WARREN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2016

Warren County, Georgia
Annual Financial Report
For The Year Ended June 30, 2016

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INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the
Board of Commissioners of Warren County
Warrenton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Georgia (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Georgia, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, Schedule of Changes in Net Pension Liability and Related Ratios, and Schedule of Pension Contributions on pages 41-43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Emphasis of Matter

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, the accompanying schedules of projects constructed with special purpose local option sales tax proceeds, the Section 5311 Transportation Program Statement of Revenues and Expenditures, and the Community Development Block Grant Statement of Source and Application of Funds and Statement of Project Cost are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the accompanying schedules of projects constructed with special purpose local option sales tax proceeds, the Section 5311 Transportation Program Statement of Revenues and Expenditures, and the Community Development Block Grant Statement of Source and Application of Funds and Statement of Project Cost are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of

the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the accompanying schedules of projects constructed with special purpose local option sales tax proceeds, the Section 5311 Transportation Program Statement of Revenues and Expenditures, and the Community Development Block Grant Statement of Source and Application of Funds and Statement of Project Cost are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2016 on our consideration of the County'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 the County's internal control over financial reporting and compliance.

Jones, Jones, Davis and Associates

Louisville, Georgia
October 19, 2016

Warren County, Georgia
Statement of Net Position
June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 3,428,095	$ 260	$ 3,428,355	$ 269,246
Receivables:				
Accounts	8,769	-	8,769	27,361
Property taxes	271,987	-	271,987	-
Intergovernmental	347,426	-	347,426	146,407
Interfund	4,776	(4,776)	-	-
Other	49,801	-	49,801	-
Prepaid items	63,464	-	63,464	-
Restricted Assets	-	34,866	34,866	-
Capital Assets				
Nondepreciable capital assets	453,653	-	453,653	98,430
Depreciable capital assets, net	14,914,546	3,864,627	18,779,173	-
Total Assets	19,542,517	3,894,977	23,437,494	541,444
Deferred Outflows of Resources				
Deferred outflows of resources related to pension contributions	260,685	-	260,685	20,491
Total Deferred Outflows of Resources	260,685	-	260,685	20,491
Liabilities				
Current Liabilities				
Accounts payable	192,868	-	192,868	19,790
Accrued expenses	48,271	-	48,271	-
Intergovernmental payable	238,547	-	238,547	-
Other liabilities	163,568	-	163,568	-
Compensated absences payable	6,251	-	6,251	-
Capital leases payable	83,502	-	83,502	-
Notes payable	18,819	5,453	24,272	-
Revenue bonds payable	-	5,945	5,945	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	18,751	-	18,751	6,339
Capital leases payable (net of current portion)	216,022	-	216,022	-
Notes payable (net of current portion)	99,857	53,728	153,585	-
Revenue bonds payable (net of current portion)	-	335,540	335,540	-
Net pension liability	333,831	-	333,831	104,891
Total Liabilities	1,420,287	400,666	1,820,953	131,020
Deferred Inflows of Resources				
Deferred inflows related to pension	-	-	-	14,369
Total Deferred Inflows of Resources	-	-	-	14,369
Net Position				
Net investment in capital assets	14,949,999	3,463,961	18,413,960	98,430
Restricted for:				
Capital projects	651,518	-	651,518	-
Judicial	29,679	-	29,679	-
Public safety	256,831	-	256,831	-
Public works	966,617	-	966,617	-
Economic development	196,953	-	196,953	-
Health and welfare	-	-	-	21,090
Culture and recreation	19,158	-	19,158	-
Debt service	-	34,866	34,866	-
Unrestricted	1,312,160	(4,516)	1,307,644	297,026
Total Net Position	$ 18,382,915	$ 3,494,311	$ 21,877,226	$ 416,546

See accompanying notes to the basic financial statements.

Warren County, Georgia
Statement of Activities
For the Year Ended June 30, 2016

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants, Contributions and Interest	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government								
Governmental Activities								
General government	$ 1,194,691	$ 88,501	$ -	$ -	$ (1,106,190)	$ -	$ (1,106,190)	$ -
Judicial	378,440	179,120	-	-	(199,320)	-	(199,320)	-
Public safety	1,765,594	511,230	-	-	(1,254,364)	-	(1,254,364)	-
Public works	1,697,884	29,255	-	718,868	(949,761)	-	(949,761)	-
Health and welfare	211,755	-	88,165	-	(123,590)	-	(123,590)	-
Culture and recreation	125,616	4,544	37,576	-	(83,496)	-	(83,496)	-
Conservation of natural resources	60,091	-	-	-	(60,091)	-	(60,091)	-
Housing and development	47,689	-	88,206	-	40,517	-	40,517	-
Interest	15,340	-	-	-	(15,340)	-	(15,340)	-
Total Governmental Activities	5,497,100	812,650	213,947	718,868	(3,751,635)	-	(3,751,635)	-
Business-Type Activities								
Water and sewer	135,860	-	-	-	-	(135,860)	(135,860)	-
Total Business-Type Activities	135,860	-	-	-	-	(135,860)	(135,860)	-
Total - Primary Government	$ 5,632,960	$ 812,650	$ 213,947	$ 718,868	(3,751,635)	(135,860)	(3,887,495)	-
Component Units								
Department of Health	$ 158,881	$ 21,093	$ 155,439	$ -	-	-	-	17,651
Development Authority	27,978	10,000	-	-	-	-	-	(17,978)
Total - Component Units	$ 186,859	$ 31,093	$ 155,439	$ -	-	-	-	(327)
		General Revenues						
		Property taxes			2,532,027	-	2,532,027	-
		Sales taxes			1,233,513	-	1,233,513	-
		Other taxes and revenues			278,601	-	278,601	-
		Investment earnings			308	6	314	110
		Miscellaneous			33,471	-	33,471	4,292
		Special item - gain on disposition of assets			46,189	-	46,189	16,200
		Transfers in (out)			(27,818)	27,818	-	-
		Total General Revenues, Special Items and Transfers			4,096,291	27,824	4,124,115	20,602
		Change in Net Position			344,656	(108,036)	236,620	20,275
		Net Position, Beginning of Year			18,038,259	3,602,347	21,640,606	396,271
		Net Position, End of Year			$ 18,382,915	$ 3,494,311	$ 21,877,226	$ 416,546

See accompanying notes to the basic financial statements.

Warren County, Georgia
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2016

	General	CDBG Grants Fund	SPLOST 2012-2017 Fund	TSPLOST Discretionary Fund	TSPLOST Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 1,185,710	$ -	$ 591,901	$ 919,029	$ -	$ 731,455	$ 3,428,095
Receivables:							
Accounts, net	-	-	-	-	-	8,769	8,769
Property taxes	271,987	-	-	-	-	-	271,987
Intergovernmental	110,046	158,605	31,800	46,975	-	-	347,426
Interfund	-	-	-	-	-	4,776	4,776
Other	49,801	-	-	-	-	-	49,801
Prepaid items	63,464	-	-	-	-	-	63,464
Total Assets	$ 1,681,008	$ 158,605	$ 623,701	$ 966,004	$ -	$ 745,000	$ 4,174,318
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	$ 28,100	$ 158,605	$ -	$ -	$ -	$ 6,163	$ 192,868
Accrued expenses	48,271	-	-	-	-	-	48,271
Intergovernmental payable	48,372	-	190,175	-	-	-	238,547
Other liabilities	126,799	-	-	-	-	36,769	163,568
Total Liabilities	251,542	158,605	190,175	-	-	42,932	643,254
Deferred Inflows of Resources							
Unavailable revenue: property taxes	79,772	-	-	-	-	-	79,772
Total Liabilities and Deferred Inflows of Resources	331,314	158,605	190,175	-	-	42,932	723,026
Fund Balances							
Nonspendable	63,464	-	-	-	-	-	63,464
Restricted							
Judicial	-	-	-	-	-	29,679	29,679
Public safety	-	-	-	-	-	256,831	256,831
Public works	-	-	-	966,004	-	613	966,617
Economic development	-	-	-	-	-	196,953	196,953
Capital projects	-	-	433,526	-	-	217,992	651,518
Culture and recreation	19,158	-	-	-	-	-	19,158
Unassigned	1,267,072	-	-	-	-	-	1,267,072
Total Fund Balances (Deficits)	1,349,694	-	433,526	966,004	-	702,068	3,451,292
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,681,008	$ 158,605	$ 623,701	$ 966,004	$ -	$ 745,000	$ 4,174,318

See accompanying notes to the basic financial statements.

Warren County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2016

Total Governmental Fund Balances		$ 3,451,292
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 not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	24,233,782	
Less accumulated depreciation	(8,865,583)	15,368,199
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		79,772
Liabilities associated with the County's pension plan are recognized for accrual reporting, but not reported in the fund financial statements.		(333,831)
Recognition of the net difference between projected and actual earnings on pension plan investments are recognized as a deferred outflow of resources for accrual reporting, but not reported in the fund financial statements.		260,685
Liabilities, including capital leases, compensated absences and landfill post closure care costs, are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases	(299,524)	
Notes payable	(118,676)	
Compensated absences	(25,002)	(443,202)
Net Position of Governmental Activities		$ 18,382,915

See accompanying notes to the basic financial statements.

