Twiggs County, Georgia

Annual Financial Report

For the Year Ended
December 31, 2016

TWIGGS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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

TWIGGS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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Financial Section

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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, 2016, 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 19 percent, 19 percent, and 9 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, 2016, 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 July 25, 2017 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
July 25, 2017

Basic Financial Statements

TWIGGS COUNTY, GEORGIA

Exhibit 1

STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Health Department	Total
Assets					
Cash and cash equivalents	$ 2,484,678	$ 83,444	$ 2,568,122	$ 296,595	$ 2,864,717
Short term investments	55,182		55,182		55,182
Receivables, net of allowances for uncollectible:					
Taxes	810,919	-	810,919	-	810,919
Accounts	-	8,391	8,391	8,479	16,870
Intergovernmental	233,040	-	233,040	15,149	248,189
Notes	9,669	-	9,669	-	9,669
Other	20,440	-	20,440	-	20,440
Internal balances	353,714	(353,714)	-	-	-
Prepaid expenditures	36,681	-	36,681	-	36,681
Capital assets:					
Land and other non-depreciable assets	3,601,412	6,412	3,607,824	-	3,607,824
Other capital assets, net of depreciation	6,228,665	7,857,374	14,086,039	1,047	14,087,086
Total assets	13,834,400	7,601,907	21,436,307	321,270	21,757,577
Deferred Outflows of Resources	-	-	-	26,729	26,729
Liabilities					
Accounts payable	425,929	105	426,034	-	426,034
Accrued expenses	65,399	700	66,099	2,829	68,928
Customer deposits	-	31,573	31,573	-	31,573
Due to other governments	13,767	-	13,767	-	13,767
Long-term obligations:					
Due within one year	502,759	156,988	659,747	-	659,747
Due in more than one year	718,079	1,499,201	2,217,280	212,053	2,429,333
Total liabilities	1,725,933	1,688,567	3,414,500	214,882	3,629,382
Deferred Inflows of Resources	-	-	-	35,477	35,477
Net Position					
Net investment in capital assets	8,609,239	6,209,029	14,818,268	1,047	14,819,315
Restricted for special programs	723,446	-	723,446	-	723,446
Unrestricted	2,775,781	(295,689)	2,480,092	96,593	2,576,685
Total net position	$ 12,108,466	$ 5,913,340	$ 18,021,806	$ 97,640	$ 18,119,446

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, 2016

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	$ 2,778,439	$ 1,795,331	$ -	$ -	$ (983,108)	$ -	$ (983,108)	$ -
Public safety	3,231,286	119,282	-	-	(3,112,004)	-	(3,112,004)	-
Public works	1,811,807	-	-	312,363	(1,499,444)	-	(1,499,444)	-
Health and welfare	310,971	-	-	-	(310,971)	-	(310,971)	-
Culture and recreation	39,829	-	-	-	(39,829)	-	(39,829)	-
Housing and development	253,487	-	-	-	(253,487)	-	(253,487)	-
Interest on long-term debt	61,958	-	-	-	(61,958)	-	(61,958)	-
Total governmental activities	8,487,777	1,914,613	-	312,363	(6,260,801)	-	(6,260,801)	-
Business-type Activity -								
Water	271,566	129,943	-	-	-	(141,623)	(141,623)	-
Total primary government	$ 8,759,343	$ 2,044,556	$ -	$ 312,363	$ (6,260,801)	(141,623)	(6,402,424)	-
Component Unit								
Twiggs County Health Department	$ 299,939	$ 97,731	$ 274,094	$ -	-	-	-	71,886
General revenues:								
Property taxes					4,443,124	-	4,443,124	-
Local option sales tax					391,045	-	391,045	-
Special purpose local option sales tax					506,936	-	506,936	-
Insurance company premium tax					431,170	-	431,170	-
Other taxes					61,167	-	61,167	-
Unrestricted investment earnings					780	-	780	547
Miscellaneous					286,912	-	286,912	-
Transfers in					-	25,073	25,073	-
Transfers out					(25,073)	-	(25,073)	-
Total general revenues and transfers					6,096,061	25,073	6,121,134	547
Change in net position					(164,740)	(116,550)	(281,290)	72,433
Net position - beginning					12,273,206	6,029,890	18,303,096	25,207
Net position - ending					$ 12,108,466	$ 5,913,340	$ 18,021,806	$ 97,640

