TWIGGS COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2018

TWIGGS COUNTY, GEORGIA

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

TWIGGS COUNTY, GEORGIA
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YEAR ENDED DECEMBER 31, 2018

	Exhibit	Page
INDEPENDENT AUDITORS' REPORT		1
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements:		
Statement of Net Position	1	4
Statement of Activities	2	5
Fund Financial Statements:		
Governmental Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	6
Reconciliation of Net Position - Governmental Funds in the Statement of Net Position to Total Fund Balance - Governmental Funds on the Balance Sheet	4	7
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	9
Proprietary Fund Financial Statements:		
Statement of Net Position – Proprietary Fund	7	10
Statement of Changes in Net Position – Proprietary Fund	8	11
Statement of Cash Flows – Proprietary Fund	9	12
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Assets and Liabilities	10	13
Notes to the Financial Statements		14
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	11	36
OTHER SUPPLEMENTARY INFORMATION:		
Combining Balance Sheet – Non-major Governmental Funds	14	37
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	15	38
Combining Balance Sheet – Non-major Special Revenue Funds	16	39
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Special Revenue Funds	17	40
Combining Balance Sheet – Non-major Capital Projects Funds	18	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Capital Projects Funds	19	42
Combining Statement of Fiduciary Net Position- Agency Funds	20	43

TWIGGS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2018

	Exhibit	Page
OTHER INFORMATION:		
Schedule of Expenditures of Special Purpose Local Option Sales Tax	21	44
COMPLIANCE INFORMATION:		
Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of the Financial Statements Performed in Accordance With *Government Auditing Standards*		45
Schedule of Findings and Responses		47

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 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, 2018, 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 53 percent, 75 percent, and 61 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, 2018, 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 on page 36 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 June 28, 2019 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
June 28, 2019

Basic Financial Statements

TWIGGS COUNTY, GEORGIA

EXHIBIT 1

STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Health Department
ASSETS				
Cash and cash equivalents	$ 4,600,122	$ 13,647	$ 4,613,769	$ 423,208
Investments	55,798	-	55,798	-
Receivables, net of allowances for uncollectible:				
Taxes	864,989	-	864,989	-
Accounts	-	5,614	5,614	2,122
Intergovernmental	270,573	-	270,573	17,388
Other	20,151	-	20,151	-
Internal balances	415,679	(415,679)	-	-
Prepaid expenditures	60,418	-	60,418	-
Capital assets:				
Land and other non-depreciable assets	4,053,409	6,412	4,059,821	-
Other capital assets, net of depreciation	6,033,626	7,554,109	13,587,735	19,557
Total assets	16,374,765	7,164,103	23,538,868	462,275
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	33,351
LIABILITIES				
Accounts payable	172,273	-	172,273	3,603
Accrued expenses	88,832	782	89,614	2,096
Customer deposits	1,000	33,269	34,269	-
Due to other governments	3,614	-	3,614	14,330
Long-term obligations:				
Due within one year	494,839	120,400	615,239	-
Due in more than one year	695,431	1,224,032	1,919,463	287,513
Total liabilities	1,455,989	1,378,483	2,834,472	307,542
DEFERRED INFLOWS OF RESOURCES	-	-	-	54,733
NET POSITION				
Net investment in capital assets	9,135,403	6,219,501	15,354,904	19,557
Restricted for special programs	2,560,676	-	2,560,676	-
Unrestricted	3,222,697	(433,881)	2,788,816	113,794
Total net position	$ 14,918,776	$ 5,785,620	$20,704,396	$ 133,351

