TREUTLEN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017

TREUTLEN COUNTY, GEORGIA

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FOR THE YEAR ENDED JUNE 30, 2017

Issued by: Lance Hooks, Chairman
under Authority of the Board of Commissioners

TREUTLEN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Treutlen County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Treutlen County, Georgia as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Treutlen County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Treutlen County Public Health Center or the Treutlen County Development Authority, both of which are major component units, which statements reflect assets constituting 3 percent and 16 percent, respectively, of total assets at June 30, 2017, and revenues constituting 6 percent and 2 percent, respectively, of total revenues for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Treutlen County Public Health Center and the Treutlen County Development Authority, are based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the 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 activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Treutlen County, Georgia, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the County's Net Pension Liability and Related Ratios and Schedule of Pension Contributions, Budgetary Comparison Schedule – General Fund, Budgetary Comparison Schedule – 2013 SPLOST Fund, and Budgetary Comparison Schedule – TSPLOST Fund 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Treutlen County, Georgia's basic financial statements. The combining and individual non-major fund financial statements and the Schedule of Expenditures of 2013 Special Purpose Local Option Sales Tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the Schedule of Expenditures of 2013 Special Purpose Local Option Sales Tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the Schedule of Expenditures of 2013 Special Purpose Local Option Sales Tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017 on our consideration of Treutlen 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 Treutlen County, Georgia's internal control over financial reporting and compliance.

Very truly yours,

TJS Deemer Dana LLP

December 19, 2017

Dublin, Georgia

Basic Financial Statements

TREUTLEN COUNTY, GEORGIA

EXHIBIT 1

STATEMENT OF NET POSITION
AS OF JUNE 30, 2017

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Treutlen County Development Authority	Treutlen County Public Health Center	Total
Assets						
Cash and cash equivalents	$ 2,802,617	$ 4,100	$ 2,806,717	$ 98,156	$ 316,333	$ 3,221,206
Certificate of deposit	357,530	-	357,530	-	-	357,530
Receivables, net of allowances for uncollectibles:						-
Taxes	97,044	-	97,044	-	-	97,044
Accounts	22,624	-	22,624	20,800	-	43,424
Intergovernmental	93,477	294	93,771	-	-	93,771
Interfund receivable (payable)	-	-	-		-	-
Notes receivable	-	-	-			-
Prepaid expenses	123,643	-	123,643	-	-	123,643
Other asset	-	-	-	100	-	100
Capital assets:						
Land and other non-depreciable assets	265,426	16,957	282,383	275,698	-	558,081
Other capital assets, net of depreciation	5,671,379	3,200	5,674,579	1,474,816	1,906	7,151,301
Total assets	9,433,740	24,551	9,458,291	1,869,570	318,239	11,646,100
Deferred Outflows of Resources						
Pension Expense	36,319	-	36,319	-	55,062	91,381
Total Deferred outflows of resources	36,319	-	36,319	-	55,062	91,381
Total assets and deferred outflows of resources	9,470,059	24,551	9,494,610	1,869,570	373,301	11,737,481
Liabilities						
Accounts payable	39,870	-	39,870	-	-	39,870
Intergovernmental payable	-	-	-	-	-	-
Accrued expenses	71,114	-	71,114	1,550	-	72,664
Compensated absences payable - current	12,828	-	12,828	-	2,703	15,531
Long-term obligations:						
Compensated absences payable - noncurrent	12,827	-	12,827	-	10,810	23,637
Proportionate share of collective net pension liability	359,249	-	359,249	-	231,649	590,898
Due within one year	410,128	14,500	424,628	122,551	-	547,179
Due in more than one year	481,378	168,316	649,694	678,015	-	1,327,709
Total liabilities	1,387,394	182,816	1,570,210	802,116	245,162	2,617,488
Deferred Inflows of Resources						
Deferred inflow related to pension	7,861	-	7,861	-	535	8,396
Total Deferred inflows of resources	7,861	-	7,861	-	535	8,396
Total liabilities and deferred inflows of resources	1,395,255	182,816	1,578,071	802,116	245,697	2,625,884
Net Position						
Net investment in capital assets	5,045,299	20,157	5,065,456	949,948	1,906	6,017,310
Restricted for:						
Public safety	200,871	-	200,871	-	-	200,871
Debt service	840,837	-	840,837	-	-	840,837
Public health center	-	-	-	-	34,731	34,731
Special programs	87,949	-	87,949	-	-	87,949
Unrestricted	1,899,848	(178,422)	1,721,426	117,506	90,967	1,929,899
Total Net Position	$ 8,074,804	$ (158,265)	$ 7,916,539	$ 1,067,454	$ 127,604	$ 9,111,597

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

TREUTLEN COUNTY, GEORGIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Treutlen County Development Authority	Treutlen County Public Health Center
Primary Government									
Governmental Activities:									
General government	$ 1,072,649	$ 282,472	$ -	$ 385,823	$ (404,354)	$ -	$ (404,354)	$ -	$ -
Public works	809,704	-	338,962	-	$ (470,742)	-	(470,742)	-	-
Public safety	1,587,487	507,628	49,489	-	(1,030,370)	-	(1,030,370)	-	-
Judicial	677,823	1,200,458	83,431	-	606,066	-	606,066	-	-
Conservation of natural resources	230,510	-	126,074	-	(104,436)	-	(104,436)	-	-
Health and welfare	188,094	-	-	-	(188,094)	-	(188,094)	-	-
Intergovernmental payments to other governments or agencies	40,000	-	-	-	(40,000)	-	(40,000)	-	-
Interest on long-term debt	19,058	-	-	-	(19,058)	-	(19,058)	-	-
Total governmental activities	4,625,325	1,990,558	597,956	385,823	(1,650,988)	-	(1,650,988)	-	-
Business-type activities -									
Solid waste management	21,283	-	18,948	-	-	(2,335)	(2,335)	-	-
Total business-type activities	21,283	-	18,948	-	-	(2,335)	(2,335)	-	-
Total primary government	$ 4,646,608	$ 1,990,558	$ 616,904	$ 385,823	(1,650,988)	(2,335)	(1,653,323)	-	-
Component Units									
Treutlen County Development Authority	$ 134,179	$ -	$ -	$ -	-	-	-	(134,179)	-
Treutlen County Public Health Center	288,779	94,900	230,548	-	-	-	-	-	36,669
Total component units	$ 422,958	$ 94,900	$ 230,548	$ -	-	-	-	(134,179)	36,669
General revenues:									
Property taxes					1,398,588	-	1,398,588	-	-
Local option sales tax					212,360	-	212,360	-	-
Other taxes					793,862	-	793,862	-	-
Unrestricted investment earnings					11,350	11	11,361	-	-
Intra/inter agency					-	-	-	-	22,767
Intergovernmental					-	-	-	40,000	-
Rental income					-	-	-	90,390	-
Other local funds					-	-	-	-	650
Miscellaneous					2,063	-	2,063	10	-
Gain (Loss) on disposal of capital assets					(22,054)	-	(22,054)	-	-
Total general revenues and transfers					2,396,169	11	2,396,180	130,400	23,417
Change in net position					745,181	(2,324)	742,857	(3,779)	60,086
Net position-beginning					7,329,623	(155,941)	7,173,682	1,071,233	67,518
Net position-ending					$ 8,074,804	$ (158,265)	$ 7,916,539	$ 1,067,454	$ 127,604

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

TREUTLEN COUNTY, GEORGIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	T SPLOST	2013 SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,666,627	$ 346,063	$ 36,577	$ 753,350	$ 2,802,617
Certificate of deposit	357,530	-	-	-	357,530
Receivables, net of allowances for uncollectibles:					
Taxes	97,044	-	-	-	97,044
Accounts	1,281	-	-	21,343	22,624
Intergovernmental	39,120	13,832	34,031	6,494	93,477
Interfund balance	39,529	-	-	-	39,529
Prepaid expenditures	123,643	-	-	-	123,643
Total Assets	$ 2,324,774	$ 359,895	$ 70,608	$ 781,187	$ 3,536,464
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 37,461	-	-	$ 2,409	$ 39,870
Interfund balance	-	-	39,529	-	39,529
Accrued expenses	62,098	-	-	9,016	71,114
Total liabilities	99,559	-	39,529	11,425	150,513
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	88,632	-	-	-	88,632
Total Liabilities and Deferred Inflows of Resources	188,191	-	39,529	11,425	239,145
Fund Balances:					
Nonspendable for prepaid expenditures	123,643	-	-	-	123,643
Restricted for:					
Public safety	-	-	-	200,871	200,871
Judicial	-	-	-	87,949	87,949
Capital projects	-	359,895	-	480,942	840,837
Debt Service	-	-	31,079	-	31,079
Assigned to:					
Social services	-	-	-	-	-
Public safety	-	-	-	-	-
Unassigned	2,012,940	-	-	-	2,012,940
Total fund balances	2,136,583	359,895	31,079	769,762	3,297,319
Total Liabilities and Fund Balances	$ 2,324,774	$ 359,895	$ 70,608	$ 781,187	$ 3,536,464

