WARREN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2017

Warren County, Georgia
Annual Financial Report
For The Year Ended June 30, 2017

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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, 2017, 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, 2017, 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.

As discussed in Note 1-E-18 to the financial statements, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 77. Our opinion is not modified with respect to this matter.

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 Statements of Source and Application of Funds and Statements 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 Statements of Source and Application of Funds and Statements 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 Statements of Source and Application of Funds and Statements 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 November 9, 2017 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.

James, James, Davis & Associates

Louisville, Georgia
November 9, 2017

Warren County, Georgia
Statement of Net Position
June 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 2,961,704	$ 81	$ 2,961,785	$ 262,902
Receivables:				
Accounts	10,780	-	10,780	38,016
Property taxes	258,345	-	258,345	-
Intergovernmental	221,335	-	221,335	138,788
Other	65,744	-	65,744	-
Prepaid items	85,961	-	85,961	-
Restricted Assets	-	34,873	34,873	-
Capital Assets				
Nondepreciable capital assets	495,817	-	495,817	98,430
Depreciable capital assets, net	15,730,542	3,745,685	19,476,227	-
Total Assets	19,830,228	3,780,639	23,610,867	538,136
Deferred Outflows of Resources				
Deferred outflows of resources related to pension contributions	261,678	-	261,678	31,672
Total Deferred Outflows of Resources	261,678	-	261,678	31,672
Liabilities				
Current Liabilities				
Accounts payable	366,587	-	366,587	13,490
Accrued expenses	46,988	-	46,988	-
Intergovernmental payable	122,796	-	122,796	-
Other liabilities	123,152	-	123,152	-
Compensated absences payable	5,269	-	5,269	-
Capital leases payable	77,145	-	77,145	-
Notes payable	19,867	5,649	25,516	-
Revenue bonds payable	-	6,219	6,219	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	15,806	-	15,806	8,161
Capital leases payable (net of current portion)	145,185	-	145,185	-
Notes payable (net of current portion)	79,989	48,082	128,071	-
Revenue bonds payable (net of current portion)	-	329,283	329,283	-
Net pension liability	396,576	-	396,576	121,619
Total Liabilities	1,399,360	389,233	1,788,593	143,270
Deferred Inflows of Resources				
Deferred inflows related to pension	11,151	-	11,151	2,714
Total Deferred Inflows of Resources	11,151	-	11,151	2,714
Net Position				
Net investment in capital assets	15,904,173	3,356,452	19,260,625	98,430
Restricted for:				
Capital projects	642,916	-	642,916	-
Judicial	26,215	-	26,215	-
Public safety	239,840	-	239,840	-
Public works	504,645	-	504,645	-
Health and welfare	-	-	-	23,610
Culture and recreation	20,878	-	20,878	-
Debt service	-	34,873	34,873	-
Unrestricted	1,342,728	81	1,342,809	301,784
Total Net Position	$ 18,681,395	$ 3,391,406	$ 22,072,801	$ 423,824

See accompanying notes to the basic financial statements.

Warren County, Georgia
Statement of Activities
For the Year Ended June 30, 2017

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	$ 1,294,182	$ 82,697	$ 175,485	$ -	$ (1,036,000)	$ -	$ (1,036,000)	$ -
Judicial	402,337	257,750	-	-	(144,587)	-	(144,587)	-
Public safety	1,793,918	546,535	-	-	(1,247,383)	-	(1,247,383)	-
Public works	1,141,941	29,633	-	345,078	(767,230)	-	(767,230)	-
Health and welfare	224,494	-	121,204	13,590	(89,700)	-	(89,700)	-
Culture and recreation	125,010	3,371	34,818	-	(86,821)	-	(86,821)	-
Conservation of natural resources	63,345	-	-	-	(63,345)	-	(63,345)	-
Housing and development	244,029	-	91,051	-	(152,978)	-	(152,978)	-
Interest	11,629	-	-	-	(11,629)	-	(11,629)	-
Total Governmental Activities	5,300,885	919,986	422,558	358,668	(3,599,673)	-	(3,599,673)	-
Business-Type Activities								
Water and sewer	135,539	-	-	-	-	(135,539)	(135,539)	-
Total Business-Type Activities	135,539	-	-	-	-	(135,539)	(135,539)	-
Total - Primary Government	$ 5,436,424	$ 919,986	$ 422,558	$ 358,668	(3,599,673)	(135,539)	(3,735,212)	-
Component Units								
Department of Health	$ 191,320	$ 16,745	$ 189,535	$ -	-	-	-	14,960
Development Authority	17,874	10,000	-	-	-	-	-	(7,874)
Total - Component Units	$ 209,194	$ 26,745	$ 189,535	$ -	-	-	-	7,086
		General Revenues						
		Property taxes			2,333,912	-	2,333,912	-
		Sales taxes			1,279,794	-	1,279,794	-
		Other taxes and revenues			293,352	-	293,352	-
		Investment earnings			424	6	430	92
		Miscellaneous			23,299	-	23,299	100
		Transfers in (out)			(32,628)	32,628	-	-
		Total General Revenues, Special Items and Transfers			3,898,153	32,634	3,930,787	192
		Change in Net Position			298,480	(102,905)	195,575	7,278
		Net Position, Beginning of Year			18,382,915	3,494,311	21,877,226	416,546
		Net Position, End of Year			$ 18,681,395	$ 3,391,406	$ 22,072,801	$ 423,824

See accompanying notes to the basic financial statements.

Warren County, Georgia
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2017

	General	SPLOST 2012-2017 Fund	TSPLOST Discretionary Fund	TSPLOST Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 1,226,662	$ 515,579	$ 789,361	$ -	$ 430,102	$ 2,961,704
Receivables:						
Accounts, net	-	-	-	-	10,780	10,780
Property taxes	258,345	-	-	-	-	258,345
Intergovernmental	132,823	38,941	49,571	-	-	221,335
Interfund	50	-	-	-	-	50
Other	65,744	-	-	-	-	65,744
Prepaid items	85,961	-	-	-	-	85,961
Total Assets	$ 1,769,585	$ 554,520	$ 838,932	$ -	$ 440,882	$ 3,603,919
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	$ 18,786	13,514	$ 334,287	$ -	$ -	$ 366,587
Accrued expenses	46,988	-	-	-	-	46,988
Intergovernmental payable	56,693	66,103	-	-	-	122,796
Interfund payable	-	-	-	-	50	50
Other liabilities	116,388	-	-	-	6,764	123,152
Total Liabilities	238,855	79,617	334,287	-	6,814	659,573
Deferred Inflows of Resources						
Unavailable revenue: property taxes	240,553	-	-	-	-	240,553
Total Liabilities and Deferred Inflows of Resources	479,408	79,617	334,287	-	6,814	900,126
Fund Balances						
Nonspendable	85,961	-	-	-	-	85,961
Restricted						
Judicial	-	-	-	-	26,215	26,215
Public safety	-	-	-	-	239,840	239,840
Public works	-	-	504,645	-	-	504,645
Capital projects	-	474,903	-	-	168,013	642,916
Culture and recreation	20,878	-	-	-	-	20,878
Unassigned	1,183,338	-	-	-	-	1,183,338
Total Fund Balances (Deficits)	1,290,177	474,903	504,645	-	434,068	2,703,793
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,769,585	$ 554,520	$ 838,932	$ -	$ 440,882	$ 3,603,919

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, 2017

Total Governmental Fund Balances		$ 2,703,793
Amounts reported for governmental activities in the statement of net position are different because:		
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net position:		
Interfund receivables	$ 50	
Interfund payables	(50)	
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	25,927,015	
Less accumulated depreciation	(9,700,656)	16,226,359
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		240,553
Liabilities associated with the County's pension plan are recognized for accrual reporting, but not reported in the fund financial statements.		(396,576)
Recognition of the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and changes in proportions are recognized as a deferred outflow of resources for accrual reporting, but not reported in the fund financial statements.		261,678
Recognition of the changes in proportion and differences between contributions and the proportionate share of contributions are recognized as a deferred inflow of resources for accrual reporting, but not reported in the fund financial statements.		(11,151)
Liabilities, including capital leases, compensated absences and notes payable, are not due and payable in the current period and therefore are not reported in the funds:		
Capital leases	(222,330)	
Notes payable	(99,856)	
Compensated absences	(21,075)	(343,261)
Net Position of Governmental Activities		$ 18,681,395

