WASHINGTON COUNTY, GEORGIA

FINANCIAL STATEMENTS

For the Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Washington County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Georgia, 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 did not audit the financial statements of the Washington County Board of Health which represents 3 percent, 5 percent, and 24 percent of the assets, fund balance, and revenues, respectively, of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Washington County Board of Health is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund, of Washington 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 conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the budgetary comparison information on pages 56 through 59 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County, Georgia's basic financial statements. The combining nonmajor fund financial statements, the fiduciary funds combining statement of net position, the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the fiduciary funds combining statement of net position, the schedule of projects constructed with special sales tax proceeds, and the other schedules included in other supplementary information as described in the accompanying table of contents is the responsibility of management and was derived from and relates 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 or to the basic financial statements themselves, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated December 14, 2017 on our consideration of Washington County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Washington County, Georgia's internal control over financial reporting and compliance.

Wright & Wright, P.C.

December 14, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Washington County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2017. Please read it in conjunction with the County's financial statements which begin on page 14.

1. USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net position and the Statement of Activities (on pages 14 and 15) provide information about activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the County as a Whole

The Statement of Net position and the Statement of Activities

Our analysis of the County as a whole begins on page 7. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in them. You can think of the County's net position—the difference between assets and liabilities—as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider nonfinancial factors such as changes in the County's property tax base and the condition of the County's roads and other physical assets to assess the overall health of the County.

In the Statement of Net position and the Statement of Activities, we divide the County into three kinds of activities:

- Governmental activities—Most of the County's basic services are reported here, including public safety, court system, public works, health & welfare and general administration. Taxes, court fines and intergovernmental revenue finance most of these activities.
- Business-type activities—The County charges a fee to customers to help it cover all or most of the cost of certain services it provides. The County's landfill is reported here.
- The County includes one separate legal entity in its report – the Washington County Health Department. Although legally separate, this "component unit" is important because the County is financially accountable for it. Complete financial statements may be obtained at 201 Morningside Drive, Sandersville, Georgia 31082.

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/ Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the County's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General government	Business licenses and permits; Qualifying fees; Intangible recording taxes
Public safety	Fines and forfeits; E911 telephone charges and city charges; Housing prisoners; State reimbursements for training
Judicial	All court fines and forfeits; Law library revenue
Public works	Georgia Department of Transportation reimbursements; Pipe and driveway installations
Culture/recreation	Recreation department charges for services; Payments from the County and cities to the Recreation department

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Business-type Activities

The Landfill Fund has historically collected revenue amounting to approximately half of the total operating expenditures, including depreciation. The General Fund transfers money to the Landfill Fund to cover the remaining operating costs. During the year ended June 30, 2017, the General Fund transferred $56,454 to the General Fund for operating expenditures.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 16 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County Commissioners establish other funds to help them control and manage money for particular purposes or to show that they are meeting legal responsibilities for using certain taxes, grants, and other money (like the Emergency 911 Telephone Fund and the Capital Projects Fund which account for special purpose local option sales tax revenue). The County's two kinds of funds—governmental and proprietary—use different accounting approaches.

- Governmental funds—Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

- Proprietary funds—When the County charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net position and the Statement of Activities. In fact, the County's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for the offices of Tax Commissioner, Probate Court, Clerk of Courts, Sheriff and Magistrate Court. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net position on page 23. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

2. FINANCIAL HIGHLIGHTS

Net position may serve over time as a useful indicator of a government's financial position. In the case of Washington County, assets exceeded liabilities by $42,670,524 as of June 30, 2017.

The largest portion of the County's net position (84%) reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 21,103,557	$ 18,003,673	$ 1,076,875	$ 1,227,400	$ 22,180,432	$ 19,231,073
Capital assets	32,385,162	33,134,481	3,440,902	3,482,488	35,826,064	36,616,969
Total assets	53,488,719	51,138,154	4,517,777	4,709,888	58,006,496	55,848,042
Current liabilities	1,263,848	1,606,444	137,532	46,352	1,401,380	1,652,796
Long-term liabilities	10,564,388	3,619,289	3,370,204	3,629,147	13,934,592	7,248,436
Total liabilities	11,828,236	5,225,733	3,507,736	3,675,499	15,335,972	8,901,232
Net position:						
Investment in capital assets	32,385,162	33,134,481	3,440,902	3,482,488	35,826,064	36,616,969
Restricted	8,417,071	5,563,633	3,007,936	3,629,147	11,425,007	9,192,780
Unrestricted	858,250	7,214,307	(5,438,797)	(6,077,246)	(4,580,547)	1,137,061
Total net position	$ 41,660,483	$ 45,912,421	$ 1,010,041	$ 1,034,389	$ 42,670,524	$ 46,946,810

As a whole the Government's financial position declined during fiscal 2017. Total net position decreased $4,276,286 or 9.1% during 2017. Net position for governmental activities decreased $4,251,938 or 9.3% which was largely due to a $4,596,000 contribution to the Washington County Hospital Authority which was funded by a general obligation bond of $5,255,000. Without this adjustment, net position would have increased by approximately $1.5 million. The net position for business-type activities decreased $24,348 or 2.4%.

The following table provides a summary of the County's operations for the year ended June 30, 2017 with comparative totals for year ended June 30, 2016.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
REVENUES:						
Program revenues:						
Charges for services	$ 1,311,994	$ 1,070,823	$ 659,526	$ 717,308	$ 1,971,520	$ 1,788,131
Operating grants and contributions	3,175,474	2,304,087	35,112	-	3,210,586	2,304,087
Capital grants and contributions	28,904	537,299	-	-	28,904	537,299
General revenues:						
Property taxes	8,591,426	7,087,880	-	-	8,591,426	7,087,880
Local option sales tax	1,187,720	1,248,695	-	-	1,187,720	1,248,695
SPLOST revenue	2,255,555	2,410,898	-	-	2,255,555	2,410,898
Other taxes	1,904,804	1,746,154	-	-	1,904,804	1,746,154
Other	103,561	446,167	4,488	40,404	108,049	486,571
Total revenues	18,559,438	16,852,003	699,126	757,712	19,258,564	17,609,715
EXPENSES:						
General government	4,707,404	5,003,148	-	-	4,707,404	5,003,148
Public safety	5,542,352	5,294,885	-	-	5,542,352	5,294,885
Judicial	1,248,177	1,089,837	-	-	1,248,177	1,089,837
Public works	5,099,628	3,882,666	-	-	5,099,628	3,882,666
Health and welfare	5,314,606	1,210,588	-	-	5,314,606	1,210,588
Culture/Recreation	800,380	789,596	-	-	800,380	789,596
Interest on long-term debt	42,375	-	-	-	42,375	-
Landfill	-	-	779,928	2,952,168	779,928	2,952,168
Total expenses	22,754,922	17,270,720	779,928	2,952,168	23,534,850	20,222,888
Increase (decrease) in net position before transfers	(4,195,484)	(418,717)	(80,802)	(2,194,456)	(4,276,286)	(2,613,173)
TRANSFERS	(56,454)	(67,870)	56,454	67,870	-	-
Increase (decrease) in net position	(4,251,938)	(486,587)	(24,348)	(2,126,586)	(4,276,286)	(2,613,173)
NET POSITION, beginning of year	45,912,421	46,399,008	1,034,389	3,160,975	46,946,810	49,559,983
NET POSITION, end of year	$ 41,660,483	$ 45,912,421	$ 1,010,041	$ 1,034,389	$ 42,670,524	$ 46,946,810

3. FUND FINANCIAL INFORMATION

Major Governmental Funds

General Fund

The central operating fund for Washington County, the General Fund, had total assets of $11,265,478 and total liabilities and deferred inflows of resources of $161,668 at the end of fiscal year 2017. Total expenditures and other financing uses for fiscal year 2017 of $13,246,060 exceeded revenues and other financing sources of $13,332,623.

Other Major Governmental Funds

The fund balance for the Capital Projects Fund (2009) decreased $174,196 as the pace of capital projects exceeded the special local option sales tax revenue used to fund these projects.

On November 1, 2016, the County issued the $5,255,000 Washington County, Georgia, General Obligation Bonds, Series 2016 to provide operating funds to the Washington County Hospital Authority. The County created a Debt Service Fund to record the activity related to this bond.

Major Proprietary Funds

Landfill Fund

Total assets were $4,517,777, total liabilities were $3,507,736, and net position were $1,010,041 at the end of fiscal year 2017. During 2017 the County secured a $2,795,000 loan from the Georgia Environmental Finance Authority (GEFA) to finance a portion of the closure costs of the County's landfill. At June 30, 2017, the County had drawn $449,985 on the loan.

4. GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the County Commissioners had one revision through a budget amendment to the General Fund budget.

General Fund revenues for the year of $12,726,730 were 13.5% more than budgeted revenues due mainly to the County receiving more in property taxes than was budgeted.

Total General Fund expenditures for fiscal year 2017 were 97.3% of the final budget. Expenditures for all functional areas except two departmental capital outlay balances were less than the budget.

5. CAPITAL ASSET AND DEBT ADMINISTRATION

Debt

At June 30, 2017, the County had $5,704,985 of outstanding long-term debt including $5,255,000 of general obligation bonds to provide operating support to the Washington County Hospital Authority, and a $2,795,000 GEFA note payable ($449,985 outstanding at June 30,2017) to finance a portion of the closure costs of the County landfill. See Note 8 for further information.

Capital Assets

At the end of June 30, 2017, the County had $35.8 million invested in capital assets including equipment, buildings, infrastructure, park facilities, and landfills (See table below.) This represents a net decrease of $790,905 or 2.2% compared to last year.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	$ 963,815	$ 963,815	$ 3,284,133	$ 3,284,133	$ 4,247,948	$ 4,247,948
Infrastructure	12,565,451	13,012,676	-	-	12,565,451	13,012,676
Buildings	13,618,780	13,829,999	21,339	22,920	13,640,119	13,852,919
Equipment	4,868,482	5,118,542	135,430	175,435	5,003,912	5,293,977
Construction in progress	368,634	209,449	-	-	368,634	209,449
Total	$32,385,162	$33,134,481	$ 3,440,902	$ 3,482,488	$35,826,064	$36,616,969

This year's major additions included:

Paving of dirt roads paid for with Special Purpose Local Option Sales Tax revenues	$ 39,792
Road department equipment paid for with Special Purpose Local Option Sales Tax revenues	324,795
Corporate hanger construction in process funded with TSPLOST revenues	144,887
	$ 509,474

Additional information on Washington County's capital assets can be found in Note 6 on page 35 of this report.

6. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Washington County is a rural county located in East Central Georgia along the Fall Line, a geologic line that separates the Piedmont Plateau from the Coastal Plain. It lies half way between Atlanta and Savannah (about 120 miles from each). It also lies half way between Macon and Augusta (about 60 miles from each).

The 2010 Census shows that the County's population was 21,187, an increase of only 11 persons over the 2000 Census population. The population in the unincorporated areas of the County was 10,730 in 2010.

There are seven municipalities in the County with the following populations:

City	Population
Davisboro	2,010 *
Deepstep	131
Harrison	489
Oconee	252
Riddleville	96
Sandersville (the County Seat)	5,912
Tennille	1,539

* Most of the population of Davisboro is comprised of inmates at Washington State Prison.

Washington County is known as the "Kaolin Capital of the World." Kaolin is a white alumina-silica clay mined and extensively processed throughout Middle Georgia. It is used in hundreds of products including paper, paint, plastics, ceramics, food, fracking materials and medicine. The Kaolin industry has declined in recent times from its peak in the 1990s, but still a primary economic driver in the County. Beyond kaolin, key industries include trucking, plastics manufacturing, battery manufacturing, timber, agriculture, medical services and government. The district Georgia Department of Transportation office is located in Tennille and Washington State Prison in Davisboro, while Oconee Fall Line Technical College and Georgia Military College are located in Sandersville. Most of the County's industry is located in Sandersville or nearby Tennille.

State Route 15 connects the County to Interstate 20, approximately 40 miles to north, and Interstate 16, approximately 40 miles south. Portions of Highway 15 will be four-laned within the next 8 years, which include truck routes around Sandersville and Tennille by 2020. The Fall Line Freeway is four-laned from Macon to Augusta, with only a small section of the route in Washington County that remains to be completed. Washington County has an approximate total of 1,100 lane miles in its unincorporated areas, among the highest in Georgia, and over 700 miles of roads maintained by the County.