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

TWIGGS COUNTY, GEORGIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activity	Primary Government: Total	Component Unit: Development Authority	Component Unit: Health Department
Primary Government									
Governmental Activities:									
General government	$ 2,681,151	$ 1,960,486	$ 110,839	$ -	$ (609,826)	$ -	$ (609,826)	$ -	$ -
Public safety	3,698,333	101,806	-	-	(3,596,527)	-	(3,596,527)	-	-
Public works	1,292,148	-	-	268,340	(1,023,808)	-	(1,023,808)	-	-
Health and welfare	311,438	-	-	-	(311,438)	-	(311,438)	-	-
Culture and recreation	38,971	-	-	-	(38,971)	-	(38,971)	-	-
Economic development	137,675	-	-	-	(137,675)	-	(137,675)	-	-
Interest	21,627	-	-	-	(21,627)	-	(21,627)	-	-
Total governmental activities	8,181,343	2,062,292	110,839	268,340	(5,739,872)	-	(5,739,872)	-	-
Business-type Activity -									
Water	316,056	133,223	-	22,550	-	(160,283)	(160,283)	-	-
Total primary government	$ 8,497,399	$ 2,195,515	$ 110,839	$ 290,890	$ (5,739,872)	(160,283)	(5,900,155)	-	-
Component Unit									
Twiggs County Health Department	$ 235,376	$ 77,439	$ 270,091	$ -	-	-	-	-	112,154
Total component units	$ 235,376	$ 77,439	$ 270,091	$ -	-	-	-	-	112,154
General revenues:									
Property taxes					5,463,203	-	5,463,203	-	-
Local option sales tax					243,135	-	243,135	-	-
Special purpose local option sales tax					319,823	-	319,823	-	-
Insurance company premium tax					505,659	-	505,659	-	-
Other taxes					810,754	-	810,754	-	-
Unrestricted investment earnings					543	-	543	-	1,468
Insurance proceeds					17,299	-	17,299	-	-
Miscellaneous					378,222	-	378,222	-	-
Transfers					(139,528)	139,528	-	-	-
Total general revenues and transfers					7,599,110	139,528	7,738,638	-	1,468
Change in net position					1,859,238	(20,755)	1,838,483	-	113,622
Net position - beginning					13,059,538	5,806,375	18,865,913	-	187,342
Prior period adjustment - OPEB liability (GASB 75)					-	-	-	-	(167,613)
Net position - ending					$ 14,918,776	$ 5,785,620	$ 20,704,396	$ -	$ 133,351

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, 2018

	General	2014 SPLOST	LMIG	Non - Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$2,331,824	$ 1,231,577	$ 521,423	$ 515,298	$ 4,600,122
Investments	-	-	-	55,798	55,798
Receivables, net of allowances for uncollectibles:					
Taxes	864,989	-	-	-	864,989
Due from other governments	218,876	51,697	-	-	270,573
Other	10,304	-	-	9,847	20,151
Due from other funds	566,971	-	381,311	-	948,282
Prepaid expenditures	60,418	-	-	-	60,418
Total assets	$4,053,382	$ 1,283,274	$ 902,734	$ 580,943	$ 6,820,333
LIABILITIES					
Liabilities:					
Accounts payable	$ 123,093	$ 10,278	$ -	$ 38,902	$ 172,273
Accrued expenses	87,643	-	-	1,189	88,832
Deposits	-	-	-	1,000	1,000
Due to other governments	-	3,614	-	-	3,614
Due to other funds	381,311	-	-	151,292	532,603
Total liabilities	592,047	13,892	-	192,383	798,322
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	659,464	-	-	-	659,464
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	60,418	-	-	-	60,418
Restricted for special programs	-	1,269,382	902,734	388,560	2,560,676
Unassigned	2,741,453	-	-	-	2,741,453
Total fund balances	2,801,871	1,269,382	902,734	388,560	5,362,547
Total liabilities, deferred inflows of resources and fund balances	$4,053,382	$ 1,283,274	$ 902,734	$ 580,943	$ 6,820,333

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
DECEMBER 31, 2018

Fund balance - total governmental funds	$ 5,362,547
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,087,035
Other long - term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	659,464
Some long - term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(175,456)
Landfill postclosure costs	(63,182)
Capital leases payable	(546,790)
Bonds payable	(404,842)
Net position of governmental activities	$14,918,776

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

TWIGGS COUNTY, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	General	2014 SPLOST	LMIG	Non - Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 6,212,539	$ 319,823	$ 756,042	$ -	$ 7,288,404
Licenses and permits	289,586	-	-	-	289,586
Intergovernmental	110,839	-	-	268,340	379,179
Charges for services	833,967	-	-	173,937	1,007,904
Fines and forfeitures	646,035	-	-	118,767	764,802
Investment income	-	-	-	543	543
Other revenues	254,919	-	-	123,304	378,223
Total revenues	8,347,885	319,823	756,042	684,891	10,108,641
EXPENDITURES					
Current:					
General government	2,474,936	-	-	5,358	2,480,294
Public safety	3,239,075	-	-	413,672	3,652,747
Public works	1,020,125	120,302	-	-	1,140,427
Health and welfare	306,437	-	-	-	306,437
Culture and recreation	25,871	-	-	366	26,237
Economic development	37,872	-	-	76,189	114,061
Debt Service:					
Principal payments	30,341	74,032	-	185,566	289,939
Interest payments	27,282	11,824	-	23,089	62,195
Capital outlay	-	37,921	-	302,012	339,933
Intergovernmental payments	-	33,210	-	-	33,210
Total expenditures	7,161,939	277,289	-	1,006,252	8,445,480
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,185,946	42,534	756,042	(321,361)	1,663,161
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	238,661	238,661
Transfer out	(378,189)	-	-	-	(378,189)
Insurance proceeds	-	-	-	17,299	17,299
Total other financing sources (uses)	(378,189)	-	-	255,960	(122,229)
NET CHANGES IN FUND BALANCE	807,757	42,534	756,042	(65,401)	1,540,932
FUND BALANCE, BEGINNING	1,994,114	1,226,848	146,692	453,961	3,821,615
FUND BALANCES, ENDING	$ 2,801,871	$ 1,269,382	$ 902,734	$ 388,560	$ 5,362,547