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, 2017

Revenues	General	SPLOST 2012-2017 Fund	TSPLOST Discretionary Fund	TSPLOST Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Taxes	$ 2,728,060	$ 433,575	$ 584,642	$ -	$ -	$ 3,746,277
Intergovernmental	375,355	-	-	328,324	121,340	825,019
Charges for services	380,754	-	-	-	68,834	449,588
Fines, forfeitures and fees	316,755	-	-	-	79,765	396,520
Investment earnings	421	55	-	-	3	479
Miscellaneous	38,411	-	-	-	14,918	53,329
Total Revenues	3,839,756	433,630	584,642	328,324	284,860	5,471,212
Expenditures						
Current:						
General government	1,152,618	-	-	-	-	1,152,618
Judicial	392,134	-	-	-	10,867	403,001
Public safety	1,334,351	-	-	-	363,923	1,698,274
Public works	410,577	-	3,329	-	-	413,906
Health and welfare	217,177	-	-	-	-	217,177
Culture and recreation	73,924	-	-	-	-	73,924
Conservation of natural resources	63,345	-	-	-	-	63,345
Economic development	47,076	-	-	-	196,953	244,029
Intergovernmental	-	84,846	-	-	-	84,846
Capital Outlay	-	234,053	-	1,370,996	122,271	1,727,320
Debt Service:						
Principal retirement	29,450	66,564	-	-	-	96,014
Interest and fiscal charges	4,839	6,790	-	-	-	11,629
Total Expenditures	3,725,491	392,253	3,329	1,370,996	694,014	6,186,083
Excess (Deficiency) of Revenues Over (Under) Expenditures	114,265	41,377	581,313	(1,042,672)	(409,154)	(714,871)
Other Financing Sources (Uses)						
Transfers in (out), net	(173,782)	-	(1,042,672)	1,042,672	141,154	(32,628)
Total Other Financing Sources (Uses)	(173,782)	-	(1,042,672)	1,042,672	141,154	(32,628)
Net Change in Fund Balances	(59,517)	41,377	(461,359)	-	(268,000)	(747,499)
Fund Balances, Beginning	1,349,694	433,526	966,004	-	702,068	3,451,292
Fund Balances, Ending	$ 1,290,177	$ 474,903	$ 504,645	$ -	$ 434,068	$ 2,703,793

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, 2017

Net Changes In Fund Balances - Total Governmental Funds		$ (747,499)
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	$ 1,693,233	
Depreciation expense	(835,073)	858,160
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	240,553	
Deferred, beginning of year	(79,772)	160,781
Elimination of transfers between governmental funds:		
Transfers in	1,206,457	
Transfers out	(1,206,457)	-
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.		96,014
Net pension expense adjustments associated with changes in pension liability and net changes in deferred inflows and outflows.		(72,903)
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	(21,075)	
Liability, beginning of year	25,002	3,927
Change In Net Position of Governmental Activities		$ 298,480

See accompanying notes to the basic financial statements.

Warren County, Georgia
Statement of Net Position
Proprietary Fund
June 30, 2017

	Water and Sewer Fund
Assets	
Current Assets:	
Cash and cash equivalents	$ 81
Restricted Assets:	
Cash and cash equivalents	34,873
Total Current Assets	34,954
Noncurrent Assets:	
Capital Assets:	
Nondepreciable, net	-
Depreciable, net	3,745,685
Total Noncurrent Assets	3,745,685
Total Assets	3,780,639
Liabilities	
Current Liabilities:	
Notes payable	5,649
Revenue bonds payable	6,219
Total Current Liabilities	11,868
Long-Term Liabilities:	
Notes payable (net of current portion)	48,082
Revenue bonds payable (net of current portion)	329,283
Total Long-Term Liabilities	377,365
Total Liabilities	389,233
Net Position	
Net investment in capital assets	3,356,452
Restricted for debt service	34,873
Unrestricted	81
Total Net Position	$ 3,391,406

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, 2017

	Water and Sewer Fund
Operating Revenues	
Charges for services	$ -
Total Operating Revenues	-
Operating Expenses	
Cost of water	219
Depreciation	118,942
Total Operating Expenses	119,161
Operating Income (Loss)	(119,161)
Non-Operating Revenues (Expenses)	
Interest and fiscal charges	(16,378)
Investment earnings	6
Total Non-Operating Revenues (Expenses)	(16,372)
Income (Loss) before Transfers and Capital Contributions	(135,533)
Transfers in (out)	32,628
Change in Net Position	(102,905)
Net Position, Beginning of Year	3,494,311
Net Position, End of Year	$ 3,391,406

See accompanying notes to the basic financial statements.

Warren County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2017

	Water and Sewer Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash payments for goods and services	$ (219)
Net Cash Provided by (Used in) Operating Activities	(219)
Cash Flows from Noncapital Financing Activities	
Cash payments to other funds	(4,776)
Transfers in (out)	32,628
Net Cash Provided by (Used in) Noncapital Financing Activities	27,852
Cash Flows from Capital and Related Financing Activities	
Principal paid on long term debt	(11,433)
Interest paid	(16,378)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(27,811)
Cash Flows from Investing Activities	
Investment earnings	6
Net Increase (Decrease) in Cash and Cash Equivalents	(172)
Cash and Cash Equivalents, Beginning of Year	35,126
Cash and Cash Equivalents, End of Year	$ 34,954

See accompanying notes to the basic financial statements.

Warren County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2017

(Continued)

	Water and Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating Income (Loss)	$ (119,161)
Adjustments:	
Depreciation	118,942
Net Cash Provided by (Used in) Operating Activities	$ (219)

See accompanying notes to the basic financial statements.

Warren County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017

	2017	2016
Assets		
Cash and cash equivalents	$ 250,403	$ 243,503
Liabilities		
Due to others	$ 250,403	$ 243,503
Total Liabilities	$ 250,403	$ 243,503

See accompanying notes to the basic financial statements.

Warren County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2017

	Warren County Department of Health	Development Authority of Warren County	Total
Assets			
Current:			
Cash and cash equivalents	$ 98,973	$ 163,929	$ 262,902
Receivables:			
Accounts	38,016	-	38,016
Intergovernmental	-	138,788	138,788
Noncurrent:			
Capital Assets:			
Nondepreciable capital assets	-	98,430	98,430
Total Assets	136,989	401,147	538,136
Deferred Outflows of Resources			
Deferred outflows of resources-			
Retirement contributions	31,672	-	31,672
Total Deferred Outflows of Resources	31,672	-	31,672
Liabilities			
Current Liabilities:			
Accounts payable	13,490	-	13,490
Long-Term Liabilities: (net of current portion)			
Compensated absences payable	8,161	-	8,161
Net pension liability	121,619	-	121,619
Total Liabilities	143,270	-	143,270
Deferred Inflows of Resources			
Deferred inflows of resources - proportionate share of collective deferred inflows of resources	2,714	-	2,714
Total Deferred Inflows of Resources	2,714	-	2,714
Net Position			
Investment in capital assets	-	98,430	98,430
Restricted:			
Health and welfare	23,610	-	23,610
Unrestricted	(933)	302,717	301,784
Total Net Position	$ 22,677	$ 401,147	$ 423,824

See accompanying notes to the basic financial statements.

Warren County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2017

	Warren County Department of Health	Development Authority of Warren County	Total
Expenses			
Health and welfare	$ 191,320	$ -	$ 191,320
General government	-	17,874	17,874
Total Expenses	191,320	17,874	209,194
Revenues			
Program revenues:			
Charges for services	16,745	10,000	26,745
Operating grants and contributions	189,535	-	189,535
Total Program Revenues	206,280	10,000	216,280
Net Program (Expense)	14,960	(7,874)	7,086
General Revenues			
Investment earnings	-	92	92
Miscellaneous	-	100	100
Total General Revenues	-	192	192
Change in Net Position	14,960	(7,682)	7,278
Net Position, Beginning of Year	7,717	408,829	416,546
Net Position, End of Year	$ 22,677	$ 401,147	$ 423,824

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 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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D. Basis of Accounting

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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2017.

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, 2017, 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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-7 Capital Assets (Continued)

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.*"

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 has two items that qualify for reporting in this category; unavailable revenue, which arises only under a modified accrual basis of accounting, and deferred inflows related to pensions. 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. The government-wide financial statements report deferred inflows related pensions and will be recognized as a reduction of pension expense over a five-year closed period.