At Kaolin Field, a modern airport terminal was commissioned in 2010 and a $2.2 million parallel taxiway was completed in 2014. An Airport Improvement Plan was completed in 2014 and plans are underway to construct a corporate hangar. The airport's runway crack-seal project was completed, along with re-striping of the runway, in late 2016, leaving the runway in excellent condition for the next several years. The preparation of the site for the corporate hangar was completed in early 2017, with plans to construct the corporate hangar in 2 to 3 years. Another great transportation asset that Washington County has is the main Norfolk-Southern railway that runs through Tennille. This railway supplies connections to the local Sandersville Railroad Company, which serves the kaolin, timber, and other industries in transporting goods to the Port of Savannah and other locations.

Washington County has not fully recovered from the "Great Recession" in recent years and the decline in the Kaolin industry. According to the Bureau of Labor Statistics, the unemployment rate in Washington County in June 2017 was 6.4%, compared to a rate of 6.8% in June 2016. According to the US Census Bureau, the per capita personal income is currently $18,285, up from $17,330 and median household income is $37,932, an increase from $34,877, when comparing 2014 dollars to 2015 dollars. Those statistics show improvement in the local economy, although Washington County lags behind the State of Georgia averages for per capita personal income and median household income, which are $25,737 and $49,620, respectively. The percentage of citizens calculated to be living in poverty in Washington County is 26.3%, a decrease from the 30% the prior year, compared to 16.0% for the State of Georgia.

Workforce employment is comprised of the following categories:

- Goods-producing: 20.4%
- Service-producing: 49.3%
- Government: 30.3%

[Georgia Department of Labor Area Labor Profile, Updated August 2017]

In recent years, the county commissioners made numerous budget cuts and adjustments to various departments. In addition to these cuts, the County acquired new revenue sources. A Garbage fee for homeowners in unincorporated areas was established in FY2013. The TIA Act of 2010 (i.e. the TSPLOST) passed in July 2012 and the County began receiving a portion of a regional sales tax paid in to the CSRA Regions in March 2013. Since then, the county commissioners have been using half of these funds to re-surface County paved roads and half to pay for regular road maintenance normally paid for with General Fund revenues.

The citizens of Washington County passed a referendum in May 2016 to fund the Washington County Regional Medical Center (hospital) using bond proceeds of up to $15.9 million, of which $6.5 is for operations and debt service, with the remaining obligated for capital improvements. The bond debt will be repaid by 3.0 mills of property tax dedicated for that purpose. The County had reserve funds available which were substantial enough to fund the amount that the hospital required for operations and debt, which will save the County an estimated $1.1 million in interest payments since no further bond proceeds will be required. The funds collected by the dedicated millage will reimburse the County's reserves once feasible to do so. The hospital endured an unfortunate 2017 fiscal year, losing over $4 million. This loss, coupled with failure to meet certain improvement targets, influenced the hospital to contract with a management company (ERH) to improve its operations, revenue, and overall efficiency. ERH will require funding to implement their plan for improvement, staying within the boundaries of the amount previously approved by the voters of Washington County. An agreement on those figures have not been formally delineated, however, it is expected that an arrangement is reached in early 2018. Moving forward, the financial condition and future of the hospital will remain a major concern to the County and its leadership.

The County began construction on the closure of the landfill in FY2017, and completed in October 2017. The County secured a loan from the Georgia Environmental Finance Authority at a rate of 1.94% over ten years to soften the impact of an estimated $2.795 million cost to complete the closure. The County has roughly $986k in its landfill post-closure fund to allocate toward the repayment of the loan or for monitoring costs that will exist after the closure is complete. The FY2018 expenditure budgets for the Landfill and General Fund show a 2.5% increase over the final FY2017 budget without the post-closure expense. However, there was a decrease in the E-911 budget due to a significant decrease in the capital outlay line item. The operating costs for the new jail are proving to be approximately four times that of the previous facility with a utility budget of $160,000, whereas the previous facility's utility costs amounted to roughly $40,000 annually. The FY2018 budget again includes transfers of half of the TIA discretionary funds and increased garbage fees. Sales taxes are budgeted to decline slightly from the FY2017 because of exemptions on utilities for manufacturing and agriculture, and the lack of a local economic rebound. The remaining revenues are expected to be comparable to the previous year's budget.

The County will continue to levy the one-half mill of property tax to directly fund the Industrial Development Authority, as well as provide funding from the general fund budget for the Chamber of Commerce. These funds are intended to increase economic development activity and improve the competitiveness of Washington County in Georgia and abroad.

The expenditure budget for FY2018 will increase by 2.0% over the final FY2017 budget. All costs will continue to be scrutinized for efficiencies. Fuel costs should be comparable to the previous year, with an expectation that those costs will not rise or fall significantly before the end of FY2018. A cost of living adjustment is budgeted for all full-time county employees at 2.0%. Employee health insurance costs will increase by approximately 5%, a stark difference from the 22% increase the prior year. This increase is also passed along to County employees, of which their portion is approximately 35% of those costs. The County will pay a higher portion to the former employee retirement fund in FY2018 when compared to the prior year, since there was a use of credits during last fiscal year to help balance the budget. Employees under the current retirement plan will continue to receive the percentages designated in the plan. The County Recreation Department is continuing its development of Linton Park. The splash pad had a new surface installed that eliminated falls and injuries when compared to 2016. In the FY2018 budget, there is funding to construct a pavilion at Linton Park, which will be used for picnics, birthday parties, and other events. Other items for the park's plan include a walking trail, dog park, handicap-accessible playground, and more parking.

SPLOST (#6) ended September 2014 and SPLOST (#7) began in October 2014. Included in SPLOST (#7) are funds to provide principle and interest payments for bond debt incurred by the Public Facilities Authority to construct a new jail facility and Sheriff's office. The need for a new, larger jail was identified and placed on the SPLOST ballot in 2013, in which the voters approved, spurring the Public Facilities Authority to sell bonds to raise roughly $16 million for the new facility. The principle and interest payments are guaranteed by the County over an 18-year period, with payments ending in the year 2032. The first six years will be paid from SPLOST (#7). The construction of the facility was completed in November 2016.

7. CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Commissioner's Office at 119 Jones Street, Sandersville, Georgia.

Dustin Peebles
County Administrator/Clerk

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board ("GASB"). The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
  - Governmental funds
  - Proprietary (enterprise) fund
  - Fiduciary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

WASHINGTON COUNTY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2017

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Development Authority	Public Facilities
ASSETS AND DEFERRED						
OUTFLOWS OF RESOURCES:						
Current assets:						
Cash and cash equivalents	$ 9,139,637	$ 571,780	$ 9,711,417	$ 182,277	$ 190,247	$ 183,891
Investments	9,746,406	499,752	10,246,158	675,840	-	-
Accounts receivable, net	67,885	5,343	73,228	68,977	167,345	-
Receivable from other governments	504,927	-	504,927	-	3,766	-
Inventories	172,238	-	172,238	-	-	-
Prepaid expenses	48,538	-	48,538	-	-	-
Total current assets	19,679,631	1,076,875	20,756,506	927,094	361,358	183,891
Noncurrent assets:						
Nondepreciable	1,332,449	3,284,133	4,616,582	-	1,521,520	55,300
Depreciable capital assets, net of accumulated depreciation	31,052,713	156,769	31,209,482	25,950	14,143,964	20,240,703
Total noncurrent assets	32,385,162	3,440,902	35,826,064	25,950	15,665,484	20,296,003
Deferred outflows of resources	1,423,926	-	1,423,926	156,301	-	285,337
Total assets and deferred outflows of resources	53,488,719	4,517,777	58,006,496	1,109,345	16,026,842	20,765,231
LIABILITIES AND DEFERRED						
INFLOWS OF RESOURCES:						
Current liabilities:						
Accounts payable	136,116	47,458	183,574	30,374	1,645	5,097
Current portion of long-term debt	-	87,717	87,717	-	461,102	930,906
Other accrued liabilities	1,015,574	-	1,015,574	8,718	2,400	-
Accrued compensated absences	112,158	2,357	114,515	47,275	-	-
Total current liabilities	1,263,848	137,532	1,401,380	86,367	465,147	936,003
Noncurrent liabilities:						
Long-term debt, less current portion	5,877,910	362,268	6,240,178	-	9,435,658	17,180,701
Net pension liability	4,686,478	-	4,686,478	535,767	-	-
Landfill closure & postclosure costs	-	3,007,936	3,007,936	-	-	-
Total noncurrent liabilities	10,564,388	3,370,204	13,934,592	535,767	9,435,658	17,180,701
Deferred inflows of resources	-	-	-	7,601	-	97,125
Total liabilities & deferred inflows of resources	11,828,236	3,507,736	15,335,972	629,735	9,900,805	18,213,829
NET POSITION:						
Investment in capital assets	32,385,162	3,440,902	35,826,064	25,950	5,768,724	2,469,733
Restricted for:						
Prepaid expenses	48,538	-	48,538	-	-	-
Capital projects	3,218,668	-	3,218,668	-	-	75,483
Debt service	3,018,945		3,018,945	-	-	-
Public safety	407,263	-	407,263	-	-	-
Transportation	1,617,568	-	1,617,568	-	-	-
Culture and recreation	106,089	-	106,089	-	-	-
Closure and post-closure costs	-	3,007,936	3,007,936	-	-	-
Unrestricted	858,250	(5,438,797)	(4,580,547)	453,660	357,313	6,186
	$ 41,660,483	$ 1,010,041	$ 42,670,524	$ 479,610	$ 6,126,037	$ 2,551,402

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government:								
Governmental activities:								
General government	$ 4,707,404	$ 305,071	$ 1,149	$ -	$ (4,401,184)	$ -	$ (4,401,184)	
Public safety	5,542,352	442,979	264,408	-	(4,834,965)	-	(4,834,965)	
Judicial	1,248,177	439,921	-	-	(808,256)	-	(808,256)	
Public works	5,099,628	62,607	2,785,835	5,605	(2,245,581)	-	(2,245,581)	
Health and welfare	5,314,606	-	-	23,299	(5,291,307)	-	(5,291,307)	
Culture and recreation	800,380	61,416	124,082	-	(614,882)	-	(614,882)	
Interest on long-term debt	42,375	-	-	-	(42,375)	-	(42,375)	
Total governmental activities	22,754,922	1,311,994	3,175,474	28,904	(18,238,550)	-	(18,238,550)	
Business-type activities:								
Landfill	779,928	659,526	-	-	-	(120,402)	(120,402)	
Total business-type activities	779,928	659,526	-	-	-	(120,402)	(120,402)	
Total primary government	$ 23,534,850	$ 1,971,520	$ 3,175,474	$ 28,904	(18,238,550)	(120,402)	(18,358,952)	
Component units:								
Health department	$ 766,842	$ 349,212	$ 431,430	$ -				$ 13,800
Development authoirty	1,274,774	882,318	333,294	1,390,000				1,330,838
Public facilities authority	821,808	-	1,675,284	-				853,476
	$ 2,863,424	$ 1,231,530	$ 2,440,008	$ 1,390,000				2,198,114
General revenues:								
Taxes:								
Property taxes					8,591,426	-	8,591,426	-
General sales and use tax					1,187,720	-	1,187,720	-
Special local option sales tax					2,255,555	-	2,255,555	-
Other taxes					1,904,804	-	1,904,804	-
Grants and contributions					-	35,112	35,112	-
Investment income (loss)					(9,814)	10,856	1,042	12,034
Miscellaneous					113,375	(6,368)	107,007	-
Transfers					(56,454)	56,454	-	-
Total general revenues and transfers					13,986,612	96,054	14,082,666	12,034
Change in net position					(4,251,938)	(24,348)	(4,276,286)	2,210,148
Net position, beginning					45,912,421	1,034,389	46,946,810	6,946,901
Net position, ending					$ 41,660,483	$ 1,010,041	$ 42,670,524	$ 9,157,049

