Twiggs County, Georgia

Annual Financial Report

For the Year Ended
December 31, 2015

TWIGGS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

Issued by: Ken Fowler, Chairperson of the Board of Commissioners

TWIGGS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

	Exhibit	Page
INDEPENDENT AUDITORS' REPORT		1
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements:		
Statement of Net Position	1	4
Statement of Activities	2	5
Fund Financial Statements:		
Governmental Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	6
Reconciliation of Net Position - Governmental Funds in the Statement of Net Position to Total Fund Balance - Governmental Funds on the Balance Sheet	4	7
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	9
Proprietary Fund Financial Statements:		
Statement of Net Position – Proprietary Fund	7	10
Statement of Changes in Net Position – Proprietary Fund	8	11
Statement of Cash Flows – Proprietary Fund	9	12
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Assets and Liabilities	10	13
Notes to the Financial Statements		14
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS:		
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund	11	40
Schedule of Employers Proportionate Share of the Net Pension Liability-Twiggs County Board of Health	12	41
Schedule of Employer's Pension Contributions	13	42
OTHER SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule – General Fund	14	43
Combining Balance Sheet – Non-major Governmental Funds	15	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	16	47
Combining Balance Sheet – Non-major Special Revenue Funds	17	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Special Revenue Funds	18	49
Combining Balance Sheet – Non-major Capital Projects Funds	19	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Capital Projects Funds	20	51
Combining Statement of Fiduciary Net Position- Agency Funds	21	52

TWIGGS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015

	Exhibit	*Page*
OTHER INFORMATION:		
Schedule of Expenditures of Special Purpose Local Option Sales Tax	22	53
COMPLIANCE INFORMATION:		
Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of the Financial Statements Performed in Accordance With *Government Auditing Standards*		54
Schedule of Findings and Responses		56
Schedule of Prior Audit Findings		60

Financial Section

NICHOLS, CAULEY & ASSOCIATES, LLC
1300 Bellevue Avenue
Dublin, Georgia 31021
478-275-1163 FAX 478-275-1178
dublin@nicholscauley.com

Independent Auditor's Report

To the Honorable Chairman and
Members of the Board of Commissioners
Twiggs County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Twiggs County, Georgia, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Twiggs 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 Development Authority of the City of Jeffersonville and Twiggs County, Georgia which represents 7 percent, 9 percent, and 2 percent, respectively, of the assets, fund balances, and revenues of non-major governmental funds. We did not audit the financial statements of Twiggs County Board of Health which represents 100% of the assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the Development Authority of the City of Jeffersonville and Twiggs County, Georgia and Twiggs County Board of Health, is based solely 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 of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Twiggs County, Georgia, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 American require that the budgetary comparison, the Schedule of Employer's Net Pension Liability and the Schedule of Employer's Pension Contributions on pages 40-42 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 principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The County has not presented the Management's Discussion and Analysis. 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 Twiggs County, Georgia's financial statements. The budgetary comparison schedule, combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax, are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparison schedule, combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the budgetary comparison schedule, combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 16, 2016 on our consideration of Twiggs County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Twiggs County, Georgia's internal control over financial reporting and compliance.

Nichols, Cauley & Associates, LLC

Dublin, Georgia
December 16, 2016

Basic Financial Statements

TWIGGS COUNTY, GEORGIA

Exhibit 1

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Health Department	Total
Assets					
Cash and cash equivalents	$ 2,371,139	$ 80,015	$ 2,451,154	$ 270,394	$ 2,721,548
Receivables, net of allowances for uncollectible:					
Taxes	717,819	-	717,819	-	717,819
Accounts	-	13,707	13,707	8,012	21,719
Due from other governments	294,641	-	294,641	14,279	308,920
Notes	15,132	-	15,132	-	15,132
Other	19,581	-	19,581	-	19,581
Internal balances	251,730	(251,730)	-	-	-
Prepaid expenditures	71,223	-	71,223	-	71,223
Capital assets:					
Land and other non-depreciable assets	4,058,777	6,412	4,065,189	-	4,065,189
Other capital assets, net of depreciation	6,215,160	8,033,974	14,249,134	1,558	14,250,692
Total assets	14,015,202	7,882,378	21,897,580	294,243	22,191,823
Deferred Outflows of Resources	-	-	-	31,131	31,131
Liabilities					
Accounts payable	276,346	9,261	285,607	-	285,607
Accrued expenses	51,989	485	52,474	-	52,474
Customer deposits	-	29,773	29,773	-	29,773
Due to other governments	-	-	-	11,552	11,552
Long-term obligations:					
Due within one year	561,606	158,212	719,818	4,086	723,904
Due in more than one year	852,057	1,654,757	2,506,814	231,673	2,738,487
Total liabilities	1,741,998	1,852,488	3,594,486	247,311	3,841,797
Deferred Inflows of Resources	-	-	-	52,856	52,856
Net Position					
Net investment in capital assets	9,140,408	6,231,831	15,372,239	1,558	15,373,797
Restricted for:					
Public Safety	132,711	-	132,711	-	132,711
Capital Projects	1,069,779	-	1,069,779	-	1,069,779
Economic development	48,866	-	48,866	-	48,866
Special Programs	60,331	-	60,331	-	60,331
Unrestricted	1,821,110	(201,941)	1,619,169	23,649	1,642,817
Total net position	$ 12,273,205	$ 6,029,890	$ 18,303,095	$ 25,207	$ 18,328,302

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

TWIGGS COUNTY, GEORGIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

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 Activity	Primary Government: Total	Component Unit: Health Department
Primary Government								
Governmental Activities:								
General government	$ 2,578,228	$ 1,943,861	$ 5,619	$ -	$ (628,748)	$ -	$ (628,748)	$ -
Judicial	-	7,017	-	-	7,017	-	7,017	-
Public safety	2,871,378	92,731	-	-	(2,778,647)	-	(2,778,647)	-
Public works	2,417,031	-	-	743,360	(1,673,671)	-	(1,673,671)	-
Health and welfare	439,362	-	-	-	(439,362)	-	(439,362)	-
Culture and recreation	40,851	-	-	-	(40,851)	-	(40,851)	-
Housing and development	98,394	-	-	45,001	(53,393)	-	(53,393)	-
Interest on long-term debt	73,099	-	-	-	(73,099)	-	(73,099)	-
Total governmental activities	8,518,343	2,043,609	5,619	788,361	(5,680,754)	-	(5,680,754)	-
Business-type Activity -								
Water	262,226	100,538	-	454,634	-	292,946	292,946	-
Total primary government	$ 8,780,569	$ 2,144,147	$ 5,619	$ 1,242,995	$ (5,680,754)	292,946	(5,387,808)	-
Component Unit								
Twiggs County Health Department	$ 280,212	$ 75,597	$ 239,270	$ -	-	-	-	34,655
General revenues:								
Property taxes					4,414,563	-	4,414,563	-
Local option sales tax					485,672	-	485,672	-
Insurance company premium tax					405,174	-	405,174	-
Other taxes					47,499	-	47,499	-
Unrestricted investment earnings					1,405	14	1,419	172
Miscellaneous					263,044	-	263,044	-
Transfers in					-	54,294	54,294	-
Transfers out					(54,294)	-	(54,294)	-
Total general revenues and transfers					5,563,063	54,308	5,617,371	172
Change in net position					(117,691)	347,254	229,563	34,827
Net position - beginning					12,390,896	5,682,636	18,073,532	237,547
Prior period adjustment - implementation of GASB 68					-	-	-	(247,167)
Net assets - beginning, as restated					12,390,896	5,682,636	18,073,532	(9,620)
Net position - ending					$ 12,273,205	$ 6,029,890	$ 18,303,095	$ 25,207

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

TWIGGS COUNTY, GEORGIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General	Non - Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 1,146,945	$ 1,224,194	$ 2,371,139
Receivables, net of allowances for uncollectibles:			
Taxes	717,819	-	717,819
Due from other governments	236,958	57,683	294,641
Note	-	15,132	15,132
Other	10,848	8,734	19,582
Due from other funds	235,321	16,409	251,730
Prepaid expenditures	71,223	-	71,223
Total Assets	**$ 2,419,114**	**$ 1,322,152**	**$ 3,741,266**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 266,794	$ 9,552	$ 276,346
Accrued expenses	51,076	913	51,989
Total Liabilities	317,870	10,465	328,335
Deferred Inflows of Resources -			
Unavailable revenues	338,821	-	338,821
Fund Balances:			
Nonspendable:			
Prepaid expenditures	71,223	-	71,223
Restricted for:			
Public Safety	-	132,711	132,711
Capital Projects	-	1,069,779	1,069,779
Law Library	-	60,331	60,331
Economic development	-	48,866	48,866
Unassigned	1,691,200	-	1,691,200
Total Fund Balances	1,762,423	1,311,687	3,074,110
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 2,419,114**	**$ 1,322,152**	**$ 3,741,266**

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

TWIGGS 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 FOR THE YEAR ENDED DECEMBER 31, 2015

Fund balance - total governmental funds		$ 3,074,110
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.		10,273,937
Other long - term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		338,821
Some long - term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(168,328)
Landfill postclosure costs		(111,806)
Capital leases payable		(195,760)
Bonds payable		(937,769)
	Net position of governmental activities	$ 12,273,205