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".

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-12 Fund Balance (Continued)

- ***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.

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).

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-15 Interfund Activity (Continued)

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.

1-E-18 Tax Abatements

For the year ended June 30, 2017, the County implemented the provisions of GASB Statement No. 77, *Tax Abatement Disclosures.* GASB Statement No. 77 establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosure will include descriptive information about the tax being abated, the gross dollar amount of taxes abated during the period and any additional comments made by the County. The aggregate amount of tax abatements disclosed as of June 30, 2017, is $ 150,849. There was no impact on net position as a result of implementation.

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.

The following functions overspent the final fiscal year 2017 annual budget:

	Budget	Actual	Variance
Volunteer Firemen Fund			
Public safety	$ 17,000	$ 21,689	$ (4,689)
Jail Fund			
Public safety	$ 40,000	$ 42,932	$ (2,932)

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, 2017, 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, 2017, the County's deposits and investments were as follows:

Carrying amount of the County's deposits	$ 3,247,061
Bank balances of the County's deposits	3,381,982
Deposits covered by depository insurance	555,969
Deposits collateralized by securities	2,826,013

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, 2017, 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, 2017, 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 October 2016. Property tax bills were mailed on October 15, 2016 and were due by December 20, 2016. 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, 2017, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	$ 426,839	$ -	$ -	$ 426,839
Construction in progress	26,814	42,164	-	68,978
Total capital assets not being depreciated	453,653	42,164	-	495,817
Depreciable capital assets:				
Buildings and improvements	7,170,487	40,837	-	7,211,324
Infrastructure	10,549,509	1,493,836	-	12,043,345
Vehicles and equipment	6,060,133	116,396	-	6,176,529
Total depreciable capital assets	23,780,129	1,651,069	-	25,431,198
Total capital assets	24,233,782	1,693,233	-	25,927,015
Accumulated depreciation:				
Buildings and improvements	1,817,919	127,190	-	1,945,109
Infrastructure	1,926,035	546,814	-	2,472,849
Vehicles and equipment	5,121,629	161,069	-	5,282,698
Total accumulated depreciation	8,865,583	835,073	-	9,700,656
Governmental activitivties capital assets, net	$ 15,368,199	$ 858,160	$ -	$ 16,226,359

Governmental activities depreciation expense:

General government	$ 68,188
Public safety	107,114
Public works	608,437
Health and welfare	7,715
Culture and recreation	43,619
Total governmental activities depreciation expense	$ 835,073

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	893,030	118,942		1,011,972
Total accumulated depreciation	893,030	118,942	-	1,011,972
Business-type activities capital assets, net	$ 3,864,627	$ (118,942)	$ -	$ 3,745,685

	Beginning Balance	Additions	Deductions	Ending Balance
COMPONENT UNITS:				
Non-depreciable capital assets:				
Land	$ 98,430	$ -	$ -	$ 98,430
Total non-depreciable capital assets	98,430	-	-	98,430
Buildings and improvements	-	-	-	-
Total depreciable capital assets	-	-	-	-
Total capital assets	98,430	-	-	98,430
Accumulated depreciation:				
Buildings and improvements	-			-
Total accumulated depreciation	-	-	-	-
Component unit capital assets, net	$ 98,430	$ -	$ -	$ 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, 2017, consisted of the following:

Interfund Balances	Due From:	Due To:
General Fund	$ -0-	$ 50
CDBG 2016 Grant Fund	50	-0-
Total Interfund Balances	$ 50	$ 50

Interfund Transfers	Transfers From:			
Transfers to:	General Fund	TSPLOST Discretionary Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ -	$ 613	$ 613
Water and Sewer Fund	11,223	-	21,405	32,628
TSPLOST Capital Projects Fund	-	1,042,672	-	1,042,672
Non-Major Governmental Funds	163,172	-	-	163,172
	$ 174,395	$ 1,042,672	$ 22,018	$ 1,239,085

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 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 economic development expenditures.

3-F. Compensated Absences

The following is a breakdown of compensated absences by department for the year ended June 30, 2017:

General administration	$ 4,556
Court system	276
Public safety	14,119
Public works	1,361
Health and welfare	238
Culture and recreation	525
TOTAL	$ 21,075

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, 2017:

Governmental Activities	Outstanding 6/30/16	Additions	Reductions	Outstanding 6/30/17	Amounts Due in One Year
Kansas State Bank	$ 9,041	$ -	$ 9,041	$ -	$ -
John Deere Lease	72,169	-	21,918	50,251	24,794
John Deere Lease	91,089	-	23,039	68,050	28,636
GEFA Loan 2012	118,676	-	18,820	99,856	19,867
Branch Banking & Trust	32,526	-	10,630	21,896	10,841
Branch Banking & Trust	94,699	-	12,566	82,133	12,874
Compensated Absences	25,002	33,644	37,571	21,075	5,269
Total Governmental Activities	$ 443,202	$ 33,644	$ 133,585	$ 343,261	$ 102,281
Business-type Activities					
USDA Loan	$ 341,485	$ -	$ 5,983	$ 335,502	$ 6,219
GEFA Loan 2008	59,181	-	5,450	53,731	5,649
Total Business-type Activities	$ 400,666	$ -	$ 11,433	$ 389,233	$ 11,868
Component Units					
Compensated Absences	$ 6,339	$ 4,623	$ 2,801	$ 8,161	$ -
Total Component Units	$ 6,339	$ 4,623	$ 2,801	$ 8,161	$ -

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.

Governmental Activities Long-Term Debt

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 $ 67,195 (cost of $ 119,990 less accumulated depreciation of $ 52,795). Future minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2018	$ 24,794	$ 1,079	$ 25,873
2019	25,457	416	25,873
Total	$ 50,251	$ 1,495	$ 51,746

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt (Continued)

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 $ 93,999 (cost of $ 113,938 less accumulated depreciation of $ 19,939). Future minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2018	$ 28,636	$ 1,557	$ 30,193
2019	29,413	780	30,193
2020	10,001	63	10,064
Total	$ 68,050	$ 2,400	$ 70,450

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, 2017, follow:

YEAR	PRINCIPAL	INTEREST	TOTALS
2018	$ 19,867	$ 3,149	$ 23,016
2019	20,320	2,696	23,016
2020	21,108	1,908	23,016
2021	21,926	1,090	23,016
2022	16,635	261	16,896
Total	$ 99,856	$ 9,104	$ 108,960

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 $ 25,055 (cost of $ 42,950 less accumulated depreciation of $ 17,895). Future minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2018	$ 10,841	$ 433	$ 11,274
2019	11,055	219	11,274
Total	$ 21,896	$ 652	$ 22,548

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt (Continued)

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 $ 90,280 (cost of $ 94,699 less accumulated depreciation of $ 4,419). Future minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2018	$ 12,874	$ 2,012	$ 14,886
2019	13,189	1,697	14,886
2020	13,513	1,373	14,886
2021	13,844	1,042	14,886
2022	14,183	703	14,886
2023	14,530	356	14,886
Total	$ 82,133	$ 7,183	$ 89,316

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, 2017, follow:

YEAR	PRINCIPAL	INTEREST	TOTALS
2018	$ 6,219	$ 15,009	$ 21,228
2019	6,505	14,723	21,228
2020	6,804	14,424	21,228
2021	7,117	14,111	21,228
2022	7,445	13,783	21,228
2023-2027	42,690	63,450	106,140
2028-2032	53,259	52,881	106,140
2033-2037	66,944	39,196	106,140
2038-2042	83,831	22,309	106,140
2043 – 2045	54,688	8,996	63,684
Total	$ 335,502	$ 258,882	$ 594,384

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, 2017, follow:

YEAR	PRINCIPAL	INTEREST	TOTALS
2018	$ 5,649	$ 935	$ 6,584
2019	5,675	909	6,584
2020	5,790	794	6,584
2021	5,906	678	6,584
2022	6,025	559	6,584
2023 – 2026	24,686	997	25,683
Total	$ 53,731	$ 4,872	$ 58,603

Note 3 - Detailed Notes on All Funds (Continued)

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.

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 five years of participation in the Plan. Covered earnings of active participants for the year ended December 31, 2016 totaled $ 855,242. Total payroll for all employees totaled $ 1,839,287 for the same period.

