

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

**For the Year Ended
DECEMBER 31, 2015**

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
Annual Financial Report
For the Year Ended December 31, 2015

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UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
Annual Financial Report
For the Fiscal Year Ended December 31, 2015

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Unified Government of Webster County
Preston, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of Unified Government of Webster County, Georgia, as of and for the year ended December 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Unified Govern-

ment of Webster County, Georgia, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows of the business-type activities for the year then ended and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unified Government of Webster County, Georgia's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund statements, budgetary comparison schedules, and schedule of project expenditures with special sales tax proceeds 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 fund statements, budgetary comparison schedules, and schedule of project expenditures with special sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016 on our consideration of Unified Government of Webster County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Unified Government of Webster County, Georgia's internal control over financial reporting and compliance.

Chambless Sheppard Roland, Associates LLP

Americus, Georgia
June 30, 2016

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Board of Health
ASSETS				
Cash and cash equivalents	\$ 1,437,995	\$ 95,496	\$ 1,533,491	\$ 51,161
Certificates of deposit	967,017	-	967,017	-
Receivables (Net, where applicable, of allowances for uncollectible):				
Property taxes	158,003	-	158,003	-
Accounts	49,971	9,639	59,610	598
Due from other governments	56,047	-	56,047	9,343
Restricted Cash	-	12,034	12,034	-
Capital assets, nondepreciable	297,558	26,634	324,192	-
Capital assets, depreciable net of accumulated depreciation	2,976,982	453,376	3,430,358	-
Total Assets	5,943,573	597,179	6,540,752	61,102
DEFERRED OUTFLOWS OF RESOURCES				
Employer pension contributions	-	-	-	12,918
LIABILITIES				
Accounts payable	26,732	519	27,251	3,544
Accrued salaries and benefits	28,622	621	29,243	-
Due to other governments	-	-	-	6,933
Compensated absences due, within one year	5,692	47	5,739	-
Landfill postclosure care costs, due within one year	9,900	-	9,900	-
Capital lease, due within one year	26,510	-	26,510	-
Note payable, due within one year	-	6,122	6,122	-
Noncurrent liabilities				
Proportionate share of collective net pension liability	-	-	-	83,039
Customer deposits	-	24,210	24,210	-
Compensated absences, due in more than one year	1,898	-	1,898	2,348
Landfill postclosure care costs, due in more than one year	103,216	-	103,216	-
Capital lease, due in more than one year	34,002	-	34,002	-
Note payable, due in more than one year	-	118,710	118,710	-
Total Liabilities	236,572	150,229	386,801	95,864
DEFERED OUTFLOWS OF RESOURCES				
Proportionate share of collective deferred inflows of resources - pension	-	-	-	20,267
NET POSITION				
Net investment in capital assets	3,274,540	355,178	3,629,718	-
Restricted for:				
Capital projects	486,346	-	486,346	-
Judicial purposes	30,254	-	30,254	-
Public safety purposes	33,164	-	33,164	-
Health and welfare functions	-	-	-	21,665
Loans	-	29,447	29,447	-
Customer water deposits	-	12,034	12,034	-
Unrestricted	1,882,697	50,291	1,932,988	(63,776)
Total Net Position	\$ 5,707,001	\$ 446,950	\$ 6,153,951	\$ (42,111)

See accompanying notes to financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Functions/Program	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Board of Health
					Governmental Activities	Business-type Activities		
General government	\$ 625,511	\$ 137,173	\$ -	\$ -	\$ (488,338)	\$ (488,338)	\$ -	
Judicial	210,200	99,748	-	-	(110,452)	(110,452)	-	
Public safety	714,500	141,393	-	27,495	(545,612)	(545,612)	-	
Public works	1,132,253	176,523	165,567	-	(790,163)	(790,163)	-	
Health and welfare	80,739	-	-	-	(80,739)	(80,739)	-	
Culture and recreation	10,204	-	-	-	(10,204)	(10,204)	-	
Housing and development	41,144	-	-	-	(41,144)	(41,144)	-	
Total Governmental Activities	2,814,551	554,837	165,567	27,495	(2,066,652)	(2,066,652)	-	
Business-Type Activities:								
Water department	151,667	118,597	-	14,699	-	(18,371)	-	
Revolving loan fund	803	-	-	-	-	(803)	-	
Total Business-Type Activities	152,470	118,597	-	14,699	-	(19,174)	-	
Total Primary Government	2,967,021	673,434	165,567	42,194	(2,066,652)	(19,174)	(2,085,826)	
Component Unit:								
Board of Health	142,913	26,381	83,235	-	-	-	\$ (33,297)	
Total Component Unit	\$ 142,913	\$ 26,381	\$ 83,235				\$ (33,297)	
General revenues:								
Taxes:								
Property Taxes					648,687		648,687	
Sales					607,595		607,595	
Insurance Premium Tax					161,395		161,395	
Other Taxes					509,027		509,027	
Allotments from Participating Local Government					-		-	
Interest Earnings					7,161	58	7,219	
Gain / (Loss) on Sale of Capital Assets					6,281	-	6,281	
Total general revenues and transfers					1,940,146	58	1,940,204	
Change in net position					(126,506)	(19,116)	(145,622)	
					5,833,507	466,066	6,299,573	
Net position - Beginning of year					-	-	44,773	
Prior period adjustment					-	-	(95,033)	
Net position - Beginning of year, as restated					5,833,507	466,066	6,299,573	
Net position - Ending of year					\$ 5,707,001	\$ 446,950	\$ 6,153,951	

See accompanying notes to financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General	TLOST Fund	Non-Major Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 948,035	\$ 270,482	\$ 219,478	\$ 1,437,995
Certificates of deposit	949,320	-	17,697	967,017
Receivables (net of allowance for uncollectible)				
Taxes	158,003	-	-	158,003
Accounts	49,971	-	-	49,971
Due from other governments	13,225	29,598	13,224	56,047
Due from other funds	715	-	-	715
	<u>2,119,269</u>	<u>300,080</u>	<u>250,399</u>	<u>2,669,748</u>
LIABILITIES				
Accounts payable	26,732	-	-	26,732
Accrued salaries and benefits	28,622	-	-	28,622
Due to other funds	-	-	715	715
	<u>55,354</u>	<u>-</u>	<u>715</u>	<u>56,069</u>
DERERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Property Tax	123,466	-	-	123,466
	<u>123,466</u>	<u>-</u>	<u>-</u>	<u>123,466</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	300,080	249,684	549,764
Committed	19,908	-	-	19,908
Assigned	-	-	-	-
Unassigned	1,920,541	-	-	1,920,541
	<u>1,940,449</u>	<u>300,080</u>	<u>249,684</u>	<u>2,490,213</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,119,269</u>	<u>\$ 300,080</u>	<u>\$ 250,399</u>	

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,274,540
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Property Tax	123,466
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated Absences	(7,590)
Capital lease	(60,512)
Landfill Postclosure Care Costs	(113,116)
	<u>(181,218)</u>
Net position of governmental activities	<u>\$ 5,707,001</u>

See accompanying notes to financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year ended December 31, 2015

	General	TLOST Fund	Non-Major Governmental Funds	Total
Revenues:				
Taxes				
Property tax	\$ 599,765	\$ -	\$ -	\$ 599,765
Sales tax	153,208	301,083	153,304	607,595
Other taxes	670,422	-	-	670,422
Licenses and permits	8,212	-	-	8,212
Intergovernmental revenues	193,062	-	-	193,062
Charges for services	323,544	-	-	323,544
Fines and forfeitures	96,350	-	15,972	112,322
Investment earnings	7,161	-	198	7,359
Miscellaneous revenue	104,282	-	6,279	110,561
Total Revenues	2,156,006	301,083	175,753	2,632,842
Expenditures:				
General government	583,522	-	10,213	593,735
Court system	209,548	-	812	210,360
Public safety	641,453	-	11,392	652,845
Public works	774,483	389,243	14,699	1,178,425
Health and welfare	80,739	-	-	80,739
Culture and recreation	10,204	-	-	10,204
Housing and development	41,144	-	-	41,144
Debt Service				
Principal	19,488	-	22,741	42,229
Interest	1,226	-	1,382	2,608
Capital outlay	-	-	161,949	161,949
Total Expenditures	2,361,807	389,243	223,188	2,974,238
Excess / (Deficiency) of Revenues over Expenditures	(205,801)	(88,160)	(47,435)	(341,396)
Other financing sources				
Sale of capital assets and other surplus	8,673	-	-	8,673
Capital lease	80,000	-	-	80,000
Transfers out	8,787	-	(8,787)	-
Total Other Financial Sources	97,460	-	(8,787)	88,673
Net Change in Fund Balance	(108,341)	(88,160)	(56,222)	(252,723)
Fund Balance - Beginning of Year	2,048,790	388,240	305,906	2,742,936
Fund Balance - End of Year	\$ 1,940,449	\$ 300,080	\$ 249,684	\$ 2,490,213