Warren County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

Revenues	General	CDBG Grants Fund	SPLOST 2012-2017 Fund	TSPLOST Discretionary Fund	TSPLOST Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Taxes	$ 3,147,177	$ -	$ 402,998	$ 587,403	$ -	$ -	$ 4,137,578
Intergovernmental	153,084	483,301	10	-	235,507	88,206	960,108
Charges for services	421,806	-	-	-	-	68,656	490,462
Fines, forfeitures and fees	229,922	-	-	-	-	40,246	270,168
Investment earnings	293	-	50	-	-	15	358
Miscellaneous	38,340	-	-	-	-	19,808	58,148
Total Revenues	3,990,622	483,301	403,058	587,403	235,507	216,931	5,916,822
Expenditures							
Current:							
General government	1,104,246	-	-	-	-	42	1,104,288
Judicial	365,458	-	-	-	-	12,833	378,291
Public safety	1,421,627	-	-	-	-	369,114	1,790,741
Public works	439,161	-	-	-	-	-	439,161
Health and welfare	207,706	-	-	-	-	-	207,706
Culture and recreation	76,778	-	-	-	-	-	76,778
Conservation of natural resources	60,091	-	-	-	-	-	60,091
Economic development	47,689	-	-	-	-	-	47,689
Intergovernmental	-	-	86,644	-	-	-	86,644
Capital Outlay	-	483,301	459,798	-	648,479	77,838	1,669,416
Debt Service:							
Principal retirement	28,541	-	63,855	4,753	-	59,222	156,371
Interest and fiscal charges	5,748	-	6,866	279	-	2,447	15,340
Total Expenditures	3,757,045	483,301	617,163	5,032	648,479	521,496	6,032,516
Excess (Deficiency) of Revenues Over (Under) Expenditures	233,577	-	(214,105)	582,371	(412,972)	(304,565)	(115,694)
Other Financing Sources (Uses)							
Inception of capital lease obligation	-	-	208,637	-	-	-	208,637
Transfers in (out), net	(44,782)	-	(12,057)	(412,972)	412,972	29,021	(27,818)
Total Other Financing Sources (Uses)	(44,782)	-	196,580	(412,972)	412,972	29,021	180,819
Special Items							
Proceeds from dispostion of assets	128,034	-	-	-	-	-	128,034
Net Change in Fund Balances	316,829	-	(17,525)	169,399	-	(275,544)	193,159
Fund Balances, Beginning	1,032,865	-	451,051	796,605	-	977,612	3,258,133
Fund Balances, Ending	$ 1,349,694	$ -	$ 433,526	$ 966,004	$ -	$ 702,068	$ 3,451,292

See accompanying notes to the basic financial statements.

Warren County, Georgia

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2016

Net Changes In Fund Balances - Total Governmental Funds		$ 193,159
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Capital outlay	$ 1,188,620	
Depreciation expense	(765,664)	422,956
The book value of disposed capital assets is reported on the government-wide statement of activities but not reported at the fund financial reporting level.		(81,845)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes:		
Deferred, end of year	79,772	
Deferred, beginning of year	(173,209)	(93,437)
Elimination of transfers between governmental funds:		
Transfers in	713,653	
Transfers out	(713,653)	-
The inception of a capital lease payable is reported as an other financing source at the fund reporting level but is reported as a liability on the government-wide statement of net assets		(208,637)
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		156,371
Net pension expense adjustments associated with changes in pension liability and net changes in deferred inflows and outflows.		(36,796)
Certain liabilities are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences:		
Liability, end of year	(25,002)	
Liability, beginning of year	17,887	(7,115)
Change In Net Position of Governmental Activities		$ 344,656

See accompanying notes to the basic financial statements.

Warren County, Georgia
Statement of Net Position
Proprietary Fund
June 30, 2016

	Water and Sewer Fund
Assets	
Current Assets:	
Cash and cash equivalents	$ 260
Restricted Assets:	
Cash and cash equivalents	34,866
Total Current Assets	35,126
Noncurrent Assets:	
Capital Assets:	
Nondepreciable, net	-
Depreciable, net	3,864,627
Total Noncurrent Assets	3,864,627
Total Assets	3,899,753
Liabilities	
Current Liabilities:	
Interfund payable	4,776
Notes payable	5,453
Revenue bonds payable	5,945
Total Current Liabilities	16,174
Long-Term Liabilities:	
Notes payable (net of current portion)	53,728
Revenue bonds payable (net of current portion)	335,540
Total Long-Term Liabilities	389,268
Total Liabilities	405,442
Net Position	
Net investment in capital assets	3,463,961
Restricted for debt service	34,866
Unrestricted	(4,516)
Total Net Position	$ 3,494,311

See accompanying notes to the basic financial statements.

Warren County, Georgia
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2016

	Water and Sewer Fund
Operating Revenues	
Charges for services	$ -
Total Operating Revenues	-
Operating Expenses	
Cost of water	172
Depreciation	118,941
Total Operating Expenses	119,113
Operating Income (Loss)	(119,113)
Non-Operating Revenues (Expenses)	
Interest and fiscal charges	(16,747)
Investment earnings	6
Total Non-Operating Revenues (Expenses)	(16,741)
Income (Loss) before Transfers and Capital Contributions	(135,854)
Transfers in (out)	27,818
Change in Net Position	(108,036)
Net Position, Beginning of Year	3,602,347
Net Position, End of Year	$ 3,494,311

See accompanying notes to the basic financial statements.

Warren County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2016

	Water and Sewer Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash received from other operations	$ 2,122
Cash payments for goods and services	(172)
Net Cash Provided by (Used in) Operating Activities	1,950
Cash Flows from Noncapital Financing Activities	
Transfers in (out)	27,818
Net Cash Provided by (Used in) Noncapital Financing Activities	27,818
Cash Flows from Capital and Related Financing Activities	
Principal paid on long term debt	(11,063)
Interest paid	(16,747)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(27,810)
Cash Flows from Investing Activities	
Investment earnings	6
Net Increase (Decrease) in Cash and Cash Equivalents	1,964
Cash and Cash Equivalents, Beginning of Year	33,162
Cash and Cash Equivalents, End of Year	$ 35,126

See accompanying notes to the basic financial statements.

Warren County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2016

(Continued)

	Water and Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating Income (Loss)	$ (119,113)
Adjustments:	
Depreciation	118,941
Increase (Decrease) in Liabilities:	
Interfund payable	2,122
Net Cash Provided by (Used in) Operating Activities	$ 1,950

See accompanying notes to the basic financial statements.

Warren County, Georgia

Comparative Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2016

	2016	2015
Assets		
Cash and cash equivalents	$ 243,503	$ 267,289
Liabilities		
Due to others	$ 243,503	$ 267,289
Total Liabilities	$ 243,503	$ 267,289

See accompanying notes to the basic financial statements.

Warren County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2016

	Warren County Department of Health	Development Authority of Warren County	Total
Assets			
Current:			
Cash and cash equivalents	$ 105,254	$ 163,992	$ 269,246
Receivables:			
Accounts	27,361	-	27,361
Intergovernmental	-	146,407	146,407
Noncurrent:			
Capital Assets:			
Nondepreciable capital assets	-	98,430	98,430
Total Assets	132,615	408,829	541,444
Deferred Outflows of Resources			
Deferred outflows of resources-			
Retirement contributions	20,491	-	20,491
Total Deferred Outflows of Resources	20,491	-	20,491
Liabilities			
Current Liabilities:			
Accounts payable	19,790	-	19,790
Long-Term Liabilities: (net of current portion)			
Compensated absences payable	6,339	-	6,339
Net pension liability	104,891	-	104,891
Total Liabilities	131,020	-	131,020
Deferred Inflows of Resources			
Deferred inflows of resources - proportionate share of collective deferred inflows of resources	14,369	-	14,369
Total Deferred Inflows of Resources	14,369	-	14,369
Net Position			
Investment in capital assets	-	98,430	98,430
Restricted:			
Health and welfare	21,090	-	21,090
Unrestricted	(13,373)	310,399	297,026
Total Net Position	$ 7,717	$ 408,829	$ 416,546

See accompanying notes to the basic financial statements.

Warren County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2016

	Warren County Department of Health	Development Authority of Warren County	Total
Expenses			
Health and welfare	$ 158,881	$ -	$ 158,881
General government	-	27,978	27,978
Total Expenses	158,881	27,978	186,859
Revenues			
Program revenues:			
Charges for services	21,093	10,000	31,093
Operating grants and contributions	155,439	-	155,439
Total Program Revenues	176,532	10,000	186,532
Net Program (Expense)	17,651	(17,978)	(327)
General Revenues			
Investment earnings	-	110	110
Gain on sale of assets	-	16,200	16,200
Miscellaneous	-	4,292	4,292
Total General Revenues	-	20,602	20,602
Change in Net Position	17,651	2,624	20,275
Net Position, Beginning of Year	(9,934)	406,205	396,271
Net Position, End of Year	$ 7,717	$ 408,829	$ 416,546

See accompanying notes to the basic financial statements.

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Warren County, Georgia (the County) is a political subdivision of the State of Georgia. The County is governed by a three member elected board of county commissioners which is governed by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge and Clerk of Superior Court. The cost of operations of the Superior Court Judges and the District Attorney, which are elected court functions, is shared with the State of Georgia. Only that portion of the cost for which the County is responsible is reported in the County's financial statements.

Note 1 - Summary of Significant Accounting Policies

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

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the various constitutional officers including the Clerk of Court, the Probate Court, the Tax Commissioner and the Magistrate Court.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The component unit column included on the government-wide financial statements identifies the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

Brief descriptions of the discretely presented component units follow:

Warren County Department of Health (the Health Department) – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department board consists of seven members, four of these members are appointed by the county commission. Although the County does not have the authority to approve or modify the Department of Health's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Department of Health. Complete financial statements for the Health Department may be obtained from its administrative office.

Warren County Development Authority (the Development Authority) – The Development Authority is responsible for encouraging economic development within the County. The county commission appoints a majority of the members of the authority board. Complete financial statements may be obtained from its administrative office.

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (Continued)

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the County's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted.*

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for government and proprietary funds.

Major individual governmental and business-type activities are reported in separate columns.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

> ***Governmental Funds*** - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (Continued)

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Georgia.

The CDBG Grants Fund – This capital projects fund accounts for the receipt and expenditure of resources received under the CDBG grant program.

The SPLOST 2012-2017 Capital Projects Fund – This fund accounts for the special purpose local option sales taxes approved in March 2012 and went into effect July 2012. The County is using these taxes for various County projects according to the approved referendum.

The TSPLOST Discretionary Fund – This fund is used to account for the discretionary portion of the proceeds and expenditures for transportation expenditures that are non-capital in nature and funded by the special sales tax passed under the Transportation Investment Act of 2010.

The TSPLOST Capital Projects Fund – This fund is used to account for acquisition of property and the construction of projects designated to be funded by the special sales tax created with the Transportation Investment Act of 2010.

Proprietary Fund - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary fund classified as a major enterprise fund is as follows:

The Water and Sewer Fund – This fund is used to account for the County's water and sewer system.