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, 2016

	General	2014 SPLOST	Non - Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 918,102	$ 687,201	$ 879,375	$ 2,484,678
Short term investments	-	-	55,182	55,182
Receivables, net of allowances for uncollectibles:				
Taxes	810,919	-	-	810,919
Due from other governments	183,028	50,012	-	233,040
Note	-	-	9,669	9,669
Other	14,670	-	5,770	20,440
Due from other funds	337,305	-	16,409	353,714
Prepaid expenditures	36,681	-	-	36,681
Total Assets	**$ 2,300,705**	**$ 737,213**	**$ 966,405**	**$ 4,004,323**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 413,470	$ -	$ 12,460	$ 425,930
Accrued expenses	64,481	-	918	65,399
Due to other governments	-	13,767	-	13,767
Total Liabilities	477,951	13,767	13,378	505,096
Deferred Inflows of Resources -				
Unavailable revenues	238,022	-	-	238,022
Fund Balances:				
Nonspendable:				
Prepaid expenditures	36,681	-	-	36,681
Restricted for special programs	-	723,446	953,027	1,676,473
Unassigned	1,548,051	-	-	1,548,051
Total Fund Balances	1,584,732	723,446	953,027	3,261,205
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 2,300,705**	**$ 737,213**	**$ 966,405**	**$ 4,004,323**

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, 2016

Fund balance - total governmental funds		$ 3,261,205
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.		9,830,077
Other long - term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		238,022
Some long - term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(125,017)
Landfill postclosure costs		(87,325)
Capital leases payable		(240,527)
Bonds payable		(767,969)
	Net position of governmental activities	$ 12,108,466

TWIGGS COUNTY, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	General	2014 SPLOST	Non - Major Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 5,427,305	$ -	$ -	$ 5,427,305
Licenses and permits	51,359	-	-	51,359
Intergovernmental	-	506,936	312,363	819,299
Charges for services	882,481	-	138,977	1,021,458
Fines and forfeitures	708,776	-	133,020	841,796
Investment income	-	-	780	780
Other revenues	209,381	-	56,586	265,967
Total Revenues	7,279,302	506,936	641,726	8,427,964
Expenditures:				
Current:				
General government	2,712,766	-	3,594	2,716,360
Public safety	2,849,397	-	193,051	3,042,448
Public works	1,219,423	-	-	1,219,423
Health and welfare	307,708	-	-	307,708
Culture and recreation	26,494	-	601	27,095
Housing and development	43,441	-	64,738	108,179
Debt Service:				
Principal payments	81,624	-	169,800	251,424
Interest payments	23,097	-	38,861	61,958
Intergovernmental payments	-	102,704	-	102,704
Capital outlay	-	152,906	376,487	529,393
Total Expenditures	7,263,950	255,610	847,132	8,366,692
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,352	251,326	(205,406)	61,272
Other Financing Sources (Uses):				
Transfer in	360	-	361,625	361,985
Transfer out	(344,298)	-	(42,760)	(387,058)
Proceeds from sale of capital assets	20,945	-	-	20,945
Proceeds from capital leases	129,950	-	-	129,950
Total other financing sources (uses)	(193,043)	-	318,865	125,822
Net Change in Fund Balances	(177,691)	251,326	113,459	187,094
Fund Balances - Beginning	1,762,423	472,120	839,568	3,074,111
Fund Balances - Ending	$ 1,584,732	$ 723,446	$ 953,027	$ 3,261,205

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, 2016

Net change in fund balances - Total Governmental Funds	$ 187,094
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	254,494
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	(572,397)
The book value of capital assets sold are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement.	(125,957)
The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net position- capital leases.	(129,950)
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	(100,799)
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	169,800
Capital leases	85,183
Landfill postclosure costs	24,481
Compensated absences	43,311
Change in net position of Governmental Activities	$ (164,740)

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

TWIGGS COUNTY, GEORGIA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2016

	Enterprise Water Fund
Assets:	
Current Assets:	
Cash	$ 83,444
Accounts receivable, net of allowance	8,391
Total Current Assets	91,835
Capital Assets:	
Land	6,412
Distribution System	8,991,819
Total	8,998,231
Less - accumulated depreciation	(1,134,445)
Total Capital Assets	7,863,786
Total Assets	7,955,621
Liabilities:	
Current Liabilities:	
Current portion of long-term debt	155,556
Accounts payable	105
Due to other funds	353,714
Accrued expenses	700
Customer deposits	31,573
Compensated absences payable	1,432
Total Current Liabilities	543,080
Noncurrent Liability-	
Note payable - non-current portion	1,499,201
Total Liabilities	2,042,281
Net Position:	
Net investment in capital assets	6,209,029
Unrestricted	(295,689)
Total Net Position	$ 5,913,340

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, 2016

	Enterprise Water Fund
Operating Revenue - Water and Sewer sales	$ 129,943
Operating Expenses:	
Salaries	20,523
Payroll taxes	1,782
Utilities	1,369
Professional fees	13,939
Repairs and maintenance	30,138
Travel and training	2,261
Miscellaneous expense	3,126
Depreciation expense	179,804
Total operating expenses	252,942
Operating Loss	(122,999)
Non-operating Revenue (Expense):	
Interest expense	(18,624)
Total non-operating revenue (expense)	(18,624)
Loss before transfers and contributions	(141,623)
Transfers and contributions	
Transfer in	25,073
Total transfers and contributions	25,073
Change in Net Position	(116,550)
Total Net Position, Beginning	6,029,890
Total Net Position, Ending	$ 5,913,340