Benefits Provided – Participants become eligible to retire at age 65 with at least 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. For the year ended June 30, 2017, the County was required to contribute $ 67,185, or 7.86% of the covered employee payroll.

Employees covered by benefit terms – At January 1, 2016, 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	11
Active employees participating in the Plan	24
Total number of Plan Participants	40
Covered compensation for active participants	$ 855,242

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the County reported a liability for its net pension liability. The net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2016. An expected total pension liability as of December 31, 2016 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, 2016.

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Pensions (Continued)

Actuarial assumptions - The total pension liability as of December 31, 2016 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Annul return on invested plan assets	7.25%
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, 2016 valuation were based on the results of a February 2014 actuarial experience study.

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%	3.07%
Barclay's Agg.	30.00%	1.97%
MSCI EAFE	15.00%	0.86%
Citi Non US WEBI	5.00%	0.30%
NAREIT Equity	5.00%	0.52%
Russell 2000	5.00%	0.47%
Russell 3000	5.00%	0.51%
S&P Mid Cap	5.00%	0.58%
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.25%. 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.

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 7.25 %, 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 (6.25 %) or 1- percentage-point higher (8.25 %) than the current rate:

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
County's net pension liability	$ 583,717	$ 396,576	$ 236,215

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Pensions (Continued)

For the year ended June 30, 2017, the County recognized pension expense of $ 140,088. At June 30, 2017, 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	70,093	-0-
Net difference between projected and actual earnings on pension plan investments	54,199	-0-
Changes in proportion and differences between County contributions and proportionate share of contributions	137,386	11,151
County contributions subsequent to the measurement date	-0-	-0-
Total	$ 261,678	$ 11,151

County contributions subsequent to the measurement date of December 31, 2016 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, 2018. 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:	
2018	$ 50,832
2019	50,831
2020	49,324
2021	35,289
2022	33,019
Thereafter	31,232

(Continued on following page)

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Pensions (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2015	$ 1,306,531	$ 972,700	$ 333,831
Changes for the year:			
Service Cost	35,915	-	35,915
Interest on Total Pension Liability	96,427	-	96,427
Differences between expected and actual experience	(13,142)	-	(13,142)
Assumption Change	42,463	-	42,463
Contributions - employer	-	67,185	(67,185)
Contributions - employee	-	-	-
Net investment income	-	63,675	(63,675)
Benefit payments (Adjusted for interest)	(41,683)	(41,683)	-
Administrative expenses	-	(10,269)	10,269
Other charges	-	(21,673)	21,673
Net Changes	119,980	57,235	62,745
Balances at December 31, 2016	$ 1,426,511	$ 1,029,935	$ 396,576

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

Other State of Georgia Pension Plans:

The Sheriff, Clerk of Court, Probate Judge, Magistrate Judge, Tax Commissioner, and various other employees of the County are covered by the State of Georgia retirement plans and are not included as part of the County's plan described above. These State Plans are funded, in part, through County fines and forfeitures collections. Information on each of these plans may be found at the following:

Georgia Sheriffs Association Retirement Fund
Post Office Box 1000
Stockbridge, Georgia 30281

Judges of the Probate Courts Retirement Fund of Georgia
Post Office Box 56
Griffin, Georgia 30224

Employee Retirement System
Two Northside 75, Suite 300
Atlanta, Georgia 30318

Superior Court of Clerk's Retirement Fund of Georgia
124 N. McDonough Street #3
Jonesboro, Georgia 30236

Magistrates Retirement Fund
Post Office Box 56
Griffin, Georgia 30224

Peace Officers' Annuity and Benefit Fund
Post Office Box 56
Griffin, Georgia 30224

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Net Investment in Capital Assets

Net investment of capital assets on the government-wide statement of net position as of June 30, 2017, is as follows:

	Governmental Activities	Business Type Activities	Component Units
Cost of capital assets	$ 25,927,015	$ 4,757,657	$ 98,430
Less accumulated depreciation	(9,700,656)	(1,011,972)	-
Book value	16,226,359	3,745,685	98,430
Less capital related debt	(322,186)	(389,233)	-
Net Investment in Capital Assets	$ 15,904,173	$ 3,356,452	$ 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	$ 85,961

Restricted –The following fund balances are restricted for:

General Fund:	
Culture and recreation	20,878
Special Revenue Funds:	
E-911 Fund	26,179
Jail Fund	19,413
Drug Abuse and Treatment Fund	29,431
Sheriff Drug Fund	154,059
Volunteer Fireman Fund	10,758
Law Library Fund	26,215
TSPLOST Discretionary Fund	504,645
Capital Projects Funds:	
SPLOST 2007 - 2012	168,013
SPLOST 2012 – 2017	474,903
Unassigned	1,183,338
Total Fund Balances	$ 2,703,793

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 the past year.

Note 4 - Other Notes (Continued)

4-A. Risk Management (Continued)

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.

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

Note 4 - Other Notes (Continued)

4-C. Joint Ventures (Continued)

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, 2017 were $ 35,053.

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, 2017

4-F Tax Abatements

Warren County grants various tax incentives that are negotiated on an individual basis. Additionally, the County is subject to tax abatements granted by other authorities in addition to state and federal tax abatement programs.

Tax incentives provided by the County include a reduction of property taxes based on the percentage negotiated and have the stated purpose of increasing employment and business investment in the County. Each of the incentive agreements contain a recapture provision that requires repayment of a portion of the abatement if the business fails to meet its job and/or investment thresholds.

For the fiscal year ended June 30, 2017, county property taxes for the calendar year 2016 were abated totaling approximately $ 90,683 under County approved tax incentive agreements through industrial revenue bonds between business entities and the Development Authority of Warren County. These agreements were established under the Development Authorities Act, OCGA Section 36-62-1. Individual tax abatements that exceeded ten percent of the total amount abated are as follows:

- 100% property tax abatement for a local manufacturer investing its manufacturing facility in Warren County. The abatement amounted to $ 84,670.

The Georgia Forest Land Protection Act of 2008 OCGA Section 48-5-7.7 provides for an ad valorem tax exemption for property primarily used for the good faith subsistence or commercial production of trees, timber, or other wood and wood fiber products and excludes the entire value of any residence located on the property. This 15-year covenant agreement between the taxpayer and County is limited to forest land tracts consisting of more than 200 acres when owned by an individual or individuals, or by any entity registered to do business in Georgia. Property tax abatements for properties entered into this covenant program in Warren County totaled approximately $ 60,166. No individual tax abatement exceeded ten percent of the total amount abated.

4-G Subsequent Events

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through November 9, 2017. Management has not identified any items requiring recognition or disclosure.

Warren County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 2,891,000	$ 2,891,000	$ 2,728,060	$ (162,940)
Intergovernmental	330,000	330,000	375,355	45,355
Charges for services	398,000	398,000	380,754	(17,246)
Fines, forfeitures and fees	290,000	290,000	316,755	26,755
Investment earnings	-	-	421	421
Miscellaneous	30,000	30,000	38,411	8,411
Total Revenues	3,939,000	3,939,000	3,839,756	(99,244)
Expenditures				
Current:				
General government	1,125,866	1,165,880	1,152,618	13,262
Judicial	399,340	396,558	392,134	4,424
Public safety	1,328,245	1,386,342	1,334,351	51,991
Public works	511,996	457,916	410,577	47,339
Health and welfare	209,686	219,470	217,177	2,293
Culture and recreation	77,407	77,407	73,924	3,483
Conservation of natural resources	65,482	65,482	63,345	2,137
Economic development	59,618	49,018	47,076	1,942
Debt Service:				
Principal retirement	29,450	29,450	29,450	-
Interest and fiscal charges	5,826	5,838	4,839	999
Total Expenditures	3,812,916	3,853,361	3,725,491	127,870
Excess (Deficiency) of Revenues Over (Under) Expenditures	126,084	85,639	114,265	28,626
Other Financing Sources (Uses)				
Transfers in (out)	30,000	30,000	(173,782)	(203,782)
Net Change in Fund Balances	$ 156,084	$ 115,639	(59,517)	$ (175,156)
Fund Balance, Beginning of Year			1,349,694	
Fund Balances, End of Year			$ 1,290,177	