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
YEAR ENDED DECEMBER 31, 2018

Net change in fund balances - Total Governmental Funds	$1,540,932
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	567,188
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	(581,086)
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.	(42,952)
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	54,170
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	185,566
Capital leases	144,941
Compensated absences	(9,521)
Change in net position of governmental activities	$1,859,238

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, 2018

	Enterprise Water Fund
ASSETS	
Current Assets:	
Cash	$ 13,647
Accounts receivable, net of allowance	5,614
Due from other funds	1,125
Total current assets	20,386
Capital Assets:	
Land	6,412
Distribution system	9,049,440
Total	9,055,852
Less - accumulated depreciation	(1,495,331)
Total capital assets	7,560,521
Total assets	7,580,907
LIABILITIES	
Current Liabilities:	
Due to other funds	$ 416,804
Accrued expenses	782
Customer deposits	33,269
Compensated absences payable	3,412
Current portion of long-term debt	116,988
Total current liabilities	571,255
Noncurrent Liability:	
Note payable - non-current portion	1,224,032
Total liabilities	1,795,287
NET POSITION	
Net investment in capital assets	6,219,501
Unrestricted	(433,881)
Total net position	$ 5,785,620

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
YEAR ENDED DECEMBER 31, 2018

	Enterprise Water Fund
OPERATING REVENUE	
Water and sewer sales	$ 133,223
OPERATING EXPENSES	
Salaries	32,626
Payroll taxes	1,995
Utilities	13,489
Professional fees	9,954
Dues and subscriptions	200
Repairs and maintenance	53,281
Travel and training	732
Miscellaneous expense	7,800
Depreciation expense	180,920
Total operating expenses	300,997
OPERATING INCOME (LOSS)	(167,774)
NON-OPERATING REVENUE (EXPENSES)	
Intergovernmental revenue	22,550
Interest expense	(15,059)
Total non-operating revenue (expense)	7,491
Loss before transfers and contributions	(160,283)
TRANSFERS AND CONTRIBUTIONS	
Transfer in	139,528
Total transfers and contributions	139,528
Change in Net Position	(20,755)
TOTAL NET POSITION, BEGINNING	5,806,375
TOTAL NET POSITION, ENDING	$ 5,785,620

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
YEAR ENDED DECEMBER 31, 2018

	Enterprise Water Fund
OPERATING ACTIVITIES	
Receipts from customers	$ 133,522
Payments to others	(12,499)
Payments to suppliers	(76,465)
Payments to employees	(33,265)
Net cash provided by operating activities	11,293
NONCAPITAL FINANCING ACTIVITIES	
Contribution income	22,550
Transfers in	139,528
Net cash provided by non-capital financing activities	162,078
CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(38,103)
Principal payments on capital debt	(158,181)
Interest payments on capital debt	(15,059)
Net cash used in capital and related financing activities	(211,343)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(37,972)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	51,619
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 13,647
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	$ (167,774)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation	180,920
Net change in assets and liabilities attributable to operations:	
Accounts receivable	299
Accounts payable	(1,695)
Accrued expenses	85
Customer deposits	(550)
Compensated absences payable	8
Net cash provided by operating activities	$ 11,293

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
DECEMBER 31, 2018

	Agency Funds
ASSET	
Cash	$ 185,942
LIABILITY	
Other liabilities	$ 185,942

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of 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.

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. The 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 2018.