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, 2016

	Enterprise Water Fund
Cash Flows from Operating Activities:	
Receipts from customers	$ 135,259
Receipts from others	88,063
Payments to suppliers	(43,789)
Payments to employees	(25,551)
Net cash provided by operating activities	153,982
Cash Flows from Noncapital Financing Activities -	
Transfers in	25,073
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(3,204)
Principal payments on capital debt	(153,798)
Interest payments on capital debt	(18,624)
Net cash used in capital and related financing activities	(175,626)
Net increase in cash and cash equivalents	3,429
Balances - beginning of year	80,015
Balances - end of year	$ 83,444
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (122,999)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	179,804
Net change in assets and liabilities attributable to operations:	
Accounts receivable	5,316
Accounts payable	(9,156)
Due to other funds	101,984
Accrued expenses	215
Customer deposits	1,800
Compensated absences payable	(2,982)
Net cash provided by operating activities	$ 153,982

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, 2016

	Agency Funds
Asset -	
Cash	$ 256,137
Liability -	
Other liabilities	$ 256,137

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 2016.

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, 2016, are included in the reporting entity's 2016 financial statements. During the year ended June 30, 2016, the primary source of income for the Department was grant income in the amount of $136,296 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 *2014 Special Local Option Sales Tax* fund accounts for the special purpose local option sales tax funds that are legally restricted to expenditure for particular purposes.

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 18 percent of outstanding property taxes at December 31, 2016. 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 acquisition 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 $80,582. 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, 2016 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- There are no funds with deficit fund balances at December 31, 2016.

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	$ 1,206,757	$ 938,767	$ 267,990
Superior Court	78,454	49,884	28,570
Probate Court	190,339	179,538	10,801
Clerk of Superior Court	267,595	258,514	9,081
Juvenile Court	10,021	10,011	10
Tax Commissioner	247,318	246,226	1,092
County Agent	39,373	33,050	6,323
Registrars	129,698	115,520	14,178
Tax Assessors	251,997	237,963	14,034
General Government Buildings	150,938	138,124	12,814
Magistrate Court	134,061	124,491	9,570
Sheriff	2,561,581	1,725,000	836,581
Rescue	20,738	9,705	11,033
District Attorney	107,359	90,000	17,359
Sanitation	311,128	303,093	8,035
Public Health	70,218	-	70,218
Mental Health	100	-	100
Interest Payments	23,097	-	23,097
Transfers out	344,298	-	344,298

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	$ (177,691)
Add - New encumbrances - current year	-
Deduct - Prior year encumbrances expended	-
Generally Accepted Accounted Principles (GAAP) Basis	$ (177,691)

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Investments – The County owns two certificates of deposit with 12 month maturities totaling $55,182 as of December 31, 2016.

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, 2016, 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 2016 collected during the current year has been recognized as revenue.

The County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the County.

For the fiscal year ended December 31, 2016, the County abated property taxes of approximately $415,000 under this program.

Property taxes receivable at December 31, 2016, is composed of the following:

Year of Levy:	
2016	$ 586,567
2015	228,649
2014	90,657
2013	23,245
2012	19,410
Prior to 2012	37,077
Total	985,605
Less - allowance for uncollectible	(174,686)
Net receivable	$ 810,919

C. Receivables

Primary Government

Receivables at December 31, 2016 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	2014 SPLOST	Nonmajor Governmental Funds	Total Governmental Total
Receivables:				
Taxes	$ 985,605	$ -	$ -	$ 985,605
Intergovernmental	183,028	50,012	-	233,040
Notes	-	-	9,669	9,669
Other	14,670	-	5,770	20,440
Gross receivables	1,183,303	50,012	15,439	1,248,754
Less: allowance for Uncollectibles	(174,686)	-	-	(174,686)
Net total receivables	$ 1,008,617	$ 50,012	$ 15,439	$ 1,074,068

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, 2016 was $9,669.

Business - Type Activities:	Water Fund
Receivables -	
Accounts	$ 26,801
Less: allowance for	
Uncollectibles	(18,410)
Net total receivables	$ 8,391

Discretely Presented Component Unit

Receivables from the Twiggs County Health Department as of June 30, 2016, are as follows:

	Twiggs County Health Department
Receivables:	
Accounts	$ 8,479
Intergovernmental	15,149
Gross receivables	23,628
Less: allowance for	
Uncollectibles	-
Net total receivables	$ 23,628