TREUTLEN COUNTY, GEORGIA

EXHIBIT 4

RECONCILIATION OF NET POSITION – GOVERNMENTAL FUNDS IN THE STATEMENT OF NET POSITION
TO TOTAL FUND BALANCE – GOVERNMENTAL FUNDS ON THE BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2017

Fund balance - total governmental funds	$	3,297,319
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.		5,936,805
Some of the County's taxes will be colected after year end, but are not available soon enough to pay for the current period's expenditures and are therefore reported as unavailable property taxes in the funds.		88,632
Deferred outflows of resources related to pensions represent unamortized difference between actual and projected income and changes in assumptions that accounting standards require to be amortized into income over future periods. These deferrals do not constitute current financial resources and are not reported in the funds.		28,458
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Capital Lease		(116,506)
Bonds payable		(775,000)
Net Pension liability		(359,249)
Compensated absences		(25,655)
Net position of governmental activities	$	8,074,804

TREUTLEN COUNTY, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General	T SPLOST	2013 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 2,190,562	$ 220,317	$ -	$ -	$ 2,410,879
Fines and forfeitures	1,112,600	-	-	206,997	1,319,597
Intergovernmental revenues	181,063	-	385,363	416,224	982,650
Charges for services	573,977	-	-	96,984	670,961
Interest income	8,427	1,767	460	1,825	12,479
Other revenues	2,063	-	-	-	2,063
Total revenues	4,068,692	222,084	385,823	722,030	5,398,629
Expenditures:					
Current:					
General government	975,754	-	-	-	975,754
Public safety	1,117,046	-	-	283,481	1,400,527
Judicial	571,642	-	-	67,531	639,173
Public works	397,413	217,257	-	92,954	707,624
Conservation of Natural Resources	228,293	-	-	-	228,293
Health and welfare	186,239	-	-	-	186,239
Payments to other governments	40,000	-	-	-	40,000
Debt Service:					
Principal payments	-	-	380,000	-	380,000
Interest payments	-	-	19,058	-	19,058
Capital outlay	290,524	116,200	-	98,300	505,024
Total expenditures	3,806,911	333,457	399,058	542,266	5,081,692
Excess (Deficiency) of Revenues Over (Under) Expenditures	261,781	(111,373)	(13,235)	179,764	316,937
Other Financing Source (Use):					
Transfers in	45,000	-	-	90,192	135,192
Transfers out	(77,931)	(12,261)	-	(45,000)	(135,192)
Proceeds from capital lease	116,506	-	-	-	116,506
Proceeds from sale of asset	5,000	-	-	-	5,000
Total other financing source (use)	88,575	(12,261)	-	45,192	121,506
Net change in fund balances	350,356	(123,634)	(13,235)	224,956	438,443
Fund balances - beginning	1,786,227	483,529	44,314	544,806	2,858,876
Fund balances - ending	$ 2,136,583	$ 359,895	$ 31,079	$ 769,762	$ 3,297,319

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

TREUTLEN COUNTY, GEORGIA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUND
AS OF JUNE 30, 2017

Net change in fund balances - total governmental funds	$ 438,443
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.	423,518
Depreciation expenses on governmental capital assets are included in the governmental activities column in the Statement of Net Position but are not shown in the governmental funds.	(387,619)
In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets disposed of.	(62,054)
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.	
Compensated absences	(854)
Pension expenditures represent contributions to the pension plan made during the fiscal year and are reported in the funds. Pension expense represents the change in the net pension liability and any amortization of differences in projects and actual earnings, changes in assumptions, and changes in benefits or differences between expected and actual experience. The statement of activities reports pension expense. These figures differ by:	(40,184)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the Statement of Net Position	380,000
Revenues in the statement of activities that do not provide financial resources are not reported as revenues in the funds. The amount of deferred revenues recognized as revenue in the statement of activities is as follows -	
Property taxes	(6,069)
Change in net position of governmental activities	$ 745,181

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

TREUTLEN COUNTY, GEORGIA

EXHIBIT 7

STATEMENT OF NET POSITION
PROPRIETARY FUND
AS OF JUNE 30, 2017

	Enterprise Fund Treutlen - Wheeler Solid Waste Management District Sanitary Landfill
ASSETS:	
Current Assets:	
Cash	$ 4,100
Due from other governments	294
Total current assets	4,394
Capital Assets	
Land and other non-depreciable assets	16,957
Other capital assets, net of depreciation	3,200
Total capital assets	20,157
Total Assets	24,551
LIABILITIES:	
Current Liabilities:	
Post-closure care costs - current portion	14,500
Total current liabilities	14,500
Non-current Liability -	
Long-Term Debt - estimated liability for landfill closure and post-closure care costs	168,316
Total liabilities	182,816
NET POSITION:	
Investment in capital assets	20,157
Unrestricted	(178,422)
Total Net Positon	$ (158,265)

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

TREUTLEN COUNTY, GEORGIA

EXHIBIT 8

STATEMENT OF CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Enterprise Fund Treutlen - Wheeler Solid Waste Management District Sanitary Landfill
Operating Revenue	$ 18,948
Operating Expenses:	
Professional services	3,500
Depreciation Expense	1,400
Provision for post-closure costs	16,383
Total operating expenses	21,283
Operating income	(2,335)
Non-operating Revenue -	
Interest income	11
Change in Net Position	(2,324)
Total Net Position, Beginning	(155,941)
Total Net Postion, Ending	$ (158,265)

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

TREUTLEN COUNTY, GEORGIA

EXHIBIT 9

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

		Enterprise Fund
		Treutlen - Wheeler Solid Waste Management District Sanitary Landfill
Cash Flows from Operating Activities:		
Cash receipts from other governments	$	18,654
Cash payments to others		(3,500)
Cash payments for accrued post-closure costs		(15,441)
Net cash used in operating activities		(287)
Cash Flows from Investing Activities -		
Interest income		11
Net decrease in cash and cash equivalents		(276)
Cash Balance, Beginning of year		4,376
Cash Balance - End of year	$	4,100
Reconciliation of change in net position to net cash provided by operating activities:		
Operating income	$	(2,335)
Adjustments to reconcile change in net position to net cash used in operating activities:		
Depreciation expense		1,400
Net change in assets and liabilities attributable to operations:		
Due from other governments		(294)
Accounts payable		942
Net cash used in operating activities	$	(287)

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

TREUTLEN COUNTY, GEORGIA

EXHIBIT 10

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017

	Agency Funds
ASSET -	
Cash	$ 351,786
LIABILITY -	
Other liabilities	$ 351,786

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Treutlen County, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to Government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the County are described below.

A. Reporting Entity

The County is a local municipality governed by an elected five-member Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the County is considered to be financially accountable.

Blended component units, although legally separate entities, are in substance part of the governments operations. The component unit column in the government-wide financial statements (see note below for description) includes the financial data of the County's discretely presented component units. Each discretely presented component unit is reported in a separate column to emphasize it is legally separate from the County.

Component Units and Related Entities

Blended Component Unit:

- **Treutlen – Wheeler Solid Waste Management District** – The Treutlen-Wheeler Solid Waste Management District's governing board is appointed by Treutlen County and Wheeler County Commissioners. Treutlen County exercises significant influence over the operation of the District. The District operates as Treutlen – Wheeler Sanitary Landfill. The operating and capital budgets are funded by a 53 percent contribution from Treutlen County and a 47 percent contribution from Wheeler County. The entity's operations were audited in conjunction with the County audit and are shown in the government-wide financial statements. However, a separate set of financial statements is not issued.

Discretely Presented Component Units:

- **Treutlen County Development Authority** – The Treutlen County Commissioners appoint the members for the Authority. The Authority is charged with promoting and expanding industry and trade within Treutlen County. The Authority receives revenue from operating leases as well as appropriations from the County. During the year ending June 30, 2017, the Authority received $40,000 from the Treutlen County general fund. At June 30, 2017, the amount due to the Authority from the County was $0. The Authority is fiscally dependent on the County. Complete financial statements can be obtained at the entity's administrative office.

  Treutlen County Development Authority
  County Offices
  PO Box 622
  Soperton, GA 30457

- **Treutlen County Public Health Center** - The Treutlen County Public Health Center (the Center) provides various health services for citizens in Treutlen County under a contract with the Georgia Department of Human Resources (DHR). The Treutlen County Commissioners appoint the majority of the members for the governing body of the Center.

  The County Commissioners have the authority to remove appointed members of the governing board at will, and the power to disapprove the Center's operating budget. The Center receives revenue through a contractual agreement with DHR as well as from Treutlen County, Georgia. During the twelve-month period ending June 30, 2017, the Center received participating and non-participating revenue of $12,327 and $67,673 respectively, from the Treutlen County general fund. At June 30, 2017, the amount due to the Center from the County was $-0-.

  Complete financial statements can be obtained at the entity's administrative office.

  Treutlen County Public Health Center
  PO Box 585
  Soperton, GA 30457

- **Related Organizations** – The County Commissioners appoint a majority of the board members of the Treutlen County Hospital Authority and the Department of Family and Children Services. In 2017, the County had expenditures in the amount of $523 and $-0- to the Department of Family and Children Services and Treutlen County Hospital Authority, respectively.

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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to 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 instead as *general revenues*.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they will be collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Government.