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

TWIGGS COUNTY, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General	Non - Major Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ 5,320,421	$ -	$ 5,320,421
Licenses and permits	257,224	-	257,224
Intergovernmental	5,619	788,361	793,980
Charges for services	1,017,383	220,692	1,238,075
Fines and forfeitures	448,562	99,748	548,310
Investment income	182	1,223	1,405
Other revenues	200,446	53,700	254,146
Total Revenues	7,249,837	1,163,724	8,413,561
Expenditures:			
Current:			
General government	2,507,243	8,842	2,516,085
Public safety	2,388,011	253,636	2,641,647
Public works	1,629,279	366,182	1,995,461
Public health and welfare	441,039	-	441,039
Culture and recreation	27,626	491	28,117
Economic development	45,049	43,167	88,216
Debt Service:			
Principle payments	48,399	252,926	301,325
Interest payments	20,025	53,074	73,099
Total Expenditures	7,106,671	978,318	8,084,989
Excess (Deficiency) of Revenues Over (Under) Expenditures	143,166	185,406	328,572
Other Financing Sources (Uses):			
Transfer in	-	439,155	439,155
Transfer out	(261,969)	(231,480)	(493,449)
Proceeds from sale of capital assets	8,898	-	8,898
Total other financing sources (uses)	(253,071)	207,675	(45,396)
Net Change in Fund Balances	(109,905)	393,081	283,176
Fund Balances - Beginning	1,872,328	918,606	2,790,934
Fund Balances - Ending	$ 1,762,423	$ 1,311,687	$ 3,074,110

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

TWIGGS COUNTY, GEORGIA

EXHIBIT 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2015

Net change in fund balances - Total Governmental Funds	$ 283,176
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 Position as follows -	
Capital outlay	(175,614)
Depreciation expenses on governmental capital assets are included in the governmental activities column in the Statement of Activities but are not shown in the governmental funds	(596,152)
The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net position.	(15,211)
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 changed as follows -	
Property taxes	32,487
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:	
Bonds payable	162,517
Capital leases	155,063
Landfill postclosure costs	26,842
Compensated absences	9,201
Change in net position of Governmental Activities	$ (117,691)

TWIGGS COUNTY, GEORGIA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2015

	Enterprise Water Fund
Assets:	
Current Assets:	
Cash	$ 80,015
Accounts receivable, net of allowance	13,707
Total Current Assets	93,722
Capital Assets:	
Land	6,412
Distribution System	8,988,615
Total	8,995,027
Less - accumulated depreciation	(954,641)
Total Capital Assets	8,040,386
Total Assets	8,134,108
Liabilities:	
Current Liabilities:	
Accounts payable	9,261
Due to other funds	251,730
Accrued expenses	485
Customer deposits	29,773
Compensated absences payable	4,414
Current portion of long-term debt	153,798
Total Current Liabilities	449,461
Noncurrent Liability-	
Note payable - non-current portion	1,654,757
Total Liabilities	2,104,218
Net Position:	
Net investment in capital assets	6,231,831
Unrestricted	(201,941)
Total Net Position	$ 6,029,890

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

TWIGGS COUNTY, GEORGIA

EXHIBIT 8

STATEMENT OF CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Enterprise Water Fund
Operating Revenue - Water and Sewer sales	$ 100,538
Operating Expenses:	
Salaries	32,026
Payroll taxes	2,795
Utilities	1,876
Professional fees	4,545
Dues and subscriptions	580
Repairs and maintenance	29,199
Travel and training	1,659
Miscellaneous expense	5,086
Depreciation expense	166,479
Total operating expenses	244,245
Operating Loss	(143,707)
Non-operating Revenue (Expense):	
Interest income	14
Interest expense	(17,981)
Total non-operating revenue (expense)	(17,967)
Loss before transfers and contributions	(161,674)
Transfers and contributions	
Capital contributions	454,634
Transfer in	54,294
Total transfers and contributions	508,928
Change in Net Position	347,254
Total Net Position, Beginning	5,682,636
Total Net Position, Ending	$ 6,029,890

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

TWIGGS COUNTY, GEORGIA

EXHIBIT 9

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Enterprise Water Fund
Cash Flows from Operating Activities:	
Receipts from customers	$ 107,589
Receipts from others	52,611
Payments to suppliers	(237,759)
Payments to employees	(33,829)
Net cash used in operating activities	(111,388)
Cash Flows from Noncapital Financing Activities -	
Transfers from the primary government	54,294
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(740,300)
Proceeds from capital debt	499,327
Principal payments on capital debt	(134,982)
Interest payments on capital debt	(17,981)
Capital contributions	454,634
Net cash provided by capital and related financing activities	60,698
Cash Flows from Investing Activities -	
Interest income	14
Net decrease in cash and cash equivalents	3,618
Balances - beginning of year	76,397
Balances - end of year	$ 80,015
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (143,707)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	166,479
Net change in assets and liabilities attributable to operations:	
Accounts receivable	7,051
Due from other funds	42,589
Accounts payable	(201,018)
Due to other funds	15,387
Accrued expenses	99
Customer deposits	1,975
Compensated absences payable	(243)
Net cash used in operating activities	$ (111,388)

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

TWIGGS COUNTY, GEORGIA

EXHIBIT 10

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2015

	Agency Funds
Asset -	
Cash	$ 461,472
Total Assets	$ 461,472
Liability -	
Other liabilities	$ 461,472
Total Liabilities	$ 461,472

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Twiggs County, Georgia (the County) 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.

A. 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 County's operations and so data from these units are combined with data of the primary government. Currently, the County has one blended component unit. The component unit column in the government-wide financial statements (see note below for description) includes the financial data of the County's one discretely presented component unit. 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:

Development Authority of the City of Jeffersonville and Twiggs County, Georgia – The Development Authority of the City of Jeffersonville and Twiggs County, Georgia's (the Authority) purpose is to promote trade, commerce, industry, and employment opportunities in the County. The Authority is a legally separate corporation governed by a seven member Board of Directors, four of which are appointed by the Twiggs County Board of Commissioners. In 2005, the Authority issued bonds in the amount of $2,287,000 for the Industrial Park Project. As part of the issuance, the County entered into an intergovernmental agreement with the Authority, whereby the County will make quarterly payments sufficient to meet debt service requirements through 2020. The County's commitment to making the payments meets the criteria for inclusion as financial burden so the financial statements of the Authority have been included as a blended component unit for the Fiscal Year 2015.

Discretely Presented Component Unit -

Twiggs County Health Department - The Twiggs County Health Department (the Department) provides various health services for citizens in Twiggs County under a contract with the Georgia Department of Public Health (DPH). Under this contractual agreement, DPH provides certain administrative and other services to the Department in addition to the grant-in-aid funding. These services are funded through other governmental entities or directly by DPH. Based on the contract with DPH, capital assets cannot be disposed of without approval of DPH. In the event the Department were to dissolve, all capital assets would return to DPH or to the donating agency. Substantially all of the Department's capital assets are titled to DPH.

It is the goal of the Twiggs County Health Department to provide health services for the citizens of Twiggs County within the guidelines established by the Twiggs County Board of Public Health and the Georgia Department of Public Health. The Department is responsible for health programs designed for prevention, early detection, treatment and referral.

The component unit maintains a June 30 fiscal year, and the financial statements as of and for the year ended June 30, 2015, are included in the reporting entity's 2015 financial statements. During the year ended June 30, 2015, the primary source of income for the Department was grant income in the amount of $130,971 received from the Georgia Department of Public Health. Complete financial statements can be obtained at the entity's administrative office.

Twiggs County Health Department
26 Main Street
Jeffersonville, Georgia 31044

Excluded from the reporting entity:

Because they are operated as agencies controlled and/or funded by other government agencies, the Twiggs County Board of Education and Twiggs County Library is not included in the County's reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the 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 customer 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.

C. 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period 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, local option sales taxes, 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 County.

The County reports the following major governmental funds:

The *General Fund* is the general operating fund of Twiggs County, Georgia. It is used to account for all financial resources of the general Government, except those required to be accounted for in another fund.

The County reports the following major proprietary fund:

The *Water Fund* is used to account for the provision of water and sewer services to businesses and residents of the County. All activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operation, financing and related debt services, and billing and collections.

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 *Capital Projects Funds* account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

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 County 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 fixed 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.

Governmental activities have been consolidated in the government-wide financial statements. Total governmental funds have been combined with internal service balances and general fixed 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 nonoperating 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. 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 County 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, obligations of other 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.

   For purposes of the statement of cash flows, the proprietary fund considers 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 "due from other funds" or "due to other funds" in the governmental funds.

   Non-current portions of long-term interfund loans receivable/payable are reported as “advances to other funds” or “advances from other funds”. Advances receivable in the Governmental funds are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation and are not expendable available financial resources.

   Property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to approximately 20 percent of outstanding property taxes at December 31, 2015. 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. ***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 County as assets with an initial, individual cost of more than $1,000 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 January 1, 2004 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 fixed 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 $73,099. None of this amount 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	Capitalization Threshold
Buildings	50	$ 15,000
Buildings Improvements	20	5,000
Machinery and equipment	3 - 10	1,000
Water system lines	30 - 50	1,500
Infrastructure	30	10,000

5. ***Compensated Absences*** – Annual leave is awarded as follows:
   - After one (1) year of service – five (5) working days
   - After three (3) years of service – ten (10) working days
   - After eight (8) years of service – fifteen (15) working days
   - After fifteen (15) years of service – twenty (20) working days.