See accompanying notes to financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in <i>fund balances</i> - total governmental funds.		\$ (252,723)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$311,334) exceeded depreciation (\$206,494) in the current period.		104,840
Governmental funds report the proceeds from the sale of capital assets as an increase in financial resources. However, in the statement of activities, the gain/loss on the sale, trade or disposition of capital assets is reported. Thus the change in net position differs from the change in fund balance by the net book value of the capital assets disposed of.		(2,392)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax receivable	48,922	48,922
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Capital lease proceeds	(80,000)	
Principal payments	42,229	(37,771)
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	(676)	
Landfill expenditures	13,294	12,618
Change in Net Position of Governmental Activities.		\$ (126,506)

See accompanying notes to financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (non-GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget Positive(Negative)
Revenues:				
Taxes	\$ 1,504,030	\$ 1,504,030	\$ 1,423,395	\$ (80,635)
Licenses and permits	8,800	8,800	8,212	(588)
Intergovernmental revenues	5,000	5,000	193,062	188,062
Charges for services	293,065	293,065	323,544	30,479
Fines and forfeitures	216,000	216,000	96,350	(119,650)
Investment earnings	5,500	5,500	7,161	1,661
Miscellaneous revenue	42,350	42,350	104,282	61,932
Total Revenues	2,074,745	2,074,745	2,156,006	81,261
Expenditures:				
General government	623,714	632,214	583,522	48,692
Court system	250,884	251,184	209,548	41,636
Public safety	656,783	662,333	641,453	20,880
Roads and bridges	502,261	671,226	774,483	(103,257)
Health and welfare	79,611	92,109	80,739	11,370
Culture and recreation	13,099	13,099	10,204	2,895
Housing and development	49,699	49,699	41,144	8,555
Debt Service				
Principal	-	-	19,488	(19,488)
Interest	-	-	1,226	(1,226)
Total Expenditures	2,176,051	2,371,864	2,361,807	10,057
Excess / (Deficiency) of Revenues over Expenditures	(101,306)	(297,119)	(205,801)	91,318
Other financing sources				
Sale of Capital Assets and Other Surplus	2,000	2,000	8,673	6,673
Capital lease	-	80,000	80,000	-
Transfers in	-	-	8,787	8,787
Total Other Financial Sources	2,000	82,000	97,460	15,460
Net Change in Fund Balance	(99,306)	(215,119)	(108,341)	106,778
Fund Balance - Beginning of Year	2,048,790	2,048,790	2,048,790	-
Fund Balance - End of Year	\$ 1,949,484	\$ 1,833,671	\$ 1,940,449	\$ 106,778

See accompanying notes to financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Business-type Activities -		
	Enterprise Fund		
	Water Fund	Nonmajor Revolving Loan Fund	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 66,049	\$ 29,447	\$ 95,496
Accounts receivable, net of allowance for doubtful accounts	9,639	-	9,639
Total Current Assets	<u>75,688</u>	<u>29,447</u>	<u>105,135</u>
Noncurrent Assets:			
Cash - customer deposits	12,034	-	12,034
Capital assets			
Nondepreciable assets	26,634	-	26,634
Depreciable assets, net	<u>453,376</u>	<u>-</u>	<u>453,376</u>
Capital assets, net of depreciation	480,010	-	480,010
Total Noncurrent Assets	<u>492,044</u>	<u>-</u>	<u>492,044</u>
Total Assets	<u>567,732</u>	<u>29,447</u>	<u>597,179</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	519	-	519
Accrued wages	621	-	621
Compensated absences	47	-	47
Notes payable - current	<u>6,122</u>	<u>-</u>	<u>6,122</u>
Total Current Liabilities	<u>7,309</u>	<u>-</u>	<u>7,309</u>
Long-Term Liabilities:			
Customer water deposits	24,210	-	24,210
Notes payable	<u>118,710</u>	<u>-</u>	<u>118,710</u>
Total Long-Term Liabilities	<u>142,920</u>	<u>-</u>	<u>142,920</u>
Total Liabilities	<u>150,229</u>	<u>-</u>	<u>150,229</u>
NET POSITION			
Net investment in capital assets	355,178	-	355,178
Restricted			
Loans	-	29,447	29,447
Customer water deposits	12,034	-	12,034
Unrestricted	<u>50,291</u>	<u>-</u>	<u>50,291</u>
Total Net Position	<u>\$ 417,503</u>	<u>\$ 29,447</u>	<u>\$ 446,950</u>

See accompanying notes to financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2015

	Business-type Activities - Enterprise Fund		
	Water Fund	Nonmajor Revolving Loan Fund	Total
OPERATING REVENUES			
Charges for services	\$ 117,332	\$ -	\$ 117,332
Tap Fees	750	-	750
Administrative fee	495	-	495
Other	20	-	20
Total Operating Revenues	<u>118,597</u>	<u>-</u>	<u>118,597</u>
OPERATING EXPENSES			
Personal services	42,713	-	42,713
Contracted services	14,699	-	14,699
Utilities	22,463	-	22,463
Repairs and maintenance	8,433	-	8,433
Other supplies and expenses	16,275	803	17,078
Depreciation	44,522	-	44,522
Total Operating Expenses	<u>149,105</u>	<u>803</u>	<u>149,908</u>
Operating Income (Loss)	<u>(30,508)</u>	<u>(803)</u>	<u>(31,311)</u>
NONOPERATING REVENUE (EXPENSE)			
Interest income	12	46	58
Interest expense	(2,562)	-	(2,562)
Net NonOperating Revenue (Expense)	<u>(2,550)</u>	<u>46</u>	<u>(2,504)</u>
Income (Loss) before contributions	<u>(33,058)</u>	<u>(757)</u>	<u>(33,815)</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	14,699	-	14,699
Total contributions	<u>14,699</u>	<u>-</u>	<u>14,699</u>
CHANGE IN NET POSITION	<u>(18,359)</u>	<u>(757)</u>	<u>(19,116)</u>
NET POSITION - BEGINNING OF YEAR	<u>435,862</u>	<u>30,204</u>	<u>466,066</u>
NET POSITION - END OF YEAR	<u>\$ 417,503</u>	<u>\$ 29,447</u>	<u>\$ 446,950</u>

See accompanying notes to financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Fund		
	Water Fund	Nonmajor Revolving	
		Loan Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 122,477	\$ 6,378	\$ 128,855
Cash Payments to Suppliers for Materials and Supplies	(50,292)	-	(50,292)
Cash Payments to Employees for Services	(43,102)	-	(43,102)
Net Cash Provided (Used) by Operating Activities	<u>29,083</u>	<u>6,378</u>	<u>35,461</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Customer Water Deposits Received	3,115	-	3,115
Customer Water Deposits Refunded or Applied to Bill	(1,100)	-	(1,100)
Net Cash Provided by Non-Capital Financing Activities	<u>2,015</u>	<u>-</u>	<u>2,015</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Addition to Water System			-
Principal paid on Long-Term Debt	(6,001)	-	(6,001)
Interest Paid on Long-Term Debt	(2,562)	-	(2,562)
Net Cash (Used) by Capital and Related Financing Activities	<u>(8,563)</u>	<u>-</u>	<u>(8,563)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	12	46	58
Repayment of Loan to General fund	(7,107)	-	(7,107)
Net Cash Provided (Used) by Investing Activities	<u>(7,095)</u>	<u>46</u>	<u>(7,049)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	15,440	6,424	21,864
Cash and Cash Equivalents - Beginning of year	62,643	23,023	85,666
Cash and Cash Equivalents - End of year	<u>\$ 78,083</u>	<u>\$ 29,447</u>	<u>\$ 107,530</u>
Displayed as:			
Cash and cash equivalents	\$ 66,049	\$ 29,447	\$ 95,496
Cash - Customer Deposits	12,034		\$ 12,034
	<u>\$ 78,083</u>	<u>\$ 29,447</u>	<u>\$ 107,530</u>
Noncash operating activities:			
Contribution of operating cost from SPLOST	<u>\$ 14,699</u>		