D. Capital Assets

Primary Government

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 3,569,879	$ 2,688	$ 56,981	$ 3,515,586
Land improvements	85,826	-	-	85,826
Construction in progress	403,072	-	403,072	-
Subtotal	4,058,777	2,688	460,053	3,601,412
Other capital assets:				
Infrastructure	375,258	403,072	-	778,330
Buildings	6,852,982	14,650	77,841	6,789,791
Improvements	153,361	-	-	153,361
Machinery and equipment	6,230,185	237,156	-	6,467,341
Total other capital assets at historical cost	13,611,786	654,878	77,841	14,188,823
Less accumulated depreciation:				
Infrastructure	(67,484)	(12,508)	-	(79,992)
Buildings	(2,716,633)	(163,478)	8,865	(2,871,246)
Improvements	(50,810)	(8,902)	-	(59,712)
Machinery and equipment	(4,561,699)	(387,509)	-	(4,949,208)
Subtotal	(7,396,626)	(572,397)	8,865	(7,960,158)
Other capital assets, net	6,215,160	82,481	86,706	6,228,665
Governmental activities capital assets, net	$ 10,273,937	$ 85,169	$ 546,759	$ 9,830,077

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

Governmental activities:	
General government	$ 186,107
Public safety	277,069
Public works	72,044
Health and welfare	5,092
Housing and development	19,351
Culture and recreation	12,734
Total governmental activities depreciation expense	$ 572,397

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	8,988,615	3,204	-	8,991,819
Less accumulated depreciation -				
Improvements - water system	(954,641)	(179,804)	-	(1,134,445)
Other capital asset, net	8,033,974	(176,600)	-	7,857,374
Business activities capital assets, net	$ 8,040,386	$ (176,600)	$ -	$ 7,863,786

Capital asset activity for the Twiggs County Health Department for the year ended June 30, 2016, was as follows:

Other capital assets:				
Machinery and equipment	$ 105,626	$ -	$ -	$ 105,626
Less accumulated depreciation for -				
Machinery and equipment	(104,068)	(511)	-	(104,579)
Other capital assets, net	1,558	(511)	-	1,047
Public Health Center capital assets, net	$ 1,558	$ (511)	$ -	$ 1,047

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, 2016, is as follows:

	Payable To:	
Payable From:	General Fund	Capital Projects SPLOST 09
Major Fund -		
Water Fund	$ 337,305	$ 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 In			
Transfers Out	General Fund	Other Nonmajor Governmental Funds	Water Fund	Total Transfers Out
General Fund	$ -	$ 319,225	$ 25,073	$ 344,298
Other nonmajor governmental funds	360	42,400	-	42,760
Total- Transfer in	$ 360	$ 361,625	$ 25,073	$ 387,058

F. Due from Other Governments

Amounts due from other Governmental entities at December 31, 2016, are as follows:

	Federal	State	Other	Total
General Fund	$ -	$ 38,061	$ 144,967	$ 183,028
2014 SPLOST	-	50,012	-	50,012
Total	$ -	$ 88,073	$ 144,967	$ 233,040

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, 2016, was as follows:

Short-term notes payable

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	$ -	$ 2,000,000	$ 2,000,000	$ -

H. Long - Term Obligations

Primary Government Long – Term Debt Payable

At December 31, 2016, 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%	$ 767,969	$ 177,593	$ 590,376
Capital Lease Obligations:			
$94.605 to Ford Motor Credit for three vehicles; interest at 5.95%; due in annual installments of $25,739 to April 2019	68,864	21,642	47,222
$35,345 to Ford Motor Credit for one vehicle; interest at 6.45%; due in annual installments of $9,681 to October 2019	25,663	8,026	17,637
$221,141 to Caterpillar Financial for motor grader; interest at 3.00%; due in monthly installments of $1,715 to December 2016, balloon of $146,000 due in December 2016; balloon extended to 2017	146,000	146,000	-
Total Capital Leases Obligations	240,527	175,668	64,859
Total Governmental Activity Long-Term Debt	$ 1,008,496	$ 353,261	$ 655,235

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

Year Ending December 31	Bonds Payable		Capital Leases	
	Principal	Interest	Principal	Interest
2017	$ 177,593	$ 31,068	$ 175,668	$ 1,655
2018	186,176	22,485	31,473	1,138
2019	194,446	14,215	33,386	587
2020	209,754	4,912	-	-
Total	$ 767,969	$ 72,680	$ 240,527	$ 3,380

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.	$ 1,058,441	$ 90,724	$ 967,717
$520,000 GEFA note payable; initial interest at 3.03%; due in 239 monthly payments of $2,892 maturing in November 2035.	499,162	19,850	479,312
$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.	97,154	44,982	52,172
Total Business - Type Activities Long-Term Debt	$ 1,654,757	$ 155,556	$ 1,499,201

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

Year Ending December 31	Notes Payable	
	Principal	Interest
2017	$ 155,556	$ 16,866
2018	157,363	15,059
2019	117,806	13,630
2020	112,461	12,964
2021	113,128	12,296
2022-2026	576,400	50,722
2027-2031	294,037	30,666
2032-2035	128,006	7,431
Total	$ 1,654,757	$ 159,634