   Funeral leave is available at up to three (3) days for immediate family only. Military leave for military service is allowed but employee shall not be compensated for such absence. Civil leave is allowed with pay for service as a juror, or other duty required by law.

   Sick leave shall be allowed to all eligible employees for employee sickness, disability, or for medical, dental, or eye examination treatment that cannot be scheduled outside of normal working hours. Accrual shall be at the rate of one (1) full day (eight hours) per month, for a total of twelve such days per year. Sick leave can be carried over to a subsequent year at 100% of the total accumulated hours with no limitation. If an employee should retire with the County, the employee's total accrued sick leave may, at the employee's option, be credited to years of service in lieu of receiving 50% cash payment.

6. ***Long-term Obligations*** - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred.

   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.

7. ***Deferred Outflows/Inflows of Resources*** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The County has no items that fall under this financial statement element.

   In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports one of these items, unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 the 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 Board of 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 first 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 balance when expending funds.

The County does not have a formal minimum fund balance policy; however, the Board of Commissioners address various targeted reserve positions and the Finance Department calculates targets and actual and reports the results to the Board of Commissioners on an annual basis.

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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Liquidity Risk

Liquidity risk is the risk of not having sufficient liquid financial resources to meet obligations when they fall due. The County faces significant risks threatening its ability to generate cash from revenues sufficient to pay operating expenditures and debt service. Some of the County's largest revenue streams, property taxes, sales taxes and grants are especially susceptible during times of major economic downturns and period of low growth. In recent years, the County has seen decreases in some of the significant revenues. In addition, the SPLOST renewal failed to get voter approval and the current SPLOST ended on December 31, 2015.

B. Compliance Risk

The County and its component units participate in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs prior to and/or including the year ended June 30, 2015 have not been conducted and/or completed. Accordingly, the funds compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the grant requirements will be established at some future date.

The County is subject to extensive State and Federal supervision and regulation, which are intended primarily for the protection of its citizens and the environment. In addition, the County is subject to changes in Federal and State laws, as well as changes in regulations, governmental policies and laws. The effect of any such potential changes cannot be predicted but could adversely affect the operations, profitability, cash flows, fund balances and liquidity of the County in the future.

The County is also subject to numerous employment laws and regulations. The County contracts with various individuals for services throughout the year. Should it be determined these individuals should be classified as employees at a future date, it could result in significant payroll taxes, penalties and/or interest.

C. Budgets and Budgetary Accounting

The annual budget is the financial plan for the operation of Twiggs County, Georgia for the ensuing annual period. The budget process provides for a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County. Twiggs County budgets are adopted on a basis generally consistent with GAAP; except that encumbrances are treated as budgeted expenditures in the year the commitment to purchase is incurred. Annual appropriated budgets are adopted for the general fund and the special revenue funds.

All unencumbered appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

The Twiggs County budget process usually begins prior to year end with the department and agency heads submitting their departmental budgets. The County's finance department formulates and remits the budget to the budget committee, which is made up of all members of the Twiggs County Board of Commissioners. The Board of Commissioners conduct budget hearings with all departments and agencies. After review by the Board of Commissioners, a final budget is approved when the budget resolution is adopted.

The County Administrator is delegated by authority to transfer sums within departments. No increase in the departmental budget for the County may be made without the approval of the Board of Commissioners and amendment to the budget. Mid-year budget amendments are presented, where necessary, for adoption by the Board of Commissioners. The general fund is subject to budgetary control on a department basis.

Unencumbered appropriations in the annual operating budget lapse at fiscal year end while encumbered appropriations are paid from reserved fund balances. When the County's expenditures reach the authorization provided by the operating budget, the Board of Commissioners approves supplemental appropriations.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services are yet to be received.

D. Compliance With Legal Provisions

Deficit Fund Balances – The SPLOST Fund had a deficit fund balance of $1,103 at December 31, 2015.

Excess of Expenditures over Appropriations in Individual Departments:

The following funds/departments had an excess of expenditures over appropriations:

General Fund:	Expenditures	Appropriations	Expenditures Over Appropriations
Administration	$ 1,067,743	$ 987,719	$ 80,024
Superior Court	73,639	49,884	23,755
Probate Court	186,817	179,738	7,079
Clerk of Superior Court	274,615	258,514	16,101
Tax Assessors	248,972	236,931	12,041
Magistrate Court	140,641	124,492	16,149
Sheriff	2,193,758	1,900,000	293,758
Highways and Streets	1,359,998	1,320,526	39,472
Mental Health Appropriation	4,118	-	4,118
Department of Family and Children's Services	81,560	81,360	200
Transit System	126,826	125,474	1,352
Public Defender Appropriation	89,198	52,406	36,792
Economic Development	45,049	45,000	49
Interest Payments	20,025	-	20,025
Transfers out	261,969	-	261,969

E. Budget/GAAP Reconciliation

Prior year encumbrances expended in the current year are not included in the current budget. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund has been prepared on the basis described above. The schedule below reconciles the fund's Excess Revenues and Other Sources Over (Under) Expenditures - GAAP Basis (Exhibit 5) with amounts presented on the Budget Basis (Exhibit 11).

GENERAL FUND:	
Excess Revenue and Other Financial Sources Over (Under) Expenditures and Other Financing Uses:	
Budget Basis	$ (109,905)
Add - New encumbrances - current year	-
Deduct - Prior year encumbrances expended	-
Generally Accepted Accounted Principles (GAAP) Basis	$ (109,905)

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Investments – The County owns no investments as of December 31, 2015.

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Neither the County nor its components units, have a deposit policy for custodial credit risk. As of December 31, 2015, the County did not have a formal investment policy. 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.

B. 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 Twiggs County makes all assessments.

Upon completion of all assessments and tax returns, the information is turned over to the Twiggs 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 or around July 15, of each year. Real and personal property taxes are usually due by November 15 and considered delinquent by November 16. 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 2015 collected during the current year has been recognized as revenue.

Property taxes receivable at December 31, 2015, is composed of the following:

Year of Levy:	
2015	$ 528,407
2014	173,852
2013	91,513
2012	25,564
2011	19,169
Prior to 2011	40,780
Total	879,285
Less - allowance for uncollectible	(161,466)
Net receivable	$ 717,819

C. Receivables

Primary Government

Receivables at December 31, 2015 for the County's individual major funds and non-major, and fiduciary funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

Governmental Activities:	General	Nonmajor Governmental Funds	Total Governmental Total
Receivables:			
Taxes	$ 879,285	$ -	$ 879,285
Intergovernmental	236,958	57,683	294,641
Notes	-	15,132	15,132
Other	10,848	8,734	19,582
Gross receivables	1,127,091	81,549	1,208,640
Less: allowance for Uncollectibles	(161,466)	-	(161,466)
Net total receivables	$ 965,625	$ 81,549	$ 1,047,174

During 2011, the Development Authority accepted a $35,000 note receivable from the purchases of a tract of land. The note is to be repaid in quarterly installments of $1,450, including interest at 4.00%. The outstanding balance of the note receivable at December 31, 2015 was $15,132.

Business - Type Activities:	Water Fund
Receivables -	
Accounts	$ 29,292
Less: allowance for	
Uncollectibles	(15,585)
Net total receivables	$ 13,707

Discretely Presented Component Unit

Receivables from the Twiggs County Health Department as of June 30, 2015, are as follows:

	Twiggs County Health Department
Receivables:	
Accounts	$ 8,012
Due from other governments	14,279
Less: allowance for Uncollectibles	-
Net total receivables	$ 22,291

D. Capital Assets

Primary Government

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 3,569,879	$ -	$ -	$ 3,569,879
Land improvements	85,826	-	-	85,826
Construction in progress	857,706	-	454,634	403,072
Subtotal	4,513,411	-	454,634	4,058,777
Other capital assets:				
Infrastructure	375,258	-	-	375,258
Buildings	6,852,982	-	-	6,852,982
Improvements	153,361	-	-	153,361
Machinery and equipment	5,951,165	279,020	-	6,230,185
Total other capital assets at historical cost	13,332,766	279,020	-	13,611,786
Less accumulated depreciation:				
Infrastructure	(54,975)	(12,509)	-	(67,484)
Buildings	(2,551,909)	(164,724)	-	(2,716,633)
Improvements	(41,908)	(8,902)	-	(50,810)
Machinery and equipment	(4,151,682)	(410,017)	-	(4,561,699)
Subtotal	(6,800,474)	(596,152)	-	(7,396,626)
Other capital assets, net	6,532,292	(317,132)	-	6,215,160
Governmental activities capital assets, net	$ 11,045,703	$ (317,132)	$ 454,634	$ 10,273,937

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

Governmental activities:	
General government	$ 176,268
Public safety	322,816
Public works	68,814
Health and welfare	5,342
Housing and development	10,178
Culture and recreation	12,734
Total governmental activities depreciation expense	$ 596,152