See accompanying notes to financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES	Business-type Activities - Enterprise Fund		
	Water Fund	Nonmajor	Total
		Revolving Loan Fund	
Operating Income (Loss)	\$ (30,508)	\$ (803)	\$ (31,311)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities :			
Depreciation	44,522	-	44,522
Capital contribution from SPLOST	14,699	-	14,699
(Increase) decrease in accounts receivable	11,337	-	11,337
(Increase) decrease in notes receivable	-	7,181	7,181
Increase (decrease) in accounts payable	(3,122)	-	(3,122)
Increase (decrease) in accrued salaries	(84)	-	(84)
Increase (decrease) in customer deposits	(7,455)	-	(7,455)
Increase (decrease) in compensated absences	(306)	-	(306)
Net Cash Provided By (Used In) Operations	\$ 29,083	\$ 6,378	\$ 35,461

See accompanying notes to financial statements.

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
December 31, 2015

	Agency Funds
ASSETS	
Cash and cash equivalents	<u>\$ 743,571</u>
Total Assets	<u><u>\$ 743,571</u></u>
LIABILITIES	
Due to others	\$ 734,817
Due to others - escrow	<u>8,754</u>
Total Liabilities	<u><u>\$ 743,571</u></u>

See accompanying notes to financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

Unified Government of Webster County was established on January 1, 2009 pursuant to the provision of Article IX, Section III, Paragraph II (a) of the Constitution of Georgia of 1983, as amended, and an Act establishing the Preston-Weston-Webster County Charter and Unification Commission, approved February 5, 2009. The unification resulted in the creation and establishment of a single county-wide government with powers and jurisdiction throughout the territorial limits of Webster County. The County operates under a county commissioner form of government, and provides the following services as authorized by state law, general administrative services, public safety, roads and bridges, courts and health and welfare, solid waste collection, and water.

The accounting policies of Unified Government of Webster County, Georgia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the County's more significant policies applied in the preparation of the accompanying financial statements.

1-A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Unified Government of Webster County, Georgia (the "primary government") and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component unit discussed below is included in the County's reporting entity because of the significance of the operational and financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity*, as amended by statement No. 61, the financial statements of the component unit has been included as a discretely presented component unit. The component unit column in the basic financial statements includes the financial data for the County's component unit, as reflected in their most recent audited financial statements. The financial information for the component units is reported in columns separate from the County's financial information to emphasize that it is legally separate from the County.

Discretely Presented Component Unit

The Webster County Board of Health (Health Department) Title 31, Chapter 3 of the Official Code of Georgia Annotated, establishes County Boards of Health and prescribes their powers, functions and membership. The Health Department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The Board of Health is governed by the Unified Government of Webster County Board of Health (Board). The County appoints the voting majority of the board. The County provides significant operating subsidies to the department. The Health Department is presented as a governmental fund type. The Webster County Board of Health issued separate financial statements

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

that have a June 30 year-end, as required by state statutes. Complete financial statements of the Webster County Board of Health may be obtained from their administrative office at the following location:

Webster County Board of Health
P.O. Box 12
Preston, GA 31824

1-B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statements of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the 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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

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

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

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County 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 the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services 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. All other revenues are considered to be measurable and available only when cash is received by the government.

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. The principal operating revenues of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

General Fund - is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The County-wide solid waste pick-up service is included in the General Fund.

TLOST fund - This fund was established to account for the proceeds of Transportation Investment Act tax monies collected and the projects approved for those funds.

The government reports the following major proprietary fund:

Water Fund - This fund accounts for the operation and maintenance of the water system.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Additionally, the County reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Business-type/Proprietary Funds).

Agency Funds – Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

1-D. Cash and Cash Equivalents and Investments

The government and the discretely presented component unit's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably equals fair value.

1-E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables, have been reduced to their estimated net realized value, and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

1-F. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased.

1-G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items in both government-wide and fund financial statements.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

1-H. Restricted assets

Certain assets are classified as restricted assets when their use is subject to constraints that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restricted cash in the Water Fund is committed by the Board of Commissioners for customer security deposits.

1-I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired subsequent to October 1, 2003), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant, and equipment capital assets are defined by the government as assets with an initial, individual cost of \$7,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Buildings and Improvements	20 - 30 years
Vehicles and Equipment	5 - 10 years
Infrastructure	40 years

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

1-J. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow or resources (expense/expenditures) until then.

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

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

1-K. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amount 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 governmental funds only if they have matured, for example, as a result of employee resignations or retirements. The government also permits employees to request that their unused vacation time be paid instead of accumulated.

1-L. Accrued Liabilities and Long-Term Obligations

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

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

1-M. Debt Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against debt payable and debt issuance costs are recognized as an outflow of resources in the period incurred. On the government-wide and proprietary fund type statement of activities, unamortized debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. At the government fund reporting level, debt premiums and discounts are reported as other financing sources and uses, separately from the face amount of the debt issued. Debt issuance costs are reported as debt service expenditure.

1-N. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balances in accordance with Governmental Accounting Standards Board Statement No. 54:

- Non-spendable — amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted — amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed — amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Commissioners through adoption of a resolution. The Commissioners also may modify or rescind the commitment.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

- Assigned — amounts that are constrained by the Commission’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Commissioners have authorized the Commission Chairman to assign fund balances.
- Unassigned — amounts that have not been assigned to other funds, and that are not restricted, committed, or assigned to specific purposes within the General Fund.

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

- Committed
- Assigned
- Unassigned

The County does not have a formal minimum fund balance policy.

1-O. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made in order in which the resources are considered to be applied.

It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

1-P. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. BUDGETS AND BUDGETARY ACCOUNTING

2-A. Budget Process

The annual budget document is the financial plan for the operation of the Unified Government of Webster County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County.

The County prepares a separately issued budget report. An annual operating budget is prepared for the General and Special Revenue Funds. Prior to July, the Chairman submits to the County Commission a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them. The Commission holds two (2) public hearings on the budget, giving

**UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

notice thereof at least ten days in advance by publication in the official newspaper of Unified Government of Webster County. The budget is revised and adopted by the Commission at the first regular meeting after the public hearings have concluded. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same. Management may transfer appropriations without commission approval.

Formal budgetary integration is employed as a management control device during the year. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis. Budgets are prepared for the Capital Projects Funds on a project basis, which usually covers two or more fiscal years. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners.

2-B. Excess of Expenditures over Appropriations

The following departments had excess of actual expenditures over appropriations for the year ended December 31, 2015:

General Fund:	
Roads and Bridges	\$ 103,257
Debt Service:	
Principal	19,488
Interest	1,226

NOTE 3. DEPOSITS AND INVESTMENTS

3-A. Custodial Credit Risk - Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held. The County does not have a formal policy for custodial credit risk.

The Webster County Board of Health, a discretely presented component unit, bank balances of deposits as of June 20, 2015 are entirely insured or collateralized with securities held by the Board's agent in the Board's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

3-B. Investments of the General Fund

The following had original maturities of one year. The maturity below is the time until the certificates mature:

	<u>Maturity</u>	<u>Amount</u>
Certificates of deposit-General Fund	3 months	\$ 130,400
	10 months	305,807
	10 months	513,113
Certificate of deposit-Nonmajor Governmental Fund	1 month	17,697

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Custodial credit risk. For an investment, the custodial risk is the risk that in the event of the failure of the counter-party to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County had no such investments with such risk as of December 31, 2015.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. Georgia law allows investments in obligation of the U.S. Treasury, other U.S. Governmental Agencies, State of Georgia, other states, prime banker's acceptances, repurchase agreements, other political subdivisions of Georgia and the Office of the State Treasurer.