Changes in Long-term Obligations

Long-term obligation activity for the year ended December 31, 2016, 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	$ 937,769	$ -	$ 169,800	$ 767,969	$ 177,593	$ 590,376
Capital leases payable	195,760	129,950	85,183	240,527	175,668	64,859
Landfill postclosure care costs	111,806	-	24,481	87,325	24,481	62,844
Compensated absences payable	168,328	125,017	168,328	125,017	125,017	-
Total Governmental Activities	$ 1,413,663	$ 254,967	$ 447,792	$ 1,220,838	$ 502,759	$ 718,079

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Business Type Activities						
Notes payable	$ 1,808,555	$ -	$ 153,798	$ 1,654,757	$ 155,556	$ 1,499,201
Compensated absences payable	4,414	1,432	4,414	1,432	1,432	-
Total Business Type Activities	$ 1,812,969	$ 1,432	$ 158,212	$ 1,656,189	$ 156,988	$ 1,499,201

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, 2016, 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	$ 216,561	$ -	$ 10,021	$ 206,540	$ -	$ 206,540
Compensated absences payable	19,198	9,093	22,778	5,513	-	5,513
Total Long-Term Obligations	$ 235,759	$ 9,093	$ 32,799	$ 212,053	$ -	$ 212,053

Capital Leases

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, 2016:

	Governmental Activities
Asset -	
Equipment	$ 245,184
Less: Accumulated depreciation	(83,090)
Total	$ 162,094

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2017	$ 146,000
Less: amount representing interest	-
Present value of minimum lease payment	$ 146,000

The County has entered into a lease agreement as lessee for financing the acquisition of public safety 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, 2016:

	Governmental Activities
Asset -	
Equipment	$ 94,605
Less: Accumulated depreciation	(10,136)
Total	$ 84,469

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2017	$ 25,739
2018	25,739
2019	25,739
Less: amount representing interest	(8,353)
Present value of minimum lease payment	$ 68,864

The County has entered into a lease agreement as lessee for financing the acquisition of public safety 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, 2016:

	Governmental Activities
Asset -	
Equipment	$ 35,345
Less: Accumulated depreciation	(842)
Total	$ 34,503

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2017	$ 9,681
2018	9,681
2019	9,681
Less: amount representing interest	(3,380)
Present value of minimum lease payment	$ 25,663

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

IV. PENSIONS

Retirement Plan - Defined Benefit Plan-Health Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees' Retirement System of Georgia (ERS) and additions to/deductions from ERS's fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Authorizing Legislation and 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) established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation.

Benefits

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to that date. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

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

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

Contributions and Vesting

Member contributions under the Old Plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. These state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The Board of Health's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016, was 24.72% of annual covered

payroll for old and new plan members and 21.69% for GSEPS members. The Board of Health's contributions to ERS totaled $24,647 for the year ended June 30, 2016. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Members become vested after ten years of membership service.

Upon termination employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contributions, the member forfeits all rights to retirement benefits.

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

At June 30, 2016, the Twiggs County Board of Health reported a liability of $206,540 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015, was determined using standard roll-forward techniques. The Board of Health's proportion of the net pension liability was based on contributions to the ERS during the fiscal year ended June 30, 2015. At June 30, 2015, the Board of Health's proportion was .005098%, which was an decrease of .000676% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Board of Health recognized pension expense of $1,667. At June 30, 2016, 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
Differences between expected and actual experience	$ -	$ 1,650
Net difference between projected and actual earnings on pension plan investments	-	14,902
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,082	18,925
Employer contributions subsequent to the measurement date	24,647	-
Total:	$ 26,729	$ 35,477

The $24,647 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:	
2017	$ (18,277)
2018	(13,500)
2019	(6,642)
2020	5,024
2021	-
Thereafter	-

Actuarial Assumptions

The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of June 30, 2014, 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, 2014 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 shows 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%	$ 292,778
Current Discount Rate	7.50%	$ 206,540
1% Increase	8.50%	$ 133,019

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/formspubs/formspubs.

Retirement Plan – Deferred Compensation Plan – Twiggs County, Georgia

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, 2016, employee contributions amounted to $23,539. In addition, County contributions to the plan amounted to $12,150 during the year ended December 31, 2016.

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, 2016 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, 2016.

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, 2016 was $127,880,471.

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 $87,325 remains as a liability for post-closure care in the Governmental Activities Statement of Net Position as of December 31, 2016. The landfill closure and post-closure liability for the Highway 80 site was assumed by Wolf Creek Landfill, LLC. Twiggs County received $661,308 in host fees from the Landfill during the current year.