D. Capital Assets (Continued)

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital asset not being depreciated -				
Land	$ 6,412	$ -	$ -	$ 6,412
Other capital asset -				
Improvements - water system	8,248,315	740,300	-	8,988,615
Less accumulated depreciation -				
Improvements - water system	(788,162)	(166,479)	-	(954,641)
Other capital asset, net	7,460,153	573,821	-	8,033,974
Business activities capital assets, net	$ 7,466,565	$ 573,821	$ -	$ 8,040,386

Capital asset activity for the Twiggs County Health Department for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ -	$ -	$ -	$ -
Total capital assets not being depreciated	-	-	-	-
Other capital assets:				
Machinery and equipment	105,626	-	-	105,626
Less accumulated depreciation for -				
Machinery and equipment	(103,557)	(511)	-	(104,068)
Other capital assets, net	2,069	(511)	-	1,558
Public Health Center capital assets, net	$ 2,069	$ (511)	$ -	$ 1,558

E. 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. The composition of interfund balances as of December 31, 2015, is as follows:

	Payable To:	
Payable From:	General Fund	Capital Projects SPLOST 09
Major Fund -		
Water Fund	$ 235,321	$ 16,409

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 in and transfers out is as follows:

	Transfers Out	Transfers In
General Fund	$ 261,969	$ -
SPLOST	52,165	-
2009 SPLOST	104,330	23,000
Water Fund	-	54,294
LMIG	-	63,999
911 Surchage Fund	-	68,511
Development Authority General Fund	74,985	208,660
Development Authority Industrial Park Fund	-	74,985
Total transfers	$ 493,449	$ 493,449

F. Due from Other Governments

Amounts due from other Governmental entities at December 31, 2015, are as follows:

	Federal	State	Other	Total
General Fund	$ -	$ 53,051	$ 183,907	$ 236,958
Nonmajor Governmental Funds	-	57,683	-	57,683
Total	$ -	$ 110,734	$ 183,907	$ 294,641

G. Short Term Notes Payable

The County uses warrants payable to provide operating funds on a short-term basis throughout the year. Short-term notes payable activity for the year ended December 31, 2015, was as follows:

Short-term notes payable

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	$ -	$ 1,800,000	$ 1,800,000	$ -

H. Long - Term Obligations

Primary Government Long – Term Debt Payable

At December 31, 2015, long-term debt consisted of the following:

Payable from Governmental Activities:	Total	Current	Long-term
Bonds Payable -			
Series 2005 Bonds in the original amount of $2,287,000 for the Industrial Park Project, quarterly payments of $52,165 through 2020, interest at 4.37%	$ 937,769	$ 170,676	$ 767,093
Capital Lease Obligations:			
$113,625 to Ford Motor Credit for four vehicles; interest at 5.95%; due in annual installments of $30,914 to September 2016	29,178	29,178	-
$24,599 to Ford Motor Credit for one vehicle; interest at 5.50%; due in annual installments of $2,491 to August 2016	2,361	2,361	-
$221,141 to Caterpillar Financial for motor grader; interest at 3.00%; due in monthly installments of $1,715 to November 2016, balloon of $147,347 in December 2016	164,221	164,221	-
Total Capital Leases Obligations	195,760	195,760	-
Total Governmental Activity Long-Term Debt	$ 1,133,529	$ 366,436	$ 767,093

Long-term debt service requirements to maturity for the governmental activities debt are as follows:

Year Ending	Bonds Payable		Capital Leases	
December 31	Principal	Interest	Principal	Interest
2016	$ 170,676	$ 37,985	$ 195,760	$ 6,506
2017	178,258	30,403	-	-
2018	186,176	22,485	-	-
2019	194,446	14,214		
2020	208,213	5,577	-	-
Total	$ 937,769	$ 110,664	$ 195,760	$ 6,506

Payable from Business - Type Activities:	Total	Current	Long-term
Notes Payable:			
$1,841,471 GEFA note payable; initial interest at 0.0%; due in monthly payments of $7,560. Transferred from General Fund along with related water system improvements on January 1, 2008. Maturity date is August 1, 2028.	$ 1,149,165	$ 90,724	$ 1,058,441
$520,000 GEFA note payable; initial interest at 3.03%; due in 239 monthly payments to be determined upon the completion of the water system improvements project.	518,421	19,258	499,163
$730,430 GEFA note payable; interest at 2.63%; one time payment of $474,549, eight monthly payments of $4,549 and 64 monthly payments of $3,916. Maturity date of February 1, 2019.	140,970	43,816	97,154
Total Business - Type Activities Long-Term Debt	$ 1,808,555	$ 153,798	$ 1,654,757

Long-term debt service requirements to maturity for the business - type activities debt are as follows:

December 31	Principal	Interest
2016	$ 153,798	$ 18,624
2017	155,556	16,866
2018	157,363	15,059
2019	117,806	13,630
2020	112,461	12,964
2021-2025	572,740	54,382
2026-2030	380,503	34,923
2031-2035	158,328	11,810
Total	$ 1,808,555	$ 178,258

Changes in Long-term Obligations

Long-term obligation activity for the year ended December 31, 2015, was as follows:

Long-term obligations:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Governmental Activities						
Bonds payable	$ 1,100,286	$ -	$ 162,517	$ 937,769	$ 170,676	$ 767,093
Capital leases payable	335,612	15,211	155,063	195,760	195,760	-
Landfill postclosure care costs	138,648	-	26,842	111,806	26,842	84,964
Compensated absences payable	177,529	168,328	177,529	168,328	168,328	-
Total Governmental Activities	$ 1,752,075	$ 183,539	$ 521,951	$ 1,413,663	$ 561,606	$ 852,057

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Business Type Activities						
Notes payable	$ 1,444,210	$ 499,327	$ 134,982	$ 1,808,555	$ 153,798	$ 1,654,757
Compensated absences payable	4,657	4,414	4,657	4,414	4,414	-
Total Business Type Activities	$ 1,448,867	$ 503,741	$ 139,639	$ 1,812,969	$ 158,212	$ 1,654,757

Notes payable, landfill postclosure care costs and compensated absences are generally liquidated by the general fund and are therefore included in the above schedule. Capital lease obligations and certificates of participation will be liquidated primarily by special purpose local option sales tax collected and from transfers from the General Fund.

Bonds payable include the Series 2005 Bonds in the original amount of $2,287,000 for the Industrial Park Project. The Development Authority's source of revenues to pay for the principal and interest of the bonds is an intergovernmental agreement between the Development Authority and the County, whereby the County will make quarterly payments sufficient to meet debt service requirements. Payments of $52,165, including interest of 4.37% are due quarterly through 2020. These payments are treated as transfers between the 2009 SPLOST and General Fund and Development Authority General Fund.

Twiggs County Health Department

Long-term obligation activity for the Twiggs County Health Department for the year ended June 30, 2015, was as follows:

Long-term obligation:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Public Health Center						
Net Pension Liability	$ 271,166	$ -	$ 54,605	$ 216,561	$ -	$ 216,561
Compensated absences payable	24,480	12,257	17,539	19,198	4,086	15,112
Total Long-Term Obligations	$ 295,646	$ 12,257	$ 72,144	$ 235,759	$ 4,086	$ 231,673

Capital Leases

The County has entered into a lease agreement as lessee for financing the acquisition of four Sheriff Department vehicles. This lease qualifies as a capital lease for accounting purposes (titles transfer 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 vehicle leased under the capital lease as of December 31, 2015:

	Governmental Activities
Asset -	
Equipment	$ 113,625
Less: Accumulated depreciation	(51,134)
Total	$ 62,491

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2016	30,914
Less: amount representing interest	(1,736)
Present value of minimum lease payment	$ 29,178

The County has entered into a lease agreement as lessee for financing the acquisition of public works equipment. This lease qualifies as a capital lease for accounting purposes (titles transfer 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 December 31, 2015:

	Activities
Asset -	
Equipment	$ 245,184
Less: Accumulated depreciation	(66,744)
Total	$ 178,440

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015 were as follows:

Year Ending December 31,	Activities
Mininum lease payments:	
2016	166,542
Less: amount representing interest	(2,321)
Present value of minimum lease payment	$ 164,221

The County has entered into a lease agreement as lessee for financing the acquisition of a Sheriff Department vehicle. This lease qualifies as a capital lease for accounting purposes (title transfers 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 December 31, 2015:

	Governmental Activities
Asset -	
Vehicle	$ 24,599
Less: Accumulated depreciation	(4,686)
Total	$ 19,913

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2016	2,491
Less: amount representing interest	(130)
Present value of minimum lease payment	$ 2,361

The depreciation related with the above capital leases has been included in the depreciation expense reported in Note III D – Capital Assets.

IV. Defined Benefit Plan-Health Department

Employees' Retirement System of Georgia

Plan Description

All full-time personnel employed by the Board of Health participate in the Employees' Retirement System of Georgia (ERS), which is a cost-sharing multiple employer, defined benefit, public employee retirement system (PERS).

ERS provides service retirement, disability retirement, and survivor's benefits for its members. Members may retire and receive a normal monthly retirement benefit after 10 years of creditable service and the age of 65. Early retirement at the age of 60 may be elected, with a 5% reduction of benefits for each year under the age of 65 if the individual has fewer than 30 years of creditable service. Individuals with 30 years of creditable service may retire early, regardless of age. Death benefits and disability retirement benefits vary according to years of service.

Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest.