NOTE 4. PROPERTY TAXES

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by April 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Unified Government of Webster County.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by the state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the 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. The State Revenue Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The Unified Government of Webster County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes are due based upon the birthday of the owner. The 2015 property were levied on July 21, 2015 and mailed on August 10, 2015 with a due date of December 20, 2015. Property tax receivables have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

The County bills and collects its own property taxes as well as taxes for the State and County School District. Collections of the County taxes and their remittances are accounted for in the Tax Commissioner's Agency Fund.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 5. RECEIVABLES

Receivables as of year-end for the County's individual major funds and nonmajor governmental and its enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>TLOST</u>	<u>Nonmajor Governmental</u>	<u>Water</u>	<u>Total</u>
Receivables					
Property Taxes	\$ 177,765	\$ -	\$ -	\$ -	\$ 177,765
Accounts	<u>234,762</u>	<u>-</u>	<u>-</u>	<u>18,554</u>	<u>253,316</u>
Gross Receivables	412,527	-	-	18,554	431,081
Less: Allowance for					
Uncollectibles	<u>(204,553)</u>	<u>-</u>	<u>-</u>	<u>(8,915)</u>	<u>(213,468)</u>
Net Receivables	<u>\$ 207,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,639</u>	<u>\$ 217,613</u>

Non-current property tax receivable of \$123,466 (net of allowance for uncollectible of \$54,299) is reported as assets, but on the Balance Sheet of the Governmental Funds, they are reported as deferred inflows of resources, because they do not represent financial resources available to pay current expenditures.

NOTE 6. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at December 31, 2015, are as follows:

	<u>State</u>
Fund:	
General	\$ 13,225
TLOST	29,598
Nonmajor Governmental	<u>13,224</u>
Total	<u>\$ 56,047</u>

The amounts due from state government are for sales tax.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2015, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	<u>\$ 715</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Interfund transfers:

	<u>General Fund</u>
Transfer Out:	
Non-major governmental	\$ <u>8,787</u>

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching fund for various grant programs. This transfer is fines received by the Jail Construction and Staffing Fund for inmate housing.

Capital Contribution

Contributing fund: SLPOST	\$ <u>14,699</u>
Receiving fund: Water	

The capital contribution was for maintenance of water tanks.

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ <u>297,558</u>	\$ -	\$ -	\$ <u>297,558</u>
Total Nondepreciable Capital Assets	<u>297,558</u>	-	-	<u>297,558</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	2,189,982	39,452	-	2,229,434
Machinery, equipment & vehicles	2,370,832	271,882	(273,261)	2,369,453
Infrastructure	<u>2,292,448</u>	-	-	<u>2,292,448</u>
Total Capital Assets, Being Depreciated	<u>6,853,262</u>	<u>311,334</u>	<u>(273,261)</u>	<u>6,891,335</u>
Accumulated Depreciation:				
Buildings and improvements	(1,626,135)	(28,125)	-	(1,654,260)
Machinery, equipment & vehicles	(2,048,898)	(115,514)	270,869	(1,893,543)
Infrastructure	<u>(303,695)</u>	<u>(62,855)</u>	-	<u>(366,550)</u>
Total Accumulated Depreciation	<u>(3,978,728)</u>	<u>(206,494)</u>	<u>270,869</u>	<u>(3,914,353)</u>
Total Depreciable Assets, Net	<u>2,874,534</u>	<u>104,840</u>	<u>(2,392)</u>	<u>2,976,982</u>
Governmental Activities, Capital Assets, Net	<u>\$ 3,172,092</u>	<u>\$ 104,840</u>	<u>\$ (2,392)</u>	<u>\$ 3,274,540</u>
Governmental Activities Depreciation Expense:				
General Government			\$ 31,837	
Public Safety			79,984	
Public Works			<u>94,673</u>	
Total Governmental Activities Depreciation Expense			<u>\$ 206,494</u>	

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 26,634	\$ -	\$ -	\$ 26,634
Total Nondepreciable Capital Assets	<u>26,634</u>	<u>-</u>	<u>-</u>	<u>26,634</u>
Capital Assets, Being Depreciated:				
Equipment, furniture & vehicles	78,586	-	-	78,586
Buildings and improvements	21,875	-	-	21,875
Infrastructure	<u>1,571,691</u>	<u>-</u>	<u>-</u>	<u>1,571,691</u>
Total Capital Assets, Being Depreciated	<u>1,672,152</u>	<u>-</u>	<u>-</u>	<u>1,672,152</u>
Accumulated Depreciation:				
Equipment, furniture & vehicles	(78,584)	-	-	(78,584)
Buildings and improvements	(16,101)	(729)	-	(16,830)
Infrastructure	<u>(1,079,569)</u>	<u>(43,793)</u>	<u>-</u>	<u>(1,123,362)</u>
Total Accumulated Depreciation	<u>(1,174,254)</u>	<u>(44,522)</u>	<u>-</u>	<u>(1,218,776)</u>
Capital Assets, Being Depreciated, Net	<u>497,898</u>	<u>(44,522)</u>	<u>-</u>	<u>453,376</u>
Business-Type Activities Capital Assets, Net	<u>\$ 524,532</u>	<u>\$(44,522)</u>	<u>\$ -</u>	<u>\$ 480,010</u>

Business-Type Activities Depreciation Expense:

Water Fund \$ 44,522

Component Unit:

Webster County Health Department:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Being Depreciated				
Equipment	\$ 28,921	\$ -	\$ -	\$ 28,921
Less: Accumulated Depreciation	<u>(28,921)</u>	<u>-</u>	<u>-</u>	<u>(28,921)</u>
Webster County Health Department, Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 9. LONG-TERM DEBT

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 6,914	\$ 16,685	\$ (16,009)	\$ 7,590	\$ 5,692
Capital lease payable	22,741	80,000	(42,229)	60,512	26,510
Landfill postclosure costs	<u>126,410</u>	<u>-</u>	<u>(13,294)</u>	<u>113,116</u>	<u>9,900</u>
Total Governmental Activities	<u>\$ 156,065</u>	<u>\$ 96,685</u>	<u>\$ (71,532)</u>	<u>\$ 181,218</u>	<u>\$ 42,102</u>

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities:					
Compensated absences	\$ 353	\$ 2,127	\$ (2,433)	\$ 47	\$ 47
Notes Payable	<u>130,833</u>	<u>-</u>	<u>(6,001)</u>	<u>124,832</u>	<u>6,122</u>
Total Business-type Activities	<u>\$ 131,186</u>	<u>\$ 2,127</u>	<u>\$ (8,434)</u>	<u>\$ 124,879</u>	<u>\$ 6,169</u>

For the governmental activities, compensated absences, and landfill postclosure costs are generally liquidated by the General fund. For business-type activities, long-term liabilities are liquidated by the Water enterprise fund.

A. Primary Government

Governmental Activities Debt

Capital Lease. In 2015 the County entered into a lease agreement as lessee for financing the acquisition of a motor grader. The lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease terms) and, therefore, has been recorded at the present values of the future minimum lease payments as of the date of inception, \$80,000. Total cost of assets under capital lease as of December 31, 2015, is \$130,250, which is included in governmental activities capital assets on the statement of net position.

The County recorded depreciation expense of \$10,854 in the fiscal year ended December 31, 2015 on assets under capital leases.