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2017

	General Fund	Capital Projects Fund (2009)	Capital Projects Fund (2014)	Trans-portation Fund	2016 GO Bonds Debt Service Fund	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS:							
Cash and cash equivalents	$ 3,978,035	$ 2,486,330	$ 622,968	$ 1,499,440	$ 104,812	$ 448,052	$ 9,139,637
Investments	5,832,273	-	-	-	3,914,133	-	9,746,406
Accounts receivable, net	67,385	-	-	-	-	500	67,885
Receivables from other funds	1,050,317	-	-	-	-	-	1,050,317
Receivables from other governments	196,138	-	189,661	119,128	-	-	504,927
Prepaid expenses	46,538	-	2,000	-	-	-	48,538
Inventories	94,792	-	-	-	-	77,446	172,238
Total assets	$ 11,265,478	$ 2,486,330	$ 814,629	$ 1,618,568	$ 4,018,945	$ 525,998	$ 20,729,948
LIABILITIES:							
Accounts payable	$ 93,835	$ -	$ 30,974	$ -	$ -	$ 12,646	$ 137,455
Payable to other funds	-	24,317	25,000	1,000	1,000,000	-	1,050,317
Total liabilities	93,835	24,317	55,974	1,000	1,000,000	12,646	1,187,772
DEFERRED INFLOWS OF RESOURCES:							
Property taxes	67,833	-	-	-	-	-	67,833
FUND BALANCES:							
Non-spendable fund balance:							
Prepaid expenses	46,538	-	2,000	-	-	-	48,538
Restricted fund balance:							
Capital projects	-	2,462,013	756,655	-	-	-	3,218,668
Public safety	-	-	-	-	-	-	-
Transportation	-	-	-	1,617,568	-	-	1,617,568
Debt service	-	-	-	-	3,018,945	-	3,018,945
Committed fund balance	-	-	-	-	-	-	-
Assigned fund balance:							
Public safety	-	-	-	-	-	407,263	407,263
Culture and recreation	-	-	-	-	-	106,089	106,089
Unassigned fund balance	11,057,272	-	-	-	-	-	11,057,272
Total fund balances	11,103,810	2,462,013	758,655	1,617,568	3,018,945	513,352	19,474,343
Total liabilities, deferred inflows of resources and fund balance	$ 11,265,478	$ 2,486,330	$ 814,629	$ 1,618,568	$ 4,018,945	$ 525,998	$ 20,729,948

(Continued)

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

Fund balances - total governmental funds	$	19,474,343
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of $18,427,211		32,385,162
Net OPEB obligations are not due and payable in the current period and, therefore are not reported in the funds		(1,014,235)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore are not reported in the funds:		
Net pension liability		(3,262,552)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Accounts receivable, net of allowance for doubtful accounts of $0		67,833
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds:		
Total long-term debt, governmental activities		(5,877,910)
Compensated absences		(112,158)
Net position of governmental activities	$	41,660,483

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Capital Projects Fund (2009)	Capital Projects Fund (2014)	Trans-portation Fund	2016 GO Bond Debt Service Fund	Other Govern-mental Funds	Total Govern-mental Funds
REVENUES:							
Taxes	$ 11,645,667	$ -	$ 2,255,555	$ 1,911,278	$ -	$ -	$ 15,812,500
Licenses and permits	65,201	-	-	-	-	-	65,201
Intergovernmental	50,231	-	-	874,557	-	390,440	1,315,228
Fees and fines	563,781	-	-	-	-	-	563,781
Charges for services	165,289	-	-	-	-	321,810	487,099
Other	236,561	5,605	-	-	2,843	32,337	277,346
Total revenues	12,726,730	5,605	2,255,555	2,785,835	2,843	744,587	18,521,155
EXPENDITURES:							
Current operating:							
General government	3,944,242	-	-	-	-	-	3,944,242
Public safety	3,310,849	-	1,344,879	-	-	551,172	5,206,900
Judicial	1,104,448	-	-	-	-	3,874	1,108,322
Public works	1,734,304	40,619	-	2,346,694	-	-	4,121,617
Health and welfare	361,773	99,390	99,127	-	4,753,916	-	5,314,206
Culture/recreation	614,582	-	-	-	-	147,625	762,207
Intergovernmental	-	-	362,238	-	-	-	362,238
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	42,375	-	42,375
Capital outlays	-	39,792	315,084	144,887	-	150,201	649,964
Total expenditures	11,070,198	179,801	2,121,328	2,491,581	4,796,291	852,872	21,512,071
Excess (deficiency) of revenues over expenditures	1,656,532	(174,196)	134,227	294,254	(4,793,448)	(108,285)	(2,990,916)
OTHER FINANCING SOURCES (USES):							
Loan proceeds	-	-	-	-	5,909,056	-	5,909,056
Transfers in (out)	(1,743,095)	-	-	(519,330)	1,903,337	302,634	(56,454)
Total other financing sources and uses	(1,743,095)	-	-	(519,330)	7,812,393	302,634	5,852,602
Net change in fund balance	(86,563)	(174,196)	134,227	(225,076)	3,018,945	194,349	2,861,686
FUND BALANCE, beginning	11,190,373	2,636,209	624,428	1,842,644	-	319,003	16,612,657
FUND BALANCE, ending	$ 11,103,810	$ 2,462,013	$ 758,655	$ 1,617,568	$ 3,018,945	$ 513,352	$ 19,474,343

(Continued)

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA, GEORGIA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds	$ 2,861,686
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital outlays	910,699
Depreciation	(1,456,987)
	(546,288)
The effect of various capital asset disposals and sales, net of accumulated depreciation	(203,032)
Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:	
Cost of benefits net of employee contributions	(548,053)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	14,509
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Below are the amounts of these differences in treatment of long-term debt:	
Principal amount of bonds issued	(5,255,000)
Premium related to bond issuance	(654,056)
Current year amortization of premium	31,146
Current year principal repayments	-
	(5,877,910)
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	8,867
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	38,283
	$ (4,251,938)

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Landfill Enterprise Fund
ASSETS	
CURRENT ASSETS:	
Cash in bank	$ 571,780
Investments	499,752
Accounts receivable, net of allowance	5,343
Total current assets	1,076,875
LONG-TERM ASSETS:	
Capital Assets:	
Land and improvements	3,284,133
Buildings	48,061
Equipment	994,628
Vehicles	29,018
Construction in progress	-
	4,355,840
Less accumulated depreciation	(914,938)
Total capital assets	3,440,902
Total assets	4,517,777
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	47,458
Current portion of note payable	87,717
Compensated absences	2,357
Total current liabilities	137,532
LONG-TERM LIABILITIES:	
Note payable, net of current portion	362,268
Closure and post-closure costs	3,007,936
Total noncurrent liabilities	3,370,204
Total liabilities	3,507,736
NET POSITION	
INVESTMENT IN CAPITAL ASSETS	3,440,902
RESTRICTED FOR CLOSURE AND POST-CLOSURE COSTS	3,007,936
UNRESTRICTED	(5,438,797)
Total net position	$ 1,010,041

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Landfill Enterprise Fund
OPERATING REVENUES:	
Charges for services - landfill use fees	$ 62,421
Residential County garbage fee	597,105
Other	-
Total operating revenues	659,526
OPERATING EXPENSES:	
Personal services and employee benefits	56,916
Purchased/contract services	675,181
Supplies	12,282
Depreciation	35,217
Post-closure costs	-
Other costs	-
Total operating expenses	779,596
OPERATING INCOME (LOSS)	(120,070)
NON-OPERATING REVENUES (EXPENSES):	
State grant	35,112
Loss on the disposal of fixed assets	(6,368)
Interest expense	(332)
Investment income (loss)	(2,731)
Interest income	13,587
Total non-operating revenues (expenses)	39,268
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(80,802)
CAPITAL CONTRIBUTIONS	-
NET INCOME (LOSS) BEFORE TRANSFERS	(80,802)
TRANSFERS IN (OUT)	56,454
CHANGE IN NET POSITION	(24,348)
NET POSITION, beginning of year	1,034,389
NET POSITION, end of year	$ 1,010,041

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Landfill Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 657,631
Cash paid to suppliers for goods and services	(955,362)
Cash paid to employees	(56,373)
Net cash provided by (used for) operating activities	(354,104)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from (to) other funds	56,454
Net cash provided by (used for) noncapital financing activities	56,454
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	-
Net cash provided by (used for) capital and related financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest paid	(332)
Grant proceeds	35,112
Proceeds from long-term debt	449,985
Interest received	10,856
Net cash provided by (used for) investing activities	495,621
NET INCREASE (DECREASE) IN CASH	197,971
CASH AND CASH EQUIVALENTS, beginning of year	373,809
CASH AND CASH EQUIVALENTS, end of year	$ 571,780
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Net operating income (loss)	$ (120,070)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:	
Cash flows reported in other categories:	
Depreciation expense	35,217
Changes in assets and liabilities:	
Accounts receivable	(1,895)
Accounts payable	2,921
Landfill closure/postclosure care costs	(270,820)
Compensated absences	543
Net cash provided by (used for) operating activities	$ (354,104)

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
FIDUCIARY FUNDS – AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2017

	Agency Funds
ASSETS:	
Cash in bank	$ 289,849
Property taxes receivable	278,630
Other receivables	2,149
Total assets	$ 570,628
LIABILITIES:	
Due to others	$ 225,016
Due to other governments	345,612
Total liabilities	$ 570,628

See accompanying notes to the basic financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of Washington County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. As required by GAAP, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County.

Included as blended component units because they are, in substance, part of the County's operation:

> Washington County Recreation Commission – The Recreation Commission was created by a resolution of the Washington County Board of Commissioners on June 9, 1977, under provisions of Act. No. 622 of the Georgia Municipal law as approved February 1, 1946, to operate through a full time staff a county-wide recreation program. The County has one representative on the Recreation Commission board, acts as a conduit for funds contributed by both the County and cities within Washington County for operation of the Recreation Commission and pays directly salaries of its full-time employees. The Commission does not issue financial statements separate from the County.

Included as a discretely presented component unit in a separate column in the combined financial statements to emphasize it is legally separate from the County:

> Washington County Health Department – The financial operations of the Washington County Health Department (the Department) are presented as a governmental fund type. The County appoints four of the seven Department board members, funds a portion of the Department's budget, and can approve environmental health service fees charged by the Department. Another auditor, whose report was unqualified, audited the Health Department's financial statements. Complete financial statements may be obtained at 201 Morningside Drive, Sandersville, Georgia 31082.
>
> Washington County Development Authority – The Development Authority's purpose is to promote trade, commerce, industry and employment opportunities in the County. The County appoints the Board members. Complete financial statements can be obtained from the Washington County Clerk at 119 Jones Street, Sandersville, Georgia 31082.

Washington County Public Facilities Authority – The Public Facilities Authority's purpose is to promote trade, commerce, industry and employment opportunities in the County. The County appoints the Board members. Complete financial statements can be obtained from the Washington County Clerk at 119 Jones Street, Sandersville, Georgia 31082.

Excluded from the reporting entity:

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the County (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the County is reported separately from certain legally separate component units for which the County is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including accrued interest on general long-term debt, is recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund (SPLOST 2009) accounts for capital outlay and other transactions related to the additional one-percent local option sales tax in effect for the period January 1, 2010 to December 31, 2014.

The Capital Projects Fund (SPLOST 2014) accounts for capital outlay and other transactions related to the additional one-percent local option sales tax in effect for the period October 1, 2014 to September 30, 2020.

The Transportation Special Revenue Fund accounts for capital outlay and other transportation improvements related to the additional one-percent local option sales tax in effect for the period January 1, 2013 to December 31, 2022.

The 2016 General Obligation Bonds Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on the 2016 General Obligation Bonds.

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund type:

> Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The County's fiduciary funds include the following fund type:
>
> > Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The funds are used to account for assets that the County holds for others in an agency capacity.

The County complies with Governmental Accounting Standards Board ("GASB") Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting.

> This Statement requires the County to apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's). As permitted by GASB No. 20, the County has elected not to comply with the FASB Statements and Interpretations issued after November 30, 1989.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

D. Cash and Investments

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

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 government or governmental agency
- Obligations of any corporation of the 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

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

E. Inventory

Inventory is valued at cost, which approximates market, using the first-in/first-out method. The cost of governmental fund-type inventory is recorded as an expenditure when consumed rather than when purchased.

Materials purchased in the proprietary fund are expensed as purchased and are not inventoried at year end due to lack of materiality.

F. Prepaid Items

Prepaid balances, if any, are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and a reserve for prepaid items is recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an estimated useful life in excess of two years and an original cost of $2,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Beginning July 1, 2002, GASBS No. 34 required the County to report and depreciate all new governmental funds' infrastructure assets. GASBS No. 34 also required governments to retroactively report infrastructure assets constructed between 1980 and 2002. This retroactive reporting is subject to an extended implementation period and is first effective for the County for the year ended June 30, 2008. Accordingly, the County fully implemented the retroactive infrastructure provisions in the fiscal year ending June 30, 2008. Infrastructure assets totaling $0 were completed during the year ended June 30, 2017. At June 30, 2017, $223,747 of construction-in-progress was related to infrastructure assets.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows

Buildings	30-40 Years
Depreciable land improvements	8 – 20 years
Machinery and equipment	5 – 25 years
Infrastructure	50 – 60 years

H. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Full time employees of the Washington County Health Department (the "Department") earn leave time, which may either be taken or accumulated until paid upon termination or retirement. Unused leave time may be accumulated to a specific maximum amount and is paid upon termination, retirement or death to Department employees. In accordance with generally accepted accounting principles as applicable to the Department, an accrual for compensated absences is reflected in the accompanying general purpose financial statements as liability for compensated absences.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charged and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Equity Classifications

The County has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This new standard changed the overall definitions and classifications of governmental fund balances.