The County reports the following major governmental funds:

The *General Fund* is the general operating fund of Treutlen County, Georgia. It is used to account for all financial resources of the general government, except those required legally or by sound financial management to be accounted for in another fund.

The *TSPLOST Capital Project Fund* accounts for the accumulation of TSPLOST revenues and the related capital expenditures.

The *2013 SPLOST Fund* is a debt service fund established to account for specific revenue sources that are legally restricted to expenditure for debt service.

The County reports the following major proprietary fund -

The *Sanitary Landfill Fund*, a blended component unit of the government, is used to account for the activities of the Treutlen – Wheeler Solid Waste Management District (a joint venture of Treutlen County, Georgia and Wheeler County, Georgia).

Additionally, the County reports the following fund types:

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditure for specific purposes. The following Special Revenue Funds are used by Treutlen County, Georgia: Drug Abuse Treatment and Education, Crime Victims Assistance, Law Library, Drug Seizure, E911 Reserve, Jail and Sheriff Commissary.

The *Capital Projects Funds* account for revenue sources that are legally restricted to expenditure for capital improvements. The following Capital Project Funds are used by Treutlen County, Georgia: 2013 SPLOST Construction Fund and LMIG Fund.

The *Agency Funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Government holds for others in an agency capacity.

GASB 34 eliminates the presentation of *Account Groups*, but provides for these records to be maintained and used to account for capital assets and long-term liabilities that are not reflected on the balance sheet of Governmental type funds due to the current financial resources measurement focus that they use. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Governmental activities have been consolidated in the government-wide financial statements. Total governmental funds have been combined with general capital assets and long term liabilities. The effect of interfund activity has been removed from the government-wide financial statements. Due to/from other funds have been eliminated as well as transfers between funds.

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Non-operating revenues and expenses are revenues and expenses associated with items that are not connected with a proprietary's fund principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the Government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. ***Deposits and Investments*** - Cash includes amounts in both interest-bearing and non-interest-bearing demand deposits. State statutes authorize the Government to invest in obligations of the U.S. Treasury, obligations of the State of Georgia or any other states, obligations fully insured or guaranteed by the United States government or governmental agency, Local Government Investment Pool, commercial paper, corporate bonds, obligation of other political subdivisions of the State of Georgia, and repurchase agreements. Any bank deposit in excess of the total FDIC insured amount must be secured by an equivalent amount of State or U.S. obligations.

   Investments are recorded at cost or amortized cost plus accrued interest, which approximates market value.

   For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

2. ***Receivables and Payables*** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The current portion of these interfund receivables and payables are classified as "interfund receivables" or "interfund payables" in the governmental funds.

   Property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 57 percent of outstanding property taxes at June 30, 2017. Property taxes are levied as of January 1 on property values assessed as of the same date.

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

4. ***Restricted Assets*** – Certain assets, cash, of the Treutlen County Solid Waste Management Authority are classified as restricted assets because their use is completely restricted to the payment of post-closure costs when the landfill is closed.

5. ***Capital Assets*** – Capital assets, which include property, plant equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements.

   The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

   Major outlays for capital assets and improvements are capitalized as projects are constructed. GASB statement 37 prohibits the capitalization of interest on assets constructed for use in governmental activities. However, interest from debt not considered to be general long-term debt may be included as part of the cost of assets constructed for business-type activities. The total interest expense incurred by the County during the current fiscal year was $19,058. Of this amount, $-0- was included as part of the cost of capital assets under construction in connection with public building construction projects.

   Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	15-35
Furniture and fixtures	7-10
Machinery and equipment	5-15
Vehicles	3-10
Improvements other than land	10-39

6. ***Compensated Absences*** - It is the Government'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, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. ***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 assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges 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 issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. ***Fund Equity*** – Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance

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

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

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

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

Assigned – Funds 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 can authorize a designee to assign fund balance.

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

The County uses restricted amounts to be spent 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 balances when expending funds.

Net Position

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of the assets.

Restricted net position – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position.”

9. ***Estimates*** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Prior to the fiscal year end, the Commission prepares a proposed operating budget for the year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The Commission holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Treutlen County. The budget is then revised and adopted or amended by the Commission shortly after the beginning of the year to which it applies. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase shall be made therein without provision also being made for financing same.

The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) inasmuch as encumbrances are not recorded. Budgeted amounts for the year are as originally adopted, with no amendments by the Commission. The County Financial Clerk is delegated to transfer sums within departments. No increases in the departmental budgets for the County may be made without the approval of the Board of Commissioners and amendments to the budget. The General Fund is subject to budgetary control on a departmental basis.

During the fiscal year ended June 30, 2017, a budget was not adopted for the Sheriff Commissary Fund or Law Library Fund.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Investments – The Government owns no investments as of June 30, 2017.

Custodial Credit Risk - Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Neither the government, nor the Treutlen County Development Authority, discretely presented component unit, has a deposit policy for custodial credit risk. The Treutlen County Public Health Center has a deposit policy. As of June 30, 2017, none of the Government's bank balance was exposed to custodial credit risk.

Additional disclosures with regards to deposits and investments can be located in the *Summary of Significant Accounting Policies* under the *Assets, Liabilities and Equity* section.

B. Property Taxes

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

Upon completion of all assessments and tax returns, the information is turned over to the Treutlen County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. If not, the Commissioner may require an across the board percentage adjustment to all real property. The County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes must be paid by the birth date of the owner of the vehicle. Property taxes are usually levied on assessed valuation as of January 1 and are due by December 31, and considered delinquent by January 1. Property taxes are usually levied around August 1 of each year. Property taxes are attached as an enforceable lien on the day the taxes become delinquent.

B. Property Taxes, continued

The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available (collected within 60 days of year-end) as net current assets. In the accompanying financial statements, the portion of the property tax levy for the tax year 2017 collected during the current year and within 60 days of year-end has been recognized as revenue.

Property taxes receivable at June 30, 2017, is composed of the following:

Year of Levy:	
2016	$ 107,827
2015	65,833
2014	31,505
2013	6,651
2012	3,444
Prior to 2012	11,703
Total	226,963
Less - allowance for uncollectible	129,919
Net receivable	$ 97,044

C. Accounts Receivable

Primary Government

Receivables at June 30, 2017 for the County's individual major funds and its non-major and fiduciary funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	T SPLOST	2013 SPLOST	Other Governmental Funds	Total
Receivables:					
Taxes	$ 226,963	$ -	$ -	$ -	$ 226,963
Accounts	1,281	-	-	21,343	22,624
Intergovernmental	39,120	13,832	34,031	6,494	93,477
Gross receivables	267,364	13,832	34,031	27,837	343,064
Less: allowance for uncollectibles	(129,919)	-	-	-	(129,919)
Net total receivables	$ 137,445	$ 13,832	$ 34,031	$ 27,837	$ 213,145

C. Accounts Receivable, continued

Discretely Presented Component Units

Receivables of the Treutlen County Development Authority and Treutlen County Public Health Center as of June 30, 2017 are as follows:

	Development Authority	Public Health Center
Receivables:		
Accounts	$ 20,800	$ -
Intergovernmental	-	-
Gross receivables	20,800	-
Less - allowance for Uncollectibles	-	-
Net total receivables	$ 20,800	$ -

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Resources billed, but not yet received	$ 88,632	$ -

D. Capital Assets

Primary Government

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

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated -				
Land	$ 320,305	$ -	$ 54,879	$ 265,426
Total capital assets not being depreciated	320,305	-	54,879	265,426
Other capital assets:				
Improvements other than land	1,438,073	-	-	1,438,073
Buildings and other improvements	6,017,876	174,018	17,937	6,173,957
Equipment	3,839,226	366,006	156,715	4,048,517
Total other capital assets	11,295,175	540,024	174,652	11,660,547
Less accumulated depreciation for:				
Improvements other than land	657,946	51,355	-	709,301
Buildings and other improvements	2,006,174	152,435	10,762	2,147,847
Equipment	3,104,906	183,829	156,715	3,132,020
Total accumulated depreciation	5,769,026	387,619	167,477	5,989,168
Other capital assets, net	5,526,149	152,405	7,175	5,671,379
Governmental activities capital assets, net	$ 5,846,454	$ 152,405	$ 62,054	$ 5,936,805
Business-type activities				
Capital assets not being depreciated:				
Land	$ 16,957	$ -	$ -	$ 16,957
Total capital assets not being depreciated	16,957	-	-	16,957
Other capital assets:				
Equipment	7,000	-	-	$ 7,000
Total other capital assets	7,000	-	-	7,000
Less accumulated depreciation for:				
Equipment	2,400	1,400	-	3,800
Total accumulated depreciation	2,400	1,400	-	3,800
Other capital assets, net	4,600	(1,400)	-	3,200
Business-type activities capital assets, net	$ 21,557	$ (1,400)	$ -	$ 20,157

D. Capital Assets, continued

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

Governmental activities:	
General government	$ 122,341
Judicial	32,384
Public safety	173,175
Public works	59,719
Total governmental activities depreciation expense	$ 387,619
Business-type activities:	
Solid waste management	$ 1,400

Discretely Presented Component Units

Capital asset activity for the Treutlen County Development Authority and Treutlen County Public Health Center for the year ended June 30, 2017 was as follows:

	Discretely Presented Component Units			
	Beginning Balance	Increases	Decreases	Ending Balance
Treutlen County Development Authority				
Capital assets not being depreciated:				
Land	$ 275,698	$ -	$ -	$ 275,698
Total capital assets not being depreciated	275,698	-	-	275,698
Other capital asset -				
Equipment and buildings	1,709,085	-	-	1,709,085
Less accumulated depreciation for:				
Equipment and buildings	(189,181)	(45,088)	-	(234,269)
Other capital assets:	1,519,904	(45,088)	-	1,474,816
Capital assets, net	$ 1,795,602	$ (45,088)	$ -	$ 1,750,514
Treutlen County Public Health Center				
Other capital assets -				
Furniture, fixtures and equipment	$ 3,895	$ 1,935	$ (748)	$ 5,082
Less accumulated depreciation	(3,398)	(526)	748	(3,176)
Other capital assets, net	497	1,409	-	1,906
Capital assets, net	$ 497	$ 1,409	$ -	$ 1,906

E. Interfund Receivables, Payables and Transfers

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payables between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables. As of June 30, 2017, the composition of interfund balances, were as follows:

	Due from:	
Due to:	General Fund	2013 SPLOST
General Fund	$ -	$ 39,529
Total	$ -	$ 39,529

Interfund Transfers

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs. A reconciliation of transfers is as follows:

	Transfers Out	Transfers In
General Fund	$ 77,931	$ 45,000
T SPLOST	12,261	-
Jail Fund	45,000	-
LMIG	-	12,261
Emergency 911 Fund	-	77,931
Total interfund transfers	$ 135,192	$ 135,192

F. Due from Other Governments

Amounts due from other governmental entities at June 30, 2017 are as follows:

	Federal	State	Other	Total
General Fund	$ -	$ 31,620	$ 7,500	$ 39,120
2013 SPLOST Fund	-	34,031	-	34,031
T SPLOST Fund	-	13,832	-	13,832
E911	-	-	6,494	6,494
Total	$ -	$ 79,483	$ 13,994	$ 93,477

G. Long - Term Debt

Primary Government Bonds Payable

The Government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities.
General obligation bonds are direct obligations and pledge the full faith and credit of the Government. These bonds generally are issued as 5-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
General government	1.65%	$ 775,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Principal	Interest
2019	$ 385,000	$ 9,611
2020	390,000	3,218
	$ 775,000	$ 12,829

The above general obligation bond, which was will be used for various County and City of Soperton capital outlay projects, is to be repaid with Special Purpose Local Option Sales Tax (SPLOST) proceeds, which was passed by voters on November 6, 2012. The SPLOST will cease to exist on December 31, 2018.

Capital Lease Payable

The County has entered into a lease agreement as lessee for financing the acquisition of a Komatsu Wheel Loader. The lease qualifies as a capital lease for accounting purposes (bargain purchase option at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the equipment leased under the capital lease as of June 30, 2017:

	Governmental Activities
Leased Assets:	
Equipment	$ 116,506
Less: Accumulated depreciation	(3,884)
Total	$ 112,622

Amortization of the asset recorded under capital lease is included with depreciation expense. Depreciation expense associated with the leased asset was $3,884 for the year ended June 30, 2017.

G. Long - Term Debt, continued

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

Year Ending June 30	Governmental Activities
2018	$ 25,128
2019	25,128
2020	25,128
2021	25,128
2022 and thereafter	25,128
Total minimum lease payments	125,640
Less: amount representing interest	(9,134)
Present value of minimum lease payments	$ 116,506

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2017 was as follows:

Long-term liabilities:	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
Governmental Activities						
General obligation bonds payable	$ 1,155,000	$ -	$ 380,000	$ 775,000	$ 385,000	$ 390,000
Capital Lease	-	116,506	-	116,506	25,128	91,378
Net pension liability	342,578	171,159	154,488	359,249	-	359,249
Compensated absences payable	24,801	13,255	12,401	25,655	12,828	12,827
Total Governmental Activities	$ 1,522,379	$ 300,920	$ 546,889	$ 1,276,410	$ 422,956	$ 853,454
Business-Type Activities						
Accrued landfill closure and postclosure care costs	$ 182,816	$ -	$ -	$ 182,816	$ 14,500	$ 168,316
Total Business-Type Activities	$ 182,816	$ -	$ -	$ 182,816	$ 14,500	$ 168,316
Discretely Presented Component Units						
Treutlen County Development Authority						
General obligation notes payable	$ 833,730	$ -	$ 33,164	$ 800,566	$ 122,551	$ 678,015
Total Development Authority	$ 833,730	$ -	$ 33,164	$ 800,566	$ 122,551	$ 678,015
Treutlen County Public Health Center						
Net pension liability	$ 195,075	$ 25,606	$ 25,606	$ 195,075	$ -	$ 195,075
Compensated absences payable	9,387	6,003	1,877	13,513	2,703	10,810
Total Public Health Center	$ 204,462	$ 31,609	$ 27,483	$ 208,588	$ 2,703	$ 205,885

Compensated absences are generally liquidated by the general fund and are therefore included in the above schedule.

G. Long - Term Debt, continued

Component Unit - Treutlen County Development Authority

Long-term Debt - The following is a summary of long-term debt at June 30, 2017:

	Total	Current	Long-Term
Note Payable - Morris Bank, assignment and deed to secure DFCS building in the Parkway Corporation name, a blended component unit. Payable in monthly installments of $5,568.17, interest at 4.5%. Maturity date 2/19/32.	$ 719,394	$ 41,379	$ 678,015
Note Payable - Bank of Soperton, assignment and deed to secure land in 130.16 acres Highway 29, Soperton, Georgia. Payable in three consecutive interest payments and one final balloon payment of $81,032.80, interest at 4.25%. Maturity date 12/14/17.	81,172	81,172	-
Total	$ 800,566	$ 122,551	$ 678,015

The Treutlen County Development Authority issued bonds August 1, 2011, in the amount of $880,000. The bonds were issued for the purpose of the Parkview Corporation financing the development and construction of the Treutlen County Department of Family and Children Services. The debt was assigned to Morris Bank on the same date. This note is between Morris Bank and Parkview Corporation but has been included on the financial statements of the Authority because Parkview Corporation is a blended component unit of the Authority.

At June 30, 2017, the five-year maturity schedule of these notes payable is as follows:

Year Ending June 30	Principal	Interest
2018	$ 122,551	$ 37,496
2019	37,054	29,754
2020	38,757	28,051
2021	40,537	26,271
2022	42,399	24,409
2023-2027	243,066	90,974
2028-2032	276,202	29,980
	$ 800,566	$ 266,935

III. OTHER INFORMATION

A. OTHER DISCLOSURES – TREUTLEN-WHEELER SOLID WASTE MANAGEMENT DISTRICT

Deficit Fund Balance

The deficit fund balance is primarily due to the accrual of estimated costs associated with closure and post-closure care of the Treutlen-Wheeler Solid Waste Management District. These costs are expected to be funded through transfers from the general funds of Treutlen and Wheeler Counties.

Requirements of Solid Waste Management Act of 1990

The Georgia Comprehensive Solid Waste Management Act of 1990 includes several mandated reductions and/or changes in solid waste disposal. This Act includes a requirement to reduce solid waste disposal by 25% and requirements for recycling programs among others. The Treutlen-Wheeler Solid Waste Management District has elected to participate in the Solid Waste Management Plan developed by the Heart of Georgia Regional Development Center for the jurisdiction in the region. This plan has a ten-year implementation strategy to fulfill the requirements of the Solid Waste Management Act of 1990. The Plan will file all reports required by the Solid Waste Management Act of 1990.

Requirements of EPA Subtitle D Regulations

EPA Subtitle D requires landfill operators to meet financial assurance guidelines that demonstrate adequate financial resources to fund closure and post-closure costs at the end of the landfills useful life. Based on information provided by EPA, Treutlen-Wheeler Solid Waste Management District was in compliance with the financial assurance obligations for the permitted solid waste site as of June 30, 2017.

Closure and Post-closure Care Costs

General Disclosures

As of July 1, 1998, the Treutlen-Wheeler Solid Waste Management District terminated operations and no longer accepted any more solid waste.

State and federal laws and regulations require the Counties to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

On May 8, 1998, Treutlen-Wheeler Solid Waste Management District entered into a contract with Geosciences, Inc. (now known as Advanced Environmental Management, Inc.) for engineering services for landfill closure costs. The services consist of groundwater monitoring, methane monitoring, sedimentation pond cleanout and soil replacement required during a 30 year post closure care period. The estimated contract cost totaled $182,816 at June 30, 2017. Of this amount, $14,500 represented costs expected to be incurred during the year ended June 30, 2017. Actual post closure care costs may differ from the estimate due to inflation, changes in technology, or changes in regulation.

B. DEFINED BENEFIT PENSION PLAN

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

1. ***Probate Judges' Retirement Fund of Georgia*** - The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses, fines and bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

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

3. ***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 plans before the payment of any costs or other claims.