For the year ended June 30, 2015, the Board of Health's total payroll for all employees was $119,809 and total covered payroll was $118,425. Covered payroll refers to all compensation paid by the Board of Health to active employees covered by the plan.

Contributions

The Board contribution is set by the ERS Board of Trustees, dependent on the recommendation of the System's actuary. Such employer contributions fund the major portion of benefits under ERS and are adjusted periodically to insure actuarial soundness of the System. The employer contribution rate varies depending on which retirement plan an employee is enrolled. Employees whose full-time employment began before July 1, 1982, participate in the "old" plan. The employer contribution rate for this plan was 22.21%. Employees whose full-time employment began between July 1, 1982, and December 31, 2008, are enrolled in the "new" plan and the employer contribution rate for this plan was 21.96%. All employees whose full-time employment began after January 1, 2009, are enrolled in the GSEPS plan. The employer contribution rate for this plan was 18.87% for FY 15.

All members of the system contribute varying percentages for Retirement Contributions and Group Term Life Insurance depending on which retirement plan the employee is enrolled. Those enrolled in the "old" plan contribute a total of 6.5% of Earnable Compensation (6.25% for retirement and .25% for Group Term Life.) Those enrolled in the "new" plan contribute 1.25% (1.25% for retirement and .25% for Group Term Life). Employees enrolled in the GSEPS plan contribute 1.25% (all retirement contributions). All employee contributions on deposit at lease one year earn four percent interest compounded annually.

In addition, participants in the GSEPS plan can voluntarily participate in a 401K plan. Members in this plan will receive a 1% salary match from the state on the first 1% of compensation contributed by the employee. For each additional percent contributed by an employee (up to 4%), the state will match 50% of that amount (up to 2% of compensation). The 401k employer contribution is subject to a five year vesting schedule, vesting 20% for each completed year of service in a GSEPS-eligible position.

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

At June 30, 2015, the Twiggs County Board of Health reported a liability of $216,561 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board of Health's proportion of the net pension liability was based on a projection of the Board of Health's proportion of the net pension liability was based on a projection of the Board of Health's long-term share of contributions to the pension plan relative to the projected contributions of all participating entries, actuarially determined. At June 30, 2014, the Board of Health's proportion was .005774%, which was an increase of .000186% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Board of Health recognized pension expense of $16,696. At June 30, 2015, the Board of Health reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 52,856
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,554	-
Employer contributions subsequent to the measurement date	25,577	-
Totals	$ 31,131	$ 52,856

The $25,577 of deferred outflows of resources resulting from the Board of Health's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30:	
2016	$ (9,743)
2017	(11,132)
2018	(13,214)
2019	(13,213)
2020	-
Therafter	-

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	5.45 – 9.25 percent, including inflation
Investment Rate of Return	7.5 percent, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

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

Asset Class	Target Allocation	Long-Term expected real rate of return (1)
Fixed Income	30.00%	3.00%
Domestic Large Stocks	39.70	6.50
Domestic Mid Stocks	3.70	10.00
Domestic Small Stocks	1.60	13.00
International Developed Market Stocks	18.90	6.50
International Emerging Market Stocks	6.10	11.00
Total	100.00%	

(1) Rates shawn are net of the 3.00% assumed rate of inflation

Discount Rate

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

Sensitivity of the Board of Health's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Board of Health's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Board of Health's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or higher than the current rate:

	Discount Rate	Board of Health's Proportionate Share of Net Pension Liability
1% Decrease	6.50%	$ 315,788
Current Discount Rate	7.50%	$ 216,561
1% Increase	8.50%	$ 132,095

Actuarial Valuation Date

June 30, 2013 is the actuarial valuation date upon which the total pension liability for the plan is based. An expected total pension liability is determined as of June 30, 2014 using standard roll forward techniques. The roll forward calculation adds the annual normal cost (also called service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year.

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Employees' Retirement System of Georgia financial report. That report may be obtained via the internet at www.ers.ga.gov.

V. OTHER INFORMATION

A. 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.

B. 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 and Allegations

During the course of normal operations of the County, various claims, allegations and lawsuits arise. The County's legal counsel reports various cases pending against the County. Based upon the facts of the cases and the damages claimed, management does not expect potential liabilities as of December 31, 2015 to impair the County's financial position.

C. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Government carries commercial insurance. The County pays for such claims as they become due. There are no unpaid claims as of December 31, 2015.

The County has joined together with other governments in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Workers' Compensation Self Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are 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.

Settled claims in the current year have not exceeded the coverage.

Claims and Judgments - Description

Significant losses experienced by the County are covered by commercial insurance for all risks. For insured risks there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or through prior years.

D. Conduit Debt

The Development Authority has issued Industrial Revenue bonds to provide assistance to private-sector industry for the acquisition and construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the facilities. Neither the City of Jeffersonville nor the County is obligated in any manner for repayment of the bonds. The bonds constitute only limited obligations of the Issuer in that they are payable only from the revenues to be derived under Lease Agreements together with all other rents, revenues and receipts arising out of or in connection with the Issuer's ownership of the Project. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Conduit debt outstanding as of December 31, 2015 was $127,201,957.

E. Landfill Closure and Post-Closure Care Costs

The County's financial statements have not reflected a direct liability for landfill closure and post-closure care costs prior to December 31, 2005, because the County had operated its landfill through a joint venture. The Twiggs-Wilkinson Landfill Commission, Inc. (the Commission) was incorporated on November 23, 1998 as a Georgia Non-Profit Corporation. The Commission was formed by Twiggs County, Georgia and Wilkinson County, Georgia in a joint landfill agreement that was to be effective for ten years to provide a facility for the disposal of solid waste collected by both counties. A three-member board administered the operations of the Highway 80 Landfill currently in operation as well as post-closure care of the Highway 57 Landfill. The Twiggs County and Wilkinson County Board of Commissioners each appointed one member for two-year terms. The two members appointed by the Counties appointed a third independent member for two-year terms. The creation of the Commission did not divest either Twiggs County or Wilkinson County of the responsibility for the Landfill's operation or financial obligations.

During the year ended 1999, the Commission was notified that the Highway 57 Landfill site had been identified as a hazardous waste site. As such, the Commission was required to comply with prescribed procedures regarding clean-up and additional monitoring. The Landfill Agreement between Twiggs and Wilkinson County stated that any corrective action costs for the Highway 57 Landfill would be the responsibility of Twiggs and Wilkinson County.

State and federal laws and regulations require owners 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. Although closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the Commission reports a portion of these closure and post-closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Due to the competitive nature of the market which serves landfill monitoring and care and changes in inflation and technology, the estimated post-closure and closure care costs may fluctuate from year to year.

Under a purchase agreement with Wolf Creek Landfill, LLC, the Twiggs-Wilkinson Landfill Commission, Inc., was sold during August 2005. As of September 30, 2005, the Twiggs-Wilkinson Landfill Commission, Inc. was dissolved. As of September 30, 2005, the landfill post-closure care liability for the Highway 57 site was assumed equally by Wilkinson County and Twiggs County. A total of $111,806 remains as a liability for post-closure care in the Governmental Activities Statement of Net Position as of December 31, 2015. The landfill closure and post-closure liability for the Highway 80 site was assumed by Wolf Creek Landfill, LLC. Twiggs County received $767,020 in host fees from the Landfill during the current year.

F. Deferred Compensation Plan

The County offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, the Twiggs County 457 Deferred Compensation Plan, The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Pursuant to changes in Internal Revenue Code Section 457, the plan has been amended to convert the deferred compensation plan to a trust. The defined contribution pension plan is administered by GEBCorp. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, all income attributable to those amounts, property, or rights are solely the property and rights of the trust, established for the exclusive benefit of the participants and their beneficiaries. The County has no liability for these assets and they are not subject to the claims of the County's general creditors. All contributions to this plan are voluntary employee contributions as well as a 1 percent of base pay contribution by the County for eligible employees. Plan provisions and contribution requirements are established by and may be amended by the County Board of Commissioners. During the year ended December 31, 2015, employee contributions amounted to $21,836. In addition, County contributions to the plan amounted to $12,887 during the year ended December 31, 2015.

