, processing and reconciliation of cash accounts should be segregated between employees. We also recommend two individuals sign each check to ensure that no one authorized signer is able to write, sign, and cash checks autonomously.

Response: The County concurs with the importance of segregation of duties. To mitigate this issue, incumbent in small counties, we have additional internal controls over the cash accounts and check writing procedures. All check processing is handled by a separate employee. The Manager approves payment of the invoices, verifies the check process report and matches the final check process report to the check register produced when printing the checks. All checks issued by the Treutlen County Board of Commissioners have two required signatures. One of the required signatures is from the Chairman or Vice-Chairman and the second signature is from the County Manager or County Clerk. No two staff members or elected officials can complete a check process request through the issuance of a check. This process applies to all checks issued in accounts payable, payroll and small fund accounts.

SIGNIFICANT DEFICIENCIES:

2017-2 Budget

Condition: No budget was adopted for the Sheriff Commissary Fund or Law Library Fund (special revenue funds) as required by law. We also noted instances whereby operating expenditures of the Crime Victims Assistance Fund, Drug Abuse and Treatment Education Fund, and TSPLOST Fund exceeded budgeted expenditures.

Criteria: The County should undergo a comprehensive review of the budgeting and cash flow process so that steps can be taken to project the cash flow needs and to provide sufficient funding to operating the County in an efficient and effective manner. A balanced legal budget should be formulated and adopted for all Governmental Fund Types including all Special Revenue Funds.

Effect: Georgia State Law requires that balanced budgets be adopted for all Governmental Fund Types therefore, the lack of a balanced budget is a violation of State Law. Failure to properly budget the County's revenues and expenditures could lead to future cash flow problems.

Recommendation: During the budget process, we recommend the County Commissioners verify that an approved, sufficient budget has been prepared for all Governmental Fund Types.

Response: We concur with the recommendation. We will continue reviewing the budgeting process in order to provide a better monitoring system of the County's cash flows, as well as establish a balanced budget for all Governmental Fund Types.

SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2018

2017-3 Agency - Clerk of Superior Court – Due to Others

Condition: As a result of procedures performed, we determined the record keeping and controls over the "Due to Others" account in the Superior Court Fund is considered inadequate.

Criteria: Controls should be in place whereby the amounts due to third parties can be accounted for and are paid out in a timely fashion.

Effect: Failure to properly monitor amounts due to third parties leads to inaccurate reporting regarding cash and liabilities.

Recommendation: The County should become more organized regarding amounts due to third parties. The County should ensure this money is appropriately accounted for and paid out in a timely manner.

Response: We concur with the recommendation. Procedures will be enhanced to ensure all money due to third parties is paid out in a timely fashion.

OTHER INFORMATION

SCHEDULE OF EXPENDITURES OF 2013 SPECIAL LOCAL OPTION SALES TAX
Year Ended June 30, 2018

Project Description Per SPLOST Referendum	Estimated Cost Original	Estimated Cost Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
Capital projects					
Public works and public safety projects	$ 1,101,335	$ -	$ 98,310	$ -	$ 98,310
Debt service	2,398,665	-	1,730,671	397,787	2,128,458
	$ 3,500,000	$ -	$ 1,828,981	$ 397,787	$ 2,226,768