F. 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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	$ 5,166,653	$ 5,166,653	$ 5,427,305	$ 260,652
Licenses and permits	38,500	38,500	51,359	12,859
Intergovernmental	297,500	297,500	-	(297,500)
Charges for services	650,000	650,000	882,481	232,481
Fines and forfeitures	497,000	497,000	708,776	211,776
Investment income	300	300	-	(300)
Miscellaneous revenues	185,760	185,760	209,381	23,621
Total Revenues	6,835,713	6,835,713	7,279,302	443,589
Expenditures:				
General government	2,340,647	2,340,647	2,712,766	(372,119)
Public safety	2,050,438	2,050,438	2,849,397	(798,959)
Public works	1,623,619	1,623,619	1,219,423	404,196
Public health and welfare	325,234	325,234	307,708	17,526
Culture and recreation	28,000	28,000	26,494	1,506
Economic development	50,234	50,234	43,441	6,793
Debt service	160,050	160,050	104,721	55,329
Total Expenditures	6,578,222	6,578,222	7,263,950	(685,728)
Excess (Deficit) of Revenues Over Expenditures	257,491	257,491	15,352	(242,139)
Other Financing Sources (Uses):				
Transfers in	-	-	360	360
Transfers out	-	-	(344,298)	(344,298)
Proceeds from sale of capital assets	-	-	20,945	20,945
Proceeds from capital leases	-	-	129,950	129,950
Total Other Financing Sources (Uses)	-	-	(193,043)	(193,043)
Net change in fund balance	257,491	257,491	(177,691)	(435,182)
Fund Balance, Beginning	1,762,423	1,762,423	1,762,423	-
Fund Balance, Ending	$ 2,019,914	$ 2,019,914	$ 1,584,732	$ (435,182)

TWIGGS COUNTY, GEORGIA

EXHIBIT 12

TWIGGS COUNTY BOARD OF HEALTH – SCHEDULE OF EMPLOYER'S NET PENSION LIABILITY

AS OF JUNE 30, 2016

	2016	2015
Employer's proportion of the net pension liability	0.005098%	0.005774%
Employer's proportionate share of the net pension liability	$206,540	$216,561
Employer's covered payroll during the measurement period	$107,344	$118,425
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	192.41%	182.87%
Plan fiduciary net position as a percentage of the total pension liability	76.20%	77.99%

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

TWIGGS COUNTY, GEORGIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

TWIGGS COUNTY BOARD OF HEALTH – SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS

AS OF JUNE 30, 2016

	2016	2015
Actuarially determined contribution	$24,647	$25,577
Contributions in relation to the actuarially determined contribution	$24,647	$25,577
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$107,344	$118,425
Contributions as a percentage of covered employee payroll	22.96%	21.60%

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

NOTE 1 – SCHEDULES OF EMPLOYER'S NET PENSION LIABILITY/CONTRIBUTIONS

Changes of assumptions – There were no changes in assumptions or benefits that affect the measurement of the total pension liability since the prior measurement date.

Method and assumptions used in calculations of actuarially determined contributions – The actuarially determined contribution rates in the schedule of employer's contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2016, reported in that schedule:

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age
Amortization Method	Level dollar, closed
Remaining Amortization Period	25 Years
Asset Valuation Method	5-year smoothed market
Inflation	3%
Salary Increases	5.45% - 9.25%
Investment Rate of Return	7.5% net of pension plan investment expense, including inflation

Other Supplementary Information

Non - Major Governmental Funds

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

- ***Sheriff's Commissary*** – To account for the activities of the inmate canteen operated by the Sheriff's Department.
- ***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 road repairs and maintenance.
- ***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.

TWIGGS COUNTY, GEORGIA

EXHIBIT 14

COMBINING BALANCE SHEET
NON - MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Total Non - Major Special Revenue Governmental Funds	Total Non - Major Capital Projects Governmental Funds	Total Non - Major Governmental Funds
ASSETS			
Cash and cash equivalents	$ 342,141	$ 537,234	$ 879,375
Short term investments	55,182	-	55,182
Note receivable	9,669	-	9,669
Receivables - other	5,770	-	5,770
Due from other funds	-	16,409	16,409
Total Assets	$ 412,762	$ 553,643	$ 966,405
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 12,460	$ -	$ 12,460
Payroll taxes payable	918	-	918
Due to other governments	-	-	-
Unearned revenue	-	-	-
Total liabilities	13,378	-	13,378
Fund Balances:			
Restricted for special programs	399,384	553,643	953,027
Total fund balances	399,384	553,643	953,027
Total Liabilities and Fund Balances	$ 412,762	$ 553,643	$ 966,405