The County's total capital lease debt service requirements to maturity are as follows:

Governmental Activities

<u>Year Ending December 31,</u>	<u>Minimum Lease Payments</u>
2016	\$ 27,618
2017	27,619
2018	<u>6,905</u>
Total minimum lease payments	62,142
Less: amount representing interest	<u>1,630</u>
Present value of minimum lease payments	<u>\$ 60,512</u>

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Business-Type Activities Debt

Notes Payable. During 2012, the County entered into an agreement with Governmental Environmental Facilities Authority (GEFA) to finance improvements to the water system. The total proceeds for the loan were \$141,050 and is payable in monthly installments of \$714 with interest at 2%. The equipment has a twenty year estimated useful life. This year, \$10,782 was included in depreciation expense. Total interest paid for 2015 was \$2,562. The future minimum notes payable obligations and the net present value of these minimum notes payable as of December 31, 2015 are as follows:

Annual debt service requirements to maturity for this note payable are as follows:

<u>Year Ending</u> <u>December 31st</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 6,122	\$ 2,441
2017	6,245	2,317
2018	6,371	2,192
2019	6,500	2,062
2020	6,631	1,931
2021-2025	35,219	7,594
2026-2030	38,920	3,893
2031-2033	<u>18,824</u>	<u>442</u>
	<u>\$ 124,832</u>	<u>\$ 22,872</u>

NOTE 10. FUND EQUITY

The following is a summary of the fund balance classifications as of December 31, 2015:

	<u>General</u>	<u>TSPLOST</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u>	<u>Total</u>
Fund Balances				
Restricted for:				
Capital Outlay	\$ -	\$ 300,080	\$186,266	\$ 486,346
Drug Awareness	-	-	33,073	33,073
Law Library	-	-	30,004	30,004
Superior Court Technology	-	-	250	250
Sheriff's Department	-	-	91	91
Committed:				
Codification of County Ordinances	19,908	-	-	19,908
Unassigned	<u>1,920,541</u>	<u>-</u>	<u>-</u>	<u>1,920,541</u>
Total Fund Balances	<u>\$ 1,940,449</u>	<u>\$ 300,080</u>	<u>\$249,684</u>	<u>\$ 2,490,213</u>

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 11. COMMITMENTS

Closure and Postclosure Care Cost

The Unified Government of Webster County, Georgia closed its landfill on August 21, 1995 and placed a final cover on the landfill in accordance with state and federal laws and regulations. In addition, state and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site for thirty years after closure. These maintenance and monitoring functions are estimated to cost \$9,900 per year.

Although the postclosure costs will be paid when the services are performed, the County reports a total liability of \$113,116 as landfill postclosure care liability at December 31, 2015. This amount represents the cumulative amount of landfill postclosure costs based on the 100 percent of the capacity of the landfill. The County has no assets restricted for payment of postclosure care costs. Actual costs may change due to inflation, changes in technology, or changes in regulations.

NOTE 12. EMPLOYEE RETIREMENT PLANS

12-A. Defined Contribution Pension Plan

The County is a participating employer in the Association County commissioners of Georgia Defined Contribution Plan Program. The County has adopted the ACCG 457(b) Deferred Compensation Plan for Webster County Employees and the ACCG 401(a) Defined Contribution Plan for Webster County Employees.

The 457(b) plan is available to all employees including elected or appointed officials of the County. The County cannot make any basic contributions, discretionary contributions, or matching contributions. Employees through salary reductions may contribute up to the IRC 402(g) limit (\$18,000 in 2015 and 2016). Participants direct investment of all accounts. Self-directed brokerage is not permitted.

Contributions made by and made for individual participants are credited to that individual participant's account.

The 401(a) plan is available to all full-time County employees working at least 40 hours a week. County Commissioners are eligible to participate, but none of the other elected or appointed officials are eligible. The contribution requirements of plan members and the government are established and may be amended by resolution passed by the County Board of Commissions. There is no mandatory requirement for employee contributions; after-tax employee contributions are not permitted. The employer can make no basic contributions or discretionary contributions. Employer matching contributions equal to 50% of the first 2% on accounts participants contribute to the 457(b) plan. Maximum matching contribution shall be no more than 1% of compensation. Matching contributions shall be made on a payroll basis. Participants direct the investments of all accounts and self-directed brokerage is not permitted.

Upon retirement or employment termination, employees are entitled a lump sum distribution of the employee and employer contributions with investment earnings or the option of receiving monthly, semi-annual, or annual payments based on an amount equal to the amount of the employee and employer contributions with investment earnings. Employees are vested immediately in the County-financed contributions to the plan, and are 100% vested after five years of service.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

The County's total payroll was \$968,878 and the County's contributions were based on covered payroll of \$395,351 for the year ended December 31, 2015. Employee contributions to the plan amounted to \$16,886 or 4.27% of the total covered payroll. Employer contributions amounted to \$7,261 to the plan, or 1.84% of total payroll covered. A total of 14 employees and two elected officials participated in the plan for the year ended December 31, 2015. The County does not match any of the contributions of elected officials.

All amounts of contribution defined under the plan, all property and investments purchased with those amounts, and all income attributable to those amounts, properties, or rights are: held for the exclusive benefits of the employees, or retired employees or their beneficiaries, in a trust, custodial account, or qualified insurance contract, in conformity with the "Small Business Job Protection Act of 1996." These sums are not reported within the County's annual financial report. ACCG administers the plans.

12-B. Other Retirement Plans

The following plans are in effect for the constitutional officers of Unified Government of Webster County. The County does not contribute directly to the plans. Contributions are made through an increase in the fine amounts. The County exercises no control over these plans.

Probate Judges' Retirement Fund of Georgia

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

Clerk of Superior Court Retirement Fund

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

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

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

NOTE 13. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers' Compensation Fund and the Interlocal Risk Management Agency Property and Liability Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation Law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

NOTE 14. CONTINGENT LIABILITIES

14-A. Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

14-B. Grant Contingencies

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

NOTE 15. JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest, or (b) an ongoing financial responsibility.

River Valley Regional Commission: Under Georgia law, the County, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Middle Flint Regional Commission and is required to pay annual dues thereto. During the year ended December 31, 2015, the County paid \$2,756 in such dues. Membership in Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Regional Commission's in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from: River Valley Regional Commission, P.O. Box 1908, Columbus, Georgia 31902-4908.

Middle Flint Regional E-911 Authority: Pursuant to the authority granted in OCGA Section 46-5-120 et. Seq., Webster County is a "Participating County", together with Schley, Dooly, Macon, Marion, Sumter, Talbot and Taylor Counties, in the Middle Flint Regional E-911 Authority ("Au

**UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

thority”). The Authority is governed by a nine member board appointed by the participating counties. The Authority maintains custody and control of the equipment and furnishings at the E-911 Center, located in Ellaville, Georgia. Each Participating County holds interest in the title to the equipment in such portion as each county has subscribers as of January 1 of each year. The E-911 Center will receive telephone calls relating to public safety; it will provide emergency call answering services and dispatching. Funding for the E-911 Center is derived from a service charge added to telephone subscribers in the six Participating Counties. Operating costs not covered by the service charge will be paid by the Participating Counties in accordance with their relative number of subscribers. Webster County contributed \$6,894 to the Authority during the twelve months ended December 31, 2015. Financial statements for the Middle Flint Regional E-911 Authority can be obtained from: Middle Flint Regional E-911 Center, 222 Hayes Avenue, Ellaville, Georgia 31806.

NOTE 16. RELATED ORGANIZATION

An organization for which a primary government is not financially accountable (because it does not impose will or have a financial benefit or burden relationship) even though the primary government may appoint a voting majority of the organization's governing board.

Schley – Sumter – Macon - Webster Counties Joint Development Authority: The four counties by separate and concurrent resolutions created the Authority under O.C.G.A. 36-62-5.1 to promote and expand business, industry and trade in Schley, Sumter, Macon and Webster Counties, and to attract and support new business industry, to provide increased employment for the citizens living within the jurisdiction of the Authority, and to expand the ad valorem property tax base for the counties. The Authority is controlled by an eight member board of directors consisting of two members from each county appointed by each Board of County Commissioners. No dues are required or paid by the participating counties.

Financial statements for the Schley – Sumter – Macon - Webster Counties Joint Development Authority may be obtained from their office at 409 Elm Avenue, Americus, Georgia 31709.

NOTE 17. CHANGE IN ACCOUNTING PRINCIPLE

Discretely Presented Component Unit – Webster County Board of Health

The net position-beginning is restated due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement requires restatement of all periods presented to record the proportionate share of the net pension liability as the Board’s measurement date of June 30, 2015. The effect of this change on Net Position-Beginning is:

Net position as originally reported June 30, 2014	\$ 44,773
Effect of restatement:	
Implementation of GASB 68 for pensions	<u>(95,033)</u>
Net position as restated June 30, 2014	<u>\$ (50,260)</u>

SUPPLEMENTARY INFORMATION

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Jail Construction and Staffing Fund – This fund accounts for fines restricted by State law for jail operations and construction.

Law Library Fund – This fund accounts for fines restricted by State law for Law Library operations within the County.