Fiduciary Funds – Fiduciary fund reporting focuses on changes in assets and liabilities. The County's fiduciary funds are agency funds.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of revenues, expenses and changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as unearned revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value based on quoted market prices.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-1 Cash, Cash Equivalents and Investments (Continued)

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible, where applicable. Uncollected and unbilled water/sewer charges and landfill user charges are accrued as receivables and revenue at June 30, 2016.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories (if material) are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first in, first out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

1-E-6 Restricted Assets

Certain resources in the Water and Sewer Enterprise Fund are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond and note covenants. The "USDA debt service" account is used to report resources accumulated for debt service payments over the next twelve months. The "GEFA reserve" account is used to segregate resources accumulated for debt service payments over the next twelve months.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the Government fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. Currently, the County is reporting its infrastructure prospectively beginning with fiscal year 2004. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Lives	
Asset Class	Governmental Activities	Business-type Activities
Buildings	40-50 Years	40 Years
Fixed equipment	5-7 Years	---
Vehicles	5 Years	---
Mobile equipment	15-20 Years	---
Roads and infrastructure	40-50 Years	---
Equipment	---	5-25 Years
Site improvements	---	19-76 Years
Water/sewer system components	---	5-50 Years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due.*"

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-10 Deferred Outflows/Inflows of Resources

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. On the County's government-wide financial statements, a deferred outflow related to pensions will be reported and will be recognized as pension expense over a five-year closed period.

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

1-E-11 Pensions

The County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 establishes standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

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

1-E-12 Fund Balance

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-12 Fund Balance (Continued)

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

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

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

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. By policy, the County has authorized the Chairman of the County Commission to assign fund balances.

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

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

- Committed
- Assigned
- Unassigned

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net position 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. All other net position is reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1-E-13 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water and sewer and solid waste. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of each fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-14 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-15 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

1-E-16 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-17 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data may have been restated and reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information

The County adopts an annual operating budget for the general fund and each special revenue fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The general fund, special revenue and debt service fund budgets are adopted on a basis consistent with GAAP. Budgets for capital projects funds are adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period.

Total appropriations for any fund may be increased if, during the year, sources of revenue become available to the County in excess of original anticipations, and these amounts are anticipated by the Finance Committee and subsequently appropriated by the Board of Commissioners. The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the County Commissioners.

Department directors may approve budget transfers within departments, with certain exceptions. During the year, the Board of Commissioners approve budget revisions. All unexpended annual appropriations lapse at year-end.

Note 3 – Detailed Notes on All Funds

3-A. Deposits and Investments

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be recovered. State statutes require all deposits and investments to be collateralized by depository insurance, obligations of the U. S. government, or bonds of public authorities, counties or municipalities. The County's custodial credit risk policy requires all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits.

At June 30, 2016, all of the deposits of the County were properly insured and collateralized as required by OCGA Section 45-8-12(c) and as defined by GASB pronouncements. The County participates in the pooled method with its depositors to collateralize funds as allowed by law.

At June 30, 2016, the County's deposits and investments were as follows:

Carrying amount of the County's deposits	$ 3,706,724
Bank balances of the County's deposits	3,847,495
Deposits covered by depository insurance	309,856
Deposits collateralized by securities	3,537,639

State statutes authorize the County to invest in obligations of, or obligations guaranteed by the U.S. government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; and the Office of State Treasurer.

The County had no other investments that require disclosure as to the basis of valuation other than capital assets, the basis of which are properly disclosed.

At June 30, 2016, the County's component units' bank balances were properly insured and collateralized as required by OCGA Section 45-8-12(c) and as defined by GASB pronouncements.

3-B. Receivables

Receivables at June 30, 2016, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

3-C. Property Taxes

County property taxes are based on assessments of property values on January 1, assessed by the County Tax Assessors' office. The digest is prepared by the assessor's office and verified by the Georgia Department of Revenue. The Board of Commissioners set the property tax millage rate in September 2015. Property tax bills were mailed on October 16, 2015 and were due by December 20, 2015. Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. Any taxes not paid by due date are considered delinquent and are subject to a 10% penalty and an interest charge. If taxes remain delinquent by May of the following year, a fifa is issued against the property, and the county can advertise and sell the property at a tax sale.

(Continued on the following page)

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	$ 426,839	$ -	$ -	$ 426,839
Construction in progress	-	26,814	-	26,814
Total capital assets not being depreciated	426,839	26,814	-	453,653
Depreciable capital assets:				
Buildings and improvements	7,158,787	11,700	-	7,170,487
Infrastructure	9,844,225	705,284	-	10,549,509
Vehicles and equipment	5,805,314	444,822	190,003	6,060,133
Total depreciable capital assets	22,808,326	1,161,806	190,003	23,780,129
Total capital assets	23,235,165	1,188,620	190,003	24,233,782
Accumulated depreciation:				
Buildings and improvements	1,692,498	125,421	-	1,817,919
Infrastructure	1,433,824	492,211	-	1,926,035
Vehicles and equipment	5,081,755	148,032	108,158	5,121,629
Total accumulated depreciation	8,208,077	765,664	108,158	8,865,583
Governmental activitivties capital assets, net	$ 15,027,088	$ 422,956	$ 81,845	$ 15,368,199

Governmental activities depreciation expense:

General government	$ 74,259
Public safety	98,065
Public works	542,994
Health and welfare	4,000
Culture and recreation	46,346
Total governmental activities depreciation expense	$ 765,664

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (Continued)

	Beginning Balance	Additions	Deductions	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Depreciable capital assets:				
Utility systems	$ 4,757,657	$ -	$ -	$ 4,757,657
Total depreciable capital assets	4,757,657	-	-	4,757,657
Total capital assets	4,757,657	-	-	4,757,657
Accumulated depreciation:				
Utility systems	774,089	118,941		893,030
Total accumulated depreciation	774,089	118,941	-	893,030
Business-type activities capital assets, net	$ 3,983,568	$ (118,941)	$ -	$ 3,864,627

	Beginning Balance	Additions	Deductions	Ending Balance
COMPONENT UNITS:				
Non-depreciable capital assets:				
Land	$ 132,230	$ -	$ 33,800	$ 98,430
Total non-depreciable capital assets	132,230	-	33,800	98,430
Buildings and improvements	-	-	-	-
Total depreciable capital assets	-	-	-	-
Total capital assets	132,230	-	33,800	98,430
Accumulated depreciation:				
Buildings and improvements	-			-
Total accumulated depreciation	-	-	-	-
Component unit capital assets, net	$ 132,230	$ -	$ 33,800	$ 98,430

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Interfund Balances and Transfers

Interfund balances and transfers for the year ended June 30, 2016, consisted of the following:

Interfund Balances	Due From:	Due To:
Water and Sewer Fund	$ 4,776	-0-
SPLOST 2007-2012 Capital Projects Fund	-0-	4,776
Total Interfund Balances	$ 4,776	$ 4,776

Interfund Transfers	Transfers From:				
Transfers to:	General Fund	SPLOST 2012-2017 Fund	TSPLOST Discretionary Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ -	$ -	$ 125,216	$ 125,216
Water and Sewer Fund	6,590	-	-	21,228	27,818
TSPLOST Capital Projects Fund	-	-	412,972	-	412,972
Non-Major Governmental Funds	163,408	12,057	-	-	175,465
	$ 169,998	$ 12,057	$ 412,972	$ 146,444	$ 741,471

The transfers from the General Fund to the Water and Sewer Fund and Non-Major Governmental Funds are necessary because the costs associated with these funds are more than the operating revenues of these funds. The SPLOST 2012-2017 Fund transfers to the Debt Service Fund were for debt service payments on capital assets acquired per the SPLOST resolution. The TSPLOST Discretionary Fund transfers to the TSPLOST Capital Projects Fund were for expenditures incurred for approved transportation capital projects. The transfers from the Non-Major Governmental Funds to the Water and Sewer Fund were for debt service payments on capital assets acquired per resolution. The transfers from the Non-Major Governmental Funds to the General Fund were to supplement public safety expenditures.

3-F. Compensated Absences

The following is a breakdown of compensated absences by department for the year ended June 30, 2016:

General administration	$ 3,849
Court system	941
Public safety	16,657
Public works	1,631
Health and welfare	636
Culture and recreation	1,288
TOTAL	$ 25,002

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt

Changes in Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2016:

Governmental Activities	Outstanding 6/30/15	Additions	Reductions	Outstanding 6/30/16	Amounts Due in One Year
USDA Loan 2006	$ 59,222	$ -	$ 59,222	$ -	$ -
Kansas State Bank	16,530	-	7,489	9,041	8,309
John Deere Lease	95,496	-	23,327	72,169	24,036
John Deere Lease	-	113,938	22,849	91,089	27,961
Stryker Loan	2,506	-	2,506	-	-
Ford Motor Credit 2012	12,437	-	12,437	-	-
GEFA Loan 2012	136,793	-	18,117	118,676	18,819
Branch Banking & Trust	42,950	-	10,424	32,526	10,630
Branch Banking & Trust	-	94,699	-	94,699	12,566
Compensated Absences	17,887	32,310	25,195	25,002	6,251
Total Governmental Activities	$ 383,821	$ 240,947	$ 181,566	$ 443,202	$ 108,572
Business-type Activities					
USDA Loan	$ 347,205	$ -	$ 5,720	$ 341,485	$ 5,945
GEFA Loan 2008	64,524	-	5,343	59,181	5,453
Total Business-type Activities	$ 411,729	$ -	$ 11,063	$ 400,666	$ 11,398
Component Units					
Compensated Absences	$ 6,743	$ 6,303	$ 6,707	$ 6,339	$ -
Total Component Units	$ 6,743	$ 6,303	$ 6,707	$ 6,339	$ -

All long-term obligations of the County's governmental funds will be financed through future general fund expendable available financial sources as they become due. Principal and interest payments related to the County's water enterprise fund are financed from income derived from the operation of the water system and transfers from other funds.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The employees' salaries are paid through the general fund except the enterprise funds. The governmental activities capital lease obligations will be paid from the general fund and the business-type activities capital lease will be paid from the solid waste fund.