4. ***Defined Benefit Pension Plan***

a. Plan Description

The County contributes to the Association of 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 agent for participating counties in Georgia. The Plan does not issue a stand-alone financial report, but the Plan is included in the financial report of the ACCG. A copy of the financial report may be obtained from GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

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.

b. Benefits Provided

All full-time County employees are eligible to participate in the Plan at their date of hire. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 0.50% of average compensation up to $6,600 plus 1.00% of average annual compensation in excess of $6,600 plus $36.00 for each year of credited service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Plan membership consisted of the following at January 1, 2016, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	19
Terminated plan members entitled to but not yet receiving benefits	8
Active employees participating in the Plan	39
Total	66

The County's payroll for employees participating in the Plan as of January 1, 2016, (the most recent actuarial valuation date) was $968,101 (based on W-2 earnings for the preceding year).

5. DEFINED BENEFIT PENSION PLAN, continued

c. *Summary* of Significant Accounting Policies

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 and increments in the cash value of pre-retirement life insurance policies owned by the trust.

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 for the County or related parties.

d. *Contributions*

In order to participate in the Plan, County employees are required to contribute 2% of their salary to the Plan. The County contributes the remaining cost of the Plan, using the actuarial basis described in the annual valuation report. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. Administrative expenses are based on total covered payroll of plan members and are added to the 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 employer and its plan members.

e..*Net Pension Liability*

The County’s net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

Actuarial assumptions
The total pension liability as of the January 1, 2016 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	5.5%
Salary Increases	2.5%-5% based on age
Investment Rate of Return	7.5%

Mortality rates were based on the RP-2000 Combined Mortality Table with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the January 1, 2016 actuarial valuation were determined based on the results of an actuarial experience study conducted February 2014.

Change in assumption
The actuarial valuation as of January 1, 2016 used the RP-2000 mortality table, projected with Scale AA in estimating the total pension liability. Prior valuations used the RP-2000 mortality table. Changing the mortality table used in the valuation resulted in the actuarially determined total pension liability increasing by $36,795.

e..Net Pension Liability, continued

Discount rate
The discount rate is determined using a building block approach based on 20-year benchmarks (33.33% weighting), 30-year benchmarks (33.33% weighting), and forward-looking capital market assumptions for a moderate asset allocation as determined by UBS (33.34% weighting). The discount rate is rounded to the nearest 0.25%.

The discount rate is calculated as follows:

	Expected Return	Weighting	Weighted Return
20-year benchmark weighted average return	6.82%	33.33%	2.27%
30-year benchmark weighted average return	8.28%	33.33%	2.76%
UBS capital market moderate asset allocation assumption	6.40%	33.34%	2.13%
Calculated discount rate			7.16%
Rounded to the nearest 0.25% and used as the discount rate			**7.25%**

The 20 and 30 year benchmark weighted average returns are calculated using the following asset allocation and historical returns based on their compounded annual growth rate (CAGR):

Benchmark	Asset Allocation	Average 20 Year Return	Average 30 Year Return
S&P 500	30%	7.91%	10.22%
Barlay's Agg.	30%	5.60%	6.56%
MSCI EAFE	15%	4.29%	5.73%
Citi Non US WEBI	5%	4.66%	5.98%
NAREIT Equity	5%	10.79%	10.44%
Russell 2000	5%	8.06%	9.33%
Russell 3000	5%	8.03%	10.14%
S&P Mid Cap	5%	11.22%	11.53%
Total	100%		
Weighed Return		6.82%	8.28%

Sensitivity of the net pension liability to changes in the discount rate
The following presents the County's net pension liability calculated using the discount rate of 7.25%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate the is 1-percentage –point lower (6.25%) or 1-percentage-point higher (8.25%) that the current rate:

	6.25%	7.25%	8.25%
Total Pension Liability	$ 1,438,708	$ 1,273,644	$ 1,135,771
Fiduciary Net Position	914,395	914,395	914,395
Net Pension Liability	$ 524,313	$ 359,249	$ 221,376

Pension plan fiduciary net position
Detailed information about the pension plan's fiduciary net pension is available in separately issued financial report. That report may be obtained by writing to Treutlen County Board of Commissioners, 1830 Martin Luther King Jr. Drive, Soperton, Georgia 30457.

e. Net Pension Liability, continued

Changes in the Net Pension Liability for the year ended June 30, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability	**Fiduciary Net Position**	**Net Pension Liability**
Balance at June 30, 2016	$ 1,187,296	$ 844,718	$ 342,578
Changes for the year:			
Service Cost	40,725	-	40,725
Interest	86,478	-	86,478
Liability experience (gain)/loss	(9,150)	-	(9,150)
Assumption Change	36,795	-	36,795
Employer Contributions	-	75,546	(75,546)
Employee Contributions	-	20,404	(20,404)
Net Investment Income	-	58,538	(58,538)
Benefit Payments	(68,500)	(68,500)	-
Administrative Expense	-	(10,883)	10,883
Other Changes	-	(5,428)	5,428
Net Changes	86,348	69,677	16,671
Balance at June 30, 2017	$ 1,273,644	$ 914,395	$ 359,249

f. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following schedule reconciles the pension contributions to the total pension expense reported by the County in the government-wide statements:

Pension contributions	$ 75,546
Change in net pension liability	16,671
Deferred outflow related to investment results	(5,882)
Deferred outflow related to change in assumption	(36,795)
Deferred inflows related to experience gain	9,150
Amortization of deferred inflows	(1,289)
Amortization of deferred outflows	49,204
Pension expense	$ 106,605

The unamortized deferred outflows and inflows related to pension items are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 7,861
Changes in assumptions	31,613	-
Net difference between projected and actual earnings on pension plan investments	4,706	-
Total:	$ 36,319	$ 7,861

The County made its pension contribution for the 2016 plan year (calendar year 2016) in December 2016. Accordingly, the County did not make any contributions to the pension plan between the measurement date and the County's fiscal year-end, so the County does not report a deferred outflow of resources related to pension contributions. None of the deferred outflows of resources will be recognized as a reduction of the net pension liability.

f. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued

The County amortizes the differences between projected and actual investment returns into pension expense equally over a closed five year amortization period. The County amortizes differences between actual and expected experience and any changes in assumptions over the expected remaining service period of participants (seven years). The expected amortization of the County's current deferred outflows and inflows over the next five years and thereafter is:

Year ended June 30,	Experience Difference	Assumption Change	Investment Results Difference
2018	$ 1,289	$ 5,182	$ 1,176
2019	1,289	5,182	1,176
2020	1,289	5,182	1,176
2021	1,289	5,182	1,178
2022	1,289	5,182	-
2023 and thereafter	1,416	5,703	-
Total	$ 7,861	$ 31,613	$ 4,706

C. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County joined the Association Interlocal Risk Management Agency on June 28, 1991. This membership allows the County to share liability, crime, motor vehicle and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Interlocal Risk Management Agency (IRMA) is a municipal interlocal risk management agency organized to function as an unincorporated nonprofit instrumentality of its member municipalities - IRMA establishes and administers 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 municipal government. IRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of IRMA against liability or loss.

The County must participate at all times in at least one fund which is established by IRMA. Other responsibilities of the County are as follows:

- To pay all contributions, assessments, or other sums due to IRMA at such times and in such amounts as shall be established by IRMA.
- To select a person to serve as a Member representative.
- To allow IRMA and its agents reasonable access to all facilities of the County and all records, including but not limited to financial records, which relate to the purposes of IRMA.
- To allow attorneys appointed by IRMA to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the Fund or Funds established by IRMA.
- To assist and cooperate in the defense and settlement of claims against the County.
- To furnish full cooperation to IRMA's attorneys, claim adjusters, Service Company and any agent, employee, officer or independent contractor of IRMA relating to the purposes of IRMA.
- To follow all loss reduction and prevention procedures established by IRMA.
- To furnish to IRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents 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 County participates.

C. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS, continued

The County retains the first $2,500 of each risk of loss in the form of a deductible. The County files all claims with IRMA. IRMA bills the County for any risk of loss up to the $2,500 deductible.

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

Pursuant to Title 34, Chapter 9, Article 150 of the Official Code of Georgia Annotated, the County became a member of the Association of County Commissioners of Georgia Group Self-Insurance Workers’ Compensation Fund. The County is obligated to pay all contributions and assessments as prescribed by the fund, to cooperate with the fund’s agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The County is also to allow the fund’s agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers’ compensation law of Georgia. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

D. Joint Venture

Under Georgia law, Treutlen County, in conjunction with other cities and counties in the seventeen county Middle Georgia area, is a member of the Heart of Georgia Regional Commission and is required to pay annual dues thereto. Membership in a Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia. The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Commission.

Separate financial statements may be obtained from:

Heart of Georgia Regional Commission
501 Oak Street
Eastman, Georgia 31023

E. Commitments

Reservations of fund balances of Governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Designations of fund balance represent tentative management plans that are subject to change.

F. Contingent Liabilities

Grant Funds

The County participates in numerous grant programs on the federal and state level. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Government expects such amounts, if any, to be immaterial.

Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County’s legal counsel reports no cases pending against the County. Based upon the information available, management does not expect potential liabilities as of June 30, 2017 to impair the County’s financial position.

G. Tax Abatements

The County was not under a tax abatement agreement and no property taxes were reduced for the year ended June 30, 2017.