Warren County, Georgia
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2017

	2017	2016	2015
Total pension liability			
Service Cost	$ 35,915	$ 36,340	$ 33,500
Interest on Total Pension Liability	96,427	74,018	69,084
Differences between expected and actual experience	(13,142)	183,182	-
Assumption change	42,463	45,420	-
Benefit payments (Adjusted for interest)	(41,683)	(38,672)	(34,923)
Net change in total pension liability	119,980	300,288	67,661
Total pension liability, Beginning	1,306,531	1,006,243	938,582
Total pension liability, Ending	$ 1,426,511	$ 1,306,531	$ 1,006,243
Plan fiduciary net position			
Contributions - employer	$ 67,185	$ 54,603	$ 49,867
Net investment income	63,675	6,746	64,457
Benefit payments (Adjusted for interest)	(41,683)	(38,672)	(34,923)
Administrative expenses	(10,269)	(7,082)	(6,679)
Other charges	(21,673)	(6,761)	(6,472)
Net change in plan fiduciary net position	57,235	8,834	66,250
Plan fiduciary net position, Beginning	972,700	963,866	897,616
Plan fiduciary net position, Ending	$ 1,029,935	$ 972,700	$ 963,866
County's net pension liability	$ 396,576	$ 333,831	$ 42,377
Plan fiduciary net position as a percentage of the total pension liability	72.20%	74.45%	95.79%
Covered-employee payroll	$ 855,242	$ 899,015	$ 850,806
County's net pension liability as a percentage of covered-employee payroll	46.37%	37.13%	4.98%

Warren County, Georgia
Schedule of Pension Contributions
For the Year Ended June 30, 2017

	2017	2016	2015	2014	2013
Contractually required contribution	$ 67,185	$ 54,603	$ 49,867	$ 45,852	$ 49,592
Contributions in relation to the contractually required contribution	67,185	54,603	49,867	45,861	50,775
Contribution deficiency (excess)	$ -	$ -	$ -	$ (9)	$ (1,183)
County's covered-employee payroll	$ 855,242	$ 899,015	$ 850,806	$ 927,087	$ 833,502
Contributions as a percentage of covered-employee payroll	7.86%	6.07%	5.86%	4.95%	6.09%

Note 1 - Budgetary Information

Budgets for the general fund and special revenue funds 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 reflect expenditures in excess of budgeted amounts in several expenditure classifications. The expenditures in excess of budget are considered to be material to the financial statements, and have been cited as compliance violations in the accompanying report on compliance with standards contained in Government Auditing Standards.

The following functions overspent the final fiscal year 2017 annual budget:

	Budget	Actual	Variance
Volunteer Firemen Fund			
Public safety	$ 17,000	$ 21,689	$ (4,689)
Jail Fund			
Public safety	$ 40,000	$ 42,932	$ (2,932)

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, 2017 reported in that schedule:

Valuation date	January 1, 2016
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	4.00-5.50%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

Warren County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 1,226,662	$ 1,185,710
Receivables:		
Property taxes, net	258,345	271,987
Intergovernmental	132,823	110,046
Interfund	50	-
Other	65,744	49,801
Prepaid items	85,961	63,464
Total Assets	$ 1,769,585	$ 1,681,008
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 18,786	$ 28,100
Accrued expenses	46,988	48,271
Intergovernmental payable	56,693	48,372
Interfund payables	116,388	126,799
Total Liabilities	238,855	251,542
Deferred Inflows of Resources		
Unavailable revenue: property taxes	240,553	79,772
Total Liabilities and Deferred Inflows of Resources	479,408	331,314
Fund Balances		
Nonspendable		
Prepaid items	85,961	63,464
Restricted		
Culture and recreation	20,878	19,158
Assigned		
Unassigned	1,183,338	1,267,072
Total Fund Balances	1,290,177	1,349,694
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,769,585	$ 1,681,008

Warren County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2016 Actual
REVENUES					
Taxes					
General property tax	$ 2,140,000	$ 2,140,000	$ 1,911,048	$ (228,952)	$ 2,200,143
Vehicle property tax	95,000	95,000	57,412	(37,588)	71,220
Title ad valorem tax	95,000	95,000	147,142	52,142	127,132
Mobile home property tax	34,000	34,000	30,938	(3,062)	34,906
Railroad equipment tax	25,000	25,000	26,591	1,591	25,598
Other taxes	-	-	-	-	160
Insurance premium tax	180,000	180,000	196,595	16,595	184,742
Local option sales tax	255,000	255,000	261,577	6,577	243,112
Bank licenses and taxes	-	-	4,831	4,831	7,704
Energy excise tax	60,000	60,000	87,752	27,752	77,833
Franchise taxes	-	-	769	769	1,017
Alcoholic beverage licenses/taxes	7,000	7,000	3,405	(3,595)	7,305
Total Taxes	2,891,000	2,891,000	2,728,060	(162,940)	2,980,872
Intergovernmental					
Forest Land Protection Grant	165,000	165,000	175,485	10,485	166,305
Columbia County library supplement	38,000	38,000	34,818	(3,182)	37,576
Nutrition Program	30,000	30,000	38,541	8,541	42,470
DOT transit program revenues	48,000	48,000	82,663	34,663	45,695
State grant funds	49,000	49,000	43,848	(5,152)	35,467
Total Intergovernmental	330,000	330,000	375,355	45,355	327,513
Charges for Services					
Commissions on tax collections	63,000	63,000	48,206	(14,794)	61,000
Ambulance fees	300,000	300,000	289,475	(10,525)	317,210
Landfill usage fees	28,000	28,000	29,633	1,633	29,255
Jail subsidies	6,000	6,000	5,608	(392)	6,973
Code enforcement	1,000	1,000	2,016	1,016	1,824
Rental income	-	-	2,445	2,445	1,000
Library fees	-	-	3,371	3,371	4,544
Total Charges for Services	398,000	398,000	380,754	(17,246)	421,806

(Continued)

Warren County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2016 Actual
REVENUES					
Fines, Forfeitures and Fees					
State and superior courts	$ 55,000	$ 55,000	$ 59,005	$ 4,005	$ 50,802
Magistrate court	20,000	20,000	17,191	(2,809)	21,190
Probate court	215,000	215,000	240,559	25,559	157,930
Total Fines, Forfeitures and Fees	290,000	290,000	316,755	26,755	229,922
Investment Earnings	-	-	421	421	293
Miscellaneous					
Penalties & interest/costs	30,000	30,000	30,030	30	24,677
Sale of surplus property	-	-	-	-	2,177
Other	-	-	8,381	8,381	11,486
Total Miscellaneous	30,000	30,000	38,411	8,411	38,340
TOTAL REVENUES	$ 3,939,000	$ 3,939,000	$ 3,839,756	$ (99,244)	$ 3,998,746

Warren County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2016 Actual
EXPENDITURES					
General Government					
Board of commissioners	$ 251,075	$ 248,175	$ 239,508	$ 8,667	$ 246,990
Administration and accounting	317,700	313,400	339,763	(26,363)	305,574
Tax commissioner	142,631	144,123	135,756	8,367	138,991
Tax assessor	153,044	152,005	153,614	(1,609)	132,293
County buildings	191,862	240,862	228,093	12,769	212,276
Elections and registrar	69,554	67,315	55,884	11,431	68,122
Total General Government	1,125,866	1,165,880	1,152,618	13,262	1,104,246
Judicial					
State and superior courts	254,825	244,863	243,626	1,237	218,795
Magistrate court	35,448	35,798	32,745	3,053	25,093
Probate court	109,067	115,897	115,763	134	121,570
Total Judicial	399,340	396,558	392,134	4,424	365,458
Public Safety					
Sheriff	536,960	545,760	524,610	21,150	506,985
County jail	170,000	177,000	175,947	1,053	163,246
Emergency services	542,537	580,640	563,398	17,242	680,024
Code enforcement	60,668	64,862	63,416	1,446	60,019
Coroner	18,080	18,080	6,980	11,100	11,353
Total Public Safety	1,328,245	1,386,342	1,334,351	51,991	1,421,627
Public Works					
Landfill	179,138	168,899	166,394	2,505	155,068
Roads department	332,858	289,017	244,183	44,834	284,093
Total Public Works	511,996	457,916	410,577	47,339	439,161

(Continued)