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

Fund Balance

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

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commissioners through the adoption of a resolution. Only the County Commissioners may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commissioners have authorized the County Clerk to assign fund balances.

Unassigned – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned balances may be reported in all funds.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The County does not have a formal minimum fund balance policy; however, the County Commissioners address various target reserve positions which are reviewed periodically.

Net Position

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund, are recorded as expenditures/ expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Basis

GAAP is the budgetary basis used in the preparation of these statements.

Budget Requirements, Accounting and Reporting

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to year end the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Washington County.
3. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting early in the year to which it applies.
4. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same.
5. The legal level of budgetary control is the department level within the General Fund. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Board of Commissioners.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.
7. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations which were amended.

Excesses of Expenditures over Appropriations in Individual Funds

	Final Budget	Actual Expenditures	Excess
Major Funds:			
General Fund:			
Public safety - capital outlays	$ 80,000	$ 100,590	$ 20,590
Culture/recreation – capital outlays	50,000	52,050	2,050

3. DEPOSITS AND INVESTMENTS

Primary Government

Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 30, 2017, none of the County's $9,711,417 was exposed to custodial credit risk.

Interest Rate Risk – The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increased interest rates.

Credit Risk – Statutes authorize the County to invest in obligations of the State of Georgia, other states, or the United States Government; obligations fully insured or guaranteed by the United Sates Government or an agency or corporation of the United States

Government; and/or repurchase agreements and certificates of deposit which are secured by direct obligations of Georgia or the investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard and Poor's and AAA by Moody's Investors Service.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk. As of June 30, 2017, all of the deposits of the County were properly insured and collateralized as required by the Official Code of Georgia Annotated (OCGA) Section 45-8-12I and as defined by GASB pronouncements.

Concentration of Credit Risk – The County places no limit on the amount that the County may invest in any one issuer.

Investments – At June 30, 2017, the County had the following investments and maturities.

Investment	Maturities	Fair Value
Freddie Mac	8/23/2017	$ 1,006,057
US Treasury Notes	11/30/2017	2,093,684
Freddie Mac	6/13/2018	1,033,683
US Treasury Notes	11/30/18	1,820,449
Federal Home Loan Bank	9/13/2019	1,064,206
US Treasury Notes	6/30/2021	710,063
Freddie Mac	1/13/2022	1,020,988
Fannie Mae	1/30/2023	499,752
Federal Farm Credit Bank	04/11/2023	997,276
		$ 10,246,158

Investments – Discretely Presented Component Unit

The Washington County Board of Health participates in the Georgia Fund I Investment Pool. As of June 30, 2017, the Board of Health had $672,015 invested in the pool which carries a credit rating of AAAf with a weighted average maturity of 62 days.

4. PROPERTY TAXES

The value of all real and business personal property located in the County is assessed (appraised) as of each January 1. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the County Commissioners. Appraised values are established by the Washington County Tax Assessors at 40% of estimated fair market value. Taxes were levied when the mileage rate was set on or about September 3, 2016. Taxes were billed on or about September 21, 2016 and were due December 10, 2016 after which date penalties and interest were assessed. Property on which taxes are not paid within 60 days of mailing may then be levied on by the County. Current tax collections for the years ended June 30, 2017, were 98.7% of the tax levy.

Property taxes are recorded as receivables and deferred at the time the tax levy is billed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible within sixty days following the close of the fiscal year, and therefore susceptible to accrual in accordance with GAAP have been recognized as revenue.

The County is subject to tax abatements granted by the Development Authority of Washington County for the purpose of economic development and revitalization of the employment in the area.

For the year ended June 30, 2017, the County had the following property tax abatements:

- Trojan Battery has a 100% property tax abatement on the first $10,000,000 of personal property. The abatement began in 2013 and expires in 2020. The property tax reduction totaled $44,873 for 2016.

- Azalea Solar has a 100% property tax abatement on personal property which began in 2013 and expires in 2018. The property tax reduction totaled $121,908 for 2016.

- AL Sandersville has a 1% abatement on the fair market value of its buildings and personal property. The abatement phases out in 2022. The property tax reduction totaled $3,273 for 2016.

5. ACCOUNTS RECEIVABLE

At June 30, 2017, accounts receivable consisted of the following:

	Governmental Activities	Business-type Activities	Total
General Fund:			
Property tax	$ 82,611	$ -	$ 82,611
Local option sales tax	195,547	-	195,547
Miscellaneous	116	-	116
Capital Projects Fund (2014):			
Special local option sales tax	189,661	-	189,661
Transportation Fund:			
Special local option sales tax	119,128	-	119,128
Emergency 911 Telephone Fund:			
Intergovernmental	500	-	500
Landfill Fund:			
Landfill fees	-	5,343	5,343
	587,563	5,343	592,906
Allowance for doubtful accounts	(14,751)	-	(14,751)
	$ 572,812	$ 5,343	$ 578,155

6. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Not being depreciated:				
Land	$ 963,815		$ -	$ 963,815
Construction-in-progress	209,449	184,679	(25,494)	368,634
Subtotal	1,173,264	184,679	(25,494)	1,332,449
Other capital assets:				
Infrastructure	19,447,555	-	-	19,447,555
Buildings & land improvements	19,096,806	271,948	-	19,368,754
Equipment	10,968,293	673,774	(978,452)	10,663,615
Subtotal	50,685,918	1,130,401	(1,003,946)	50,812,373
Accumulated depreciation:				
Infrastructure	6,434,879	447,225	-	6,882,104
Buildings & land improvements	5,266,807	483,167	-	5,749,974
Equipment	5,849,751	526,594	(581,212)	5,795,133
Subtotal	17,551,437	1,456,986	(581,212)	18,427,211
Net capital assets	$ 33,134,481	$ (326,585)	$ (422,734)	$ 32,385,162
Business-type activities:				
Not being depreciated:				
Land	$ 3,284,133	$ -	$ -	$ 3,284,133
Construction-in-progress	-	-	-	-
Subtotal	3,284,133	-	-	3,284,133
Other capital assets:				
Buildings & land improvements	48,061	-	-	48,061
Equipment	1,784,047	-	(760,401)	1,023,646
Subtotal	5,116,241	-	(760,401)	4,355,840
Accumulated depreciation:				
Buildings & land improvements	25,141	1,581	-	26,722
Equipment	1,608,612	33,636	(754,032)	888,216
Subtotal	1,633,753	35,217	(754,032)	914,938
Net capital assets	$ 3,482,488	$ (35,217)	$ (6,369)	$ 3,440,902

Depreciation was charged to functions as follows:

Governmental activities:	
General government	$ 328,097
Judicial	5,059
Public safety	280,440
Public works	721,622
Health and welfare	31,546
Culture/recreation	90,223
	$ 1,456,987

7. CHANGES IN GENERAL CAPITAL ASSETS – DISCRETELY PRESENTED COMPONENT UNIT

Changes in equipment of the Washington County Health Department are detailed below:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets being depreciated:				
Equipment	$ 98,809	$ 13,376	$ -	$ 112,185
Less accumulated depreciation	(77,809)	(8,426)	-	(86,235)
Net capital assets	$ 21,000	$ (4,950)	$ -	$ 25,950

Changes in equipment of the Washington County Development Authority are detailed below:

Not being depreciated:				
Land	$ 1,185,086	$ 190,000	$ -	$ 1,375,086
Construction in progress	-	146,434	-	146,434
Subtotal	1,185,086	336,434	-	1,521,520
Depreciable capital assets:				
Buildings	17,374,139	1,276,965	-	18,651,104
Equipment	-	-	-	-
Subtotal	17,374,139	1,276,965	-	18,651,104
Accumulated depreciation:				
Buildings	4,058,259	448,881	-	4,507,140
Equipment	-	-	-	-
Subtotal	4,058,259	448,881	-	4,507,140
Net capital assets	$14,500,966	$ 1,164,518	$ -	$15,665,484

Changes in equipment of the Washington County Public Facilities Authority are detailed below:

Not being depreciated:				
Land	$ 50,300	$ 5,000	$ -	$ 55,300
Construction in process	16,001,970	1,115,923	(17,117,893)	-
Subtotal	16,052,270	1,120,923	(17,117,893)	55,300
Depreciable capital assets:				
Buildings	3,745,689	17,117,893	-	20,863,582
Equipment	-	273,440	-	273,440
Subtotal	3,745,689	17,391,333	-	21,137,022
Accumulated depreciation:				
Buildings	577,460	307,616	-	885,076
Equipment	-	11,243	-	11,243
Subtotal	577,460	318,859	-	896,319
Net capital assets	$19,220,499	$18,193,397	$(17,117,893)	$20,296,003

8. LONG-TERM LIABILITIES

A. General Obligation Bonds Series 2016 – serviced by property taxes dedicated for debt service

On November 1, 2016, the County issued the $5,255,000 Washington County, Georgia, General Obligation Bonds, Series 2016, with interest rates ranging between 2.0% and 4.0%. The Series 2016 Bonds were issued to provide funds for capital improvements to the Washington County Hospital Authority. Interest on the Series 2016 bonds is to be paid semiannually on February 1 and August 1 and principal is due beginning in 2024.

The annual principal and interest requirements for the County's outstanding General Obligation Bonds, Series 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	$ -	$ 169,500	$ 169,500
2019	-	169,500	169,500
2020	-	169,500	169,500
2021	-	169,500	169,500
2022	-	169,500	169,500
2023 - 2027	5,255,000	530,500	5,785,500
	$ 5,255,000	$1,378,000	$ 6,633,000

B. Landfill Fund – GEFA Loan

On September 8, 2016, the County secured a $2,795,000 loan from the Georgia Environmental Finance Authority (GEFA) to finance a portion of the closure costs of the County's landfill. The note bears interest at 1.31% and is scheduled to be repaid over 10 years in monthly principal and interest payments beginning March 1, 2018

At June 30, 2017, the County had drawn $449,985 on the loan. The annual principal and interest requirements for the County's outstanding GEFA loan balance are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	$ 87,717	$ 1,473	$ 89,190
2019	265,462	4,746	270,208
2020	96,806	1,268	98,074
2021	-	-	-
2022	-	-	-
	$449,985	$ 7,487	$ 457,472

Following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amount Due in One Year
Governmental type activities:					
GO Bonds payable	$ -	$5,255,000	$ -	$ 5,255,000	$ -
Net pension liability	3,619,289	1,067,189	-	4,686,478	-
Compensated absences	121,025	-	(8,867)	112,158	112,158
Bond issuance premium	-	654,056	(31,146)	622,910	-
Total long-term liabilities	$3,740,314	$6,976,245	$ (40,013)	$10,676,546	$112,158
Business type activities:					
GEFA Note payable	$ -	$ 449,985	$ -	$ 449,985	$ 87,717
Compensated absences	1,814	543	-	2,357	2,357
	$ 1,814	$ 450,528	$ -	$ 452,342	$ 90,074
Discretely presented component unit – Health Department					
Net pension liability	$ 420,130	$ 115,637	$ -	$ 535,767	$ -
Compensated absences	42,555	31,357	(26,637)	47,275	-
Total long-term liabilities	$ 462,685	$ 146,994	$ (26,637)	$ 583,042	$ -
Discretely presented component unit – Development Authority:					
Revenue bonds	$10,340,249	$ -	$ (443,489)	$ 9,896,760	$ 461,102
Discretely presented component unit – Public Facilities Authority:					
Revenue Bonds	$ 3,118,382	$ -	$ (158,851)	$ 2,959,531	$ 185,906
2013 Series Bonds	15,960,000	-	(735,000)	15,225,000	745,000
	19,078,382	-	(893,851)	18,184,531	930,906
Less: Unamortized discount	73,792	-	(868)	72,924	-
	$19,004,590	$ -	$ (892,983)	$18,111,607	$ 930,906

For the governmental activities, compensated absences are generally liquidated by the general fund.

9. CLOSURE AND POST-CLOSURE COSTS

Following is a summary of changes in closure and post-closure accrued costs for the year ended June 30, 2017:

	Balance June 30, 2016	Increases	Retirements	Adjustments	Balance June 30, 2017	Amount Due Within One Year
Business-type Activities:						
Fund closure and post- closure accrued costs	$3,629,147	$ -	$ (621,211)	$ -	$3,007,936	$ -

10. SEGMENT INFORMATION – ENTERPRISE FUNDS

The County maintains only one Enterprise Fund, the Landfill Fund; therefore segment reporting is not applicable.

11. FUND DEFICITS

No fund had a deficit fund balance or net asset balance at June 30, 2017.