Discretely Presented Component Unit

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The component unit maintains a June 30 fiscal year, and the financial statements as of and for the year ended June 30, 2018, are included in the reporting entity's 2018 financial statements. During the year ended June 30, 2018, the primary source of income for the Department was grant income in the amount of $163,974 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 it is operated as an agency controlled and/or funded by other government agencies, the Twiggs County Library is not included in the County's reporting entity.

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 (SPLOST) fund accounts for the special purpose local option sales tax funds that are legally restricted to expenditure for particular purposes.

The LMIG fund accounts for the LMIG funds received that are legally restricted to expenditure for road repairs and maintenance.

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 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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 19 percent of outstanding property taxes at December 31, 2018. Property taxes are levied as of January 1 on property values assessed as of the same date.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 $54,165. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to 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 net 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

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 December 31, 2018 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.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, continued

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.

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.

Compliance With Legal Provisions
Deficit Fund Balances- The 911 Surcharge Fund had a deficit fund balance as of December 31, 2018.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, continued

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
Probate Court	$ 221,318	$ 212,968	$ 8,350
County Agent	40,794	38,716	2,078
Registrars	124,218	109,778	14,440
Tax Assessors	295,948	232,628	63,320
Coroner	49,034	41,569	7,465
Emergency Management	136,212	130,189	6,023
Georgia Forestry Appropriation	19,881	19,615	266
District Attorney Appropriation	106,830	26,500	80,330
Public Health Appropriation	68,192	67,409	783
Department of Family and Children's Services	20,426	14,000	6,426
Public Defender Appropriation	38,228	13,000	25,228
Principal Payments	30,341	-	30,341
Interest Payments	27,282	-	27,282
Transfers out	378,189	119,000	259,189

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	$ 807,757
Add - New encumbrances - current year	-
Deduct - Prior year encumbrances expended	-
Generally Accepted Accounted Principles (GAAP) Basis	$ 807,757

NOTE 3. DETAILED NOTES ON ALL FUNDS

Deposits and Investments
Investments – The County owns two certificates of deposit with 12 month maturities totaling $55,798 as of December 31, 2018.

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, 2018, 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.

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of fair market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be declared and reported on a return for tax purposes by May 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, the Board of Tax Assessors of 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 2018 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, 2018, the County abated property taxes of approximately $880,162 under this program.

Property taxes receivable at December 31, 2018, is composed of the following:

Year of Levy:	
2018	$ 638,997
2017	228,518
2016	92,245
2015	27,265
2014	19,140
Prior to 2014	65,056
Total	1,071,221
Less - allowance for uncollectible	(206,232)
Net receivable	$ 864,989

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Receivables

Primary Government

Receivables at December 31, 2018 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	$ 1,071,221	$ -	$ -	$ 1,071,221
Intergovernmental	218,876	51,697	-	270,573
Other	10,304	-	9,847	20,151
Gross receivables	1,300,401	51,697	9,847	1,361,945
Less: allowance for Uncollectibles	(206,232)	-	-	(206,232)
Net total receivables	$ 1,094,169	$ 51,697	$ 9,847	$ 1,155,713

Business - Type Activities:	Water Fund
Receivables - Accounts	$ 24,649
Gross receivables	24,649
Less: allowance for Uncollectibles	(19,035)
Net total receivables	$ 5,614

Discretely Presented Component Unit

Receivables for the Twiggs County Health Department as of June 30, 2018, are as follows:

	Twiggs County Health Department
Receivables:	
Accounts	$ 2,122
Intergovernmental	17,388
Gross receivables	19,510
Less: allowance for Uncollectibles	-
Net total receivables	$ 19,510

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Capital Assets

Primary Government

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 3,523,586	$ -	$ -	$ 3,523,586
Land improvements	260,703	269,120	-	529,823
Subtotal	3,784,289	269,120	-	4,053,409
Other capital assets:				
Infrastructure	778,330	-	-	778,330
Buildings	6,905,623	-	-	6,905,623
Improvements	181,803	27,545	-	209,348
Machinery and equipment	6,645,670	270,523	(85,713)	6,830,480
Total other capital assets at historical cost	14,511,426	298,068	(85,713)	14,723,781
Less accumulated depreciation:				
Infrastructure	(105,936)	(25,944)	-	(131,880)
Buildings	(3,035,903)	(163,325)	-	(3,199,228)
Improvements	(68,183)	(10,033)	-	(78,216)
Machinery and equipment	(4,941,808)	(381,784)	42,761	(5,280,831)
Subtotal	(8,151,830)	(581,086)	42,761	(8,690,155)
Other capital assets, net	6,359,596	(283,018)	(42,952)	6,033,626
Governmental activities capital assets, net	$10,143,885	$ (13,898)	$ (42,952)	$10,087,035