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt (Continued)

Governmental Activities Long-Term Debt

Kansas State Bank Capital Lease – The County entered into a capital lease with Kansas State Bank in August 2014 for the purchase of emergency services equipment. The original amount of $ 22,942 was financed under the lease agreement with an interest rate of 10.428%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The equipment acquired by the lease is included in governmental activities general capital assets in the amount of $ 16,934 (cost of $ 22,942 less accumulated depreciation of $ 6,008). Future minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2017	$ 8,309	$ 553	$ 8,862
2018	732	6	738
Total	$ 9,041	$ 559	$ 9,600

John Deere Financial Capital Lease – The County entered into a capital lease with John Deere Financial in July 2014 for the purchase of a three utility tractors and rotary cutters. The original amount of $ 119,990 was financed under the lease agreement with an interest rate of 3.00%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The equipment acquired by the lease is included in governmental activities general capital assets in the amount of $ 84,336 (cost of $ 119,990 less accumulated depreciation of $ 35,654). Future minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2017	$ 24,036	$ 1,837	$ 25,873
2018	24,767	1,106	25,873
2019	23,366	310	23,676
Total	$ 72,169	$ 3,253	$ 75,422

John Deere Financial Capital Lease – The County entered into a capital lease with John Deere Financial in October 2015 for the purchase of excavation equipment. The original amount of $ 113,938 was financed under the lease agreement with an interest rate of 3.00%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The equipment acquired by the lease is included in governmental activities general capital assets in the amount of $ 105,393 (cost of $ 113,938 less accumulated depreciation of $ 8,545). Future minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2017	$ 27,961	$ 2,232	$ 30,193
2018	28,687	1,506	30,193
2019	29,562	631	30,193
2020	4,879	12	4,891
Total	$ 91,089	$ 4,381	$ 95,470

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt (Continued)

GEFA Loan 2012 – The County obtained a loan with the Georgia Environmental Facilities Authority (GEFA). The proceeds were used to pay for the construction of a solid waste convenience/recycling center. The interest rate on this loan is 3.81%. Monthly payments are $ 1,918.

Annual debt service requirements to amortize the loan payable outstanding, as of June 30, 2016, follow:

YEAR	PRINCIPAL	INTEREST	TOTALS
2017	$ 18,819	$ 4,197	$ 23,016
2018	19,549	3,467	23,016
2019	20,308	2,708	23,016
2020	21,095	1,921	23,016
2021	21,914	1,102	23,016
2022	16,991	271	17,262
Total	$ 118,676	$ 13,666	$ 132,342

Branch Banking & Trust Company Capital Lease – The County entered into a capital lease with Branch Banking & Trust Company Financial in February 2015 for the purchase of two vehicles. The original amount of $ 42,950 was financed under the lease agreement with an interest rate of 1.98%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The equipment acquired by the lease is included in governmental activities general capital assets in the amount of $ 33,642 (cost of $ 42,950 less accumulated depreciation of $ 9,308). Future minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2017	$ 10,630	$ 644	$ 11,274
2018	10,841	433	11,274
2019	11,055	219	11,274
Total	$ 32,526	$ 1,296	$ 33,822

Branch Banking & Trust Company Capital Lease – The County entered into a capital lease with Branch Banking & Trust Company Financial in May 2016 for the purchase of a pumper fire truck. The original amount of $ 94,699 was financed under the lease agreement with an interest rate of 2.45%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The equipment acquired by the lease is included in governmental activities general capital assets in the amount of $ 94,068 (cost of $ 94,699 less accumulated depreciation of $ 631). Future minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2017	$ 12,566	$ 2,320	$ 14,886
2018	12,874	2,012	14,886
2019	13,189	1,697	14,886
2020	13,512	1,374	14,886
2021	13,843	1,043	14,886
2022 - 2023	28,715	1,059	29,774
Total	$ 94,699	$ 9,505	$ 104,204

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt (Continued)

Business-type Activities Long-Term Debt

Business-type Activities Revenue Bonds – In 2004, the County issued $ 389,500 of water and sewerage revenue bonds, Series 2004 at an interest rate of 4.50% with monthly principal and interest maturity installments. Proceeds from this issuance were utilized in the construction, improvement and extension of the water/sewer system. Annual debt service requirements to amortize the revenue bonds outstanding, as of June 30, 2016, follow:

YEAR	PRINCIPAL	INTEREST	TOTALS
2017	$ 5,945	$ 15,283	$ 21,228
2018	6,219	15,009	21,228
2019	6,505	14,723	21,228
2020	6,804	14,424	21,228
2021	7,117	14,110	21,228
2022-2026	40,812	65,327	106,140
2027-2031	51,007	55,132	106,140
2032-2036	63,899	42,241	106,140
2037-2041	80,143	25,997	106,140
2042 – 2045	73,034	11,161	84,192
Total	$ 341,485	$ 273,407	$ 614,892

GEFA Loan 2008 – The County obtained a loan with the Georgia Environmental Facilities Authority (GEFA). The proceeds were used to pay for improvements and expansion of the County's water system. The interest rate on this loan is 2.00%. Monthly payments are $ 549.

Annual debt service requirements to amortize the loan payable outstanding, as of June 30, 2016, follow:

YEAR	PRINCIPAL	INTEREST	TOTALS
2017	$ 5,453	$ 1,131	$ 6,584
2018	5,563	1,021	6,584
2019	5,675	909	6,584
2020	5,790	794	6,584
2021	5,906	678	6,584
2022 – 2026	30,794	1,461	32,255
Total	$ 59,181	$ 5,994	$ 65,175

3-H. Pensions

The County sponsors the Association of County Commissioners of Georgia Pension Plan for County Employees (The Plan), which is a defined benefit pension plan. The authority for participation in the plan rests with the County Board of Commissioners.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement, is affiliated with the Association of County Commissioners of Georgia Second Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by Pension Service Company. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document.

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Pensions (Continued)

Eligibility - All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Covered earnings of active participants for the year ended December 31, 2015 totaled $ 899,015. Total payroll for all employees totaled $ 1,785,737 for the same period.

Benefits Provided – Participants become eligible to retire at age 65 with five years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual compensation of 1% of average annual compensation multiplied by years of credited service after January 1, 2011 plus the accrued benefits as of December 31, 2010.

These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Funding Policy - The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statues. County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan using the actuarial basis described in the annual valuation report.

Contributions – The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time to time the contribution rates for the County and its plan participants.

Employees covered by benefit terms – At January 1, 2015, the following employees were covered by the benefit terms:

Retirees, Beneficiaries and Disables receiving benefits	5
Terminated plan participants entitled to, but not yet receiving benefits	8
Active employees participating in the Plan	28
Total number of Plan Participants	41
Covered compensation for active participants	$ 899,015

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the County reported a liability for its net pension liability. The net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2015. An expected total pension liability as of December 31, 2015 was determined using standard roll-forward techniques. The County's net pension liability was based on contributions to the Plan during the fiscal year ended December 31, 2015.

Actuarial assumptions - The total pension liability as of December 31, 2015 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Annul return on invested plan assets	7.50%
Projected annual salary increases	4.0%-5.5% based on age
Expected annual inflation	2.5%

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2000 – November1, 2009.

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Pensions (Continued)

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

Asset class	Target allocation	Long-term expected real rate of return
S&P 500	30.00%	3.22%
Barclay's Agg.	30.00%	2.34%
MSCI EAFE	15.00%	1.43%
Citi Non US WEBI	5.00%	0.27%
NAREIT Equity	5.00%	0.57%
Russell 2000	5.00%	0.47%
Russell 3000	5.00%	0.53%
S&P Mid Cap	5.00%	0.66%
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.50 %. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended June 30, 2016, the County recognized pension expense of $ 91,399. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -0-	$ -0-
Changes of assumptions	39,742	-0-
Net difference between projected and actual earnings on pension plan investments	60,659	-0-
Changes in proportion and differences between County contributions and proportionate share of contributions	160,284	-0-
County contributions subsequent to the measurement date	-0-	-0-
Total	$ 260,685	$ -0-

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Pensions (Continued)

County contributions subsequent to the measurement date of December 31, 2015 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	$ 44,118
2018	44,118
2019	44,117
2020	42,610
2021	28,577
Thereafter	57,145

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2014	$ 1,006,243	$ 963,866	$ 42,377
Changes for the year:			
Service Cost	36,340	-	36,340
Interest on Total Pension Liability	74,018	-	74,018
Differences between expected and actual experience	183,182	-	183,182
Assumption Change	45,420	-	45,420
Contributions - employer	-	54,603	(54,603)
Contributions - employee	-	-	-
Net investment income	-	6,746	(6,746)
Benefit payments (Adjusted for interest)	(38,672)	(38,672)	-
Administrative expenses	-	(7,082)	7,082
Other charges	-	(6,761)	6,761
Net Changes	300,288	8,834	291,454
Balances at December 31, 2015	$ 1,306,531	$ 972,700	$ 333,831

Sensitivity of the County's net pension liability to changes in the discount rate: The following presents the County's net pension liability calculated using the discount rate of 7.50 %, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 %) or 1- percentage-point higher (8.50 %) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
County's net pension liability	$ 509,153	$ 333,831	$ 184,004

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Pensions (Continued)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position may be obtained from:

Government Employee Benefits Corporation of Georgia
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

3-I. Net Investment in Capital Assets

Net investment of capital assets on the government-wide statement of net position as of June 30, 2016, is as follows:

	Governmental Activities	Business Type Activities	Component Units
Cost of capital assets	$ 24,233,782	$ 4,757,657	$ 98,430
Less accumulated depreciation	(8,865,583)	(893,030)	-
Book value	15,368,199	3,864,627	98,430
Less capital related debt	(418,200)	(400,666)	-
Net Investment in Capital Assets	$ 14,949,999	$ 3,463,961	$ 98,430

3-J. Fund Balances

The County's fund balance designations are summarized as follows:

Non-spendable – The following fund balances are non-spendable because they are allocated to:

General Fund:	
Prepaid items	$ 63,464

Restricted –The following fund balances are restricted for:

General Fund:	
Culture and recreation	19,158
Special Revenue Funds:	
Economic Development	196,953
E-911 Fund	4,919
Jail Fund	41,535
Drug Abuse and Treatment Fund	24,574
Sheriff Drug Fund	168,274
Volunteer Fireman Fund	17,529
Law Library Fund	29,679
Planning Commission Fund	613
TSPLOST Discretionary Fund	966,004
Capital Projects Funds:	
SPLOST 2007 - 2012	217,992
SPLOST 2012 – 2017	433,526
Unassigned	1,267,072
Total Fund Balances	$ 3,451,292

Note 4 - Other Notes

4-A. Risk Management

The County is exposed to potential risk of loss in the areas of: theft, damage or destruction of County assets; errors and omission; natural disasters; and injuries to employees. Significant losses in these areas are covered by commercial insurance with the exception of workers' compensation. There have been no significant reductions in the amount of insurance coverage in the past year in any major category of risk. There have been no insurance settlements that exceeded coverage over past year.