Drug Abuse Fund – This fund accounts for fines restricted by State law for drug abuse treatment and educational purposes.

Clerk's Technology Fund – This fund accounts for the receipt of on-line retrieval fees from the Superior Court Clerks of Georgia for ongoing funding of technological improvements and services within the clerk of Superior Court's office.

Sheriff's Miscellaneous Account – To account for collection of fees for background checks which supplement the Sheriff's Department operations.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

2012 SPLOST Fund – This fund was established to account for the proceeds of SPLOST tax monies collected and the projects approved for those funds.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2015

	Special Revenue Funds					Capital Projects	Total Nonmajor Governmental Funds
	Law Library	Drug Abuse Fund	Jail Construction & Staffing Fund	Clerk's Technology Fund	Sheriff's Miscellaneous Account	Fund 2012 SPLOST	
ASSETS							
Cash and cash equivalents	\$ 30,004	\$ 15,376	\$ 715	\$ 250	\$ 91	\$ 173,042	\$ 219,478
Certificate of deposit	-	17,697	-	-	-	-	17,697
Due from other governments	-	-	-	-	-	13,224	13,224
Total assets	\$ 30,004	\$ 33,073	\$ 715	\$ 250	\$ 91	\$ 186,266	\$ 250,399

LIABILITIES AND FUND BALANCES

LIABILITIES							
Due to General Fund	\$ -	\$ -	\$ 715	\$ -	\$ -	\$ -	715
Total Liabilities	-	-	715	-	-	-	715
FUND BALANCES							
Restricted	30,004	33,073	-	250	91	186,266	249,684
Total fund balances	30,004	33,073	-	250	91	186,266	249,684
Total liabilities and fund balances	\$ 30,004	\$ 33,073	\$ 715	\$ 250	\$ 91	\$ 186,266	\$ 250,399

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Special Revenue Funds						Capital Projects Fund	Total Nonmajor Governmental Funds
	Law Library	Drug Abuse Fund	Jail Construction & Staffing Fund	Clerk's Technology Fund	Sheriff's Miscellaneous Account	2012 SPLOST		
Revenues								
Sales Tax	-	\$ -	\$ -	\$ -	\$ -	\$ 153,304	\$ 153,304	
Fines and forfeitures	3,592	3,593	8,787	-	-	-	15,972	
Interest income	-	103	-	-	-	95	198	
Other revenues	-	-	-	250	6,029	-	6,279	
Total revenues	3,592	3,696	8,787	250	6,029	153,399	175,753	
Expenditures								
Current								
General government	-	-	-	-	-	10,213	10,213	
Judicial	812	-	-	-	-	-	812	
Public safety	-	20	-	-	5,938	5,434	11,392	
Public works	-	-	-	-	-	14,699	14,699	
Capital outlay	-	-	-	-	-	161,949	161,949	
Debt service	-	-	-	-	-	22,741	22,741	
Principal	-	-	-	-	-	1,382	1,382	
Interest	-	-	-	-	-	-	-	
Total expenditures	812	20	-	-	5,938	216,418	223,188	
Excess (deficiency) of revenues over (under) expenditures	2,780	3,676	8,787	250	91	(63,019)	(47,435)	
Other financing sources (uses)								
Transfers in / (out)	-	-	(8,787)	-	-	-	(8,787)	
Total other financing sources (uses)	-	-	(8,787)	-	-	-	(8,787)	
Net change in fund balances	2,780	3,676	-	250	91	(63,019)	(56,222)	
Fund balances, beginning of year	27,224	29,397	-	-	-	249,285	305,906	
Fund balances, end of year	\$ 30,004	\$ 33,073	\$ -	\$ 250	\$ 91	\$ 186,266	\$ 249,684	

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
JAIL CONSTRUCTION AND STAFFING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fines and forfeitures	\$ 26,000	\$ 26,000	\$ 8,787	\$ (17,213)
Total Revenues	26,000	26,000	8,787	(17,213)
Expenditures				
Public safety		20,000		20,000
Total Expenditures	-	20,000	-	20,000
Excess (deficiency) of revenues over (under) expenditures	26,000	6,000	8,787	2,787
Other Financing Sources (Uses)				
Transfer to General Fund	-	-	(8,787)	(8,787)
Total Other Financing Sources (Uses)	-	-	(8,787)	(8,787)
Net Change in Fund Balance	26,000	6,000	-	(6,000)
Fund Balance - beginning of year	-	-	-	-
Fund Balance - end of year	\$ 26,000	\$ 6,000	\$ -	\$ (6,000)

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fines and forfeitures	\$ -	\$ 8,000	\$ 3,593	\$ (4,407)
Total Revenues	-	8,000	3,593	(4,407)
Expenditures				
Judicial	-	8,000	812	7,188
Total Expenditures	-	8,000	812	7,188
Net Change in Fund Balance	-	-	2,781	2,781
Fund Balance - beginnng of year	27,224	27,227	27,224	3
Fund Balance - end of year	\$ 27,224	\$ 27,227	\$ 30,005	\$ 2,784

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
DRUG ABUSE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fines and forfeitures	\$ 1,500	\$ 2,000	\$ 3,593	\$ 1,593
Investment earnings	-	-	103	103
Total Revenues	<u>1,500</u>	<u>2,000</u>	<u>3,696</u>	<u>1,696</u>
Expenditures				
Public safety	-	2,000	20	1,980
Total Expenditures	<u>-</u>	<u>2,000</u>	<u>20</u>	<u>1,980</u>
Net Change in Fund Balance	1,500	-	3,676	3,676
Fund Balance - beginning of year	<u>29,397</u>	<u>29,397</u>	<u>29,397</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 30,897</u>	<u>\$ 29,397</u>	<u>\$ 33,073</u>	<u>\$ 3,676</u>

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
For the Year Ended December 31, 2015

PROJECT	ORIGINAL ESTIMATED COSTS	EXPENDITURES		TOTAL
		PRIOR YEARS	CURRENT YEAR	
Special Local Option Sales Tax 2012				
Equipment	\$ 350,000	\$ 261,730	\$ 129,312	\$ 391,042
Roads	300,000	-	-	-
Land	25,000	-	-	-
Buildings	250,000	76,803	49,666	126,469
Public Infrastructure	50,000	15,853	14,699	30,552
Total	<u>\$ 975,000</u>	<u>\$ 354,386</u>	<u>\$ 193,677</u>	<u>\$ 548,063</u>

Note 1: Reconciliation of Special Local Option Sales Tax 2012 schedule to financial statements:

Expenditures from schedule above	\$ 193,677
Capital lease principal debt service payments	<u>22,741</u>
Per financial statements	<u>\$ 216,418</u>

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
AGENCY FUNDS

Tax Commissioner - To account for the collection and payment to Crisp County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Crisp County and other taxing units.

Clerk of Superior Court - To account for all monies received by the Clerk of Court on behalf of individuals, private organizations, other governmental units, and other funds.

Sheriff's Office - To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court - To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc., which are disbursed to other parties.