12. INTERFUND TRANSACTIONS AND BALANCES

Transfers for the year ended June 30, 2017 consisted of the following:

	Transfers From	
	General Fund	Transportation Fund
Transfers to:		
E911 Fund	$ 302,634	$ -
GO Bond Fund	1,903,337	-
Landfill Fund	56,454	-
General Fund	-	$ 519,330
	$2,262,425	$ 519,330

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

Balances due to/from other funds at June 30, 2017, consist of the following –

	Due From	Due To
Capital Projects Fund (2009)	$ 24,317	$ -
Capital Projects Fund (2014)	25,000	-
2016 GO Bonds Debt Service Fund	1,000,000	-
Transportation Fund	1,000	-
General Fund	-	1,050,317
	$ 1,050,317	$ 1,050,317

The outstanding balances due to the General Fund result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

All amounts due to the General Fund are expected to be repaid during fiscal year 2017.

13. CONTINGENT LIABILITIES – LITIGATION

Amounts expended or payable from federal grantor agencies are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the County. In the opinion of County management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially effect the County's financial position.

The County and the City of Sandersville are equal guarantors on a Washington County Development Authority $2,300,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County and the City of Sandersville are equal guarantors on a Washington County Development Authority $7,342,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County is the guarantor on a Washington County Development Authority $1,978,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County and the City of Sandersville are equal guarantors on a Washington County Public Facilities Authority $3,612,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County is the guarantor on a Washington County Public Facilities Authority $16,690,000 revenue bond for construction of a new jail, in the event the Authority has insufficient funds to service the debt. Repayment of the bonds is being funded for the first six years by a 1% special local option sales tax.

14. RETIREMENT BENEFITS

The following pension and retirement plans are in effect but are not under the direct control of the County:

Probate Judge's Retirement Fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plan before the payment of any costs or other claims.

Defined Contribution Plan

The County and its qualified employees participate in the Washington County Defined Contribution Plan, a defined contribution pension plan, in accordance with Section 401(a) of the Internal Revenue Code. GEBCorp serves as the plan administrator, and acts as the public plan sponsor for employees participating in the 401(a) retirement plan of the County with the responsibility to obtain investment alternatives and services for employees participating in the plan. GEBCorp provides at least 16 investment options covering a variety of asset classes ranging from aggressive growth equity mutual funds to bond mutual funds to stable value and money market funds. Full-time employees and certain elected officials, as provided by the Plan, who are hired or rehired after October 11, 2011, are eligible to participate. The County will contribute an amount equal to 3% of compensation, and participants are required to make a mandatory contribution equal to 3% of compensation the Plan. The County will make an additional matching contribution equal to 50% of the first 6% of an employee's contribution the 457(b) Deferred Compensation Plan (up to a maximum of an additional 3% from the County).

During the year ended June 30, 2017, the County contributed $70,244, and employees contributed $55,952 to the defined contribution plan.

Deferred Compensation Plan

The County has adopted a deferred compensation plan, the Washington County Deferred Compensation Plan, in accordance with Section 457 of the Internal Revenue Code. The plan allows any employee participant to defer gross compensation in an amount not to exceed $18,000 per year. Any employee participant who reaches age 50 before the end of the calendar year is eligible to contribute an additional amount not to exceed $6,000 per year. All administration costs of the plan are deducted from the participants' accounts. Benefit payments are payable upon termination of employment, unforeseeable emergency, retirement or death. The Custodial Account Agreement requires the County to set aside assets and income from the plan in trust for exclusive benefit of the participants and their beneficiaries. The County is in compliance with the agreement.

The County believes that it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.
Investments are managed by the Plan Administrator, GEBCorp. GEBCorp provides at least 16 investment options covering a variety of asset classes ranging from aggressive growth equity mutual funds to bond mutual funds to stable value and money market funds. Employees can invest in one or all of the funds.
For the year ended June 30, 2017, employees contributed $31,660 to the deferred compensation plan. No other contributions are made to the plan.

Defined Benefit Pension Plan

The following information is as of December 31, 2016, the most recent year end of the described benefit pension plan.

A. Plan Description

The County contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agency for participating counties in Georgia.

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

As of January 1, 2017, the date of the latest actuarial valuation study, employee membership data related to the current plan membership was as follows:

Retirees and beneficiaries currently receiving benefits	48
Terminated employees entitled to benefits but not yet receiving them	31
Current active employees and elected officials:	55
Total membership in the plan	134

B. Schedule of Changes in the Net Pension Liability and Related Ratios*

	2016	2015	2014
Total Pension Liability, beginning of year (1)	$ 13,572,220	$ 12,547,196	$ 11,891,171
Service cost	227,639	261,781	254,818
Interest	1,017,917	941,040	891,838
Plan chage	-	-	-
Changes of assumptions	388,937	406,681	-
Benefit payments (adjusted for interest)	(720,741)	(609,556)	(490,631)
Experience (gain)/(loss)	600,352	25,078	-
Total pension liability as of end of year (2)	$ 15,086,324	$ 13,572,220	$ 12,547,196
Fiduciary Net Position, beginning of year (3)	$ 9,952,931	$ 9,864,025	$ 9,071,605
Contributions - employer	400,000	532,872	559,560
Contributions - employee (includes buyback)	166,347	181,325	186,777
Net investment income	677,627	63,675	637,290
Benefit payments	(694,690)	(587,524)	(472,897)
Employee contribution refunds	-	-	(32,251)
Administrative expense	(18,083)	(17,013)	(15,489)
Other	(84,286)	(84,429)	(70,570)
Fiduciary net position as of end of year (4)	$ 10,399,846	$ 9,952,931	$ 9,864,025
Net pension liability, beginning of year (1)-(3)	$ 3,619,289	$ 2,683,171	$ 2,819,566
Net pension liability as of end of year (2)-(4)	$ 4,686,478	$ 3,619,289	$ 2,683,171
Fiduciary Net Position as % of Total Pension Liability (4)/(2)	68.9%	73.3%	78.6%
Covered-employee payroll	$ 2,203,776	$ 2,587,248	$ 2,553,077
Net pension liability as a % of covered-employee payroll	212.7%	139.9%	105.1%

** Historical information prior to implementation of GASB 67/68 is not required*

C. Summary of Net Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Asset (Gain)/Loss	$ 504,459	$ -
Liability (Gain)/Loss	436,622	-
(Gain)/Loss due to Assumption change	482,845	-
Net position restricted for pensions	$ 1,423,926	$ -

D. Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	$ 13,572,220	$ 9,952,931	$ 3,619,289
Changes for the year:			
Service cost	227,639	-	227,639
Interest	991,866	-	991,866
Liability experience (gain)/loss	600,352	-	600,352
Assumption change	388,937	-	388,937
Employer contributions	-	400,000	(400,000)
Employee contributions	-	166,347	(166,347)
Net investment income	-	677,627	(677,627)
Benefit payments	(694,690)	(694,690)	-
Administrative expense	-	(18,083)	18,083
Other	-	(84,286)	84,286
Net changes	1,514,104	446,915	1,067,189
Balances at December 31, 2016	$ 15,086,324	$ 10,399,846	$ 4,686,478

E. Sensitivity Analysis for the Measurement Period Ended December 31, 2016

	6.25%	8.25%
Total Pension Liability	$ 16,810,023	$ 13,619,227
Fiduciary Net Position	10,399,846	10,399,846
Net Pension Liability	$ 6,410,177	$ 3,219,381

F. Discount Rate

The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS.

Building block expected return based on 20-year benchmarks	6.82%
Building block expected return based on 30-year benchmarks	8.28%
UBS capital market assumption for a moderate asset allocation	6.40%
20-year building blocks return (6.82% x .3333)	2.27%
30-year building blocks return (8.28% x .3333)	2.76%
UBS capital market assumption (6.40% x .3334)	2.13%
Discount Rate (rounder to the nearest .25%)	7.16%
	7.25%

G. Pension Expense for the Measurement Period Ended December 31, 2016

Service cost	$ 227,639
Interest on TPL	991,866
Amortization of:	
Liability experience (gain)/loss	182,691
Change in assumption	213,583
Asset (gain)/loss	162,261
Employee contributions	(166,347)
Projected earnings on plan investments	(718,367)
Administrative expense	18,083
Other change in FNP	36,644
Total expense	$ 948,053

H. Schedule of Accrued Liabilities

Actuarial Present Value of Accumulated Plan Benefits as of December 31, 2016	
a. Vested	
i. Retirees (and others in pay status)	$ 6,699,365
ii. Deferred vested (former employees)	1,217,414
iii. Vested active participants	5,326,303
Total	$ 13,243,082
b. Nonvested	822,065
Total	$ 14,065,147
Effect of Service Attribution and Future Salary Increases	$ 1,021,177

I. Asset Allocation Guidelines:

	Target Allocation	Range
Fixed Income	30%	25% - 35%
Equities:	70%	65% - 75%
Large Cap	30%	25% - 35%
Mid Cap	5%	2.5% - 10%
Small Cap	5%	2.5% - 10%
REIT	5%	2.5% - 10%
International	15%	10% - 20%
Multi Cap	5%	2.5% - 10%
Global Allocation	5%	2.5% - 10%

J. Summary of Actuarial Methods and Assumptions

Investment Return	7.25% per year
Future Salary Increases	4.00% per year with an age base scale as follows
Cost-of-Living Adjustment	2.5% per year

Age	Salary Increase
Under 30	4.0% rate plus 1.5%
30-39	4.0% rate plus 1.0%
40-49	4.0% rate plus 0.5%
50+	4.0% rate plus 1.0%

Future payroll growth	5.5% per year
Mortality	RP-2000, Combined
Termination	An experience based, age and service based set of rates
Disability	Male rates (used for both sexes) derived from a 1977 Social Security Administration study. Incidence of disability resulting in eligibility for both disability benefits under the County retirement plan and the Social Security probability of disability based on age

Retirement:

	Probability of Retirement
age 55 to 60	10%
age 61 to 64	20%
age 65 to 69	30%
age 70	100%

Administrative Expenses	The contribution payable as of the end of the Plan Year includes administrative fees set by contract between the ACCG and GEBCorp
Actuarial Value of Assets	Smoothed market value with a 5-year smoothing period
Actuarial Cost Method	Entry Age Normal: A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age(s).
Beneficiary	The plan provides either a lump-sum benefit or an annuity for a fixed period of time to the beneficiary of a deceased active or inactive participant. Therefore all participants are assumed to have a beneficiary and such beneficiary is assumed to be the same age as the participant.
Participants on Sick Leave	Participants that are currently on sick leave, but still considered employees of the County, are included in the valuation and a liability is maintained for such participants.

Changes Since Prior Valuation	There have been no substantive changes since the last actuarial valuation
Contributions	Participants contribute 7% of pay
Asset Projection	Projected assets are sufficient to pay all projected benefits promised to current plan participants. In projecting plan assets, the assumed contribution was based on the average contribution made to the plan over the prior five years. The expected long-term rate of return (7.25%) was used to discount all projected payments.

K. Summary of Main Plan Provisions for Valuation Purposes

Effective Date	January 1, 1968, restated January 1, 1986 and amended effective January 1, 1989 and January 1, 1995; amended and restated January 1, 2000; January 1, 2007; October 1, 2011; January 1, 2013
Participant	Any full-time employee meeting the provisions set out in the Adoption Agreement.
Eligibility	The January 1 coincident with or following the date the employee completes six months of service. Employees with date of hire or date of rehire on or after October 1, 2011, shall not be permitted to enter or reenter the plan.
Plan Year	Period from January 1 to the next December 31, Inclusive.
Service	Complete years and months, from the date of employment to the date on which an employee ceases to be an employee.
Average Annual Compensation	The highest average of the Participant's Compensation over five consecutive plan years during the ten plan years preceding the participant's date of retirement or other termination.
Eligibility for Benefits:	
Normal Retirement	Attained age 65 and 5 years of service
Late Retirement	Any date subsequent to normal retirement
Disability Retirement	Ten years of service and deemed to be totally disabled by the Federal Social Security Administration. Payments will not begin prior to age 50.
Vested Termination	100% vested after 5 years of service.
Pre-Retirement Death Benefit	Lump-sum active participants

Post-Retirement Death Benefit	Termination of employment due to early, normal or late retirement. Participants receiving a disability retirement benefit and who have attained normal retirement age are also eligible.
Accrued Benefit	2.25% of average annual compensation plus $250 multiplied by years of service
Benefit Amounts:	
Normal Retirement	A benefit payable monthly for life equal to the participant's accrued benefit at normal retirement.
Late Retirement	A benefit payable monthly for life equal to the participant's accrued benefit at late retirement
Benefit Amounts Continued:	
Early retirement	Reduced: Employees meeting the age 60 and 10 years of service requirement receive a benefit payable monthly for life equal to the participant's accrued benefit actuarially reduced at early retirement. Unreduced: Employees meeting the Rule of 80 (minimum age 58) receive a benefit payable monthly for life equal to the participant's accrued benefit.
Disability Retirement	A benefit payable monthly for life equal to the participant's accrued benefit at disability retirement.
Vested Termination	A benefit payable monthly for life beginning at normal retirement equal to the Participant's accrued benefit at termination. Participant's with 10 years of service may elect to receive benefits at an early retirement date calculated in the same manner as an early retirement benefit. The contribution payable as of the end of the Plan Year includes administrative fees set by contract between the ACCG and GEBCorp
Pre-Retirement Death Benefit	The beneficiary of active participants eligible for this benefit will receive a lump-sum death benefit equal to 50 times the projected monthly benefit based on level earnings and continued service to normal retirement.
Post-Retirement Death Benefit	The beneficiary will receive a lump sum death benefit based on the 50 times the retiree's benefit payable under the normal form as follows: this benefit is limited to $15,000.