Insurance Risk - The County has its property and liability insurance with the ACCG-Inter-local Risk Management Agency, a self-insurance pool and a risk financing mechanism, whereby the members join together to provide a source of coverage for their property, automobiles, general liability, law enforcement liability, public officials liability, crime, and boiler and machinery exposures. The Fund is owned by its members and is managed by a seven-member board of trustees who are representatives from participating counties. The Fund is operated under the authority of OCGA 36-85-20 et seq. The ACCG-IRMA estimates the anticipated losses for its members and self-funds a portion of that exposure. The funds which are allocated for the anticipated losses are deposited and invested until such time that they are needed to pay claims. The ACCG-IRMA purchases appropriate reinsurance coverage to provide for catastrophic losses or for an unanticipated increase in frequency of smaller claims.

The County is a member of the Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a risk sharing public entity risk pool currently operating as a common risk management and insurance program for member local governments. This fund was created to provide its members with an alternative method in which to finance their workers' compensation coverage. The County pays an annual premium to the fund for its workers' compensation coverage. The fund purchases excess insurance to protect the fund from catastrophic losses and for any unexpected increase in frequency of smaller claims.

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.

4-B. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The Warren County Development Authority adopted resolutions providing for the issuance of industrial revenue bonds to finance the construction and expansion of recreation facilities within Warren County. These bonds are special limited obligations of the Development Authority, payable solely from and secured by a pledge of rentals to be received from a lease agreement between the Development Authority and the third party entities. These bonds do not constitute a debt or pledge of the faith and credit of the Development Authority, Warren County or the state of Georgia, and accordingly, have not been included in the financial statements of any of these entities.

According to the County attorney, as of the report date, there is no pending or threatened litigation in which the County is involved that will result in material liability to the County.

Note 4 - Other Notes (Continued)

4-C. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the fourteen county east central Georgia area, is a member of the Central Savannah River Area Regional Commission (RC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements of the CSRA RC may be obtained from:

Central Savannah River Area Regional Commission
3023 Riverwatch Parkway, Suite A
Augusta, Georgia 30907

4-D. Landfill Post-closure Care Cost

The County landfill closed in April 1994. Currently, the County has a contract with a private waste disposal facility, whereby all county waste will be transferred and disposed of by the private company. State and Federal regulations require the County to maintain its landfill after closure. The County submitted a post-closure plan to the State of Georgia and received final approval in October 1995. The closure plan requires monitoring of ground water and methane gas wells on a periodic basis and maintenance of the landfill site for a period of thirty years. Post-closure care costs incurred for the year ended June 30, 2016 were $ 23,568.

Future costs to monitor the wells and adhere to the provisions and conditions of the post-closure plan are not expected to be material in amount. However, this estimate is subject to changes, if any, that may be required due to inflation or deflation, technology, or applicable laws or regulations.

4-E Compliance with the Uniform Guidance

The County is not subject to the requirements of the Uniform Guidance related to the receipt and expenditure of federal funds for the year ended June 30, 2016

Warren County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 2,958,000	$ 2,958,000	$ 3,147,177	$ 189,177
Intergovernmental	146,000	146,000	153,084	7,084
Charges for services	405,000	405,000	421,806	16,806
Fines, forfeitures and fees	302,000	302,000	229,922	(72,078)
Investment earnings	-	-	293	293
Miscellaneous	25,000	25,000	38,340	13,340
Total Revenues	3,836,000	3,836,000	3,990,622	154,622
Expenditures				
Current:				
General government	1,101,763	1,155,763	1,104,246	51,517
Judicial	358,467	376,115	365,458	10,657
Public safety	1,390,147	1,449,676	1,421,627	28,049
Public works	540,009	466,928	439,161	27,767
Health and welfare	200,818	215,415	207,706	7,709
Culture and recreation	87,524	77,924	76,778	1,146
Conservation of natural resources	65,107	61,386	60,091	1,295
Economic development	56,890	56,890	47,689	9,201
Debt Service:				
Principal retirement	28,541	28,889	28,541	348
Interest and fiscal charges	6,734	5,748	5,748	-
Total Expenditures	3,836,000	3,894,734	3,757,045	137,689
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(58,734)	233,577	292,311
Other Financing Sources (Uses)				
Transfers in (out)	-	-	(44,782)	(44,782)
Special Items				
Gain on disposition of assets	-	-	128,034	128,034
Net Change in Fund Balances	$ -	$ (58,734)	316,829	$ 375,563
Fund Balance, Beginning of Year			1,032,865	
Fund Balances, End of Year			$ 1,349,694	

Warren County, Georgia
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2016

	2016	2015
Total pension liability		
Service Cost	$ 36,340	$ 33,500
Interest on Total Pension Liability	74,018	69,084
Differences between expected and actual experience	183,182	-
Assumption change	45,420	-
Benefit payments (Adjusted for interest)	(38,672)	(34,923)
Net change in total pension liability	300,288	67,661
Total pension liability, Beginning	1,006,243	938,582
Total pension liability, Ending	$ 1,306,531	$ 1,006,243
Plan fiduciary net position		
Contributions - employer	$ 54,603	$ 49,867
Net investment income	6,746	64,457
Benefit payments (Adjusted for interest)	(38,672)	(34,923)
Administrative expenses	(7,082)	(6,679)
Other charges	(6,761)	(6,472)
Net change in plan fiduciary net position	8,834	66,250
Plan fiduciary net position, Beginning	963,866	897,616
Plan fiduciary net position, Ending	$ 972,700	$ 963,866
County's net pension liability	$ 333,831	$ 42,377
Plan fiduciary net position as a percentage of the total pension liability	74.45%	95.79%
Covered-employee payroll	$ 899,015	$ 850,806
County's net pension liability as a percentage of covered-employee payroll	37.13%	4.98%

Warren County, Georgia
Schedule of Pension Contributions
For the Year Ended June 30, 2016

	2016	2015	2014	2013
Contractually required contribution	$ 54,603	$ 49,867	$ 45,852	$ 49,592
Contributions in relation to the contractually required contribution	54,603	49,867	45,861	50,775
Contribution deficiency (excess)	$ -	$ -	$ (9)	$ (1,183)
County's covered-employee payroll	$ 899,015	$ 850,806	$ 927,087	$ 833,502
Contributions as a percentage of covered-employee payroll	6.07%	5.86%	4.95%	6.09%

Note 1 - Budgetary Information

Budgets for the general fund are adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

The County's financial statements did not reflect any expenditures in excess of budgeted amounts.

Note 2 - Schedule of Changes in Net Pension Liability and Related Ratios

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Note 3 - Schedule of Pension Contributions

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Method and assumptions used in calculations of actuarially determined contributions: The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2016 reported in that schedule:

Valuation date	January 1, 2015
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization method	20 years
Asset valuation period	Five-year smoothed market
Inflation rate	2.50%
Salary increases	4.50-6.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Warren County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 1,185,710	$ 984,693
Receivables:		
Property taxes, net	271,987	187,847
Intergovernmental	110,046	140,559
Other	49,801	56,188
Prepaid items	63,464	50,220
Total Assets	$ 1,681,008	$ 1,419,507
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 28,100	$ 38,860
Accrued expenses	48,271	34,581
Intergovernmental payable	48,372	41,318
Interfund payables	126,799	98,674
Total Liabilities	251,542	213,433
Deferred Inflows of Resources		
Unavailable revenue: property taxes	79,772	173,209
Total Liabilities and Deferred Inflows of Resources	331,314	386,642
Fund Balances		
Nonspendable		
Prepaid items	63,464	50,220
Restricted		
Culture and recreation	19,158	16,520
Assigned		
Subsequent year budget	-	13,792
Unassigned	1,267,072	952,333
Total Fund Balances	1,349,694	1,032,865
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,681,008	$ 1,419,507

Warren County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2015 Actual
REVENUES					
Taxes					
General property tax	$ 2,235,000	$ 2,235,000	$ 2,366,448	$ 131,448	$ 2,022,610
Vehicle property tax	90,000	90,000	71,220	(18,780)	87,443
Title ad valorem tax	90,000	90,000	127,132	37,132	123,689
Mobile home property tax	26,000	26,000	34,906	8,906	29,651
Railroad equipment tax	20,000	20,000	25,598	5,598	25,711
Transfer & recording intangible taxes	-	-	160	160	207
Insurance premium tax	165,000	165,000	184,742	19,742	172,520
Local option sales tax	250,000	250,000	243,112	(6,888)	242,537
Bank licenses and taxes	-	-	7,704	7,704	5,847
Energy excise tax	75,000	75,000	77,833	2,833	56,048
Franchise taxes	-	-	1,017	1,017	1,202
Alcoholic beverage licenses/taxes	7,000	7,000	7,305	305	9,454
Total Taxes	2,958,000	2,958,000	3,147,177	189,177	2,776,919
Intergovernmental					
Columbia County library supplement	45,000	45,000	37,576	(7,424)	44,890
Nutrition Program	26,000	26,000	42,470	16,470	30,312
DOT transit program revenues	48,000	48,000	45,695	(2,305)	57,388
State grant funds	27,000	27,000	27,343	343	55,642
Total Intergovernmental	146,000	146,000	153,084	7,084	188,232
Charges for Services					
Commissions on tax collections	61,000	61,000	61,000	-	62,468
Ambulance fees	288,000	288,000	317,210	29,210	263,108
Landfill usage fees	25,000	25,000	29,255	4,255	28,487
Jail subsidies	30,000	30,000	6,973	(23,027)	7,906
Code enforcement	1,000	1,000	1,824	824	880
Rental income	-	-	1,000	1,000	975
Library fees	-	-	4,544	4,544	3,851
Total Charges for Services	405,000	405,000	421,806	16,806	367,675

(Continued)

Warren County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2015 Actual
REVENUES					
Fines, Forfeitures and Fees					
State and superior courts	$ 65,000	$ 65,000	$ 50,802	$ (14,198)	$ 69,883
Magistrate court	12,000	12,000	21,190	9,190	12,514
Probate court	225,000	225,000	157,930	(67,070)	122,361
Total Fines, Forfeitures and Fees	302,000	302,000	229,922	(72,078)	204,758
Investment Earnings	-	-	293	293	168
Miscellaneous					
Penalties & interest/costs	-	-	24,677	24,677	56,336
Sale of surplus property	-	-	2,177	2,177	1,448
Other	25,000	25,000	11,486	(13,514)	9,612
Total Miscellaneous	25,000	25,000	38,340	13,340	67,396
TOTAL REVENUES	$ 3,836,000	$ 3,836,000	$ 3,990,622	$ 154,622	$ 3,605,148