TWIGGS COUNTY, GEORGIA

EXHIBIT 15

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Total Non - Major Special Revenue Governmental Funds	Total Non - Major Capital Projects Governmental Funds	Total Non - Major Governmental Funds
Revenues:			
Intergovernmental revenue	$ 45,002	$ 267,361	$ 312,363
Charges for services	138,977	-	138,977
Fines and forfeitures	133,020	-	133,020
Investment income	709	71	780
Other revenues	56,586	-	56,586
Total revenues	374,294	267,432	641,726
Expenditures:			
Current:			
General government	3,594	-	3,594
Public safety	193,051	-	193,051
Culture and recreation	-	601	601
Economic development	64,724	14	64,738
Debt Service:			
Principal payments	169,800	-	169,800
Interest payments	38,861	-	38,861
Capital outlay	24,091	352,396	376,487
Total expenditures	494,121	353,011	847,132
Excess (Deficiency) of Revenues Over (Under) Expenditures	(119,827)	(85,579)	(205,406)
Other Financing Sources (Uses):			
Transfer in	277,663	83,962	361,625
Transfer out	(360)	(42,400)	(42,760)
Total Other Financing Sources (Uses)	277,303	41,562	318,865
Net Change in Fund Balances	157,476	(44,017)	113,459
Fund Balances, Beginning	241,908	597,660	839,568
Fund Balances, Ending	$ 399,384	$ 553,643	$ 953,027

TWIGGS COUNTY, GEORGIA

EXHIBIT 16

COMBINING BALANCE SHEET
NON - MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016

	Sheriff's Commissary	911 Surcharge	Jail Fund	Law Library	DARE Fund	Confiscated Assets	Development Authority General Fund	Total Non - Major Special Revenue Governmental Funds
ASSETS								
Cash	$ 18,824	$ 137,965	$ 42,710	$ 13,217	$ 26,999	$ 18,671	$ 83,755	$ 342,141
Short term investments	-	-	-	55,182	-	-		55,182
Note receivable	-	-	-	-	-	-	9,669	9,669
Receivables - other	-	5,601	-	169	-	-	-	5,770
Total Assets	$ 18,824	$ 143,566	$ 42,710	$ 68,568	$ 26,999	$ 18,671	$ 93,424	$ 412,762
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 6,617	$ 5,843	$ -	$ -	$ -	$ -	$ -	$ 12,460
Payroll taxes payable	-	-	-	-	-	-	918	918
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	6,617	5,843	-	-	-	-	918	13,378
Fund Balances:								
Restricted for special programs	12,207	137,723	42,710	68,568	26,999	18,671	92,506	399,384
Total fund balances	12,207	137,723	42,710	68,568	26,999	18,671	92,506	399,384
Total Liabilities and Fund Balances	$ 18,824	$ 143,566	$ 42,710	$ 68,568	$ 26,999	$ 18,671	$ 93,424	$ 412,762

TWIGGS COUNTY, GEORGIA

EXHIBIT 17

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON - MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Sheriff's Commissary	911 Surcharge	Jail Fund	Law Library	DARE Fund	Confiscated Assets	Development Authority General Fund	Total Non - Major Special Revenue Governmental Funds
Revenues:								
Intergovernmental revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ 45,002	$ 45,002
Charges for services	-	129,977	-	-	-	-	9,000	138,977
Fines and forfeitures	-	-	66,702	13,738	25,065	27,515	-	133,020
Interest and dividend income	-	-	-	293	53	-	363	709
Other revenues	2,586	-	-	-	-	-	54,000	56,586
Total revenues	2,586	129,977	66,702	14,031	25,118	27,515	108,365	374,294
Expenditures:								
Current:								
General government	-	-	-	3,594	-	-	-	3,594
Public safety	515	119,280	25,495	-	31,984	15,777	-	193,051
Economic development	-	-	-	-	-	-	64,724	64,724
Debt Service:								
Principal payments	-	-	-	-	-	-	169,800	169,800
Interest payments	-	-	-	-	-	-	38,861	38,861
Capital outlay	-	-	20,850	2,200	1,041	-	-	24,091
Total expenditures	515	119,280	46,345	5,794	33,025	15,777	273,385	494,121
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,071	10,697	20,357	8,237	(7,907)	11,738	(165,020)	(119,827)
Other Financing Sources (uses):								
Transfer in	-	69,003	-	-	-	-	208,660	277,663
Transfer out	-	(360)	-	-	-	-	-	(360)
Total Other Financing Sources (uses)	-	68,643	-	-	-	-	208,660	277,303
Net Change in Fund Balances	2,071	79,340	20,357	8,237	(7,907)	11,738	43,640	157,476
Fund Balance, Beginning	10,136	58,383	22,353	60,331	34,906	6,933	48,866	241,908
Fund Balance, Ending	$ 12,207	$ 137,723	$ 42,710	$ 68,568	$ 26,999	$ 18,671	$ 92,506	$ 399,384

TWIGGS COUNTY, GEORGIA

EXHIBIT 18

COMBINING BALANCE SHEET
NON - MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2016

	2009 SPLOST	SPLOST	LMIG	Public Library Building	Development Authority Industrial Park Fund	Total Non - Major Capital Projects Governmental Funds
ASSET						
Cash	$ -	$ -	$ 267,362	$ 40,878	$ 228,994	$ 537,234
Due from other governments	-	-	-	-	-	-
Due from other funds	16,409	-	-	-	-	16,409
Total Assets	$ 16,409	$ -	$ 267,362	$ 40,878	$ 228,994	$ 553,643
LIABILITIES AND FUND BALANCES						
Liability -						
Due to other governments	$ -	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-	-
Fund Balances -						
Capital Projects	16,409	-	267,362	40,878	228,994	553,643
Total fund balances	16,409	-	267,362	40,878	228,994	553,643
Total Liabilities and Fund Balances	$ 16,409	$ -	$ 267,362	$ 40,878	$ 228,994	$ 553,643