H. Subsequent Events

The County performed an evaluation of subsequent events through December 19, 2017, the date upon which the County's financial statements were available for issue. The County has not evaluated subsequent events after this date. No subsequent events were identified that would have required a change to the financial statements or disclosure in the notes to the financial statements.

Required Supplementary Information Other Than Management's Discussion and Analysis

TREUTLEN COUNTY, GEORGIA

EXHIBIT 11

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2017

Changes in Total Pension Liability	
Total Pension Liability - beginning of year	$ 1,187,296
Service cost	40,725
Interest	86,478
Assumption change	36,795
Benefit payments	(68,500)
Liability experience gain/loss	(9,150)
Total Pension Liability - end of year	$ 1,273,644
Changes in Fiduciary Net Position	
Fiduciary Net Position - beginning of year	$ 844,718
Employer contributions	75,546
Employee contributions	20,404
Net investment income	58,538
Benefit payments	(68,500)
Administrative expense	(10,883)
Other	(5,428)
Fiduciary Net Position - end of year	$ 914,395
Net Pension Liability	$ 359,249
Plan Fiduciary Net Position as a % of Total Pension Liability	72%
Covered payroll	$ 968,101
Net Pension Liability as a % of Covered Payroll	37%

Schedule of County Pension Contributions

	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2016	$ 74,005	$ 75,546	$ (1,541)	$ 968,101	8%
2015	54,107	56,971	(2,864)	1,078,840	5%

Note: As information becomes available it will be added to this schedule until a 10 year history is presented.

TREUTLEN COUNTY, GEORGIA

EXHIBIT 12

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Taxes Revenues	$ 2,040,500	$ 2,040,500	$ 2,190,562	$ 150,062
Fines and Forfeitures	902,000	902,000	1,112,600	210,600
Intergovernmental Revenues	157,000	157,000	181,063	24,063
Charges for Services	424,108	424,108	573,977	149,869
Interest Income	5,000	5,000	8,427	3,427
Other Revenues	3,000	3,000	2,063	(937)
Total Revenues	$ 3,531,608	$ 3,531,608	$ 4,068,692	$ 537,084
General Government	$ 1,027,389	$ 1,202,389	$ 1,149,772	$ 52,617
Public Safety	1,088,201	1,107,098	1,117,046	(9,948)
Judicial	501,723	566,923	571,642	(4,719)
Public Works	467,593	470,043	513,919	(43,876)
Conservation of Natural Resources	246,688	261,688	228,293	33,395
Health and Welfare	146,559	193,085	186,239	6,846
Payments to Other Government Agencies	40,000	40,000	40,000	-
Total Expenditures	$ 3,518,153	$ 3,841,226	$ 3,806,911	$ 34,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,455	(309,618)	261,781	571,399
Other Financing Source (Use):				
Transfer in	45,000	45,000	45,000	-
Transfer out	(77,000)	(77,000)	(77,931)	(931)
Proceeds from capital lease	-	-	116,506	116,506
Proceeds from sale of capital assets	-	-	5,000	5,000
Total Other Financing Source (Use)	(32,000)	(32,000)	88,575	120,575
Excess of Revenues and Other Financing Source Over Expenditures and Other Financing Use	(18,545)	(341,618)	350,356	691,974
Fund Balance, Beginning	1,786,227	1,786,227	1,786,227	-
Fund Balance, Ending	$ 1,767,682	$ 1,444,609	$ 2,136,583	$ 691,974

TREUTLEN COUNTY, GEORGIA

EXHIBIT 13

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – 2013 SPLOST
FOR THE YEAR ENDED JUNE 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Sales tax revenues	$ 381,000	$ 385,363	$ 4,363
Interest income	-	460	460
Total revenues	381,000	385,823	4,823
Expenditures:			
Miscellaneous expenditures	-	-	-
Debt service:			
Principal payments	370,000	380,000	(10,000)
Interest expenditures	22,170	19,058	3,112
Total expenditures	392,170	399,058	(6,888)
Net Change in Fund Balance	(11,170)	(13,235)	(2,065)
Fund Balance, Beginning	44,314	44,314	44,314
Fund Balance, Ending	$ 33,144	$ 31,079	$ 42,249

TREUTLEN COUNTY, GEORGIA

EXHIBIT 14

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - TSPLOST
FOR THE YEAR ENDED JUNE 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Sales tax revenues	$ 160,000	$ 220,317	$ 60,317
Interest income	-	1,767	1,767
Total revenues	160,000	222,084	62,084
Expenditures -			
Road expenditures	-	206,881	(206,881)
Repairs	-	10,376	(10,376)
Capital Outlay	125,000	116,200	8,800
Total Expenditures	125,000	333,457	(206,881)
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,000	(111,373)	268,965
Other Financing Source (Use):			
Transfer out	(28,829)	(12,261)	16,568
Net Change in Fund Balance	6,171	(123,634)	(129,805)
Fund Balance, Beginning	483,529	483,529	-
Fund Balance, Ending	$ 489,700	$ 359,895	$ (129,805)

Other Supplementary Information

Non-major Governmental Funds

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

- ***Drug Abuse Treatment and Education*** accounts for drug training fees collected on all drug related charges which are specifically designated for drug training expenditures or capital outlay.

- ***Crime Victims Assistance*** accounts for the portion of all state court fines designated to be used for crime victims who have been displaced.

- ***Law Library*** accounts for the law library fees included in all fines which are specifically designated for the County's law library.

- ***Drug Seizure*** accounts for drug seized drug funds which are specifically designated for drug enforcement or capital outlay.

- ***E911 Reserve*** accounts for surcharges collected on all local phone service which is specifically designated to fund the County's E911 system.

- ***Jail Fund*** accounts for the jail fees included in all fines which are specifically designated for the expansion of the County's jail or jail operations.

- ***Sheriff Commissary*** accounts for the activities of the inmate canteen operated by the Sheriff's Department.

Capital Project Funds are used to account for specific revenues that are legally restricted to capital expenditures.

- ***2013 SPLOST Construction Fund*** accounts for the payment of various County capital outlay projects.

- ***LMIG Fund*** accounts for the Local Maintenance and Improvement Grant (LMIG) funds that are legally restricted to expenditure for capital road projects within the County.

TREUTLEN COUNTY, GEORGIA

EXHIBIT 15

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 272,408	$ 480,942	$ 753,350
Accounts receivable	21,343	-	21,343
Intergovernmental receivable	6,494	-	6,494
Total Assets	$ 300,245	$ 480,942	$ 781,187
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 2,409	$ -	$ 2,409
Other liabilities	9,016	-	9,016
Total liabilities	11,425	-	11,425
Fund Balances:			
Restricted for public safety	200,871	-	200,871
Restricted for other purposes	87,949	480,942	568,891
Restricted for debt service	-	-	-
Assigned to social services	-	-	-
Assigned to public safety	-	-	-
Total fund balances	288,820	480,942	769,762
Total Liabilities and Fund Balances	$ 300,245	$ 480,942	$ 781,187

TREUTLEN COUNTY, GEORGIA

EXHIBIT 16

COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
JUNE 30, 2017

	Drug Abuse Treatment & Education	Crime Victims Assistance	Law Library	Drug Seizure	E911	Jail	Sheriff Commissary	Total Nonmajor Special Revenue Funds
ASSETS								
Cash and cash equivalents	$ 22,647	$ 49,409	$ 38,540	$ 2,948	$ 47,697	$ 89,494	$ 21,673	$ 272,408
Accounts receivable	-	-	-	-	10,195	11,148	-	21,343
Intergovernmental receivable	-	-	-	-	6,494	-	-	6,494
Total Assets	$ 22,647	$ 49,409	$ 38,540	$ 2,948	$ 64,386	$ 100,642	$ 21,673	$ 300,245
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	$ 2,409	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,409
Other liabilities	-	-	-	-	-	-	9,016	9,016
Interfund payable	-	-	-	-	-	-	-	-
Total liabilities	2,409	-	-	-	-	-	9,016	11,425
Fund Balances:								
Restricted for public safety	$ 20,238	$ -	$ -	$ 2,948	$ 64,386	$ 100,642	$ 12,657	$ 200,871
Restricted for judicial	-	49,409	38,540	-	-	-	-	87,949
Total fund balance	20,238	49,409	38,540	2,948	64,386	100,642	12,657	288,820
Total Liabilities and Fund Balance	$ 22,647	$ 49,409	$ 38,540	$ 2,948	$ 64,386	$ 100,642	$ 21,673	$ 300,245

TREUTLEN COUNTY, GEORGIA

EXHIBIT 17

COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECT GOVERNMENTAL FUNDS
JUNE 30, 2017

	2013 SPLOST Construction	LMIG	Total Nonmajor Capital Project Funds
ASSETS			
Cash and cash equivalents	$ 191,546	$ 289,396	$ 480,942
LIABILITY AND FUND BALANCES			
FUND BALANCES:			
Restricted for capital projects	191,546	289,396	480,942
Total fund balances	191,546	289,396	480,942
Total Liability and Fund Balances	$ 191,546	$ 289,396	$ 480,942