Warren County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2015 Actual
EXPENDITURES					
General Government					
Board of commissioners	$ 228,449	$ 247,310	$ 246,990	$ 320	$ 265,904
Administration and accounting	286,485	309,485	305,574	3,911	303,475
Tax commissioner	131,020	143,124	138,991	4,133	127,145
Tax assessor	151,766	140,766	132,293	8,473	134,814
County buildings	218,298	227,798	212,276	15,522	229,698
Elections and registrar	85,745	87,280	68,122	19,158	64,488
Total General Government	1,101,763	1,155,763	1,104,246	51,517	1,125,524
Judicial					
State and superior courts	216,096	224,999	218,795	6,204	200,563
Magistrate court	29,515	29,516	25,093	4,423	30,694
Probate court	112,856	121,600	121,570	30	113,331
Total Judicial	358,467	376,115	365,458	10,657	344,588
Public Safety					
Sheriff	486,951	507,047	506,985	62	528,756
County jail	157,000	182,000	163,246	18,754	136,210
Emergency services	667,651	681,622	680,024	1,598	590,847
Code enforcement	60,620	60,082	60,019	63	89,250
Coroner	17,925	18,925	11,353	7,572	18,337
Total Public Safety	1,390,147	1,449,676	1,421,627	28,049	1,363,400
Public Works					
Landfill	157,495	177,878	155,068	22,810	167,501
Roads department	382,514	289,050	284,093	4,957	352,766
Total Public Works	540,009	466,928	439,161	27,767	520,267

(Continued)

Warren County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2015 Actual
EXPENDITURES					
Health and Welfare					
Health department	$ 25,000	$ 25,000	$ 22,917	$ 2,083	$ 27,083
Transportation program	94,178	87,775	87,716	59	96,827
Senior citizens program	75,390	96,390	96,039	351	90,028
Family and children services	6,250	6,250	1,034	5,216	274
Total Health and Welfare	200,818	215,415	207,706	7,709	214,212
Culture and Recreation					
Library	87,524	77,924	76,778	1,146	74,632
Total Culture and Recreation	87,524	77,924	76,778	1,146	74,632
Conservation of Natural Resources					
Agriculture resources	49,107	45,386	44,095	1,291	47,627
Forestry resources	16,000	16,000	15,996	4	15,996
Total Conservation of Natural Resources	65,107	61,386	60,091	1,295	63,623
Economic Development					
Economic development	56,890	56,890	47,689	9,201	45,930
Total Economic Development	56,890	56,890	47,689	9,201	45,930
Debt Service					
Principal	28,541	28,889	28,541	348	17,441
Interest	6,734	5,748	5,748	-	5,574
Total Debt Service	35,275	34,637	34,289	348	23,015
TOTAL EXPENDITURES	$ 3,836,000	$ 3,894,734	$ 3,757,045	$ 137,689	$ 3,775,191

Warren County, Georgia
CDBG Grants Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ -	$ -
Intergovernmental receivable	158,605	-
Total Assets	$ 158,605	$ -
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 158,605	$ -
Total Liabilities	158,605	-
Fund Balances		
Restricted for capital projects	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	$ 158,605	$ -

Warren County, Georgia
CDBG Grants Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016	2015
Revenues		
Intergovernmental - CDBG Funds	$ 483,301	$ 75,275
Total Revenues	483,301	75,275
Expenditures		
Capital outlay		
Public works	483,301	75,275
Total Expenditures	483,301	75,275
Net Change in Fund Balances	-	-
Fund Balances, Beginning of Year	-	-
Fund Balances, End of Year	$ -	$ -

Warren County, Georgia
SPLOST 2012-2017 Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 591,901	$ 560,975
Intergovernmental receivable	31,800	31,408
Total Assets	$ 623,701	$ 592,383
Liabilities and Fund Balances		
Liabilities		
Accounts payable	-	-
Intergovernmental payable	$ 190,175	$ 141,332
Total Liabilities	190,175	141,332
Fund Balances		
Restricted for capital projects	433,526	451,051
Total Fund Balances	433,526	451,051
Total Liabilities and Fund Balances	$ 623,701	$ 592,383

Warren County, Georgia
SPLOST 2012-2017 Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016	2015
Revenues		
Sales taxes	$ 402,998	$ 401,994
Intergovermental	10	84
Investment earnings	50	72
Total Revenues	403,058	402,150
Expenditures		
Intergovernmental	86,644	86,428
Capital outlay		
Public works	260,990	75,129
Public safety	100,016	22,942
Culture and recreation	98,792	118,317
Debt service:		
Principal	63,855	47,377
Interest	6,866	9,449
Total Expenditures	617,163	359,642
(Deficiency) of Revenues (Under) Expenditures	(214,105)	42,508
Other Financing Sources		
Transfers in (out)	(12,057)	(61,669)
Inception of capital lease obligations	208,637	22,942
Net Change in Fund Balance	(17,525)	3,781
Fund Balance, Beginning of Year	451,051	447,270
Fund Balance, End of Year	$ 433,526	$ 451,051

Warren County, Georgia
TSPLOST Discretionary Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 919,029	$ 698,880
Intergovernmental receivable	46,975	97,725
Total Assets	$ 966,004	$ 796,605
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for public works	966,004	796,605
Total Liabilities and Fund Balances	$ 966,004	$ 796,605

Warren County, Georgia
TSPLOST Discretionary Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016	2015
Revenues		
Taxes - TSPLOST	$ 587,403	$ 586,226
Total Revenues	587,403	586,226
Expenditures		
Current:		
Public works	-	436
Debt Service:		
Principal retirement	4,753	-
Interest and fiscal charges	279	-
Total Expenditures	5,032	436
Excess (Deficiency) of Revenues Over (Under) Expenditures	582,371	585,790
Other Financing Sources (Uses)		
Transfers in (out)	(412,972)	(867,910)
Net Change in Fund Balances	169,399	(282,120)
Fund Balances, Beginning of Year	796,605	1,078,725
Fund Balances, End of Year	$ 966,004	$ 796,605

Warren County, Georgia
TSPLOST Capital Projects Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ -	$ -
Total Assets	$ -	$ -
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for public works	-	-
Total Liabilities and Fund Balances	$ -	$ -

Warren County, Georgia
TSPLOST Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016	2015
Revenues		
Intergovernmental - LMIG Funds	$ 235,507	$ 238,103
Total Revenues	235,507	238,103
Expenditures		
Capital Outlay:		
Public works	648,479	1,106,013
Total Expenditures	648,479	1,106,013
Excess (Deficiency) of Revenues Over (Under) Expenditures	(412,972)	(867,910)
Other Financing Sources (Uses)		
Transfers in (out)	412,972	867,910
Net Change in Fund Balance	-	-
Fund Balance, Beginning of Year	-	-
Fund Balance, End of Year	$ -	$ -

Warren County, Georgia
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2016

	Capital Projects Funds	Debt Service Funds	Special Revenue Funds								
	SPLOST 2007-2012 Fund	**Debt Service Fund**	**Revolving Loan Fund**	**E-911 Fund**	**Jail Fund**	**Sheriff Drug Fund**	**Volunteer Fireman Fund**	**Drug Abuse & Treatment**	**Planning Commission Fund**	**Law Library**	**Total**
Assets											
Cash and cash equivalents	$ 213,216	$ -	$ 196,953	$ 2,313	$ 41,535	$ 205,043	$ 17,529	$ 24,574	$ 613	$ 29,679	$ 731,455
Receivables:											
Accounts, net	-	-	-	8,769	-	-	-	-	-	-	8,769
Interfund receivables	4,776	-	-	-	-	-	-	-	-	-	4,776
Total Assets	$ 217,992	$ -	$ 196,953	$ 11,082	$ 41,535	$ 205,043	$ 17,529	$ 24,574	$ 613	$ 29,679	$ 745,000
Liabilities											
Accounts payable	$ -	$ -	$ -	$ 6,163	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,163
Other liabilities	-	-	-	-	-	36,769	-	-	-	-	36,769
Total Liabilities	-	-	-	6,163	-	36,769	-	-	-	-	42,932
Fund Balances											
Restricted for program purposes	217,992	-	196,953	4,919	41,535	168,274	17,529	24,574	613	29,679	702,068
Total Liabilities and Fund Balances	$ 217,992	$ -	$ 196,953	$ 11,082	$ 41,535	$ 205,043	$ 17,529	$ 24,574	$ 613	$ 29,679	$ 745,000

Warren County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2016

	Capital Projects Funds	Debt Service Funds	Special Revenue Funds								
	SPLOST 2007-2012 Fund	**Debt Service Funds**	**Revolving Loan Fund**	**E-911 Fund**	**Jail Fund**	**Sheriff Drug Fund**	**Volunteer Fireman Fund**	**Drug Abuse & Treatment**	**Planning Commission Fund**	**Law Library**	**Total**
Revenues											
Intergovernmental	$ -	$ -	$ -	$ 88,206	$ -	$ -	$ -	$ -	$ -	$ -	$ 88,206
Charges for services	-	-	-	68,656	-	-	-	-	-	-	68,656
Fines, forfeitures and fees	-	-	-	-	17,924	9,054	-	6,393	-	6,875	40,246
Investment earnings	-	9	-	-	6	-	-	-	-	-	15
Miscellaneous	-	-	-	16,651	-	-	3,157	-	-	-	19,808
Total Revenues	-	9	-	173,513	17,930	9,054	3,157	6,393	-	6,875	216,931
Expenditures											
Current:											
General government	-	42	-	-	-	-	-	-	-	-	42
Judicial	-	-	-	-	-	-	-	-	-	12,833	12,833
Public safety	-	-	-	335,903	12,919	866	14,673	4,753	-	-	369,114
Capital Outlay	26,815	-	-	12,458	-	38,565	-	-	-	-	77,838
Debt Service:											
Principal retirement	-	59,222	-	-	-	-	-	-	-	-	59,222
Interest and fiscal charges	-	2,447	-	-	-	-	-	-	-	-	2,447
Total Expenditures	26,815	61,711	-	348,361	12,919	39,431	14,673	4,753	-	12,833	521,496
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,815)	(61,702)	-	(174,848)	5,011	(30,377)	(11,516)	1,640	-	(5,958)	(304,565)
Other Financing (Uses)											
Transfers in (out), net	(21,228)	12,057	-	163,408	(125,216)	-	-	-	-	-	29,021
Net Change in Fund Balances	(48,043)	(49,645)	-	(11,440)	(120,205)	(30,377)	(11,516)	1,640	-	(5,958)	(275,544)
Fund Balances, Beginning	266,035	49,645	196,953	16,359	161,740	198,651	29,045	22,934	613	35,637	977,612
Fund Balances, Ending	$ 217,992	$ -	$ 196,953	$ 4,919	$ 41,535	$ 168,274	$ 17,529	$ 24,574	$ 613	$ 29,679	$ 702,068