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

Governmental activities:	
General government	$ 197,742
Public safety	235,043
Public works	107,337
Health and welfare	4,616
Housing and development	23,614
Culture and recreation	12,734
Total governmental activities depreciation expense	$ 581,086

NOTE 3. DETAILED NOTES ON ALL FUNDS, 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	9,011,337	38,103	-	9,049,440
Less accumulated depreciation -				
Improvements - water system	(1,314,411)	(180,920)	-	(1,495,331)
Other capital asset, net	7,696,926	(142,817)	-	7,554,109
Business activities capital assets, net	$ 7,703,338	$ (142,817)	$ -	$ 7,560,521

Capital asset activity for the Twiggs County Health Department for the year ended June 30, 2018, was as follows:

Health Department

	Beginning Balance	Increases	Decreases	Ending Balance
Other capital assets:				
Machinery and equipment	$ 127,550	$ 1,645	$ -	$ 129,195
Less accumulated depreciation for -				
Machinery and equipment	(105,184)	(4,454)	-	(109,638)
Other capital assets, net	22,366	(2,809)	-	19,557
Public Health Center capital assets, net	$ 22,366	$ (2,809)	$ -	$ 19,557

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, 2018, is as follows:

	Payable To:		
Payable From:	General Fund	Water Fund	LMIG Fund
Major Fund -			
Water Fund	$ 416,804	$ -	$ -
General Fund	-	-	381,311
Nonmajor Fund -			
E911	150,167	1,125	-
Total	$ 566,971	$ 1,125	$ 381,311

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

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	Water Fund	Other nonmajor governmental funds
General Fund	$ 139,528	$ 238,661

Due from Other Governments
Amounts due from other Governmental entities at December 31, 2018, are as follows:

	State	Other	Total
General Fund	$ 39,300	$ 179,576	$ 218,876
2014 SPLOST	51,697	-	51,697
Total	$ 90,997	$ 179,576	$ 270,573

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, 2018, was as follows:

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

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Long - Term Obligations

Primary Government Long – Term Debt Payable

At December 31, 2018, 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%	$ 404,842	$ 193,954	$ 210,888
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	24,293	24,293	-
$134,038 to BB&T for four vehicles; interest at 3.81%; due in annual installments of $36,761 to May 2021	102,384	32,860	69,524
$534,418 to BB&T for two excavators; interest at 2.77%; due in monthly installments of $7,019 to May 2024	420,113	68,276	351,837
Total Capital Leases Obligations	546,790	125,429	421,361
Total Governmental Activity Long-Term Debt	$ 951,632	$ 319,383	$ 632,249

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
2019	$ 193,954	$ 14,215	$ 125,429	$ 14,282
2020	210,888	4,912	110,403	10,589
2021	-	-	113,636	7,357
2022	-	-	80,206	4,025
2023	-	-	82,238	1,993
2024 and thereafter	-	-	34,878	1,993
Total	$ 404,842	$ 19,127	$ 546,790	$ 40,239

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

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.	$ 876,993	$ 90,724	$ 786,269
$520,000 GEFA note payable; initial interest at 3.03%; due in 239 monthly payments of $2,892 maturing in November 2035.	458,852	21,089	437,763
$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.	5,175	5,175	-
Total Business - Type Activities Long-Term Debt	$ 1,341,020	$ 116,988	$ 1,224,032

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

Year Ending December 31	Notes Payable Principal	Interest
2019	$ 116,988	$ 13,630
2020	112,461	12,964
2021	113,128	12,296
2022	113,817	11,608
2023	114,526	10,898
2024-2028	553,814	43,062
2029-2033	151,749	21,754
2034-2035	64,537	1,497
Total	$ 1,341,020	$ 127,709

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

Changes in Long-term Obligations

Long-term obligation activity for the year ended December 31, 2018, 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	$ 590,408	$ -	$ 185,566	$ 404,842	$ 193,954	$ 210,888
Capital leases payable	691,731	-	144,941	546,790	125,429	421,361
Landfill postclosure care costs	63,182	-	-	63,182	-	63,182
Compensated absences payable	165,935	9,521	-	175,456	175,456	-
Total Governmental Activities	$ 1,511,256	$ 9,521	$ 330,507	$ 1,190,270	$ 494,839	$ 695,431