Magistrate Court - To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
COMBINING BALANCE SHEET
AGENCY FUNDS
December 31, 2015

	Tax Commissioner	Clerk of Court	Sheriff	Probate Court	Magistrate Court	Totals
ASSETS						
Cash and cash equivalents	\$ 717,433	\$ 18,546	\$ 3,181	\$ 4,226	\$ 185	\$ 743,571
Total Assets	<u>\$ 717,433</u>	<u>\$ 18,546</u>	<u>\$ 3,181</u>	<u>\$ 4,226</u>	<u>\$ 185</u>	<u>\$ 743,571</u>
LIABILITIES						
Due to others	\$ 717,433	\$ 9,792	\$ 3,181	\$ 4,226	\$ 185	\$ 734,817
Due to others - escrow	-	8,754	-	-	-	8,754
Total Liabilities	<u>\$ 717,433</u>	<u>\$ 18,546</u>	<u>\$ 3,181</u>	<u>\$ 4,226</u>	<u>\$ 185</u>	<u>\$ 743,571</u>

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended December 31, 2015

	Balance 12/31/2014	Additions	Deductions	Balance 12/31/2015
TAX COMMISSIONER				
ASSETS:				
Cash and cash equivalents	\$ 735,024	\$ 2,829,766	\$ 2,847,357	\$ 717,433
Total Assets	\$ 735,024	\$ 2,829,766	\$ 2,847,357	\$ 717,433
LIABILITIES:				
Due to General Fund	\$ -	\$ 961,311	\$ 961,311	\$ -
Due to others	735,024	1,868,455	1,886,046	717,433
Total Liabilities	\$ 735,024	\$ 2,829,766	\$ 2,847,357	\$ 717,433
CLERK OF SUPERIOR COURT				
ASSETS:				
Cash and cash equivalents	\$ 18,243	\$ 57,460	\$ 57,157	\$ 18,546
Total Assets	\$ 18,243	\$ 57,460	\$ 57,157	\$ 18,546
LIABILITIES:				
Due to General Fund	\$ -	\$ 25,111	\$ 25,111	\$ -
Due to others	9,664	32,174	32,046	9,792
Due to others - escrow	8,579	175	-	8,754
Total Liabilities	\$ 18,243	\$ 57,460	\$ 57,157	\$ 18,546
SHERIFF				
ASSETS:				
Cash and cash equivalents	\$ 1,805	\$ 9,342	\$ 7,966	\$ 3,181
Total Assets	\$ 1,805	\$ 9,342	\$ 7,966	\$ 3,181
LIABILITIES:				
Due to General Fund	\$ -	\$ 5,852	\$ 5,852	\$ -
Due to others	1,805	3,490	2,114	3,181
Total Liabilities	\$ 1,805	\$ 9,342	\$ 7,966	\$ 3,181

(Continued)

UNITED GOVERNMENT OF WEBSTER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended December 31, 2015

(Continued)

	Balance 6/30/2014	Additions	Deductions	Balance 6/30/2015
PROBATE JUDGE				
ASSETS:				
Cash and cash equivalents	\$ 4,947	\$ 143,481	\$ 144,202	\$ 4,226
Total Assets	\$ 4,947	\$ 143,481	\$ 144,202	\$ 4,226
LIABILITIES:				
Due to General Fund	\$ -	\$ 92,827	\$ 92,827	\$ -
Due to others	4,947	50,654	51,375	4,226
Total Liabilities	\$ 4,947	\$ 143,481	\$ 144,202	\$ 4,226
MAGISTRATE COURT				
ASSETS:				
Cash and cash equivalents	\$ 735	\$ 12,264	\$ 12,814	\$ 185
Total Assets	\$ 735	\$ 12,264	\$ 12,814	\$ 185
LIABILITIES:				
Due to General Fund	\$ -	\$ 1,629	\$ 1,629	\$ -
Due to others	735	10,635	11,185	185
Total Liabilities	\$ 735	\$ 12,264	\$ 12,814	\$ 185
TOTAL				
ASSETS				
Cash and cash equivalents	\$ 760,754	\$ 3,052,313	\$ 3,069,496	\$ 743,571
Total Assets	\$760,754	\$3,052,313	\$3,069,496	\$743,571
LIABILITIES				
Due to General Fund	\$ -	\$ 1,086,730	\$ 1,086,730	\$ -
Due to others	752,175	1,965,408	1,982,766	734,817
Due to others - escrow	8,579	175	-	8,754
Total Liabilities	\$ 760,754	\$ 3,052,313	\$ 3,069,496	\$ 743,571

COMPLIANCE SECTION



**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***

Board of Commissioners of
Unified Government of Webster County, Georgia
Preston, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Unified Government of Webster County, Georgia, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Unified Government of Webster County's basic financial statements, and have issued our report thereon dated June 30, 2016

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified Government of Webster 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 Unified Government of Webster County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified Government of Webster 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 deficiencies described in the accompanying Schedule of Findings and Responses to be material weaknesses. (2015-001, 2015-002, 2015-003, 2015-004, 2015-005, and 2015-006).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified Government of Webster County, Georgia's financial statements are free of material misstatement, we performed tests of its compli-

ance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items (2015-007, 2015-008).

Unified Government of Webster County's Response to Findings

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

This report is intended 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chambless Sheppard Roland, Associates LLP

Americus, Georgia
June 30, 2016

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2015

**SECTION I
SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal control over financial reporting material weaknesses identified	<u> X </u> Yes <u> </u> No
Significant Deficiencies Identified not considered to be material weaknesses	<u> </u> Yes <u> X </u> No
Noncompliance material to financial statements noted	<u> X </u> Yes <u> </u> No

Federal Awards

There was not an audit of federal award programs as of December 31, 2015, due to the total amount expended being less than \$750,000.

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

2015-001 Segregation of Duties - Agency Funds

Criteria: Internal control should be in place to assure that funds and assets cannot be misappropriated and go undetected during the normal course of business.

Condition: There is not sufficient segregation of duties in the offices of the Superior Court Clerk, Magistrate Court, Probate Court, Tax Commissioner, and Sheriff related to accounting functions.

Context: We noted the above conditions during performance of audit procedures including: internal control walkthroughs, inquiry and observation, and the completion of audit workpapers.

Effect: Because of lack of segregation of duties between operating, recording and custodial functions, including reconciliation of accounts, County assets and resources are susceptible to waste, fraud and inefficiency.

Cause: The lack of segregation of duties is due to the limited number of individuals in each office to perform all of the duties.

Recommendation: The County Commission Chairman and the elected officials should develop procedures where he or another independent person reviews monthly bank reconciliations and other accounting reports.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2015

Management's Comments: We concur with the finding. The County Commission Chairman oversees the day-to-day operations and is aware of the risks associated with this finding. There are no further plans to add additional accounting staff.

2015-002 Excess Funds in Accounts of Tax Commissioner, Clerk of Superior Court, and Probate Court

Criteria: The Tax Commissioner, Clerk of Superior Court, and Probate Court collect funds for the County, State, School and others. Funds should be paid out in the following month. There are no provisions for these entities to hold funds.

Condition: Monies are on deposit in the Tax Commissioner's accounts, Probate Court, and the Clerk's General account that does not have adequate documentation of source or purpose.

Effect: At December 31, 2015, the Tax Commissioner held excess cash of \$37,804.95; the Clerk's General account held a total of \$79.70; the Probate Court account held excess cash of \$1,270.48.

Cause: Month-end reconciliation procedures are not in place to balance receipts and disbursements.

Recommendation: These elected officials should take immediate action to disburse those funds and develop procedures to insure that funds collected are promptly disbursed or held in accordance with direct order.

Management's Response: We concur with the finding. The County Commission Chairman will work with the elected officials to clear the undocumented funds.

2015-003 Financial Statement Presentation

Criteria: Generally accepted government accounting principles require Governmental Funds financial statements to be reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Condition: The County does not have adequate accounting procedures to insure that revenues and expenditures/expenses are recorded and properly classified when a receivable or liability is incurred.

Effect: The County's year-end financial reports contained material errors. Audit adjustments were required for reporting in accordance with generally accepted accounting principles.

General Fund: Assets and revenues were increased by \$55,907; liabilities and expenditures were decreased by \$13,458.

Water Fund: Assets and revenues were decreased by \$61,058; liabilities and expenditures were decreased by \$22,059.

TLOST Fund: Assets and revenues were increased by \$1,116, due to sales tax accrual.

SPLOST: Assets and revenues were decreased by \$1,669, due to sales tax accrual.

Cause: Financial statement preparation is generally based on the cash basis of accounting. Procedures have not been developed to make accruals at month-end and year-end.

Recommendation: The County should develop procedures to insure that revenues are recognized as soon as they are both measurable and available – collectible within the current period

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2015

or soon enough thereafter to pay liabilities of the current period. Expenditures/expenses should be recorded or accrued when a liability is incurred.

Response of Management: Management concurs with the finding. We will make adjustments as necessary to record revenues and expenditures in accordance with GAAP.

2015-004 General Government and Enterprise Fund Accounting and Reporting

Criteria: Accounting records of the General Government should be separated from of the Water Fund.

Condition: Cash receipts and disbursements for both the General Fund and the Water Fund are transacted in the same bank account.

Effect: Cash and assets reported on the County's financial reports were not accurately reported by fund.