Warren County, Georgia
SPLOST 2007-2012 Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 213,216	$ 263,381
Interfund receivable	4,776	2,654
Total Assets	$ 217,992	$ 266,035
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for capital projects	217,992	266,035
Total Fund Balances	217,992	266,035
Total Liabilities and Fund Balances	$ 217,992	$ 266,035

Warren County, Georgia
SPLOST 2007-2012 Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016	2015
Revenues		
Sales taxes	$ -	$ -
Intergovernmental	-	-
Total Revenues	-	-
Expenditures		
Capital outlay		
Public works	-	44,539
Economic development	26,815	-
Total Expenditures	26,815	44,539
(Deficiency) of Revenues (Under) Expenditures	(26,815)	(44,539)
Other Financing Sources		
Transfers in (out)	(21,228)	(21,228)
Net Change in Fund Balance	(48,043)	(65,767)
Fund Balance, Beginning	266,035	331,802
Fund Balance, End of Year	$ 217,992	$ 266,035

Warren County, Georgia
Debt Service Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ -	$ 49,645
Fund Balances		
Restricted for program purposes	$ -	$ 49,645

Warren County, Georgia
Debt Service Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Investment earnings	$ -	$ -	$ 9	$ 9	$ 13
Total Revenues	-	-	9	9	13
Expenditures					
Current:					
General government	42	42	42	-	36
Capital Outlay					
Debt Service:					
Principal retirement	59,222	59,222	59,222	-	56,880
Interest and fiscal charges	2,447	2,447	2,447	-	4,789
Total Expenditures	61,711	61,711	61,711	-	61,705
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,711)	(61,711)	(61,702)	9	(61,692)
Other Financing Sources (Uses)					
Transfers in	-	-	12,057	12,057	61,669
Net Change in Fund Balances	$ (61,711)	$ (61,711)	(49,645)	$ 12,066	(23)
Fund Balances, Beginning of Year			49,645		49,668
Fund Balances, End of Year			$ -		$ 49,645

Warren County, Georgia
Revolving Loan Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 196,953	$ 196,953
Intergovernmental receivable	-	-
Total Assets	$ 196,953	$ 196,953
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for program purposes	196,953	196,953
Total Liabilities and Fund Balances	$ 196,953	$ 196,953

Warren County, Georgia
Revolving Loan Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental - Grants	$ -	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-	-
Expenditures					
Capital Outlay					
Economic development	-	-	-	-	-
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances, Beginning of Year			196,953		196,953
Fund Balances, End of Year			$ 196,953		$ 196,953

Warren County, Georgia
E-911 Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 2,313	$ 13,831
Accounts receivable	8,769	8,684
Total Assets	$ 11,082	$ 22,515
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 6,163	$ 6,156
Total Liabilities	6,163	6,156
Fund Balances		
Restricted for program purposes	4,919	16,359
Total Liabilities and Fund Balances	$ 11,082	$ 22,515

Warren County, Georgia
E-911 Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue	$ 96,491	$ 96,491	$ 88,206	$ (8,285)	$ 98,348
Charges for services	42,000	42,000	68,656	26,656	54,059
Miscellaneous	-	-	16,651	16,651	-
Total Revenues	138,491	138,491	173,513	35,022	152,407
Expenditures					
Current:					
Public safety	264,911	336,627	335,903	724	313,861
Capital Outlay	45,000	45,000	12,458	32,542	30,472
Total Expenditures	309,911	381,627	348,361	33,266	344,333
Excess (Deficiency) of Revenues Over (Under) Expenditures	(171,420)	(243,136)	(174,848)	68,288	(191,926)
Other Financing Sources (Uses)					
Transfers in	-	-	163,408	163,408	197,454
Net Change in Fund Balances	$ (171,420)	$ (243,136)	(11,440)	$ 231,696	5,528
Fund Balances, Beginning of Year			16,359		10,831
Fund Balances, End of Year			$ 4,919		$ 16,359

Warren County, Georgia
Jail Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 41,535	$ 161,740
Total Assets	$ 41,535	$ 161,740
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund Balances		
Restricted for program purposes	41,535	161,740
Total Liabilities and Fund Balances	$ 41,535	$ 161,740

Warren County, Georgia
Jail Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 30,000	$ 30,000	$ 17,924	$ (12,076)	$ 13,969
Investment earnings	-	-	6	6	95
Total Revenues	30,000	30,000	17,930	(12,070)	14,064
Expenditures					
Current:					
Public safety	30,000	30,000	12,919	17,081	10,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	5,011	5,011	3,753
Other Financing Sources (Uses)					
Transfers out	-	-	(125,216)	(125,216)	-
Net Change in Fund Balances	$ -	$ -	(120,205)	$ (120,205)	3,753
Fund Balances, Beginning of Year			161,740		157,987
Fund Balances, End of Year			$ 41,535		$ 161,740

Warren County, Georgia
Sheriff Drug Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 205,043	$ 235,420
Total Assets	$ 205,043	$ 235,420
Liabilities and Fund Balances		
Liabilities		
Other liabilities	$ 36,769	$ 36,769
Total Liabilities	36,769	36,769
Fund Balances		
Restricted for program purposes	168,274	198,651
Total Liabilities and Fund Balances	$ 205,043	$ 235,420

Warren County, Georgia
Sheriff Drug Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 50,000	$ 50,000	$ 9,054	$ (40,946)	$ 58,388
Total Revenues	50,000	50,000	9,054	(40,946)	58,388
Expenditures					
Current:					
Public safety	1,000	1,000	866	134	34,574
Capital Outlay:					
Public safety	49,000	49,000	38,565	10,435	-
Total Expenditures	50,000	50,000	39,431	10,569	34,574
Net Change in Fund Balances	$ -	$ -	(30,377)	$ (30,377)	23,814
Fund Balances, Beginning of Year			198,651		174,837
Fund Balances, End of Year			$ 168,274		$ 198,651

Warren County, Georgia
Volunteer Firemen Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 17,529	$ 29,045
Fund Balances		
Restricted for program purposes	$ 17,529	$ 29,045

Warren County, Georgia
Volunteer Firemen Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Miscellaneous	$ 17,000	$ 17,000	$ 3,157	$ (13,843)	$ 13,406
Expenditures					
Current:					
Public safety	17,000	17,000	14,673	2,327	3,277
Net Change in Fund Balances	$ -	$ -	(11,516)	$ (11,516)	10,129
Fund Balances, Beginning of Year			29,045		18,916
Fund Balances, End of Year			$ 17,529		$ 29,045

Warren County, Georgia
Drug Abuse T&E Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 24,574	$ 22,934
Total Assets	$ 24,574	$ 22,934
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for program purposes	24,574	22,934
Total Fund Balances	24,574	22,934
Total Liabilities and Fund Balances	$ 24,574	$ 22,934

Warren County, Georgia
Drug Abuse T&E Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 15,000	$ 15,000	$ 6,393	$ (8,607)	$ 4,035
Expenditures					
Current:					
Public safety	15,000	15,000	4,753	10,247	1,267
Net Change in Fund Balances	$ -	$ -	1,640	$ 1,640	2,768
Fund Balances, Beginning of Year			22,934		20,166
Fund Balances, End of Year			$ 24,574		$ 22,934

Warren County, Georgia
Planning Commission Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 613	$ 613
Total Assets	$ 613	$ 613
Fund Balances		
Restricted for program purposes	$ 613	$ 613
Total Fund Balances	$ 613	$ 613

Warren County, Georgia
Planning Commission Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Miscellaneous	$ -	$ -	$ -	$ -	$ -
Expenditures					
Current:					
Housing and development	-	-	-	-	-
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances, Beginning of Year			613		613
Fund Balances, End of Year			$ 613		$ 613

Warren County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 29,679	$ 35,637
Fund Balance		
Restricted for program purposes	$ 29,679	$ 35,637

Warren County, Georgia
Law Library Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 7,400	$ 7,400	$ 6,875	$ (525)	$ 5,555
Expenditures					
Current:					
Judicial	7,400	12,900	12,833	67	13,066
Net Change in Fund Balance	$ -	$ (5,500)	(5,958)	$ (458)	(7,511)
Fund Balance, Beginning of Year			35,637		43,148
Fund Balance, End of Year			$ 29,679		$ 35,637

Warren County, Georgia
Water and Sewer Fund
Comparative Statement of Net Position
June 30, 2016 and 2015

	2016	2015
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 260	$ 430
Restricted assets - cash	34,866	32,732
Total Current Assets	35,126	33,162
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	-	
Depreciable, net	3,864,627	3,983,568
Total Noncurrent Assets	3,864,627	3,983,568
TOTAL ASSETS	3,899,753	4,016,730
LIABILITIES		
Current Liabilities:		
Interfund payable	4,776	2,654
Notes payable	5,453	5,345
Revenue bond payable	5,945	5,684
Total Current Liabilities	16,174	13,683
Long-Term Liabilities:		
Notes payable (net of current portion)	53,728	59,179
Revenue bond payable (net of current portion)	335,540	341,521
Total Long-Term Liabilities	389,268	400,700
TOTAL LIABILITIES	405,442	414,383
Net Position		
Net investment in capital assets	3,463,961	3,571,839
Restricted for debt service	34,866	32,732
Unrestricted	(4,516)	(2,224)
TOTAL NET POSITION	$ 3,494,311	$ 3,602,347

Warren County, Georgia
Water and Sewer Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Years Ended June 30, 2016 and 2015

	2016	2015
Operating Revenues		
Charges for services	$ -	$ -
Miscellaneous	-	-
Total Operating Revenues	-	-
Operating Expenses		
Cost of water	172	179
Other	-	36
Depreciation	118,941	109,251
Total Operating Expenses	119,113	109,466
Operating Income (Loss)	(119,113)	(109,466)
Non-Operating Revenues (Expenses)		
Interest and fiscal charges	(16,747)	(17,107)
Investment earnings	6	4
Total Non-Operating Revenues (Expenses)	(16,741)	(17,103)
Income (Loss) Before Transfers and Capital Contributions	(135,854)	(126,569)
Transfers in (out)	27,818	22,289
Capital contributions	-	119,814
Change in Net Position	(108,036)	15,534
Net Position, Beginning of Year	3,602,347	3,586,813
Net Position, End of Year	$ 3,494,311	$ 3,602,347