Form of Benefit	The normal form of benefit is a straight line annuity. Other forms of payment are available and are actuarially equivalent to the normal form.
Changes Since Prior Valuation	There have been no substantive changes since the last actuarial valuation.

K. Deferral of (Gain)/Loss due to Change in Assumption

Year	Deferred Outflow of Resources Prior to Recognition of Amortization Payment	Deferred Inflow of Resources Prior to Recognition of Amortization Payment	Amount Recognized in Pension Through 12/31/16	Deferred Outflow of Resources at 12/31/16	Deferred Inflow of Resources at 12/31/16
	(1)	(2)	(3)	(1)-(3)	(2)-(3)
2016	$ 388,937	$ -	$ 114,393	$ 274,544	$ -
2015	307,491	-	99,190	208,301	-
Total	$ 696,428	$ -	$ 213,583	$ 482,845	$ -

L. Summary of Plan Asset Matters and Accounting Principles

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

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.

To obtain a copy of the financial report for the ACCG pension plan, write to the following address:

ACCG
50 Hurt Place,
Suite 1000
Atlanta, GA 30303

15. LANDFILL CLOSURE AND POSTCLOSURE COSTS

The County opened a new solid waste landfill in December 1993. State and federal regulations will require the County to place a final cover on the landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the County will report a portion of these closure and postclosure care costs as an expenditure in each period based on landfill capacity used as of each balance sheet date.

The County stopped receiving waste in the landfill in April 2016. The closure and post-closure accrual at June 30, 2015 was $1,422,194. At June 30, 2016, the State's estimated total accrual was $3,629,147. Therefore, the remaining $2,206,953 was accrued to reflect the total estimated closure and post-closure costs in the County's financial statements during the year ended June 30, 2016. During 2017, the County began closure of the landfill and spent $621,211 towards closure costs.

16. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors of omissions, job related illnesses or injuries to employees; natural disaster; and unemployment compensation.

The County is a member of Association County Commissioners of Georgia Interlocal Risk Management Agency (ACCG-IRMA), through which it shares liability, crime, motor vehicles and property damage risks. Coverages are as follows:

Property:	
Building and contents	$48,179,946
Automobile physical damage and mobile equipment	Per Schedule on File with ACCG-IRMA
Casualty:	
Comprehensive general liability and law enforcement liability	$3,000,000
Automobile liability	$3,000,000
Public officials error and omission liability	$3,000,000
Employee benefits liability	$3,000,000
Crime:	
Blanket bond	Per State Law or Local Ordinance
Depositors forgery	$ 150,000
Money and securities (inside and outside premises)	$ 150,000 each
Deductible:	
Per occurrence or claim	$ 25,000
Coverage Exceptions:	
Retroactive date to which coverage exception are subject	January 12, 1988

The Association County Commissioners of Georgia Interlocal Risk Management was created pursuant to Chapter 85 of Title 36 of the Official Code of Georgia Annotated to function as an unincorporated nonprofit instrumentality of its member counties. ACCG-IRMA was established to administer one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of county governments. It also exists to defend and protect, in accordance with each member government contract, ACCG-IRMA members against liability or loss.

The County is obligated as follows under the intergovernmental contract of ACCG-IRMA:

- To participate at all times in at least one Fund which is established by the Board
- To pay all contributions, assessments or other sums due to ACCG-IRMA at such times and in such amounts as shall be established by the Board
- To select a person to serve as a Member representative
- To allow the Board and its agents reasonable access to all facilities of the Member and all records, including but not limited to financial records, which relate to the purposes of ACCG-IRMA
- To allow attorneys appointed by ACCG-IRMA to represent the Member in investigation, settlement discussions and all levels of litigation arising out of any claim made against a Member within the scope of loss protection furnished by the Fund or Funds established by ACCG-IRMA
- To assist and cooperate in the defense and settlement of claims against the Member

- To furnish full cooperation to ACCG-IRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of ACCG-IRMA relating to the purposes of ACCG-IRMA
- To follow all loss reduction and prevention procedures established by ACCG-IRMA
- To furnish to ACCG-IRMA such budget, operating and underwriting information as may be requested by the Board
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in ACCG-IRMA or any Fund established by ACCG-IRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the Member participates

The County retains the first $25,000 of each risk of loss in the form of a deductible. The County files all claims with ACCG-IRMA who then bills the County for any risk loss up to the $25,000 deductible.

The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

The County has not compiled a record of the claims paid up to the applicable deductible for the current fiscal year. The County is aware of three claims which the County is liable for (up to the applicable deductible) which were outstanding and unpaid at June 30, 2017. No provision has been made in the financial statements for the year ended June 30, 2017, for any estimate of potential unpaid claims.

The County is self-insured with regard to unemployment compensation claims. The County accounts for claims with expenditures and liabilities being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

For its workers' compensation coverage, the County is a participant in the Association County Commissioners Self-Insurance Fund (the Fund), a public entity risk pool operated for the benefit of county government units located in Georgia. The County's General Fund pays an annual premium to the Fund for this coverage. The Fund provides excess insurance coverage for protection of members against excess losses and initial excess coverage is statutory specific and unlimited aggregate accounts. Government members of the Fund are jointly and severally liable for claims not covered by the Fund.

17. OTHER POSTEMPLOYMENT BENEFITS

In accordance with GASB 45 requirements, the County is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does note require the funding of such benefits. GASB 45 requirements have been implemented by the County for the year ended June 30, 2017. The County has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of June 30, 2017.

The County provides postretirement health care benefits, as per the requirements of a resolution for certain retirees. The provisions and obligations to contribute are established and may be amended by the Washington County Board of Commissioners. To be eligible to continue in the County's Group Health Insurance Plan, an employee of elected official has to have participated in the County's Health Insurance Program for at least sixteen years prior to retirement. The County will pay the total premium cost of the first year after retirement. The retiree must then begin paying his/her share of the premium cost at the beginning of the second year of retirement. As the premiums increase, the retiree's portion of the premium is expected to remain unchanged. Currently, four employees are enrolled in postretirement health care benefits. These postretirement benefits are funded on a pay-as-you-go basis. In 2017, the net cost of premiums for providing postretirement benefits for retirees was $115,131.

Membership

The following schedule (derived from the most recent actuarial report) reflects membership for the OPEB Health Care Plan as of January 1, 2017.

Active members	107
Retired members	10
	117

Contributions

The County contributed $115,131 to the OPEB Health Care Plan in fiscal year 2017. The annual required contribution amount is determined using actuarial methods and assumptions approved by the County Commissioners. The Commissioners established and may amend the funding policy for the OPEB Health Care Plan.

Schedule of Employer Costs and Contributions

Fiscal Year	Annual Required Contribution/ Annual OPEB Cost	Actual County Contribution	Percentage of AOC Contributed	Net OBEB Obligation End of Year
2010	$437,265	$ 52,696	12.1%	$384,569
2011	437,265	28,175	6.4%	793,659
2012	99,598	35,710	35.9%	857,547
2013	99,598	26,917	27.0%	930,228
2014	99,598	47,403	47.6%	982,423
2015	100,622	78,642	78.2%	1,004,403
2016	100,622	76,281	75.8%	1,028,744
2017	100,622	115,131	114.4%	1,014,235

Components of Net OPEB Obligation:

Annual Required Contribution	$ 98,866
Interest on Net OPEB Obligation	39,297
Adjustment to Annual Required Contribution	(37,541)
Annual OPEB Cost	100,622
Contributions Made	115,131
Increase in Net OPEB Obligation	(14,509)
Net OPEB Obligation, beginning of year	1,028,744
Net OPEB Obligation, end of year	$1,014,234

As of the most recent valuation date, January 1, 2015, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Ratio	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
01/01/10	$ -	$4,396,529	$4,396,529	-%	$3,388,291	129.76%
01/01/12	-	1,177,104	1,177,104	-%	3,222,148	36.53%
01/01/15	-	1,926,013	1,926,013	-%	3,779,226	50.96%
01/01/16	-	1,926,013	1,926,013	-%	3,779,226	50.96%
01/01/17	-	1,926,013	1,926,013	-%	3,779,226	50.96%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at January 1, 2015. The assumptions used in the January 1, 2015 actuarial valuations are as follows:

Basis of Valuation	
Current Valuation Date	January 1, 2015
Actuarial Cost Method	Projected unit credit
Actuarial Asset Valuation Method	Market value of assets
Assumed Rate of Return on Investments	4.00%
Medical Cost Trend Rate	7.50% - 5.00%
Year of Ultimate Medical Cost Trent Rate	2020
Amortization Method	Level percentage of pay, open
Remaining Amortization Period	30 years
Payroll Inflation Rate	3.0%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include the techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

18. JOINT VENTURE

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 and is required to pay annual dues thereto. During its year ended June 30, 2017, the County paid $11,188 in such dues. Membership in a Regional Commission is required by the OCGA Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

Central Savannah River Area Regional Commission
2123 Wrightsboro Road
P.O. Box 2800
Augusta, Georgia 30914-2800

19. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 14, 2017, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedules – General Fund, 2016 GO Bonds Debt Service Fund and Transportation Special Revenue Fund

WASHINGTON COUNTY, GEORGIA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET (GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
General property taxes	$ 8,203,800	$ 6,959,983	$ 8,553,143	$ 1,593,160
General sales and use tax	1,300,000	1,200,000	1,187,720	(12,280)
Selective sales and use tax	34,000	34,000	30,220	(3,780)
Title ad valorem tax	435,000	435,000	455,093	20,093
Business tax	580,000	600,453	600,454	1
Other taxes	476,500	421,285	737,831	316,546
Penalties and interest on delinquent taxes	96,000	96,000	81,206	(14,794)
	11,125,300	9,746,721	11,645,667	1,898,946
Licenses and Permits:				
Business licenses and permits	55,000	55,000	52,541	(2,459)
Non-business licenses and permits	6,000	6,000	12,660	6,660
	61,000	61,000	65,201	4,201
Intergovernmental:				
Federal grants	-	-	-	-
Local government grants:				
Recreation	55,000	55,000	49,082	(5,918)
Airport	1,500	1,500	1,149	(351)
	56,500	56,500	50,231	(6,269)
Charges for services:				
General government	88,500	88,500	72,490	(16,010)
Prisoner housing	25,000	25,000	30,192	5,192
Roads and public improvements	-	63,000	62,607	(393)
	113,500	176,500	165,289	(11,211)
Fees and fines:				
Superior Court	113,500	113,500	85,448	(28,052)
State Court	110,000	139,000	135,049	(3,951)
Probate Court	41,000	41,000	42,610	1,610
Clerk of Courts	80,000	80,000	74,631	(5,369)
Magistrate Court	81,500	81,500	91,653	10,153
Sheriff	101,000	101,000	133,432	32,432
Qualifying fees	-	-	958	958
	527,000	556,000	563,781	7,781
Investment income	195,000	195,000	(12,657)	(207,657)
Miscellaneous:				
Rent	359,700	359,700	167,380	(192,320)
Other	175,300	62,300	81,838	19,538
	535,000	422,000	249,218	(172,782)
Total revenues	12,613,300	11,213,721	12,726,730	1,513,009