Warren County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2016 Actual
EXPENDITURES					
Health and Welfare					
Health department	$ 25,000	$ 25,000	$ 25,030	$ (30)	$ 22,917
Transportation program	82,695	91,429	88,464	2,965	87,716
Senior citizens program	95,741	101,041	102,526	(1,485)	96,039
Family and children services	6,250	2,000	1,157	843	1,034
Total Health and Welfare	209,686	219,470	217,177	2,293	207,706
Culture and Recreation					
Library	77,407	77,407	73,924	3,483	76,778
Total Culture and Recreation	77,407	77,407	73,924	3,483	76,778
Conservation of Natural Resources					
Agriculture resources	49,482	49,482	47,349	2,133	44,095
Forestry resources	16,000	16,000	15,996	4	15,996
Total Conservation of Natural Resources	65,482	65,482	63,345	2,137	60,091
Economic Development					
Economic development	59,618	49,018	47,076	1,942	47,689
Total Economic Development	59,618	49,018	47,076	1,942	47,689
Debt Service					
Principal	29,450	29,450	29,450	-	28,541
Interest	5,826	5,838	4,839	999	5,748
Total Debt Service	35,276	35,288	34,289	999	34,289
TOTAL EXPENDITURES	$ 3,812,916	$ 3,853,361	$ 3,725,491	$ 127,870	$ 3,757,045

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

	2017	2016
Assets		
Cash and cash equivalents	$ 515,579	$ 591,901
Intergovernmental receivable	38,941	31,800
Total Assets	$ 554,520	$ 623,701
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 13,514	$ 40,543
Intergovernmental payable	66,103	149,632
Total Liabilities	79,617	190,175
Fund Balances		
Restricted for capital projects	474,903	433,526
Total Fund Balances	474,903	433,526
Total Liabilities and Fund Balances	$ 554,520	$ 623,701

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

	2017	2016
Revenues		
Sales taxes	$ 433,575	$ 402,998
Intergovermental	-	10
Investment earnings	55	50
Total Revenues	433,630	403,058
Expenditures		
Intergovernmental	84,846	86,644
Capital outlay		
Public works	168,563	260,990
Public safety	23,395	100,016
Culture and recreation	42,095	98,792
Debt service:		
Principal	66,564	63,855
Interest	6,790	6,866
Total Expenditures	392,253	617,163
(Deficiency) of Revenues (Under) Expenditures	41,377	(214,105)
Other Financing Sources		
Transfers in (out)	-	(12,057)
Inception of capital lease obligations	-	208,637
Net Change in Fund Balance	41,377	(17,525)
Fund Balance, Beginning of Year	433,526	451,051
Fund Balance, End of Year	$ 474,903	$ 433,526

Warren County, Georgia
TSPLOST Discretionary Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 789,361	$ 919,029
Intergovernmental receivable	49,571	46,975
Total Assets	$ 838,932	$ 966,004
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 334,287	$ -
Total Liabilities	334,287	-
Fund Balances		
Restricted for public works	504,645	966,004
Total Liabilities and Fund Balances	$ 838,932	$ 966,004

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

	2017	2016
Revenues		
Taxes - TSPLOST	$ 584,642	$ 587,403
Total Revenues	584,642	587,403
Expenditures		
Current:		
Public works	3,329	-
Debt Service:		
Principal retirement	-	4,753
Interest and fiscal charges	-	279
Total Expenditures	3,329	5,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	581,313	582,371
Other Financing Sources (Uses)		
Transfers in (out)	(1,042,672)	(412,972)
Net Change in Fund Balances	(461,359)	169,399
Fund Balances, Beginning of Year	966,004	796,605
Fund Balances, End of Year	$ 504,645	$ 966,004

Warren County, Georgia
TSPLOST Capital Projects Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017	2016
Revenues		
Intergovernmental - LMIG Funds	$ 328,324	$ 235,507
Total Revenues	328,324	235,507
Expenditures		
Capital Outlay:		
Public works	1,370,996	648,479
Total Expenditures	1,370,996	648,479
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,042,672)	(412,972)
Other Financing Sources (Uses)		
Transfers in (out)	1,042,672	412,972
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, 2017

	Capital Projects Funds	Special Revenue Funds										
	SPLOST 2007-2012 Fund	Revolving Loan Fund	E-911 Fund	Jail Fund	Sheriff Drug Fund	Volunteer Fireman Fund	Drug Abuse & Treatment	Planning Commission Fund	CDBG Grant Fund	CDBG 2016 Grant Fund	Law Library	Total
Assets												
Cash and cash equivalents	$ 168,013	$ -	$ 15,399	$ 19,413	$ 160,823	$ 10,758	$ 29,431	$ -	$ -	$ 50	$ 26,215	$ 430,102
Receivables:												
Accounts, net	-	-	10,780	-	-	-	-	-	-	-	-	10,780
Total Assets	$ 168,013	$ -	$ 26,179	$ 19,413	$ 160,823	$ 10,758	$ 29,431	$ -	$ -	$ 50	$ 26,215	$ 440,882
Liabilities												
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interfund payables	-	-	-	-	-	-	-	-	-	50	-	50
Other liabilities	-	-	-	-	6,764	-	-	-	-	-	-	6,764
Total Liabilities	-	-	-	-	6,764	-	-	-	-	50	-	6,814
Fund Balances												
Restricted for program purposes	168,013	-	26,179	19,413	154,059	10,758	29,431	-	-	-	26,215	434,068
Total Liabilities and Fund Balances	$ 168,013	$ -	$ 26,179	$ 19,413	$ 160,823	$ 10,758	$ 29,431	$ -	$ -	$ 50	$ 26,215	$ 440,882

Warren County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2017

	Capital Projects Funds	Special Revenue Funds										
	SPLOST 2007-2012 Fund	Revolving Loan Fund	E-911 Fund	Jail Fund	Sheriff Drug Fund	Volunteer Fireman Fund	Drug Abuse & Treatment	Planning Commission Fund	CDBG Grant Fund	CDBG 2016 Grant Fund	Law Library	Total
Revenues												
Intergovernmental	$ -	$ -	$ 91,051	$ -	$ -	$ -	$ -	$ -	$ 16,699	$ 13,590	$ -	$ 121,340
Charges for services	-	-	68,834	-	-	-	-	-	-	-	-	68,834
Fines, forfeitures and fees	-	-	-	20,807	45,000	-	6,555	-	-	-	7,403	79,765
Investment earnings	-	-	-	3	-	-	-	-	-	-	-	3
Miscellaneous	-	-	-	-	-	14,918	-	-	-	-	-	14,918
Total Revenues	-	-	159,885	20,810	45,000	14,918	6,555	-	16,699	13,590	7,403	284,860
Expenditures												
Current:												
Judicial	-	-	-	-	-	-	-	-	-	-	10,867	10,867
Public safety	-	-	301,797	42,932	4,992	12,504	1,698	-	-	-	-	363,923
Economic development	-	196,953	-	-	-	-	-	-	-	-	-	196,953
Capital Outlay	28,574	-	-	-	54,223	9,185	-	-	16,699	13,590	-	122,271
Total Expenditures	28,574	196,953	301,797	42,932	59,215	21,689	1,698	-	16,699	13,590	10,867	694,014
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,574)	(196,953)	(141,912)	(22,122)	(14,215)	(6,771)	4,857	-	-	-	(3,464)	(409,154)
Other Financing (Uses)												
Transfers in (out), net	(21,405)	-	163,172	-	-	-	-	(613)	-	-	-	141,154
Net Change in Fund Balances	(49,979)	(196,953)	21,260	(22,122)	(14,215)	(6,771)	4,857	(613)	-	-	(3,464)	(268,000)
Fund Balances, Beginning	217,992	196,953	4,919	41,535	168,274	17,529	24,574	613	-	-	29,679	702,068
Fund Balances, Ending	$ 168,013	$ -	$ 26,179	$ 19,413	$ 154,059	$ 10,758	$ 29,431	$ -	$ -	$ -	$ 26,215	$ 434,068

Warren County, Georgia
SPLOST 2007-2012 Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 168,013	$ 213,216
Interfund receivable	-	4,776
Total Assets	$ 168,013	$ 217,992
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for capital projects	168,013	217,992
Total Fund Balances	168,013	217,992
Total Liabilities and Fund Balances	$ 168,013	$ 217,992