TWIGGS COUNTY, GEORGIA

EXHIBIT 19

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON - MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2009 SPLOST	SPLOST	LMIG	Public Library Building	Development Authority Industrial Park Fund	Total Non - Major Capital Projects Governmental Funds
Revenues:						
Intergovernmental	$ -	$ -	$ 267,361	$ -	$ -	$ 267,361
Interest and dividend income	-	-	71	-	-	71
Total revenues	-	-	267,432	-	-	267,432
Expenditures:						
Current:						
Culture and recreation	-	-	-	601	-	601
Housing and development	-	-	-	-	14	14
Capital outlay	-	-	352,396	-	-	352,396
Total expenditures	-	-	352,396	601	14	353,011
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(84,964)	(601)	(14)	(85,579)
Other Financing Use -						
Transfer in	-	1,103	82,859	-	-	83,962
Transfer out	(42,400)	-	-	-	-	(42,400)
Total Other Financing Sources (Uses)	(42,400)	1,103	82,859	-	-	41,562
Net Change in Fund Balances	(42,400)	1,103	(2,105)	(601)	(14)	(44,017)
Fund Balance (Deficit), Beginning	58,809	(1,103)	269,467	41,479	229,008	597,660
Fund Balance (Deficit), Ending	$ 16,409	$ -	$ 267,362	$ 40,878	$ 228,994	$ 553,643

Agency Funds

TWIGGS COUNTY, GEORGIA

EXHIBIT 20

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

	Superior Court	Probate Court	Tax Commissioner	Magistrate Court	Sheriff	Tax Assessor	Emergency Management	Total Agency Funds
Asset -								
Cash	$ 80,916	$ 34,270	$ 7,954	$ 3,362	$ 129,635	$ -	$ -	$ 256,137
Liability -								
Other liabilities	$ 80,916	$ 34,270	$ 7,954	$ 3,362	$ 129,635	$ -	$ -	$ 256,137

Other Information

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
YEAR ENDED DECEMBER 31, 2016

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			$ 741,200	$ -	$ 741,200
Fire Department Equipment			1,136,021	-	1,136,021
Industrial Park			1,411,150	-	1,411,150
Pay debt incurred from finishing the building of the courthouse			540,274	-	540,274
Total	$ 5,000,000	$ 5,000,000	$ 3,828,645	$ -	$ 3,828,645
February 5, 2008 referendum:					
Improving Twiggs County roads			$ 1,465,602	$ -	$ 1,465,602
Retirement of road shops debt, and purchase of other road maintaining equipment as required			610,665	-	610,665
Improving the County's water system			18,665	-	18,665
Complete infrastructure and other objectives at County's Industrial Park			1,344,837	42,400	1,387,237
Repair roofs at Courthouse complex			62,166	-	62,166
Recreation and parks			24,245	-	24,245
Total	$ 6,000,000	$ 6,000,000	$ 3,526,180	$ 42,400	$ 3,568,580
November 4, 2015 referendum:					
Distribution to Other Governments			-	102,704	102,704
Improving Twiggs County roads			1,950	152,906	154,856
Total	$ 6,000,000	$ 6,000,000	$ 1,950	$ 255,610	$ 257,560

Compliance Information

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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, 2016, 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 July 25, 2017. 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: 2016-001, 2016-002, 2016-003, 2016-004, 2016-005.

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 2016-006.

We noted certain matters that we have reported to management of Twiggs County, Georgia in a separate letter dated July 25, 2017.

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
July 25, 2017

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?	None reported
Noncompliance material to financial statement noted?	No

Federal Awards

There was not an audit of major federal award programs as of December 31, 2016 due to the County having not exceeded the single audit threshold.

SECTION II.
FINANCIAL STATEMENT FINDINGS

Finding 2016-001

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.

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 2016-002

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 2016-003

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 2016-004

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 2016-005

Material Weakness 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 2016-006

Compliance – OCGA 48-8-121

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

Condition: An 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 2017.

Finding 2015-001

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.

Update: Unresolved. See current year finding 2016-001.

Finding 2015-002

Water System Billings

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

Update: Unresolved. See current year finding 2016-002.

Finding 2015-003

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 2016-003.

Finding 2015-004

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 2016-004.

Finding 2015-005

Budgets

Criteria: The County should use fiscal control and accountability.

Update: Unresolved. See current year finding 2016-005.

Finding 2015-006

Compliance – OCGA 48-8-121

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

Update: Unresolved. See current year finding 2016-006.