G. Joint Venture

Under Georgia law, Twiggs County, in conjunction with other cities and counties in the eleven county east Middle Georgia area, is a member of the Middle Georgia Regional Commission (MGRC) 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:

Middle Georgia Regional Commission
175 Emery Highway, Suite C
Macon, Georgia 31217

Required Supplementary Information Other Than Management's Discussion and Analysis

TWIGGS COUNTY, GEORGIA

EXHIBIT 11

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	$ 5,166,653	$ 5,209,999	$ 5,320,421	$ 110,422
Licenses and permits	38,500	38,500	257,224	218,724
Intergovernmental	297,500	297,500	5,619	(291,881)
Charges for services	650,000	650,000	1,017,383	367,383
Fines and forfeitures	497,000	497,000	448,562	(48,438)
Investment income	300	300	182	(118)
Miscellaneous revenues	185,760	185,760	200,446	14,686
Total Revenues	6,835,713	6,879,059	7,249,837	370,778
Expenditures:				
General government	2,368,022	2,382,878	2,507,243	(124,365)
Public safety	2,230,017	2,230,017	2,388,011	(157,994)
Public works	1,623,619	1,623,619	1,629,279	(5,660)
Public health and welfare	409,495	409,495	441,039	(31,544)
Culture and recreation	28,000	28,000	27,626	374
Economic development	45,000	45,000	45,049	(49)
Debt service	160,050	160,050	68,424	91,626
Total Expenditures	6,864,203	6,879,059	7,106,671	(227,612)
Excess (Deficit) of Revenues Over Expenditures	(28,490)	-	143,166	143,166
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(261,969)	(261,969)
Proceeds from sale of capital assets	-	-	8,898	8,898
Total Other Financing Sources (Uses)	-	-	(253,071)	(253,071)
Net change in fund balance	(28,490)	-	(109,905)	(109,905)
Fund Balance, Beginning	1,872,328	1,872,328	1,872,328	-
Fund Balance, Ending	$ 1,815,348	$ 1,872,328	$ 1,762,423	$ (109,905)

TWIGGS COUNTY BOARD OF HEALTH

EXHIBIT 12

SCHEDULE OF EMPLOYER'S NET PENSION LIABILITY
AS OF JUNE 30, 2015

	2015
Employer's proportion of the net pension liability	0.005774%
Employer's proportionate share of the net pension liability	$ 216,561
Employer's covered payroll during the measurement period	$ 130,005
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll.	166.58%
Plan fiduciary net position as a percentage of the total pension liability	77.99%

The schedule above is intended to show information for 10 years. Additional years will be displayed as they become available.

TWIGGS COUNTY BOARD OF HEALTH

EXHIBIT 13

SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
AS OF JUNE 30, 2015

	2015
Actuarially determined contribution	$ 25,577
Contributions in relation to the actuarially determined contribution	$ 25,577
Contribution deficiency (excess)	$ -
Covered employee payroll	$ 118,425
Contributions as a percentage of covered employee payroll	21.60%

(Historical information prior to the implementation of GASB 67/68 is not required)

Other Supplementary Information

TWIGGS COUNTY, GEORGIA

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes:				
Ad valorem	$ 4,181,653	$ 4,224,999	$ 4,382,076	$ 157,077
Local option sales tax	560,000	560,000	485,672	(74,328)
Insurance company premium tax	380,000	380,000	405,174	25,174
Alcoholic beverage excise tax	30,000	30,000	31,221	1,221
Other taxes	15,000	15,000	16,278	1,278
Total taxes	5,166,653	5,209,999	5,320,421	110,422
Licenses and Permits:				
Beer and wine licenses	5,000	5,000	3,750	(1,250)
Other licenses, permits and fees	33,500	33,500	253,474	219,974
Total licenses and permits	38,500	38,500	257,224	218,724
Intergovernmental:				
State grants - roads	-	-	-	-
State grants - various	290,000	290,000	-	(290,000)
Federal grants - various	-	-	-	-
Payment in lieu of tax	7,500	7,500	5,619	(1,881)
Total intergovernmental	297,500	297,500	5,619	(291,881)
Charges for Services:				
Magistrate	42,500	42,500	35,559	(6,941)
Superior Court	35,000	35,000	32,898	(2,102)
Sheriff	25,000	25,000	35,530	10,530
Tax Commissioner	-	-	119,766	119,766
Transit system	27,500	27,500	26,610	(890)
Landfill host fees	520,000	520,000	767,020	247,020
Total charges for services	650,000	650,000	1,017,383	367,383
Fines and Forfeitures:				
Probate court	431,000	431,000	385,508	(45,492)
Superior Court	55,000	55,000	62,866	7,866
Drug surcharges, etc.	11,000	11,000	188	(10,812)
Total fines and forfeitures	497,000	497,000	448,562	(48,438)
Investment Income:				
Interest income	300	300	182	(118)
Total investment income	300	300	182	(118)
Miscellaneous:				
Proceeds from insurance claims	-	-	24,575	24,575
Refunds, reimbursements, etc.	45,000	45,000	71,884	26,884
Other	140,760	140,760	103,987	(36,773)
Total miscellaneous	185,760	185,760	200,446	14,686
Total Revenues	$ 6,835,713	$ 6,879,059	$ 7,249,837	$ 370,778

TWIGGS COUNTY, GEORGIA

OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures:				
General Government:				
Administration	$ 987,719	$ 987,719	$ 1,067,743	$ (80,024)
Superior Court	49,884	49,884	73,639	(23,755)
Probate Court	179,738	179,738	186,817	(7,079)
Clerk of Superior Court	258,514	258,514	274,615	(16,101)
Juvenile Court	10,011	10,011	9,665	346
Tax Commissioner	225,339	240,195	234,548	5,647
County Agent	34,150	34,150	32,393	1,757
Registrars	114,561	114,561	94,786	19,775
Tax Assessors	236,931	236,931	248,972	(12,041)
General Government Buildings	138,124	138,124	136,558	1,566
Board of Equalization	8,559	8,559	6,866	1,693
Magistrate Court	124,492	124,492	140,641	(16,149)
Total General Government	2,368,022	2,382,878	2,507,243	(124,365)
Public Safety:				
Sheriff	1,900,000	1,900,000	2,193,758	(293,758)
Fire Department	67,055	67,055	22,324	44,731
Rescue	14,485	14,485	9,196	5,289
Coroner	39,229	39,229	38,379	850
Emergency Management	99,633	99,633	72,080	27,553
Georgia Forestry Appropriation	19,615	19,615	19,615	-
District Attorney Appropriation	90,000	90,000	32,659	57,341
Total Public Safety	2,230,017	2,230,017	2,388,011	(157,994)
Public Works:				
Highways and Streets	1,320,526	1,320,526	1,359,998	(39,472)
Sanitation	303,093	303,093	269,281	33,812
Total Public Works	1,623,619	1,623,619	1,629,279	(5,660)
Public Health and Welfare:				
Public Health Appropriation	84,261	84,261	80,540	3,721
Mental Health Appropriation	-	-	4,118	(4,118)
Department of Family and Children's Services	81,360	81,360	81,560	(200)
Older American's Council	65,994	65,994	58,797	7,197
Transit System	125,474	125,474	126,826	(1,352)
Public Defender Appropriation	52,406	52,406	89,198	(36,792)
Total Public Health and Welfare	409,495	409,495	441,039	(31,544)

TWIGGS COUNTY, GEORGIA

OTHER SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Culture and Recreation -				
Library Appropriation	28,000	28,000	27,626	374
Economic Development	45,000	45,000	45,049	(49)
Debt Service:				
Principle payments	160,050	160,050	48,399	111,651
Interest payments	-	-	20,025	(20,025)
Total Debt Service	160,050	160,050	68,424	91,626
Total Expenditures	6,864,203	6,879,059	7,106,671	(227,612)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,490)	-	143,166	143,166
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(261,969)	(261,969)
Proceeds from sales of capital assets	-	-	8,898	8,898
Proceeds from capital leases	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(253,071)	(253,071)
Net Change in Fund Balance	(28,490)	-	(109,905)	(109,905)
FUND BALANCE, BEGINNING OF YEAR	1,872,328	1,872,328	1,872,328	-
FUND BALANCE, END OF YEAR	$ 1,843,838	$ 1,872,328	$ 1,762,423	$ (109,905)

Non - Major Governmental Funds

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

- ***Sheriff's Commissary*** – To account for the activities of the inmate canteen operated by the Sheriff's Department.
- ***Sheriff's Grant Fund –*** To account for grant funds that are legally restricted to expenditure for particular purposes.
- ***911 Surcharge –*** To account for the activities of the 911 telephone operations center.
- ***Jail Fund –*** To account for activities of the County's jail.
- ***Law Library –*** To account for the law library fees included in all fines which are specifically designated for the County's law library.
- ***DARE Fund –*** To account for DARE funds that are legally restricted to expenditure for particular purposes.
- ***Confiscated Assets –*** To account for the revenues received that are designated for the purpose of enhancing law enforcement or capital outlay.
- ***Development Authority General Fund*** – To account for all of the financial activity of the Development Authority, except activity required to be accounted for in another fund.

Capital Projects Funds are used to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

- ***2009 SPLOST –*** To account for the special purpose local option sales tax funds that are legally restricted for major capital projects.
- ***SPLOST –*** To account for the special purpose local option sales tax proceeds collected for the acquisition or construction of major capital projects.
- ***LMIG –*** To account for the LMIG funds received that are legally restricted to expenditure for particular purposes.
- ***2014 SPLOST –*** To account for the special purpose local option sales tax funds that are legally restricted for major capital projects.
- ***Public Library Building –*** To account for the capital outlay and other transactions related to the construction of a new local public library building.

- ***Development Authority – Industrial Park Fund*** – To account for industrial park land acquisition and development.

- ***Development Authority – One Georgia Grant Fund –*** To account for a pass-through grant from the Georgia Department of Community Affairs.