WASHINGTON COUNTY, GEORGIA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Current Operating:				
General government	$ 3,799,960	$ 3,930,860	$ 3,896,781	$ 34,079
Public safety	3,214,650	3,214,650	3,210,259	4,391
Judicial	1,118,370	1,118,370	1,104,448	13,922
Public works	1,883,000	1,883,000	1,673,670	209,330
Health and welfare	362,560	362,560	361,773	787
Culture/recreation	595,935	595,935	562,532	33,403
Total operating expenditures	10,974,475	11,105,375	10,809,463	295,912
Capital Outlays:				
General government	-	47,462	47,461	1
Public safety	58,800	80,000	100,590	(20,590)
Judicial	3,000	3,000	-	3,000
Public works	90,000	90,000	60,634	29,366
Health and welfare	-	-	-	-
Culture/recreation	26,000	50,000	52,050	(2,050)
Total capital expenditures	177,800	270,462	260,735	9,727
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	11,152,275	11,375,837	11,070,198	305,639
Excess (deficiency) of revenues over expenditures	1,461,025	(162,116)	1,656,532	1,818,648
OTHER FINANCING SOURCES (USES):				
Interfund transfers:				
Transportation SPLOST Fund	720,000	700,858	519,330	(181,528)
2016 GO Bond Debt Service Fund	(3,195,000)	(206,020)	(1,903,337)	(1,697,317)
Emergency 911 Telephone Fund	(153,650)	(76,038)	(302,634)	(226,596)
Landfill Fund	(28,375)	(149,198)	(56,454)	92,744
	(2,657,025)	269,602	(1,743,095)	(2,012,697)
Excess (deficiency) of revenues over expenditures and other financing sources	(1,196,000)	107,486	(86,563)	(194,049)
FUND BALANCE, beginning of year	11,190,373	11,190,373	11,190,373	-
FUND BALANCE, end of year	$ 9,994,373	$ 11,297,859	$ 11,103,810	$ (194,049)

WASHINGTON COUNTY, GEORGIA

2016 GENERAL OBLIGATION BOND DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	$ -	$ -	$ -	$ -
Investment income	-	-	2,843	2,843
Other	-	-	-	-
	-	-	2,843	2,843
EXPENDITURES:				
Current operating:				
Contribution to hospital	4,600,000	4,600,000	4,596,000	4,000
Other	10,000	10,000	4,141	5,859
Debt service:				-
Principal	-	-	-	-
Bond issuance costs	160,000	160,000	153,775	6,225
Interest	50,000	50,000	42,375	7,625
Total expenditures	4,820,000	4,820,000	4,796,291	23,709
Excess revenues over (under) expenditures	(4,820,000)	(4,820,000)	(4,793,448)	26,552
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	1,903,337	1,903,337
Proceeds from debt issuance	4,820,000	4,820,000	5,255,000	435,000
Proceeds from bond premium	-	-	654,056	654,056
Total other financing sources (uses)	4,820,000	4,820,000	7,812,393	2,992,393
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	3,018,945	3,018,945
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ 3,018,945	$ 3,018,945

WASHINGTON COUNTY, GEORGIA

TRANSPORTATION SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	$ 2,200,000	$ 2,200,000	$ 1,911,278	$ (288,722)
Intergovernmental	1,000,000	1,000,000	874,557	(125,443)
	3,200,000	3,200,000	2,785,835	(414,165)
EXPENDITURES:				
Current operating:				
Transportation improvements	2,400,000	2,400,000	2,346,694	53,306
Capital outlays	150,000	150,000	144,887	5,113
Total expenditures	2,550,000	2,550,000	2,491,581	58,419
Excess revenues over (under) expenditures	650,000	650,000	294,254	(355,746)
OTHER FINANCING SOURCES (USES)				
Transfers to General Fund	(650,000)	(650,000)	(519,330)	130,670
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	(225,076)	(225,076)
FUND BALANCE, beginning of year	1,842,644	1,842,644	1,842,644	-
FUND BALANCE, end of year	$ 1,842,644	$ 1,842,644	$ 1,617,568	$ (225,076)

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements not required by the GASB, nor are a part of the basic financial statements, but are presented for purposes of additional analysis. Such information includes:

- Combining Statements – Nonmajor governmental funds
- Combining Statements – Fiduciary funds
- General Fund Statement of Expenditures (Final Budget to Actual) Detailed by Department
- Schedule of Projects Constructed with Special Sales Tax Proceeds
- Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Schedule of Findings and Questioned Costs

WASHINGTON COUNTY, GEORGIA

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2017

	SPECIAL REVENUE					Total
	Recreation	Law Library	DATE Fund	2014 CDBG	E911 Telephone Fund	Nonmajor Governmental Funds
ASSETS:						
Cash and cash equivalents	$ 35,945	$ 58,050	$ 13,520	$ -	$ 340,537	$ 448,052
Investments	-	-	-	-	-	-
Receivables from other governments	-	-	-	-	-	-
Accounts receivables, net	-	-	-	-	500	500
Inventories	77,446	-	-	-	-	77,446
Total assets	$ 113,391	$ 58,050	$ 13,520	$ -	$ 341,037	$ 525,998
LIABILITIES:						
Accounts payable	$ 7,302	$ -	$ -	$ -	$ 5,344	$ 12,646
Due to other funds	-	-	-	-	-	-
Total liabilities	7,302	-	-	-	5,344	12,646
FUND BALANCES:						
Non-spendable fund balance:						
Restricted fund balance:						
Capital projects	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Committed fund balance	-	-	-	-	-	-
Assigned fund balance:						
Public safety	-	58,050	13,520	-	335,693	407,263
Culture and recreation	106,089	-	-	-	-	106,089
Unassigned fund balance	-	-	-	-	-	-
Total fund balances	106,089	58,050	13,520	-	335,693	513,352
Total liabilities and fund balance	$ 113,391	$ 58,050	$ 13,520	$ -	$ 341,037	$ 525,998

WASHINGTON COUNTY, GEORGIA

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE					Total
	Recreation	Law Library	DATE Fund	2014 CDBG	E911 Telephone Fund	Nonmajor Governmental Funds
REVENUES:						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	75,000	9,572	18,161	23,299	264,408	390,440
Charges for services	61,416	-	-	-	260,394	321,810
Other	31,537	-	800	-	-	32,337
Total revenues	167,953	9,572	18,961	23,299	524,802	744,587
EXPENDITURES:						
Current operating:						
General government	-	-	-	-	-	-
Culture/recreation	147,625	-	-	-	-	147,625
Court system	-	3,874	-	-	-	3,874
Public safety	-	-	8,356	-	542,816	551,172
Transportation improvements	-	-	-	-	-	-
Capital outlays	3,102	-	-	23,299	123,800	150,201
Debt service	-	-	-	-	-	-
Total expenditures	150,727	3,874	8,356	23,299	666,616	852,872
Excess (deficiency) of revenues over expenditures	17,226	5,698	10,605	-	(141,814)	(108,285)
OTHER FINANCING SOURCES (USES):						
Transfers in (out)	-	-	-	-	302,634	302,634
Total other financing sources and uses	-	-	-	-	302,634	302,634
Net change in fund balance	17,226	5,698	10,605	-	160,820	194,349
FUND BALANCE, beginning	88,863	52,352	2,915	-	174,873	319,003
FUND BALANCE, ending	$ 106,089	$ 58,050	$ 13,520	$ -	$ 335,693	$ 513,352

WASHINGTON COUNTY, GEORGIA
RECREATION DEPARTMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services:				
Recreation fees	$ 60,000	$ 60,000	$ 61,416	$ 1,416
Intergovernmental:				
Contribution from County	75,000	75,000	75,000	-
Other income	26,900	26,900	31,537	4,637
Total revenue	161,900	161,900	167,953	6,053
EXPENDITURES:				
Current operating:				
Personal services and employee benefits	5,000	5,000	-	5,000
Purchased/contracted services	115,400	115,400	113,526	1,874
Supplies	36,500	36,500	34,099	2,401
Capital outlays	5,000	5,000	3,102	1,898
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	161,900	161,900	150,727	11,173
Excess revenues over (under) expenditures	-	-	17,226	17,226
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	-	-	-	-
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	17,226	17,226
FUND BALANCE, beginning of year	88,863	88,863	88,863	-
FUND BALANCE, end of year	$ 88,863	$ 88,863	$ 106,089	$ 17,226

WASHINGTON COUNTY, GEORGIA

LAW LIBRARY SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 9,000	$ 9,000	$ 9,572	$ 572
Other	-	-	-	-
	9,000	9,000	9,572	572
EXPENDITURES:				
Current operating:				
Purchased/contracted services	4,000	4,000	-	4,000
Supplies	4,000	4,000	3,874	126
Capital outlays	1,000	1,000	-	1,000
Total expenditures	9,000	9,000	3,874	5,126
Excess revenues over (under) expenditures	-	-	5,698	5,698
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	5,698	5,698
FUND BALANCE, beginning of year	52,352	52,352	52,352	-
FUND BALANCE, end of year	$ 52,352	$ 52,352	$ 58,050	$ 5,698

WASHINGTON COUNTY, GEORGIA

EMERGENCY 911 TELEPHONE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services:				
E-911 fees	$ 315,000	$ 315,000	$ 260,394	$ (54,606)
Intergovernmental:				
Contribution from cities	181,000	164,256	179,385	15,129
State grants	42,500	42,500	85,023	42,523
Investment income:				
Interest earned	-	-	-	-
Other	-	-	-	-
	538,500	521,756	524,802	3,046
EXPENDITURES:				
Current operating:				
Personal services and employee benefits	495,200	495,200	450,134	45,066
Purchased/contracted services	83,000	83,000	89,909	(6,909)
Supplies	3,950	3,950	2,773	1,177
Capital outlays	110,000	90,000	123,800	(33,800)
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	692,150	672,150	666,616	5,534
Excess revenues over (under) expenditures	(153,650)	(150,394)	(141,814)	8,580
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	153,650	166,744	302,634	135,890
Excess revenues and other financing sources (uses) over (under) expenditures	-	16,350	160,820	144,470
FUND BALANCE, beginning of year	174,873	174,873	174,873	-
FUND BALANCE, end of year	$ 174,873	$ 191,223	$ 335,693	$ 144,470

WASHINGTON COUNTY, GEORGIA
FIDUCIARY FUNDS – AGENCY FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2017

	Tax Commissioner	Probate Court	Clerk of Courts	Sheriff	Magistrate Court	Total
ASSETS						
Cash	$ 60,057	$ 15,894	$ 125,804	$ 70,878	$ 17,216	$ 289,849
Property taxes receivable	278,630	-	-	-	-	278,630
Other receivables	-	2,149	-	-	-	2,149
Total assets	$ 338,687	$ 18,043	$ 125,804	$ 70,878	$ 17,216	$ 570,628
LIABILITIES:						
Due to others	$ -	$ 11,118	$ 125,804	$ 70,878	$ 17,216	$ 225,016
Due to other governments	338,687	6,925	-	-	-	345,612
Total liabilities	$ 338,687	$ 18,043	$ 125,804	$ 70,878	$ 17,216	$ 570,628

WASHINGTON COUNTY, GEORGIA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
TAX COMMISSIONER				
ASSETS:				
Cash	$ 155,930	$ 23,948,931	$ 24,044,804	$ 60,057
Property taxes receivable	382,117	25,702,862	25,806,349	278,630
Other receivables	-	-	-	-
Total revenue	$ 538,047	$ 49,651,793	$ 49,851,153	$ 338,687
LIABILITIES:				
Due to others	$ -	$ -	$ -	$ -
Due to other governments	538,047	23,769,777	23,969,137	338,687
	$ 538,047	$ 23,769,777	$ 23,969,137	$ 338,687
PROBATE COURT				
ASSETS:				
Cash	$ 15,633	$ 62,794	$ 62,533	$ 15,894
Property taxes receivable	-	-	-	-
Other receivables	2,327	-	178	2,149
Total revenue	$ 17,960	$ 62,794	$ 62,711	$ 18,043
LIABILITIES:				
Due to others	$ 11,441	$ 16,434	$ 16,757	$ 11,118
Due to other governments	6,519	42,610	42,204	6,925
	$ 17,960	$ 59,044	$ 58,961	$ 18,043
CLERK OF COURTS				
ASSETS:				
Cash	$ 385,318	$ 736,646	$ 996,160	$ 125,804
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Total revenue	$ 385,318	$ 736,646	$ 996,160	$ 125,804
LIABILITIES:				
Due to others	$ 385,318	$ 736,646	$ 996,160	$ 125,804
Due to other governments	-	-	-	-
	$ 385,318	$ 736,646	$ 996,160	$ 125,804