TREUTLEN COUNTY, GEORGIA

EXHIBIT 19

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues:			
Taxes	$ -	$ -	$ -
Fines and forfeitures	206,997	-	206,997
Intergovernmental revenue	77,931	338,293	416,224
Charges for services	96,984	-	96,984
Interest income	578	1,247	1,825
Other income	-	-	-
Total revenues	382,490	339,540	722,030
Expenditures:			
Salaries and benefits	247,150	-	247,150
Telephone	15,355	-	15,355
Dues and fees	3,526	-	3,526
Travel and training	4,815	-	4,815
Supplies	12,665	-	12,665
Books	13,369	-	13,369
Repairs and maintenance	29,454	-	29,454
Concession purchases	1,552	-	1,552
Road expenditures	-	92,954	92,954
Meals	4,600	-	4,600
Community grants	13,478	-	13,478
Miscellaneous	5,048	-	5,048
Capital outlay	-	98,300	98,300
Total expenditures	351,012	191,254	542,266
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,478	148,286	179,764
Other Financing Source(Use):			
Transfers in	77,931	12,261	90,192
Transfers out	(45,000)	-	(45,000)
Total Other Financing Source (Use)	32,931	12,261	45,192
Net Change in Fund Balances	64,409	160,547	224,956
Fund Balance, Beginning	224,411	320,395	544,806
Fund Balance, Ending	$ 288,820	$ 480,942	$ 769,762

TREUTLEN COUNTY, GEORGIA

EXHIBIT 20

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Drug Abuse Treatment & Education	Crime Victims Assistance	Law Library	Drug Seizure	E911	Jail	Sheriff Commissary	Total Nonmajor Special Revenue Funds
Revenues:								
Fines and forfeitures	$ 26,531	$ 52,599	$ 15,987	$ -	$ -	$ 111,880	$ -	$ 206,997
Intergovernmental revenue	-	-	-	-	77,931	-	-	77,931
Charges for services	-	-	-	-	84,074	-	12,910	96,984
Interest income	38	100	88	8	171	148	25	578
Other income	-	-	-	-	-	-	-	-
Total revenues	26,569	52,699	16,075	8	162,176	112,028	12,935	382,490
Expenditures:								
Salaries and benefits	-	35,449	-	-	211,701	-	-	247,150
Telephone	-	-	-	-	15,355	-	-	15,355
Dues and fees	-					-	3,526	3,526
Travel and training	3,209	1,606	-	-	-	-	-	4,815
Supplies	12,651	-	-	-	14	-	-	12,665
Books	-	-	13,369	-	-	-	-	13,369
Repairs and maintenance		-	-	-	17,385	12,069	-	29,454
Concession purchases	-	-	-	-	-	-	1,552	1,552
Meals	-	-	-	-	-	-	4,600	4,600
Community grants	-	13,478	-	-	-	-	-	13,478
Miscellaneous	175	272	3,357	-	696	-	548	5,048
Total expenditures	16,035	50,805	16,726	-	245,151	12,069	10,226	351,012
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,534	1,894	(651)	8	(82,975)	99,959	2,709	31,478
Other Financing Source(Use):								
Transfers in	-	-	-	-	77,931	-	-	77,931
Transfers out	-	-	-	-	-	(45,000)	-	(45,000)
Total Other Financing Source (Use)	-	-	-	-	77,931	(45,000)	-	32,931
Net Change in Fund Balances	10,534	1,894	(651)	8	(5,044)	54,959	2,709	64,409
Fund Balance, Beginning	9,704	47,515	39,191	2,940	69,430	45,683	9,948	224,411
Fund Balance, Ending	$ 20,238	$ 49,409	$ 38,540	$ 2,948	$ 64,386	$ 100,642	$ 12,657	$ 288,820

TREUTLEN COUNTY, GEORGIA

EXHIBIT 21

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	2013 SPLOST Construction	LMIG	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental revenue	$ -	$ 338,293	$ 338,293
Interest income	578	669	1,247
Total revenues	578	338,962	339,540
Expenditures:			
Road expenditures	-	92,954	92,954
Capital outlay	98,300	-	98,300
Total expenditures	98,300	92,954	191,254
Excess of Revenues and Other Financing Source Over Expenditures	98,300	92,954	191,254
Other Financing Source:			
Transfers in	-	12,261	12,261
Net Change in Fund Balances	(97,722)	258,269	160,547
Fund Balance, Beginning	289,268	31,127	320,395
Fund Balance, Ending	$ 191,546	$ 289,396	$ 480,942

TREUTLEN COUNTY, GEORGIA

EXHIBIT 22

BUDGETARY COMPARISON – DRUG ABUSE TREATMENT & EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeitures	$ 12,000	$ 26,531	$ 14,531
Interest income	-	38	38
Intergovernmental revenues	-	-	-
Total revenues	12,000	26,569	14,569
Expenditures:			
Supplies	10,500	12,651	(2,151)
Travel and training	1,500	3,209	(1,709)
Miscellaneous	-	175	(175)
Total expenditures	12,000	16,035	(4,035)
Net Change in Fund Balance	-	10,534	10,534
Fund Balance, Beginning	9,704	9,704	-
Fund Balance, Ending	$ 9,704	$ 20,238	$ 10,534

TREUTLEN COUNTY, GEORGIA

EXHIBIT 23

BUDGETARY COMPARISON – CRIME VICTIMS ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeitures	$ 43,000	$ 52,599	$ 52,599
Interest income	100	100	-
Other revenue	1,500	-	(1,500)
Total revenues	44,600	52,699	51,099
Expenditures:			
Salaries and benefits	31,000	35,449	(4,449)
Travel and training	1,800	1,606	194
Program services	11,800	13,478	(1,678)
Miscellaneous	-	272	(272)
Total expenditures	50,900	50,805	95
Net Change in Fund Balance	(6,300)	1,894	51,194
Fund Balance, Beginning	47,515	47,515	-
Fund Balance, Ending	$ 41,215	$ 49,409	$ 51,194

TREUTLEN COUNTY, GEORGIA

EXHIBIT 24

BUDGETARY COMPARISON – DRUG SEIZURE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Interest income	$ -	$ 8	$ 8
Expenditures:			
Supplies	2,000	-	2,000
Net Change in Fund Balance	(2,000)	8	2,008
Fund Balance, Beginning	2,940	2,940	-
Fund Balance, Ending	$ 940	$ 2,948	$ 2,008

TREUTLEN COUNTY, GEORGIA

EXHIBIT 25

BUDGETARY COMPARISON – E911 RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	$ 83,500	$ 84,074	$ 574
Intergovernmental revenue	79,705	77,931	(1,774)
Interest income	-	171	171
Total revenues	163,205	162,176	(1,029)
Expenditures:			
Salaries and benefits	195,410	211,701	(16,291)
Repairs and maintenance	23,500	17,385	6,115
Telephone	22,000	15,355	6,645
Supplies	1,000	14	986
Miscellaneous	1,000	696	304
Total expenditures	242,910	245,151	(2,241)
Excess (Deficiency) of Revenues Over (Under) Expenditurs	(79,705)	(82,975)	(3,270)
Other Financing Source -			
Transfer in	79,705	77,931	(1,774)
Net Change in Fund Balance	-	(5,044)	(5,044)
Fund Balance, Beginning	69,430	69,430	-
Fund Balance, Ending	$ 69,430	$ 64,386	$ (5,044)

TREUTLEN COUNTY, GEORGIA

EXHIBIT 26

BUDGETARY COMPARISON – JAIL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Originial and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeitures	$ 90,000	$ 111,880	$ 21,880
Interest income	-	148	148
Total revenues	90,000	112,028	22,028
Expenditures:			
Repairs and maintenance	-	12,069	(12,069)
Medical	45,000	-	45,000
Total expenditures	45,000	12,069	32,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,000	99,959	54,959
Other Financing Source (Use) :			
Transfers out	(45,000)	(45,000)	-
Total Other Financing Source (Use)	(45,000)	(45,000)	-
Net Change in Fund Balance	-	54,959	54,959
Fund Balance, Beginning	45,683	45,683	-
Fund Balance, Ending	$ 45,683	$ 100,642	$ 54,959

TREUTLEN COUNTY, GEORGIA

EXHIBIT 27

BUDGETARY COMPARISON – 2013 SPLOST CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenue -			
Interest income	$ 2,500	$ 578	$ (1,922)
Total revenues	2,500	578	(1,922)
Expenditures:			
Capital outlay	115,000	98,300	16,700
Total expenditures	115,000	98,300	16,700
Excess (Deficiency) of Revenue Over (Under) Expenditures	(112,500)	(97,722)	(18,622)
Net change in fund balance	(112,500)	(97,722)	(18,622)
Fund Balance, Beginning	289,268	289,268	-
Fund Balance, Ending	$ 176,768	$ 191,546	$ (18,622)

TREUTLEN COUNTY, GEORGIA

EXHIBIT 28

BUDGETARY COMPARISON – LMIG FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental revenues	$ 288,292	$ 338,293	$ 50,001
Interest income	-	669	669
Total revenues	288,292	338,962	50,670
Expenditures:			
Road expenditures	317,121	92,954	224,167
Other Financing Source:			
Transfer in	28,829	12,261	(16,568)
Net Change in Fund Balance	-	258,269	258,269
Fund Balance, Beginning	31,127	31,127	-
Fund Balance, Ending	$ 31,127	$ 289,396	$ 258,269

Agency Funds

TREUTLEN COUNTY, GEORGIA

EXHIBIT 29

AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	Tax Commissioner's Office	Clerk of Superior Court	Probate Court	Clerk of Magistrate Court	Sheriff's Office	Total Agency Funds
Asset -						
Cash	$ 205,770	$ 144,018	$ 99	$ 1,899	$ -	$ 351,786
Liability -						
Other liabilities	$ 205,770	$ 144,018	$ 99	$ 1,899	$ -	$ 351,786

Other Reports

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 Board of Commissioners
Treutlen County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Treutlen County, Georgia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Treutlen County, Georgia's basic financial statements and have issued our report thereon dated December 19, 2017. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the financial statements of the Treutlen County Public Health Center and the Treutlen County Development Authority, as described in our report on Treutlen County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Treutlen 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 Treutlen County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Treutlen County, Georgia's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency 2017-1, described in the accompanying schedule of findings and responses to be a material weakness.