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Business Type Activities						
Notes payable	$ 1,499,201	$ -	$ 158,181	$ 1,341,020	$ 116,988	$ 1,224,032
Compensated absences payable	3,404	8	-	3,412	3,412	-
Total Business Type Activities	$ 1,502,605	$ 8	$ 158,181	$ 1,344,432	$ 120,400	$ 1,224,032

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 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, 2018, 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	$ 202,840	$ -	$ 74,299	$ 128,541	$ -	$ 128,541
Net OPEB Liability	186,933	-	32,277	154,656	-	154,656
Compensated absences payable	2,518	4,708	2,910	4,316	-	4,316
Total Long-Term Obligations	$ 392,291	$ 4,708	$ 109,486	$ 287,513	$ -	$ 287,513

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

The Twiggs County Health Department implemented GASB 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension" (OPEB) in the fiscal year 2018 and as a result had a restatement in the beginning net position and the net OPEB liability of the Health Center in the amount of $167,613. For more information, refer to the footnotes of the Twiggs County Health Department's financial statements.

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, 2018:

	Governmental Activities
Asset -	
Equipment	$ 534,418
Less: Accumulated depreciation	(44,535)
Total	$ 489,883

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2019	$ 77,212
2020	84,231
2021	84,231
2022	84,231
2023	84,231
2024 and thereafter	35,096
Less: amount representing interest	(29,119)
Present value of minimum lease payment	$ 420,113

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, 2018:

	Governmental Activities
Asset -	
Equipment	$ 94,605
Less: Accumulated depreciation	(37,167)
Total	$ 57,438

NOTE 3. DETAILED NOTES ON ALL FUNDS, continued

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2019	$ 25,739
Less: amount representing interest	(1,446)
Present value of minimum lease payment	$ 24,293

The County has entered into a lease agreement as lessee for financing the acquisition of public works and 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, 2018:

	Governmental Activities
Asset -	
Equipment	$ 133,493
Less: Accumulated depreciation	(36,536)
Total	$ 96,957

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018 were as follows:

Year Ending December 31,	Governmental Activities
Mininum lease payments:	
2019	$ 36,761
2020	36,761
2021	36,761
Less: amount representing interest	(7,899)
Present value of minimum lease payment	$ 102,384

The depreciation related with the above capital leases has been included in the depreciation expense reported in Note 3 D – Capital Assets.

NOTE 4. RETIREMENT PLAN

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

NOTE 4. RETIREMENT PLAN, continued

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, 2018, employee contributions amounted to $34,897. In addition, County contributions to the plan amounted to $15,012 during the year ended December 31, 2018.

NOTE 5. OTHER INFORMATION

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.

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, 2018 to impair the County's financial position.

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, 2018.

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.

NOTE 5. OTHER INFORMATION, continued

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.

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, 2018 was $128,224,841.

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 $63,182 remains as a liability for post-closure care in the Governmental Activities Statement of Net Position as of December 31, 2018. The landfill closure and post-closure liability for the Highway 80 site was assumed by Wolf Creek Landfill, LLC. Twiggs County received $633,372 in host fees from the Landfill during the current year.

NOTE 5. OTHER INFORMATION, continued

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

Prior Period Adjustment

A prior period adjustment of $167,613 was required for the Twiggs County Board of Health, a component unit of Twiggs County, due to the implementation of GASB 75.

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, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUE				
Taxes	$ 6,072,343	$ 6,072,343	$ 6,212,539	$ 140,196
Licenses and permits	74,500	74,500	289,586	215,086
Intergovernmental	-	-	110,839	110,839
Charges for services	905,700	905,700	833,967	(71,733)
Fines and forfeitures	768,750	768,750	646,035	(122,715)
Miscellaneous revenues	295,760	295,760	254,919	(40,841)
Total revenues	8,117,053	8,117,053	8,347,885	230,832
EXPENDITURES				
General government	2,835,245	2,736,338	2,474,936	261,402
Public safety	3,094,012	3,380,359	3,239,075	141,284
Public works	1,297,372	1,306,797	1,020,125	286,672
Public health and welfare	295,406	295,406	306,437	(11,031)
Culture and recreation	28,750	28,750	25,871	2,879
Economic development	290,016	290,417	37,872	252,545
Debt service	-	-	57,623	(57,623)
Total expenditures	7,840,801	8,038,067	7,161,939	876,128
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	276,252	78,986	1,185,946	1,106,960
Transfers out	(84,000)	(119,000)	(378,189)	(259,189)
Proceeds from sale of capital assets	40,000	40,000	-	(40,000)
Total other financing sources (uses)	(44,000)	(79,000)	(378,189)	(299,189)
NET CHANGES IN FUND BALANCE	232,252	(14)	807,757	807,771
FUND BALANCE, BEGINNING	1,994,114	1,994,114	1,994,114	-
FUND BALANCES, ENDING	$ 2,226,366	$ 1,994,100	$ 2,801,871	$ 807,771