TWIGGS COUNTY, GEORGIA

EXHIBIT 15

COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Total Non - Major Special Revenue Governmental Funds	Total Non - Major Capital Projects Governmental Funds	Total Non - Major Governmental Funds
ASSETS			
Cash	$ 227,404	$ 996,790	$ 1,224,194
Note receivable	15,132	-	15,132
Due from other funds	-	16,409	16,409
Due from other governments	-	57,683	57,683
Receivables - other	8,734	-	8,734
Total Assets	$ 251,270	$ 1,070,882	$ 1,322,152
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 8,449	$ 1,103	$ 9,552
Payroll taxes payable	913	-	913
Total liabilities	9,362	1,103	10,465
Fund Balances:			
Restricted for:			
Public Safety	132,711	-	132,711
Capital projects	-	1,069,779	1,069,779
Law Library	60,331	-	60,331
Economic development	48,866	-	48,866
Total fund balances	241,908	1,069,779	1,311,687
Total Liabilities and Fund Balances	$ 251,270	$ 1,070,882	$ 1,322,152

TWIGGS COUNTY, GEORGIA

EXHIBIT 16

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Total Non - Major Special Revenue Governmental Funds	Total Non - Major Capital Projects Governmental Funds	Total Non - Major Governmental Funds
Revenues:			
Intergovernmental revenue	$ 45,001	$ 743,360	$ 788,361
Charges for services	220,692	-	220,692
Fines and forfeitures	99,748	-	99,748
Investment income	928	295	1,223
Other revenues	52,422	1,278	53,700
Total revenues	418,791	744,933	1,163,724
Expenditures:			
Current:			
General government	8,842	-	8,842
Public safety	253,636	-	253,636
Public works	-	366,182	366,182
Culture and recreation	-	491	491
Economic development	43,167	-	43,167
Debt Service:			
Principle payments	246,948	5,978	252,926
Interest payments	50,476	2,598	53,074
Total expenditures	603,069	375,249	978,318
Excess (Deficiency) of Revenues Over (Under) Expenditures	(184,278)	369,684	185,406
Other Financing Sources (Uses):			
Transfer in	277,171	161,984	439,155
Transfer out	(74,985)	(156,495)	(231,480)
Total Other Financing Sources (Uses)	202,186	5,489	207,675
Net Change in Fund Balances	17,908	375,173	393,081
Fund Balances, Beginning , as restated	224,000	694,606	918,606
Fund Balances, Ending	$ 241,908	$ 1,069,779	$ 1,311,687

TWIGGS COUNTY, GEORGIA

EXHIBIT 17

COMBINING BALANCE SHEET
NON - MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Sheriff's Commissary	Sheriff's Grant Fund	911 Surcharge	Jail Fund	Law Library	DARE Fund	Confiscated Assets	Development Authority General Fund	Total Non - Major Special Revenue Governmental Funds
ASSETS									
Cash	$ 16,557	$ -	$ 51,811	$ 22,353	$ 60,197	$ 34,906	$ 6,933	$ 34,647	$ 227,404
Note receivable	-	-	-	-	-	-	-	15,132	15,132
Receivables - other	-	-	8,600	-	134	-	-	-	8,734
Total Assets	$ 16,557	$ -	$ 60,411	$ 22,353	$ 60,331	$ 34,906	$ 6,933	$ 49,779	$ 251,270
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	$ 6,421	$ -	$ 2,028	$ -	$ -	$ -	$ -	$ -	$ 8,449
Payroll taxes payable	-	-	-	-	-	-	-	913	913
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	6,421	-	2,028	-	-	-	-	913	9,362
Fund Balances:									
Restricted for:									
Public safety	10,136	-	58,383	22,353	-	34,906	6,933	-	132,711
Law Library	-	-	-	-	60,331	-	-	-	60,331
Economic development	-	-	-	-	-	-	-	48,866	48,866
Total fund balances	10,136	-	58,383	22,353	60,331	34,906	6,933	48,866	241,908
Total Liabilities and Fund Balances	$ 16,557	$ -	$ 60,411	$ 22,353	$ 60,331	$ 34,906	$ 6,933	$ 49,779	$ 251,270

TWIGGS COUNTY, GEORGIA

EXHIBIT 18

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON - MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Sheriff's Commissary	Sheriff's Grant Fund	911 Surcharge	Jail Fund	Law Library	DARE Fund	Confiscated Assets	Development Authority General Fund	Total Non - Major Special Revenue Governmental Funds
Revenues:									
Intergovernmental revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 45,001	$ 45,001
Charges for services	-	-	136,692	-	-	-	-	84,000	220,692
Fines and forfeitures	-	-	-	43,661	7,017	33,766	15,304	-	99,748
Interest and dividend income	-	-	17	-	282	59	-	570	928
Other revenues	5,427	4	-	-	825	-	35,166	11,000	52,422
Total revenues	5,427	4	136,709	43,661	8,124	33,825	50,470	140,571	418,791
Expenditures:									
Current:									
General government	-	-	-	-	8,842	-	-	-	8,842
Public safety	1,743	2,087	116,786	57,047	-	26,896	49,077	-	253,636
Economic development	-	-	-	-	-	-	-	43,167	43,167
Debt Service:									
Principal payments	-	-	84,431	-	-	-	-	162,517	246,948
Interest payments	-	-	4,333	-	-	-	-	46,143	50,476
Total expenditures	1,743	2,087	205,550	57,047	8,842	26,896	49,077	251,827	603,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,684	(2,083)	(68,841)	(13,386)	(718)	6,929	1,393	(111,256)	(184,278)
Other Financing Sources:									
Transfer in	-	-	68,511	-	-	-	-	208,660	277,171
Transfer out	-	-	-	-	-	-	-	(74,985)	(74,985)
Total Other Financing Sources	-	-	68,511	-	-	-	-	133,675	202,186
Net Change in Fund Balances	3,684	(2,083)	(330)	(13,386)	(718)	6,929	1,393	22,419	17,908
Fund Balance, Beginning	6,452	2,083	58,713	35,739	61,049	27,977	5,540	26,447	224,000
Fund Balance, Ending	$ 10,136	$ -	$ 58,383	$ 22,353	$ 60,331	$ 34,906	$ 6,933	$ 48,866	$ 241,908

TWIGGS COUNTY, GEORGIA

EXHIBIT 19

COMBINING BALANCE SHEET
NON - MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015

	2009 SPLOST	SPLOST	LMIG	2014 SPLOST	Public Library Building	Development Authority Industrial Park Fund	Total Non - Major Capital Projects Governmental Funds
ASSET							
Cash	$ 42,399	$ -	$ 269,467	$ 414,437	$ 41,479	$ 229,008	$ 996,790
Due from other governments	-	-	-	57,683	-	-	57,683
Due from other funds	16,409	-	-	-	-	-	16,409
Total Assets	$ 58,808	$ -	$ 269,467	$ 472,120	$ 41,479	$ 229,008	$ 1,070,882
LIABILITIES AND FUND BALANCES							
Liability -							
Accounts payable	$ -	$ 1,103	$ -	$ -	$ -	$ -	$ 1,103
Total liabilities	-	1,103	-	-	-	-	1,103
Fund Balances -							
Capital Projects	58,808	(1,103)	269,467	472,120	41,479	229,008	1,069,779
Total fund balances	58,808	(1,103)	269,467	472,120	41,479	229,008	1,069,779
Total Liabilities and Fund Balances	$ 58,808	$ -	$ 269,467	$ 472,120	$ 41,479	$ 229,008	$ 1,070,882

TWIGGS COUNTY, GEORGIA

EXHIBIT 20

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON - MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2009 SPLOST	SPLOST	LMIG	2014 SPLOST	Public Library Building	Development Authority Industrial Park Fund	Total Non - Major Capital Projects Governmental Funds
Revenues:							
Intergovernmental	$ -	$ -	$ 269,290	$ 474,070	$ -	$ -	$ 743,360
Interest and dividend income	14	22	249	-	10	-	295
Other revenue	1,278	-	-	-	-	-	1,278
Total revenues	1,292	22	269,539	474,070	10	-	744,933
Expenditures:							
Current:							
Public works	11,019	154	353,059	1,950	-	-	366,182
Culture and recreation	-	-	-	-	491	-	491
Debt Service:							
Principle payments	5,978	-	-	-	-		5,978
Interest payments	2,598	-	-	-	-	-	2,598
Total expenditures	19,595	154	353,059	1,950	491	-	375,249
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,303)	(132)	(83,520)	472,120	(481)	-	369,684
Other Financing Use -							
Transfer in	23,000	-	63,999	-	-	74,985	161,984
Transfer out	(104,330)	(52,165)	-	-	-	-	(156,495)
Total Other Financing Sources (Uses)	(81,330)	(52,165)	63,999	-	-	74,985	5,489
Net Change in Fund Balances	(99,633)	(52,297)	(19,521)	472,120	(481)	74,985	375,173
Fund Balance (Deficit), Beginning	158,441	51,194	288,988	-	41,960	154,023	694,606
Fund Balance (Deficit), Ending	$ 58,808	$ (1,103)	$ 269,467	$ 472,120	$ 41,479	$ 229,008	$ 1,069,779

Agency Funds

TWIGGS COUNTY, GEORGIA

EXHIBIT 21

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

	Superior Court	Probate Court	Tax Commissioner	Magistrate Court	Sheriff	Tax Assessor	Emergency Management	Total Agency Funds
Asset -								
Cash	$ 207,013	$ 22,942	$ 93,312	$ 5,821	$ 132,384	$ -	$ -	$ 461,472
Liability -								
Other liabilities	$ 207,013	$ 22,942	$ 93,312	$ 5,821	$ 132,384	$ -	$ -	$ 461,472