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

A *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. We consider the deficiencies 2017-2, 2017-3, 2017-4 and 2017-5, described in the accompany schedule of findings and responses to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Treutlen County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Treutlen County, Georgia's Response to Findings

Treutlen County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Treutlen 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.

Very truly yours,

TJS Deemer Dana LLP

December 19, 2017

Dublin, Georgia

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS:

2017-1 Segregation of Duties

Condition: Due to the limited number of personnel, overlapping of duties exists in the County's operations primarily in the areas of cash receipts and disbursements. As a result of the lack of segregation of duties, we noted an authorized signer on the General Fund Juror account signed a check that was written to themselves.

Criteria: Internal controls should be in place that provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

Effect: This overlapping of duties presents situations where unauthorized use of assets could occur and not be detected within a timely period.

Recommendation: The duties of recording, processing and reconciliation of cash accounts should be segregated between employees. We also recommend two individuals sign each check to ensure to no one authorized signer is able to write, sign, and cash checks autonomously.

Response: The County concurs with the importance of segregation of duties. To mitigate this issue, incumbent in small counties, we have additional internal controls over the cash accounts and check writing procedures. All check processing is handled by a separate employee. The Manager approves payment of the invoices, verifies the check process report and matches the final check process report to the check register produced when printing the checks. All checks issued by the Treutlen County Board of Commissioners have two required signatures. One of the required signatures is from the Chairman or Vice-Chairman and the second signature is from the County Manager or County Clerk. No two staff members or elected officials can complete a check process request through the issuance of a check. This process applies to all checks issued in accounts payable, payroll and small fund accounts.

SIGNIFICANT DEFICIENCIES:

2017-2 Budget

Condition: No budget was adopted for the Sheriff Commissary Fund or Law Library Fund (special revenue funds) as required by law. We also noted instances whereby operating expenditures of the Crime Victims Assistance Fund, Drug Abuse and Treatment Education Fund, and TSPLOST Fund exceeded budgeted expenditures.

Criteria: The County should undergo a comprehensive review of the budgeting and cash flow process so that steps can be taken to project the cash flow needs and to provide sufficient funding to operating the County in an efficient and effective manner. A balanced legal budget should be formulated and adopted for all Governmental Fund Types including all Special Revenue Funds.

Effect: Georgia State Law requires that balanced budgets be adopted for all Governmental Fund Types therefore, the lack of a balanced budget is a violation of State Law. Failure to properly budget the County's revenues and expenditures could lead to future cash flow problems.

Recommendation: During the budget process, we recommend the County Commissioners verify that an approved, sufficient budget has been prepared for all Governmental Fund Types.

Response: We concur with the recommendation. We will continue reviewing the budgeting process in order to provide a better monitoring system of the County's cash flows, as well as establish a balanced budget for all Governmental Fund Types.

2017-3 Agency - Clerk of Superior Court – Due to Others

Condition: As a result of procedures performed, we determined the record keeping and controls over the "Due to Others" account in the Superior Court Fund is considered inadequate.

Criteria: Controls should be in place whereby the amounts due to third parties can be accounted for and are paid out in a timely fashion.

Effect: Failure to properly monitor amounts due to third parties leads to inaccurate reporting regarding cash and liabilities.

Recommendation: The County should become more organized regarding amounts due to third parties. The County should ensure this money is appropriately accounted for and paid out in a timely manner.

Response: We concur with the recommendation. Procedures will be enhanced to ensure all money due to third parties is paid out in a timely fashion.

SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS:

2016-1 Segregation of Duties

Condition: Due to the limited number of personnel, overlapping of duties exists in the County's operations primarily in the areas of cash receipts and disbursements. As a result of the lack of segregation of duties, we noted an authorized signer on the General Fund Juror account signed a check that was written to themselves.

Criteria: Internal controls should be in place that provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

Effect: This overlapping of duties presents situations where unauthorized use of assets could occur and not be detected within a timely period.

Recommendation: The duties of recording, processing and reconciliation of cash accounts should be segregated between employees. We also recommend two individuals sign each check to ensure to no one authorized signer is able to write, sign, and cash checks autonomously.

Response: The County concurs with the importance of segregation of duties. To mitigate this issue, incumbent in small counties, we have additional internal controls over the cash accounts and check writing procedures. All check processing is handled by a separate employee. The Manager approves payment of the invoices, verifies the check process report and matches the final check process report to the check register produced when printing the checks. All checks issued by the Treutlen County Board of Commissioners have two required signatures. One of the required signatures is from the Chairman or Vice-Chairman and the second signature is from the County Manager or County Clerk. No two staff members or elected officials can complete a check process request through the issuance of a check. This process applies to all checks issued in accounts payable, payroll and small fund accounts.

SIGNIFICANT DEFICIENCIES:

2016-2 Budget

Condition: No budget was adopted for the Sheriff Commissary Fund (special revenue fund) as required by law.

Criteria: A balanced legal budget should be formulated and adopted for all Governmental Fund Types including all Special Revenue Funds.

Effect: Georgia State Law requires that balanced budgets be adopted for all Governmental Fund Types therefore, the lack of a balanced budget is a violation of State Law.

Recommendation: During the budget process, we recommend the County Commissioners verify that an approved budget has been prepared for all Governmental Fund Types.

Response: We concur with the recommendation. A balanced budget will be adopted for this fund for the fiscal year ending 2017.

2016-3 Timber tax

Condition: As a result of procedures performed, we determined the record keeping and controls over timber tax assessment and collection is considered inadequate.

Criteria: Controls should be in place whereby the tax assessor assesses and records all tax bills on timber that has been harvested. The tax commissioner should then bill out and collect payments on the tax owed by the land owner. A reconciliation should be performed showing the taxes assessed by the tax assessor and taxes billed by the tax commissioner for timber tax.

Effect: Failure to properly monitor timber tax billing and collections could lead to errors in the timber tax revenue received by the County.

Recommendation: The County should continue to become more organized regarding timber tax assessment, billing and collection. The County should also strive to maintain segregation of duties over this process.

Response: We concur with the recommendation. The timber tax assessment, billing, and collection process will be reviewed and improvements will be made to become more organized and to ensure segregation of duties is obtained.

2016-4 Agency - Clerk of Superior Court – Due to Others

Condition: As a result of procedures performed, we determined the record keeping and controls over the “Due to Others” account in the Superior Court Fund is considered inadequate.

Criteria: Controls should be in place whereby the amounts due to third parties can be accounted for and are paid out in a timely fashion.

Effect: Failure to properly monitor amounts due to third parties leads to inaccurate reporting regarding cash and liabilities.

Recommendation: The County should become more organized regarding amounts due to third parties. The County should ensure this money is appropriately accounted for and paid out in a timely manner.

Response: We concur with the recommendation. Procedures will be enhanced to ensure all money due to third parties is paid out in a timely fashion.

2016-5 Crime Victims Assistance Fund Certification

Condition: As a result of procedures performed, it was noted that the Crime Victim’s Assistance Fund’s certification status with the Georgia Criminal Justice Coordinating Council had expired.

Criteria: All victim’s assistance programs in the State of Georgia are required to be properly certified by the Georgia Criminal Justice Coordinating Council.

Effect: Failure to be properly certified by the State could cause the Fund’s expenditures to be disallowed by the State.

Recommendation: The County should establish policies and procedures to ensure that the local Crime Victims Assistance program is properly certified in order to remain in compliance with State standards regarding the expenditure of the victims assistance fines collected.

Response: We concur with the recommendation. The County is in the process of obtaining the proper certification status for the program.

OTHER INFORMATION

SCHEDULE OF EXPENDITURES OF 2013 SPECIAL LOCAL OPTION SALES TAX
YEAR ENDED JUNE 30, 2017

Project Description Per SPLOST Referendum	Estimated Cost Original	Estimated Cost Current	Expenditures Prior Years	Expenditures Current Year	Total
Capital projects					
Public works and public safety projects	$ 1,101,335	$ -	$ 10	$ 98,300	$ 98,310
Debt service	2,398,665	-	1,331,613	399,058	1,730,671
	$ 3,500,000	$ -	$ 1,331,623	$ 497,358	$ 1,828,981