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.
- 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, 2018

	Total Non - Major Special Revenue Governmental Funds	Total Non - Major Capital Projects Governmental Funds	Total Non - Major Governmental Funds
ASSETS			
Cash and cash equivalents	$ 430,043	$ 85,255	$ 515,298
Investments	55,798	-	55,798
Receivables - other	9,847	-	9,847
Total Assets	$ 495,688	$ 85,255	$ 580,943
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 38,902	$ -	$ 38,902
Accrued expenses	1,189	-	1,189
Deposits	1,000	-	1,000
Due to other funds	151,292	-	151,292
Total liabilities	192,383	-	192,383
Fund Balances:			
Restricted for special programs	303,305	85,255	388,560
Total fund balances	303,305	85,255	388,560
Total Liabilities and Fund Balances	$ 495,688	$ 85,255	$ 580,943

TWIGGS COUNTY, GEORGIA

EXHIBIT 15

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON - MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	Total Non - Major Special Revenue Governmental Funds	Total Non - Major Capital Projects Governmental Funds	Total Non - Major Governmental Funds
Revenues:			
Intergovernmental	$ 268,340	$ -	$ 268,340
Charges for services	173,937	-	173,937
Fines and forfeitures	118,767	-	118,767
Investment earnings	543	-	543
Other revenues	123,304	-	123,304
Total revenues	684,891	-	684,891
Expenditures:			
Current:			
General government	5,358	-	5,358
Public safety	413,672	-	413,672
Culture and recreation	-	366	366
Economic development	76,189	-	76,189
Debt Service:			
Principal payments	185,566	-	185,566
Interest payments	23,089	-	23,089
Capital outlay	282,012	20,000	302,012
Total expenditures	985,886	20,366	1,006,252
Excess (Deficiency) of Revenues Over (Under) Expenditures	(300,995)	(20,366)	(321,361)
Other Financing Sources (Uses):			
Transfer in	238,661	-	238,661
Insurance proceeds	17,299	-	17,299
Total Other Financing Sources (Uses)	255,960	-	255,960
Net Change in Fund Balances	(45,035)	(20,366)	(65,401)
Fund Balances, Beginning	348,340	105,621	453,961
Fund Balances, Ending	$ 303,305	$ 85,255	$ 388,560

TWIGGS COUNTY, GEORGIA

EXHIBIT 16

COMBINING BALANCE SHEET
NON - MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018

	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 and cash equivalents	$ 26,201	$ 63,565	$ 59,958	$ 16,077	$ 22,265	$ 14,696	$ 227,281	$ 430,043
Investments	-	-	-	55,798	-	-	-	55,798
Receivables - other	-	9,679	-	168	-	-	-	9,847
Total assets	$ 26,201	$ 73,244	$ 59,958	$ 72,043	$ 22,265	$ 14,696	$ 227,281	$ 495,688
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 7,463	$ 10,034	$ 886	$ -	$ 147	$ 2,383	$ 17,989	$ 38,902
Accrued expenses	-	-	-	-	-	-	1,189	1,189
Deposits	-	-	-	-	-	-	1,000	1,000
Due to other funds	-	151,292	-	-	-	-	-	151,292
Total liabilities	7,463	161,326	886	-	147	2,383	20,178	192,383
Fund Balances:								
Restricted for special programs	18,738	(88,082)	59,072	72,043	22,118	12,313	207,103	303,305
Total fund balances	18,738	(88,082)	59,072	72,043	22,118	12,313	207,103	303,305
Total liabilities and fund balances	$ 26,201	$ 73,244	$ 59,958	$ 72,043	$ 22,265	$ 14,696	$ 227,281	$ 495,688