Recommendation: The financial activities and accounting of the Water Fund should be separated from the General Government, because the Water Fund and the General Government Funds utilize different basis of accounting, measurement focus and financial statement presentation. This would provide for accurate financial reporting.

Management's Response: We concur with the finding. We will transfer the accounting for the Water Fund to a fund separate from the governmental funds.

2015-005 Utility Billing and Customer Accounting

Criteria: Customer charges for Water and Refuse are billed separately, but on the same bill. Refuse accounting is part of the General Government. Water accounting is an enterprise fund.

Condition: The utility billing system does not separate the customer accounts receivable between Water and Refuse.

Effect: Customer accounts receivable was reported in the Water Fund on the county's financial reports. Assets of the General Fund were understated and assets of the Water Fund were overstated.

Cause: Lack of understanding of the reports available in the utility billing system.

Recommendation: Customer accounts receivable for Refuse should be reported in the General Fund and customer accounts receivable for Water should be reported in the Water Fund. The County Commission Chairman should evidence his review of utility billing accounts receivable, and any other accounting subsidiary reports, schedules, and workpapers.

Management's Response: We concur with the finding. We will confer with our utility billing system provider to produce separate reports for the Water and Refuse accounts receivable.

2015-006 Undocumented Utility Customer Account Adjustments

Criteria: Customer account adjustments should be clearly explained and retained.

Condition: The County does not maintain records of adjustments to customer accounts.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2015

Effect: Customer accounts were adjusted down by \$7,123, during the year. Additionally, the ending balance from one month was not equal to the opening balance of the next month. The month-to-month differences amounted to a decrease in total accounts receivable of \$11,835, for the year.

Cause: Lack of understanding of the reports available in the utility billing system.

Recommendation: Customer adjustments should be documented and retained for future reference. Develop month-end closing procedures to insure that all transactions are recorded in the utility billing system.

Management's Response: We concur with the finding. We believe the month-to-month differences were possibly the result of cut-off timing of month-end closing. We will confer with our utility billing system provider to help us develop month-end accounting procedures.

2015-007 Accounting System and Fund Accounting

Criteria: State law (OCGA 36-81-3) requires that governments maintain their accounting records in compliance with the Uniform Chart of Accounts in conformity with generally accepted governmental accounting principles, setting forth the financial condition and results of operation of each fund and activity of the local government. "Fund" means a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and charges therein which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Condition: The County maintained several of their funds within a single accounting system. Separate accounting funds were not maintained for the following individual funds as of and for the year ended December 31, 2015:

General Fund	Water Fund
2012 SPLOST Fund	TLOST
Drug Abuse Fund	Jail Construction and Staffing Fund

The system does not adequately provide for the accounting of assets, liabilities and residual equities or balances.

Context: Adjusting entries were required to separate out the activity for the five individual funds recorded within the accounting system.

Effect: Financial reporting did not include a complete set of financial statements for each fund.

Cause: Management was not sufficiently aware of the requirement regarding the Uniform Chart of Accounts and generally accepted governmental accounting principles.

Recommendation: The County should modify the accounting system to comply with the Uniform Chart of Accounts to insure that the accounting and reporting is sufficient to maintain financial accountability by fund. The Statement of Revenues Expenditures and Changes in Fund Balance Actual vs. Budget for the General Fund included in the Annual Financial Report should be presented at the departmental level to enable readers to more adequately evaluate management monitoring of budget performance.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2015

Management's Response: We concur with the finding. Our financial reporting system is adequate for us to monitor our revenues and expenditures by class or department. However, we will look into ways to improve our accounting system to utilize the Uniform Chart of Accounts to produce financial reports in conformity with generally accepted governmental accounting.

2015-008 Expenditures in Excess of the Budget

Criteria: State law requires the Unified Government of Webster County adopt an annual balanced budget, and follow procedures that limit expenditures exceeding the budget at the Department level.

Condition: Careful monitoring of expenditures compared to budget would alert management and the public to budget violations, and possible misuse of County resources.

Context: Minutes of the Unified Government of Webster County Board of Commissioners record that financial reports are submitted, presented or otherwise distributed to the Commissioners.

Effect: Expenditures in excess of appropriations were reported in the following:

General Fund: Roads and Bridges \$103,257
Debt Service – Principal \$19,488
Debt Service – Interest \$ 1,226

Jail Construction and Staffing Fund: Transfer to General Fund \$8,787.

Cause: The acquisition of equipment and the related capital lease payments were properly approved by the Board of Commissioners, however the budget was not amended to reflect these transactions. The Jail Fund Transfer was budgeted as Public Safety expenditure.

Recommendation: The budget should be amended as often as necessary to provide for source of funds for unbudgeted expenditures.

Management's Response: We concur with the finding. The County Commission Chairman will propose budget amendments as necessary.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

STATUS OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2015

2014-001 General Ledger Maintenance

Criteria: Timely and accurate financial reports are essential in order to perform analysis of the financial condition of the County, review data for accuracy and completeness, monitor compliance with budget appropriations, and prepare annual financial statements.

Condition: During 2014, the County did not record the transactions of the following funds for the year into the accounting system:

Jail Construction and Staffing Fund
Law Library Fund

Auditee Response/ Status: Resolved.

2014-002 Segregation of Duties – Agency Funds

Criteria: The purpose of internal controls is to safeguard the assets of the County and ensure that errors or other misstatements are detected in a reasonable amount of time.

Condition: The following agency funds had inadequate segregation of duties within the cash receipts and disbursements areas: Superior Court, Magistrate Court, Probate Court, and Tax Commissioner.

Auditee Response/ Status: Unresolved. See 2015-001.

2014-003 Capital Assets

Criteria: Accounting and control procedures should be designed to insure that capital asset activity is recorded and reported in the government-wide and proprietary fund financial statements. Capital asset records must be supported by detailed records that include location, department, cost, estimated useful life, depreciation and other detail supporting documentation.

Condition: A complete inventory of all capital assets was performed in 2014. The results of the inventory identified that capital assets were not previously included on the County's capital asset depreciation schedules.

Auditee Response/ Status: Resolved.

2014-004 Accounts Receivable/Revenue

Criteria: Accounting procedures should be designed to insure that revenue is accrued and recognized when it becomes both measurable and available to finance expenditures of the period.

Condition: Various revenue items were not recorded in the proper period.

Auditee Response/ Status: Unresolved. See 2015-003.

2014-005 Accounts Payable/Expenses

Criteria: In accordance with generally accepted accounting principles, expenditures/expenses are classified in the fund where the revenues are generated to finance the expenditures/expenses of the period. Year-end procedures are necessary to ensure that expenditures/expenses are recorded in the appropriate fund.

UNIFIED GOVERNMENT OF WEBSTER COUNTY, GEORGIA

STATUS OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2015

Condition: The County does not have adequate accounting procedures to insure that expenditures/expenses are recorded and properly classified when a liability is incurred.

Auditee Response/ Status: Unresolved. See 2015-003.

2014-006 Uniform Chart of Accounts

Criteria: State law (OCGA 36-81-3) requires that governments maintain their accounting records in compliance with the Uniform Chart of Accounts.

Condition: The County maintained all of their funds within a single accounting system. Separate accounting funds were not maintained for the following individual funds as of and for the year ended December 31, 2014:

2012 SPLOST Fund
Drug Abuse Fund
Water Fund

Also, the General Fund chart of accounts does not provide for the appropriate numbering structure as required by the Uniform Chart of Accounts.

Auditee Response/ Status: We believe our account numbering structure is sufficient for our purposes and provides adequate accounting and reporting. Unresolved. See 2015-007.

2014-007 Budgetary controls – Expenditures Exceeding Appropriations (OCGA 36-81-3)

Criteria: In order to comply with applicable legal requirements regarding budgets, procedures must exist to properly monitor compliance with State law. Georgia Code 36-81-3b requires an annual balanced budget for the general fund, each special revenue fund and each debt service fund. Any increases in appropriation at the legal level of control requires the approval of the governing authority. Such information shall be adopted by ordinance or resolution.

Condition: Expenditures exceeded appropriations for the following:

General Fund

- Public Safety - \$47,500
- Roads and Bridges - \$138,133

Special Revenue Fund

- Law Library Fund - \$265

Auditee Response/ Status: Partially resolved. See 2015-008.