Warren County, Georgia
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For The Year Ended June 30, 2016

Clerk of Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 70,292	$ 105,618	$ 139,713	$ 2,974	$ 33,223
Liabilities					
Interfund payable	$ -	$ 47,203	$ 44,229	$ 2,974	$ -
Due to others	70,292	58,415	95,484	-	33,223
Total Liabilities	$ 70,292	$ 105,618	$ 139,713	$ 2,974	$ 33,223

Probate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 70,050	$ 257,048	$ 245,247	$ 13,223	$ 68,628
Liabilities					
Interfund payable	$ -	$ 181,400	$ 168,177	$ 13,223	$ -
Due to others	70,050	75,648	77,070	-	68,628
Total Liabilities	$ 70,050	$ 257,048	$ 245,247	$ 13,223	$ 68,628

Tax Commissioner	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 121,792	$ 6,670,033	$ 6,188,879	$ 466,824	$ 136,122
Liabilities					
Interfund payable	$ -	$ 6,644,160	$ 6,177,336	$ 466,824	$ -
Due to others	121,792	25,873	11,543	-	136,122
Total Liabilities	$ 121,792	$ 6,670,033	$ 6,188,879	$ 466,824	$ 136,122

Continued

Warren County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2016

Continued

Magistrate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 5,155	$ 68,977	$ 68,182	$ 420	$ 5,530
Liabilities					
Interfund payable	$ -	$ 20,920	$ 20,500	$ 420	$ -
Due to others	5,155	48,057	47,682	-	5,530
Total Liabilities	$ 5,155	$ 68,977	$ 68,182	$ 420	$ 5,530

Total	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 267,289	$ 7,101,676	$ 6,642,021	$ 483,441	$ 243,503
Liabilities					
Interfund payable	$ -	$ 6,893,683	$ 6,410,242	$ 483,441	$ -
Due to others	267,289	207,993	231,779	-	243,503
Total Liabilities	$ 267,289	$ 7,101,676	$ 6,642,021	$ 483,441	$ 243,503

Warren County, Georgia
SECTION 5311 TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2016

Contract Number T005203
Grant Number GA-18-X033

REVENUES		
Reimbursements received from GA Department of Transportation	$	42,091
Participant contributions		4,698
TOTAL		46,789
EXPENDITURES		
Salaries and Fringe Benefits		
Administrative		14,009
Operating		48,682
Operating Expenditures		
Fuel and operational supplies		20,379
Vehicle maintenance		3,258
General insurance		3,000
Training expense		190
Computer software		388
Telephone		922
Office supplies		852
Audit		500
Marketing		384
Other operating expenses		18,270
TOTAL		110,834
Revenues in Excess of (less than) Expenditures	$	(64,045)

* * The revenues and expenditures listed above are actual revenues and expenditures for the periods shown. In some instances, these amounts will exceed the amounts reported on the monthly reimbursement requests submitted. This occurs due to the fact that once an expenditure classification exceeds its budget, actual expenditures incurred are no longer included on the reimbursement request.

Warren County, Georgia
Schedule of Projects Funded
with Special Sales Tax Proceeds (2007-2012)
For the Year Ended June 30, 2016

Special Sales Tax Imposed July 1, 2007	Original Estimated Cost	Revised Estimated Cost	Expenditures: Prior Years (Restated)	Expenditures: Current Year	Expenditures: Total	Estimated Percent Completed
Warren County						
Roads and bridges ***	$ 1,216,000	$ 1,094,506	$ 1,091,417	$ -	$ 1,091,417	99.7%
Water and sewer projects **	349,400	314,526	220,536	21,228	241,764	76.9%
Economic development	384,000	345,633	201,708	26,815	228,523	66.1%
Emergency services ***	212,480	191,251	185,552	-	185,552	97.0%
Recreation projects	384,000	345,633	313,642	-	313,642	90.7%
	2,545,880	2,291,549	2,012,855	48,043	2,060,898	
Intergovernmental						
City of Warrenton	431,360	388,261	388,261	-	388,261	100.0%
City of Norwood	111,360	100,234	100,234	-	100,234	100.0%
Town of Camak	111,360	100,234	100,234	-	100,234	100.0%
	654,080	588,729	588,729	-	588,729	
TOTAL	$ 3,199,960	$ 2,880,278	$ 2,601,584	$ 48,043	$ 2,649,627	

** - For for certain projects, expenditures are netted with related grant revenues.

*** - For assets acquired through capital leases, capital acquisition costs are netted with obligations incurred and expenditures are recognized as debt service payments are made.

Warren County, Georgia
Schedule of Projects Funded
with Special Sales Tax Proceeds (2012-2017)
For the Year Ended June 30, 2016

Special Sales Tax Imposed July 1,2012	Original Estimated Cost	Expenditures			Estimated Percent Completed
		Prior Years	Current Year	Total	
Warren County					
Roads and bridges ***	$ 912,000	$ 287,330	$ 205,109	$ 492,439	54.0%
Water and sewer projects	374,400	-	-	-	0.0%
Economic development	320,000	-	-	-	0.0%
Emergency services	265,600	28,522	30,038	58,560	22.0%
Recreation projects	640,000	252,004	98,792	350,796	54.8%
	2,512,000	567,856	333,939	901,795	
Intergovernmental					
City of Warrenton	457,600	186,670	57,628	244,298	53.4%
City of Norwood	115,200	46,994	14,508	61,502	53.4%
Town of Camak	115,200	46,995	14,508	61,503	53.4%
	688,000	280,659	86,644	367,303	
TOTAL	$ 3,200,000	$ 848,515	$ 420,583	$ 1,269,098	

*** - For assets acquired through capital leases, capital acquisition costs are netted with obligations incurred and expenditures are recognized as debt service payments are made.

Warren County, Georgia
COMMUNITY DEVELOPMENT BLOCK GRANT
CDBG No. 14p-y-149-1-5705
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the Year Ended June 30, 2016

SOURCE OF FUNDS:		
CDBG funds drawn down by recipient and accrued during fiscal year ended June 30, 2016		$ 483,301
APPLICATION OF FUNDS:		
Acquisition of Property	$ 8,000	
Sewer Facilities	475,301	483,301
SOURCE OF FUNDS IN EXCESS OF (LESS THAN) APPLICATION		$ -

Warren County, Georgia
COMMUNITY DEVELOPMENT BLOCK GRANT
CDBG No. 14p-y-149-1-5705
STATEMENT OF PROJECT COST - BUDGET AND ACTUAL
For the Year Ended June 30, 2016

	TOTAL BUDGETED COSTS	TOTAL REVISED BUDGETED COSTS	PROJECT COSTS PRIOR TO FYE 6/30/2016	ACTUAL COSTS FYE 6/30/2016	TOTAL PROJECT COSTS TO DATE	(OVER) UNDER BUDGET
Sewer Improvement Project						
Acquisition of property	$ 8,000	$ 8,000	$ -	$ 8,000	$ 8,000	$ -
Contingencies	37,952	16,699	-	-	-	16,699
Sewer facilities	454,048	475,301	-	475,301	475,301	-
Total	$ 500,000	$ 500,000	$ -	$ 483,301	$ 483,301	$ 16,699

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CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Chairman and Members of the
Board of Commissioners of Warren County
Warrenton, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Warren County, Georgia, (the County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting 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 significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important

enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2016-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2016-02 and 2016-03.

We noted certain additional matters that we reported to the management of Warren County, Georgia, in a separate letter dated October 19, 2016.

Warren County, Georgia's Responses to Findings

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

Purpose of this Report

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.

Jones, Jones, Davis and Associates

Louisville, Georgia
October 19, 2016

Findings - Financial Statement Audit

2016-1 Lack of Segregation of Duties

Condition: There is not adequate segregation of duties between the recording, processing, distribution and reconciliation of cash accounts and other operational functions in the various funds, departments, and offices maintained by the County.

Criteria: A properly designed and effective system of internal control requires that there are a sufficient number of properly trained, skilled personnel to be able to segregate duties and responsibilities among personnel so that individuals initiating, verifying, reviewing, approving, recording or processing financial transactions are not performed by the same individual.

Effect: Errors, intentional or otherwise, and fraud could occur in the processing of financial transactions and the preparation of financial statements.

Cause: The material weakness is the result of the County not having sufficient personnel to provide an optimum level of appropriate segregation of duties and responsibilities between recording, processing, distribution and reconciliation of cash accounts and other operational functions in the various funds, departments, and offices maintained by the County.

Recommendation: Management should adopt policies and procedures to promote segregation of duties. Management should continue to monitor this situation and use alternative control measures where available to assist in safeguarding the County's assets.

Management's Response: Management concurs with the finding. The County will continue to evaluate the costs and related benefits of adding additional personnel to alleviate this issue. Management has implemented compensating controls to the extent practical.

Findings - Compliance

2016-2 Debt Service Reserve Fund Deficiency

Condition: The County did not adequately establish and maintain debt service funds to meet the requirements set forth in the respective debt agreements or bond indentures.

Criteria: Controls must be in place to ensure that debt service reserve funds are maintained in compliance with debt agreements or bond indentures.

Effect: Failure to properly establish and maintain debt service funds that meet the obligation requirements set forth in debt agreements or bond indentures can result in potential default on the debt, as well as the reporting of incorrect financial information.

Recommendation: The County should review all debt agreements and bond indentures to ensure that it met all required obligations established in the debt agreements or bond indentures, including properly establishing and maintaining adequate debt service reserve funds.

Management's Response: Management concurs with the finding. Management has identified the reserve requirements and will take steps to fund reserve accounts in accordance with debt requirements.

Findings – Compliance (Continued)

2016-3 Commingling of SPLOST Funds

Criteria: SPLOST proceeds shall be accounted for separately as specified in the resolution calling for imposition of the tax.

Condition: The County failed to adequately account for SPLOST proceeds in separate funds or accounts as specified in the resolution.

Effect: Failure to separately account for SPLOST funds in accordance with the resolution is a violation of state law.

Recommendation: The County should separately account for SPLOST funds as specified in the resolutions.

Management's Response: Management concurs with this finding. Subsequent to year end, the County completed an analysis of funds and took steps to segregate its SPLOST funds accordingly.