Warren County, Georgia
SPLOST 2007-2012 Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017	2016
Revenues		
Sales taxes	$ -	$ -
Total Revenues	-	-
Expenditures		
Capital outlay		
Economic development	28,574	26,815
Total Expenditures	28,574	26,815
(Deficiency) of Revenues (Under) Expenditures	(28,574)	(26,815)
Other Financing Sources		
Transfers in (out)	(21,405)	(21,228)
Net Change in Fund Balance	(49,979)	(48,043)
Fund Balance, Beginning	217,992	266,035
Fund Balance, End of Year	$ 168,013	$ 217,992

Warren County, Georgia
Revolving Loan Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ -	$ 196,953
Total Assets	$ -	$ 196,953
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for program purposes	-	196,953
Total Liabilities and Fund Balances	$ -	$ 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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental - Grants	$ -	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-	-
Expenditures					
Capital Outlay					
Economic development	196,953	196,953	196,953	-	-
Net Change in Fund Balances	$ (196,953)	$ (196,953)	(196,953)	$ -	-
Fund Balances, Beginning of Year			196,953		196,953
Fund Balances, End of Year			$ -		$ 196,953

Warren County, Georgia
E-911 Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 15,399	$ 2,313
Accounts receivable	10,780	8,769
Total Assets	$ 26,179	$ 11,082
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 6,163
Total Liabilities	-	6,163
Fund Balances		
Restricted for program purposes	26,179	4,919
Total Liabilities and Fund Balances	$ 26,179	$ 11,082

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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue	$ 108,970	$ 108,970	$ 91,051	$ (17,919)	$ 88,206
Charges for services	46,000	46,000	68,834	22,834	68,656
Miscellaneous	-	-	-	-	16,651
Total Revenues	154,970	154,970	159,885	4,915	173,513
Expenditures					
Current:					
Public safety	321,222	321,022	301,797	19,225	335,903
Capital Outlay	-	-	-	-	12,458
Total Expenditures	321,222	321,022	301,797	19,225	348,361
Excess (Deficiency) of Revenues Over (Under) Expenditures	(166,252)	(166,052)	(141,912)	24,140	(174,848)
Other Financing Sources (Uses)					
Transfers in	-	-	163,172	163,172	163,408
Net Change in Fund Balances	$ (166,252)	$ (166,052)	21,260	$ 187,312	(11,440)
Fund Balances, Beginning of Year			4,919		16,359
Fund Balances, End of Year			$ 26,179		$ 4,919

Warren County, Georgia
Jail Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 19,413	$ 41,535
Total Assets	$ 19,413	$ 41,535
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund Balances		
Restricted for program purposes	19,413	41,535
Total Liabilities and Fund Balances	$ 19,413	$ 41,535

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

	2017				2016
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 15,000	$ 15,000	$ 20,807	$ 5,807	$ 17,924
Investment earnings	-	-	3	3	6
Total Revenues	15,000	15,000	20,810	5,810	17,930
Expenditures					
Current:					
Public safety	40,000	40,000	42,932	(2,932)	12,919
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,000)	(25,000)	(22,122)	2,878	5,011
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	(125,216)
Net Change in Fund Balances	$ (25,000)	$ (25,000)	(22,122)	$ 2,878	(120,205)
Fund Balances, Beginning of Year			41,535		161,740
Fund Balances, End of Year			$ 19,413		$ 41,535

Warren County, Georgia
Sheriff Drug Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 160,823	$ 205,043
Total Assets	$ 160,823	$ 205,043
Liabilities and Fund Balances		
Liabilities		
Other liabilities	$ 6,764	$ 36,769
Total Liabilities	6,764	36,769
Fund Balances		
Restricted for program purposes	154,059	168,274
Total Liabilities and Fund Balances	$ 160,823	$ 205,043

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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 6,000	$ 6,000	$ 45,000	$ 39,000	$ 9,054
Total Revenues	6,000	6,000	45,000	39,000	9,054
Expenditures					
Current:					
Public safety	5,000	5,000	4,992	8	866
Capital Outlay:					
Public safety	111,000	111,000	54,223	56,777	38,565
Total Expenditures	116,000	116,000	59,215	56,785	39,431
Net Change in Fund Balances	$ (110,000)	$ (110,000)	(14,215)	$ 95,785	(30,377)
Fund Balances, Beginning of Year			168,274		198,651
Fund Balances, End of Year			$ 154,059		$ 168,274

Warren County, Georgia
Volunteer Firemen Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 10,758	$ 17,529
Fund Balances		
Restricted for program purposes	$ 10,758	$ 17,529

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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Miscellaneous	$ 2,000	$ 2,000	$ 14,918	$ 12,918	$ 3,157
Expenditures					
Current:					
Public safety	-	-	12,504	(12,504)	14,673
Capital Outlay:					
Public safety	17,000	17,000	9,185	7,815	-
Total Expenditures	17,000	17,000	21,689	(4,689)	14,673
Net Change in Fund Balances	$ (15,000)	$ (15,000)	(6,771)	$ 8,229	(11,516)
Fund Balances, Beginning of Year			17,529		29,045
Fund Balances, End of Year			$ 10,758		$ 17,529

Warren County, Georgia
Drug Abuse T&E Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 29,431	$ 24,574
Total Assets	$ 29,431	$ 24,574
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for program purposes	29,431	24,574
Total Fund Balances	29,431	24,574
Total Liabilities and Fund Balances	$ 29,431	$ 24,574

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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 1,000	$ 1,000	$ 6,555	$ 5,555	$ 6,393
Expenditures					
Current:					
Public safety	21,000	21,000	1,698	19,302	4,753
Net Change in Fund Balances	$ (20,000)	$ (20,000)	4,857	$ 24,857	1,640
Fund Balances, Beginning of Year			24,574		22,934
Fund Balances, End of Year			$ 29,431		$ 24,574

Warren County, Georgia
Planning Commission Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ -	$ 613
Total Assets	$ -	$ 613
Fund Balances		
Restricted for program purposes	$ -	$ 613
Total Fund Balances	$ -	$ 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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Miscellaneous	$ -	$ -	$ -	$ -	$ -
Expenditures					
Current:					
Housing and development	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (Uses)					
Transfers out	(613)	(613)	(613)	-	-
Net Change in Fund Balances	$ -	$ -	(613)	$ -	-
Fund Balances, Beginning of Year			613		613
Fund Balances, End of Year			$ -		$ 613

Warren County, Georgia
CDBG Grant Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
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 Grant Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017	2016
Revenues		
Intergovernmental - CDBG Funds	$ 16,699	$ 483,301
Total Revenues	16,699	483,301
Expenditures		
Capital outlay		
Public works	16,699	483,301
Total Expenditures	16,699	483,301
Net Change in Fund Balances	-	-
Fund Balances, Beginning of Year	-	-
Fund Balances, End of Year	$ -	$ -

Warren County, Georgia
CDBG 2016 Grant Fund
Balance Sheet
June 30, 2017

Assets	
Cash and cash equivalents	$ 50
Total Assets	$ 50
Liabilities and Fund Balances	
Liabilities	
Accounts payable	$ -
Interfund payable	50
Total Liabilities	50
Fund Balances	
Restricted for capital projects	-
Total Fund Balances	-
Total Liabilities and Fund Balances	$ 50

Warren County, Georgia
CDBG 2016 Grant Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2017

Revenues	
Intergovernmental - CDBG Funds	$ 13,590
Total Revenues	13,590
Expenditures	
Capital outlay	
Health and welfare	13,590
Total Expenditures	13,590
Net Change in Fund Balances	-
Fund Balances, Beginning of Year	-
Fund Balances, End of Year	$ -

Warren County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 26,215	$ 29,679
Fund Balance		
Restricted for program purposes	$ 26,215	$ 29,679

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, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017				2016
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 35,000	$ 35,000	$ 7,403	$ (27,597)	$ 6,875
Expenditures					
Current:					
Judicial	35,000	35,000	10,867	24,133	12,833
Net Change in Fund Balance	$ -	$ -	(3,464)	$ (3,464)	(5,958)
Fund Balance, Beginning of Year			29,679		35,637
Fund Balance, End of Year			$ 26,215		$ 29,679

Warren County, Georgia
Water and Sewer Fund
Comparative Statement of Net Position
June 30, 2017 and 2016