Other Information

TWIGGS COUNTY, GEORGIA

EXHIBIT 22

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
YEAR ENDED DECEMBER 31, 2015

Project Description Per SPLOST Referendum	Estimated Cost Original	Estimated Cost Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
Capital Improvement Program -					
September 16, 2003 referendum:					
Improving the County:					
Water System Improvements			$ 741,046	$ 154	$ 741,200
Fire Department Equipment			1,136,021	-	1,136,021
Industrial Park			1,358,985	52,165	1,411,150
Pay debt incurred from finishing the building of the courthouse			540,274	-	540,274
Total	$ 5,000,000	$ 5,000,000	$ 3,776,326	$ 52,319	$ 3,828,645
February 5, 2008 referendum:					
Improving Twiggs County roads			$ 1,454,583	$ 11,019	$ 1,465,602
Retirement of road shops debt, and purchase of other road maintaining equipment as required			602,089	8,576	610,665
Improving the County's water system			18,665	-	18,665
Complete infrastructure and other objectives at County's Industrial Park			1,240,507	104,330	1,344,837
Repair roofs at Courthouse complex			62,166	-	62,166
Recreation and parks			24,245	-	24,245
Total	$ 6,000,000	$ 6,000,000	$ 3,402,255	$ 123,925	$ 3,526,180
November 4, 2015 referendum:					
Improving Twiggs County roads			-	1,950	1,950
Total	$ 6,000,000	$ 6,000,000	$ -	$ 1,950	$ 1,950

Compliance Information

NICHOLS, CAULEY & ASSOCIATES, LLC
1300 Bellevue Avenue
Dublin, Georgia 31021
478-275-1163 FAX 478-275-1178
dublin@nicholscauley.com

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*

Independent Auditor's Report

To the Honorable Chairman and
Members of the Board of Commissioners
Twiggs County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Twiggs County, Georgia as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Twiggs County, Georgia's basic financial statements, and have issued our report thereon dated December 16, 2016. Our report includes a reference to other auditors who audited the financial statements of the Development Authority of The City of Jeffersonville and Twiggs County, Georgia and the Twiggs County Board of Health, as described in our report on Twiggs 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 Twiggs 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 Twiggs County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Twiggs County, Georgia's internal control.

Our consideration of internal control over financial reporting 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 deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 2015-001, 2015-002, 2015-003, 2015-004.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency: 2015-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Twiggs 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* and which are described in the accompanying schedule of findings and responses as item 2015-006.

We noted certain matters that we have reported to management of Twiggs County, Georgia in a separate letter dated December 16, 2016.

Twiggs County's Response to Findings

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

Nichols, Cauley & Associates, LLC

Dublin, Georgia
December 16, 2016

SECTION I.
SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of Auditor's Report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	Yes
Significant deficiency identified not considered to be a material weakness?	Yes
Noncompliance material to financial statement noted?	No

Federal Awards

There was not an audit of major federal award programs as of December 31, 2015 due to the County having not exceeded the single audit threshold.

SECTION II.
FINANCIAL STATEMENT FINDINGS

Finding 2015-001

Material Weakness in Internal Control Over Financial Reporting – Control Environment/ Management Override of Controls

Criteria: Internal Controls should be in place to reduce the risk of material misstatement and fraud. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, segregation of duties and internal audit. Additionally, controls should be in place to mitigate the override of controls by management or board members.

Condition: The County lacks certain internal controls to reduce the risk of material misstatement or misappropriation of assets. In addition, we noted instances where County procedures were overridden and checks were inappropriately paid from the general fund checking account instead of through the third party service provided for Health Reimbursement Accounts.

Cause: The County's limited size and staffing resources have resulted in a lack of internal controls adequately designed or implemented.

Effect or Potential Effect: Failure to fully implement adequate internal controls can lead to misappropriation of assets or misstatements that are not detected during the normal course of business.

Recommendation: Management should perform thorough review of the County's internal control processes.

Responsible Official's Response: We concur with the recommendation. The Twiggs County Board of Commissioners will continue to evaluate, develop and implement improved internal controls in order to reduce the risk of misstatement and misappropriation of assets. These controls will include proper segregation of duties between recording, processing and reconciliation of cash and other general ledger accounts in order to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business

Finding 2015-002

Material Weakness in Internal Control Over Financial Reporting – Water System Billings

Criteria: The County should accurately bill and correctly record and maintain customer deposits.

Condition: The County's billing for the water system has been performed using a spreadsheet for several years. In addition, the County's policy on collecting customer deposits has not been enforced as written, and customer deposits that were collected have not been properly monitored. Further, there are no procedures in place to handle the refund of customer deposits.

Cause: The County purchased software to help accurately calculate water bills and account for customer deposits. The software is not being utilized and the bills are still calculated using a spreadsheet.

Effect: The County could be losing revenue due to under billings, and amounts collected as deposits may not be refunded timely.

Recommendation: The County should utilize a utility billing system to process monthly billing and maintain all water system billing accounts and deposits. The balances per this system and activity posted to the system should be reconciled to the general ledger on a monthly basis by someone independent of the billing process.

Responsible Official's Response: We concur with the recommendation. Management is in the process of reviewing various utility billing software packages. In addition, procedures will be reviewed and implemented to strengthen the utility billing system currently in place.

Finding 2015-003

Material Weakness in Internal Control Over Financial Reporting – Record Keeping

Criteria: Internal Control Structure should provide for accurate and consistent books and records of the accounting system. It should also provide a clear and understandable list of position requirements and responsibilities.

Condition: During the course of our audit we encountered several instances where it was difficult for the accounting staff to locate the proper records. Additionally, we noted instances where supporting documentation was not maintained for invoices and manual journal entries.

Cause: Due to the high turnover of management in the County, and lack of qualified individuals in management, a proper way to store and organize source documentation has not been established nor have individual job responsibilities been laid out.

Effect: A poor record keeping system could result in misstatements not being corrected in a timely manner. Not having a clear and established list of individual responsibilities could result in an individual incorrectly performing another individuals responsibilities.

Recommendation: We recommend the County implement policies and procedures to ensure all accounting transactions are properly reviewed and supported by invoices or other source documents.

Responsible Official's Response: County accounting staff were new to their position and had assumed multiple roles. The staff is continuing to train on their new roles which should correct this issue.

Finding 2015-004

Material Weakness in Internal Control Over Financial Reporting – Journal Entry Documentation

Criteria: Internal Control Structure should provide adequate documentation for correcting or adjusting journal entries entered into the accounting system

Condition: During the course of our audit several journal entries were entered into the accounting system that did not have proper source documentation.

Cause: Due to the high turnover of management in the County, proper source documentation has not been accounted for.

Effect: Inaccurate or fraudulent journal entries could be entered into the accounting system.

Recommendation: Policies and procedures should be implemented regarding the posting of entries.

Responsible Official's Response: We concur with the recommendation. This was an oversight and we will strive to implement the necessary procedures to correct this finding in future periods.

Finding 2015-005

Significant Deficiency in Internal Control Over Financial Reporting – Budgets

Criteria: The County should use fiscal control and accountability.

Condition: In the County's General Fund, actual expenditures exceeded budget appropriations in several departments.

Cause: County's expenditures exceeded appropriations in several different departments.

Effect: Fiscal control and accountability over departmental expenditures may be jeopardized.

Recommendation: The County should monitor the budget and amend it when appropriate.

Responsible Official's Response: The County will continue to review the budget as the budget year progresses to ensure that the budget is amended for changes that occur during the year.

Finding 2015-006

Compliance – OCGA 48-8-121

Criteria: The County should remain compliant with all applicable laws and regulations.

Condition: A interfund balance due to the SPLOST 09 Fund from other governmental funds indicates commingling of funds.

Cause: SPLOST proceeds were not maintained in a separate account from any other funds of the County as expenditures for SPLOST projects were paid for out of the Water Fund in a prior year and a due to/from remains recorded in the financial statements.

Effect: The County is not in compliance with OCGA 48-8-121.

Recommendation: The County should take steps to eliminate the interfund balance.

Responsible Official's Response: We concur with the recommendation. This was an oversight and we will strive to correct it in 2016.

Finding 2014-01

Control Environment

Criteria: Internal Controls should be in place to reduce the risk of material misstatement and fraud. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, segregation of duties and internal audit.

Update: Unresolved. See current year finding 2015-001.

Finding 2014-02

Water System Billings

Criteria: The County should accurately bill and correctly record and maintain customer deposits.

Update: Unresolved. See current year finding 2015-002.

Finding 2014-03

Record Keeping

Criteria: Internal Control Structure should provide for accurate and consistent books and records of the accounting system. It should also provide a clear and understandable list of position requirements and responsibilities.

Update: Unresolved. See current year finding 2015-003.

Finding 2014-04

Journal Entry Documentation

Criteria: Internal Control Structure should provide adequate documentation for correcting or adjusting journal entries entered into the accounting system

Update: Unresolved. See current year finding 2015-004.

Finding 2014-05

Budgets

Criteria: The County should use fiscal control and accountability.

Update: Unresolved. See current year finding 2015-005.

Finding 2014-06

Compliance – OCGA 48-8-121

Criteria: The County should remain compliant with all applicable laws and regulations.

Update: Unresolved. See current year finding 2015-006.