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, 2018

	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	$ -	$ -	$ -	$ -	$ -	$ -	$ 268,340	$ 268,340
Charges for services	-	138,567	-	-	-	-	35,370	173,937
Fines and forfeitures	-	-	61,376	16,961	25,645	14,785	-	118,767
Investment earnings	-	-	-	358	48	-	137	543
Other revenues	5,928	-	-	-	-	1,565	115,811	123,304
Total revenues	5,928	138,567	61,376	17,319	25,693	16,350	419,658	684,891
EXPENDITURES								
Current:								
General government	-	-	-	5,358	-	-	-	5,358
Public safety	1,170	327,354	27,255	-	17,852	40,041	-	413,672
Economic development	-	-	-	-	-	-	76,189	76,189
Debt Service:								
Principal payments	-	-	-	-	-	-	185,566	185,566
Interest payments	-	-	-	-	-	-	23,089	23,089
Capital outlay	-	1,005	11,592	-	3,500	4,000	261,915	282,012
Total expenditures	1,170	328,359	38,847	5,358	21,352	44,041	546,759	985,886
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,758	(189,792)	22,529	11,961	4,341	(27,691)	(127,101)	(300,995)
OTHER FINANCING SOURCES (USES)								
Transfer in	-	-	-	-	-	-	238,661	238,661
Insurance proceeds	-	-	-	-	-	17,299	-	17,299
Total other financing sources (uses)	-	-	-	-	-	17,299	238,661	255,960
NET CHANGE IN FUND BALANCE	4,758	(189,792)	22,529	11,961	4,341	(10,392)	111,560	(45,035)
FUND BALANCE, BEGINNING	13,980	101,710	36,543	60,082	17,777	22,705	95,543	348,340
FUND BALANCE, ENDING	$ 18,738	$ (88,082)	$ 59,072	$ 72,043	$ 22,118	$ 12,313	$ 207,103	$ 303,305

TWIGGS COUNTY, GEORGIA

EXHIBIT 18

COMBINING BALANCE SHEET
NON - MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2018

	2009 SPLOST	Public Library Building	Development Authority Industrial Park Fund	Total Non - Major Capital Projects Governmental Funds
ASSETS				
Cash and cash equivalents	$ 16,409	$ 40,183	$ 28,663	$ 85,255
Total assets	$ 16,409	$ 40,183	$ 28,663	$ 85,255
LIABILITIES				
Due to other governments	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-
FUND BALANCE				
Capital projects	16,409	40,183	28,663	85,255
Total fund balances	16,409	40,183	28,663	85,255
Total liabilities and fund balances	$ 16,409	$ 40,183	$ 28,663	$ 85,255

TWIGGS COUNTY, GEORGIA

EXHIBIT 19

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON - MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2018

	2009 SPLOST	Public Library Building	Development Authority Industrial Park Fund	Total Non - Major Capital Projects Governmental Funds
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Culture and recreation	-	366	-	366
Capital outlay	-	-	20,000	20,000
Total expenditures	-	366	20,000	20,366
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(366)	(20,000)	(20,366)
FUND BALANCE (DEFICIT), BEGINNING	16,409	40,549	48,663	105,621
FUND BALANCE (DEFICIT), ENDING	$ 16,409	$ 40,183	$ 28,663	$ 85,255

Agency Funds

TWIGGS COUNTY, GEORGIA

EXHIBIT 20

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2018

	Superior Court	Probate Court	Tax Commissioner	Magistrate Court	Sheriff	Total Agency Funds
ASSET						
Cash	$ 79,209	$ 20,346	$ 14,313	$ 4,905	$ 67,169	$ 185,942
LIABILITY						
Other liabilities	$ 79,209	$ 20,346	$ 14,313	$ 4,905	$ 67,169	$ 185,942

Other Information

TWIGGS COUNTY, GEORGIA

EXHIBIT 21

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
YEAR ENDED DECEMBER 31, 2018

Project Description Per SPLOST Referendum	Estimated Cost Original	Estimated Cost Current	Expenditures Prior Years	Expenditures Current Year	Total
Capital Improvement Program -					
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			1,387,237	-	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	$ 3,568,580	$ -	$ 3,568,580
November 4, 2015 referendum:					
Distribution to Other Governments			$ 185,540	$ 33,210	$ 218,750
Improving Twiggs County roads			264,099	158,223	422,322
Debt service for road equipment			49,135	85,856	134,991
Total	$ 6,000,000	$ 6,000,000	$ 498,774	$ 277,289	$ 776,063

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 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, 2018, 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 June 28, 2019. 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.

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: 2018-001, 2018-002, 2018-003, 2018-004.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we have reported to management of Twiggs County, Georgia in a separate letter dated June 28, 2019.

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
June 28, 2019

Finding 2018-001

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 2018-002

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 2018-003

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 2018-004

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.