WASHINGTON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
SHERIFF				
ASSETS:				
Cash	$ 98,402	$ 356,952	$ 384,476	$ 70,878
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Total revenue	$ 98,402	$ 356,952	$ 384,476	$ 70,878
LIABILITIES:				
Due to others	$ 98,402	$ 356,952	$ 384,476	$ 70,878
Due to other governments	-	-	-	-
	$ 98,402	$ 356,952	$ 384,476	$ 70,878
MAGISTRATE COURT				
ASSETS:				
Cash	$ 229	$ 295,091	$ 278,104	$ 17,216
Property taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Total revenue	$ 229	$ 295,091	$ 278,104	$ 17,216
LIABILITIES:				
Due to others	$ 229	$ 295,091	$ 278,104	$ 17,216
Due to other governments	-	-	-	-
	$ 229	$ 295,091	$ 278,104	$ 17,216
TOTAL				
ASSETS:				
Cash	$ 655,512	$ 25,400,414	$ 25,766,077	$ 289,849
Property taxes receivable	382,117	25,702,862	25,806,349	278,630
Other receivables	2,327	-	178	2,149
Total revenue	$ 1,039,956	$ 51,103,276	$ 51,572,604	$ 570,628
LIABILITIES:				
Due to others	$ 495,390	$ 1,405,123	$ 1,675,497	$ 225,016
Due to other governments	544,566	23,812,387	24,011,341	345,612
	$ 1,039,956	$ 25,217,510	$ 25,686,838	$ 570,628

WASHINGTON COUNTY, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT:				
Board of Commissioners:				
Personal services	$ 346,000	$ 346,000	$ 337,755	$ 8,245
Purchased/contracted services	22,500	32,700	34,423	(1,723)
Supplies	6,500	6,500	4,222	2,278
Capital outlays	-	-	-	-
Debt service	-	-	-	-
	375,000	385,200	376,400	8,800
Tax Commissioner:				
Personal services	203,900	203,900	206,610	(2,710)
Purchased/contracted services	50,880	50,880	34,271	16,609
Supplies	16,000	16,000	16,543	(543)
Capital outlays	-	-	-	-
Debt service	-	-	-	-
	270,780	270,780	257,424	13,356
Tax Assessors:				
Personal services	188,400	188,400	146,591	41,809
Purchased/contracted services	144,550	144,550	184,986	(40,436)
Supplies	17,000	17,000	11,458	5,542
Capital outlays	-	-	-	-
	349,950	349,950	343,035	6,915
Elections:				
Personal services	$ 67,850	$ 67,850	$ 84,248	$ (16,398)
Purchased/contracted services	16,900	16,900	288	16,612
Supplies	5,500	5,500	3,343	2,157
Capital outlays	-	-	-	-
	90,250	90,250	87,879	2,371
Coroner:				
Personal services	23,870	23,870	24,073	(203)
Purchased/contracted services	11,960	11,960	6,244	5,716
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	35,830	35,830	30,317	5,513
Public Building and Property:				
Personal services	-	-	-	-
Purchased/contracted services	313,700	469,700	463,505	6,195
Supplies	33,300	42,300	43,449	(1,149)
Capital outlays	-	47,462	47,461	1
	347,000	559,462	554,415	5,047

WASHINGTON COUNTY, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Miscellaneous General Government:				
County Agent:				
Personal services	54,700	54,700	53,891	809
Purchased/contracted services	2,500	2,500	3,379	(879)
Supplies	5,400	5,400	3,601	1,799
Code enforcement:				
Personal services	31,150	31,150	31,389	(239)
Purchased/contracted services	7,700	7,700	4,465	3,235
Supplies	6,800	6,800	5,388	1,412
Airport:				
Purchased/contracted services	30,400	30,400	34,009	(3,609)
Property and employee insurance and bonds	243,300	243,300	273,047	(29,747)
Employee fringe benefits	1,400,600	1,400,600	1,361,581	39,019
Regional development commission dues	11,000	11,000	10,758	242
Auditing	39,000	39,000	36,000	3,000
Legal and consulting services	80,000	80,000	54,180	25,820
Economic development	253,900	209,600	59,739	149,861
Other	164,700	164,700	363,345	(198,645)
	2,331,150	2,286,850	2,294,772	(7,922)
Total general government	3,799,960	3,978,322	3,944,242	34,080
PUBLIC SAFETY:				
Sheriff's Office:				
Personal services	1,356,400	1,356,400	1,350,047	6,353
Purchased/contracted services	148,900	148,900	140,042	8,858
Supplies	180,400	180,400	130,655	49,745
Capital outlays	50,000	50,000	75,924	(25,924)
	1,735,700	1,735,700	1,696,668	39,032
Jail:				
Personal services	821,400	821,400	884,758	(63,358)
Purchased/contracted services	168,400	168,400	158,141	10,259
Supplies	246,000	246,000	254,510	(8,510)
Capital outlays	-	-	-	-
	1,235,800	1,235,800	1,297,409	(61,609)
EMA:				
Personal services	35,100	35,100	34,343	757
Purchased/contracted services	18,250	18,250	18,451	(201)
Supplies	1,800	1,800	1,312	488
Capital outlays	8,800	30,000	24,666	5,334
	63,950	85,150	78,772	6,378
Rural Fire Support:				
Operating expenses	238,000	238,000	238,000	-
Total public safety	3,273,450	3,294,650	3,310,849	(16,199)

WASHINGTON COUNTY, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
JUDICIAL SYSTEM:				
Superior Court:				
Personal services	$ 260,900	$ 260,900	$ 266,900	$ (6,000)
Purchased/contracted services	388,770	388,770	364,457	24,313
Supplies	11,000	11,000	15,865	(4,865)
Capital outlays	-	-	-	-
	660,670	660,670	647,222	13,448
Probate Court:				
Personal services	131,800	131,800	128,556	3,244
Purchased/contracted services	1,100	1,100	1,894	(794)
Supplies	3,100	3,100	2,859	241
Capital outlays	-	-	-	-
	136,000	136,000	133,309	2,691
State Court:				
Personal services	73,100	73,100	76,749	(3,649)
Purchased/contracted services	18,600	18,600	10,663	7,937
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	91,700	91,700	87,412	4,288
Magistrate Court:				
Personal services	218,300	218,300	219,228	(928)
Purchased/contracted services	6,200	6,200	6,808	(608)
Supplies	5,500	5,500	10,469	(4,969)
Capital outlays	3,000	3,000	-	3,000
	233,000	233,000	236,505	(3,505)
Total Judicial	1,121,370	1,121,370	1,104,448	16,922
PUBLIC WORKS:				
Road Department:				
Personal services	1,077,000	1,077,000	831,442	245,558
Purchased/contracted services	466,400	466,400	448,417	17,983
Supplies	339,600	339,600	393,811	(54,211)
Capital outlays	90,000	90,000	60,634	29,366
Total Public Works	1,973,000	1,973,000	1,734,304	238,696
HEALTH AND WELFARE:				
Public Health:				
Contribution to Board of Health	50,900	50,900	50,937	(37)
Contribution to Hospital	-	-	-	-
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	50,900	50,900	50,937	(37)

WASHINGTON COUNTY, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Family and Children Services:				
Personal services	$ -	$ -	$ -	$ -
Purchased/contracted services	16,100	16,100	16,100	-
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	16,100	16,100	16,100	-
Ambulance Service:				
Personal services	-	-	-	-
Purchased/contracted services	295,560	295,560	294,736	824
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	295,560	295,560	294,736	824
Total Health and Welfare	362,560	362,560	361,773	787
CULTURE/RECREATION:				
Recreation:				
Personal services	401,600	401,600	386,880	14,720
Purchased/contracted services	128,085	128,085	108,908	19,177
Supplies	7,450	7,450	7,125	325
Capital outlays	26,000	50,000	52,050	(2,050)
	563,135	587,135	554,963	32,172
Library contributions	58,800	58,800	59,619	(819)
Capital outlays	-	-	-	-
	58,800	58,800	59,619	(819)
Total Culture/Recreation	621,935	645,935	614,582	31,353
GRAND TOTAL	$ 11,152,275	$ 11,375,837	$ 11,070,198	$ 305,639

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL SALES TAX PROCEEDS
For the Year Ended June 30, 2017

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2009 Tax:						
Industrial park improvements	$ 750,000	$ 750,000	$ 338,889	$ -	$ 338,889	45.19%
Airport improvements	170,000	2,500,000	2,375,497	-	2,375,497	95.02%
Rural fire support	630,000	630,000	630,000	-	630,000	100.00%
County road projects	7,000,000	5,000,000	2,328,235	80,411	2,408,646	48.17%
Hospital improvements	3,000,000	2,850,000	2,850,000		2,850,000	100.00%
Sheriff's department equipment	650,000	650,000	461,060	-	461,060	70.93%
Recreation equipment	200,000	404,304	404,304	-	404,304	100.00%
Ambulances and equipment	350,000	350,000	144,248	99,390	243,638	69.61%
Public works equipment	2,000,000	2,000,000	1,133,880	-	1,133,880	56.69%
General government construction	-	150,000	77,701	-	77,701	51.80%
E911 equipment	-	100,000	35,536		35,536	35.54%
Landfill improvements	-	500,000	238,561	-	238,561	47.71%
City projects:						
City of Davisboro	250,000	185,943	185,943	-	185,943	100.00%
Town of Deepstep	137,500	102,273	102,273	-	102,273	100.00%
Town of Harrison	325,000	241,724	241,724	-	241,724	100.00%
City of Oconee	200,000	148,755	148,755	-	148,755	100.00%
Town of Riddleville	137,500	102,273	102,273	-	102,273	100.00%
City of Sandersville	3,100,000	2,305,675	2,305,675	-	2,305,675	100.00%
City of Tennille	850,000	632,173	632,173	-	632,173	100.00%

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL SALES TAX PROCEEDS
For the Year Ended June 30, 2017

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2014 Tax:						
Industrial park improvements	$ 150,000	$ 150,000	$ -	$ -	$ -	0.00%
Rural fire support	760,000	760,000	224,784	58,095	282,879	37.22%
County road projects	2,800,000	2,800,000	-	-	-	0.00%
Hospital improvements	840,000	340,000	140,000	99,127	239,127	70.33%
Sheriff's department equipment	400,000	900,000	605,080	83,415	688,495	76.50%
Recreation equipment	100,000	100,000	96,935	-	96,935	96.94%
Jail construction	6,500,000	6,500,000	1,561,615	1,286,784	2,848,399	43.82%
Public works equipment	500,000	500,000	25,504	169,794	195,298	39.06%
General government construction	100,000	100,000	8,350	61,875	70,225	70.23%
Landfill improvements	500,000	500,000	-	-	-	0.00%
City projects:						
City of Davisboro	250,000	250,000	65,607	21,888	87,495	35.00%
Town of Deepstep	91,300	91,300	23,951	7,937	31,888	35.00%
Town of Harrison	218,200	218,200	57,270	19,151	76,421	35.00%
City of Oconee	133,500	133,500	35,037	11,723	46,760	35.00%
Town of Riddleville	85,100	85,100	22,359	7,529	29,888	35.00%
City of Sandersville	2,521,700	2,521,700	661,791	221,055	882,846	35.00%
City of Tennille	832,700	832,700	218,526	72,955	291,481	35.00%

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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*

To the County Commissioners
Washington County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Georgia as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Washington County, Georgia's basic financial statements and have issued our report thereon dated December 14, 2017.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that were considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

We did identify certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies in internal control over financial reporting noted as items 17-1 through 17-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington County Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 17-3.

Washington County, Georgia's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wright & Wright, P.C.

December 14, 2017

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

17-1 Segregation of Duties

Condition

Because of a limited number of available personnel in some of the Agency Funds, it is not always possible to adequately segregate certain incompatible duties, so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria

The County has a one employee in some of the Agency Funds who performs all financial duties, including receiving and depositing funds, writing checks and reconciling bank accounts. Items are approved for disbursement by the elected official, who signs checks.

Effect

Because of the lack of segregation of duties, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Recommendation

We recommend that management continue to exercise alert supervision of employees in order to protect the assets of the County.

Response of Responsible Officials

We concur with and plan to implement the recommendations.

17-2 Controls Over Financial Statement Presentation

Condition

The County's financial statements and related footnotes are not prepared by County employees.

Criteria

County personnel do not currently possess the professional skills necessary to prepare the year end financial statements in sufficient detail to detect material misstatements in the financial statements and related footnotes.

Effect

The deficiency identified above could result in a material misstatement to the County's financial statements that would not be prevented or detected on a timely basis.

Recommendation

The County should consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.

Response of Responsible Officials

We concur. We will evaluate the cost effectiveness of implementing the control and act accordingly.

17-3 Budgetary

Condition

In the County's General Fund and E911 Fund, actual expenditures exceeded budget appropriations in a department.

Criteria

Departmental expenditures which exceed budgeted appropriations are a violation of state law.

Effect

Fiscal control and accountability over departmental expenditures may be jeopardized.

Recommendation

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

Response of Responsible Officials

The County Commissioners will analyze budgetary financial data periodically and amend the budget when appropriate.