	2017	2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 81	$ 260
Restricted assets - cash	34,873	34,866
Total Current Assets	34,954	35,126
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	-	-
Depreciable, net	3,745,685	3,864,627
Total Noncurrent Assets	3,745,685	3,864,627
TOTAL ASSETS	3,780,639	3,899,753
LIABILITIES		
Current Liabilities:		
Interfund payable	-	4,776
Notes payable	5,649	5,453
Revenue bond payable	6,219	5,945
Total Current Liabilities	11,868	16,174
Long-Term Liabilities:		
Notes payable (net of current portion)	48,082	53,728
Revenue bond payable (net of current portion)	329,283	335,540
Total Long-Term Liabilities	377,365	389,268
TOTAL LIABILITIES	389,233	405,442
Net Position		
Net investment in capital assets	3,356,452	3,463,961
Restricted for debt service	34,873	34,866
Unrestricted	81	(4,516)
TOTAL NET POSITION	$ 3,391,406	$ 3,494,311

Warren County, Georgia
Water and Sewer Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Years Ended June 30, 2017 and 2016

	2017	2016
Operating Revenues		
Charges for services	$ -	$ -
Total Operating Revenues	-	-
Operating Expenses		
Cost of water	219	172
Depreciation	118,942	118,941
Total Operating Expenses	119,161	119,113
Operating Income (Loss)	(119,161)	(119,113)
Non-Operating Revenues (Expenses)		
Interest and fiscal charges	(16,378)	(16,747)
Investment earnings	6	6
Total Non-Operating Revenues (Expenses)	(16,372)	(16,741)
Income (Loss) Before Transfers and Capital Contributions	(135,533)	(135,854)
Transfers in (out)	32,628	27,818
Capital contributions	-	-
Change in Net Position	(102,905)	(108,036)
Net Position, Beginning of Year	3,494,311	3,602,347
Net Position, End of Year	$ 3,391,406	$ 3,494,311

Warren County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2017

Clerk of Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 33,223	$ 199,408	$ 189,610	$ 4,155	$ 38,866
Liabilities					
Interfund payable	$ -	$ 61,011	$ 56,856	$ 4,155	$ -
Due to others	33,223	138,397	132,754	-	38,866
Total Liabilities	$ 33,223	$ 199,408	$ 189,610	$ 4,155	$ 38,866

Probate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 68,628	$ 340,342	$ 329,543	$ 23,458	$ 55,969
Liabilities					
Interfund payable	$ -	$ 230,235	$ 206,777	$ 23,458	$ -
Due to others	68,628	110,107	122,766	-	55,969
Total Liabilities	$ 68,628	$ 340,342	$ 329,543	$ 23,458	$ 55,969

Tax Commissioner	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 136,122	$ 6,967,756	$ 6,915,443	$ 36,850	$ 151,585
Liabilities					
Interfund payable	$ -	$ 2,618,439	$ 2,581,589	$ 36,850	$ -
Due to others	136,122	4,349,317	4,333,854	-	151,585
Total Liabilities	$ 136,122	$ 6,967,756	$ 6,915,443	$ 36,850	$ 151,585

Continued

Warren County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2017

Continued

Magistrate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 5,530	$ 45,956	$ 47,121	$ 382	$ 3,983
Liabilities					
Interfund payable	$ -	$ 5,129	$ 4,747	$ 382	$ -
Due to others	5,530	40,827	42,374	-	3,983
Total Liabilities	$ 5,530	$ 45,956	$ 47,121	$ 382	$ 3,983

Total	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 243,503	$ 7,553,462	$ 7,481,717	$ 64,845	$ 250,403
Liabilities					
Interfund payable	$ -	$ 2,914,814	$ 2,849,969	$ 64,845	$ -
Due to others	243,503	4,638,648	4,631,748	-	250,403
Total Liabilities	$ 243,503	$ 7,553,462	$ 7,481,717	$ 64,845	$ 250,403

Warren County, Georgia
SECTION 5311 TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2017

Contract Number T005203
Grant Number GA-18-X033

REVENUES		
Reimbursements received from GA Department of Transportation	$	40,990
Participant contributions		3,885
TOTAL		44,875
EXPENDITURES		
Salaries and Fringe Benefits		
Administrative		12,896
Operating		68,857
Operating Expenditures		
Fuel and operational supplies		13,792
Vehicle maintenance		3,855
General insurance		3,000
Training expense		674
Telephone		1,047
Office supplies		782
Audit		1,500
Marketing		216
Other operating expenses		641
TOTAL		107,260
Revenues in Excess of (less than) Expenditures	$	(62,385)

* * 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, 2017

Special Sales Tax Imposed July 1, 2007	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percent Completed
			Prior Years (Restated)	Current Year	Total	
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	241,764	-	241,764	76.9%
Economic development	384,000	345,633	228,523	28,574	257,097	74.4%
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	2,060,898	28,574	2,089,472	
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	$ 2,649,627	$ 28,574	$ 2,678,201	

** - 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, 2017

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	$ 492,439	$ 97,162	$ 589,601	64.6%
Water and sewer projects	374,400	-	120,343	120,343	32.1%
Economic development	320,000	-	-	-	0.0%
Emergency services	265,600	58,560	47,807	106,367	40.0%
Recreation projects	640,000	350,796	42,095	392,891	61.4%
	2,512,000	901,795	307,407	1,209,202	
Intergovernmental					
City of Warrenton	457,600	244,298	56,432	300,730	65.7%
City of Norwood	115,200	61,502	14,207	75,709	65.7%
Town of Camak	115,200	61,503	14,207	75,710	65.7%
	688,000	367,303	84,846	452,149	
TOTAL	$ 3,200,000	$ 1,269,098	$ 392,253	$ 1,661,351	

*** - 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, 2017

SOURCE OF FUNDS:		
CDBG funds drawn down by recipient and accrued during fiscal year ended June 30, 2017	$	16,699
APPLICATION OF FUNDS:		
Sewer Facilities		(16,699)
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, 2017

	TOTAL BUDGETED COSTS	TOTAL REVISED BUDGETED COSTS	PROJECT COSTS PRIOR TO FYE 6/30/2017	ACTUAL COSTS FYE 6/30/2017	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	-	-	-	-	-
Sewer facilities	454,048	492,000	475,301	16,699	492,000	-
Total	$ 500,000	$ 500,000	$ 483,301	$ 16,699	$ 500,000	$ -

Warren County, Georgia
COMMUNITY DEVELOPMENT BLOCK GRANT
CDBG No. 15p-y-149-1-5890
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the Year Ended June 30, 2017

SOURCE OF FUNDS:		
CDBG funds drawn down by recipient and accrued during fiscal year ended June 30, 2017	$	13,590
APPLICATION OF FUNDS:		
Senior Center		(13,590)
SOURCE OF FUNDS IN EXCESS OF (LESS THAN) APPLICATION	$	-

Warren County, Georgia
COMMUNITY DEVELOPMENT BLOCK GRANT
CDBG No. 15p-y-149-1-5890
STATEMENT OF PROJECT COST - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	TOTAL BUDGETED COSTS	PROJECT COSTS PRIOR TO FYE 6/30/2017	ACTUAL COSTS FYE 6/30/2017	TOTAL PROJECT COSTS TO DATE	(OVER) UNDER BUDGET
Senior Center Project					
Senior Center	$ 500,000	$ -	$ 13,590	$ 13,590	$ 486,410
Total	$ 500,000	$ -	$ 13,590	$ 13,590	$ 486,410

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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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 9, 2017.

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 a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 2017-01 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2017-02.

We noted certain additional matters that we reported to the management of Warren County, Georgia, in a separate letter dated November 9, 2017.

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 & Associates

Louisville, Georgia
November 9, 2017

Findings - Financial Statement Audit

2017-01 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

2017-02 State Budgetary Requirements

Condition: The County violated state law by expending funds in excess of budgeted amounts at the legal level of authority. The County's legal level of authority is the department level. Expenditures exceeded budgeted amounts in the Volunteer Firemen Fund and the Jail Fund.

Criteria: State law mandates that actual expenditures should not exceed amounts appropriated through the budgeting process at the entity's legal level of control.

Effect: Failure to continually compare actual expenditures to budgeted amounts to ensure that budgeted expenditures are not exceeded can result in expenditures in excess of budgeted amounts.

Recommendations: Management should continually monitor actual expenditures to budgeted amounts to ensure that violations of this statue do not occur. Budgets should be amended as necessary to reflect changes in anticipated revenues and expenditures throughout the year.

Management's Response: Management agrees with the finding and will take steps to adopt a budget for all required funds. Additionally, management will monitor budgets more closely and make budget amendments when necessary.