

**BUTTS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR
ENDED JUNE 30, 2016**

**BUTTS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016**

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David M. Haisten
C.P.A. & C.F.P.

HAISTEN & JOHNSTON

A Professional Corporation of Certified Public Accountants

Rae O. Johnston
C.P.A.

INDEPENDENT AUDITOR'S REPORT

To the Butts County Board of Commissioners
Jackson, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butts County, Georgia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Butts County Department of Public Health which represent 1.7%, 1.1%, and 8.5%, respectively, of the assets, net position and total revenues of the total component units. Those financial statements were audited by other auditors whose report has been furnished to us; and our opinion, insofar as it relates to the amounts included for the Department of Public Health is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butts County, Georgia, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-9, the Budgetary Comparison information on page 44, the Schedule of Changes in the County's Net Pension Liability and Related ratios on page 45, and the Schedule of County Contributions on page 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us sufficient evidence to express an opinion or provide any assurance.

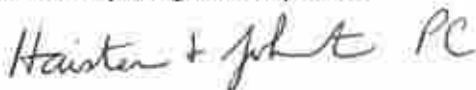
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2017, on our consideration of Butts 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 Butts County, Georgia's internal over financial reporting and compliance.



Haisten & Johnston, P. C.
Jackson, Georgia
February 4, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Butts County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities by \$77,228,562 (net position) for the fiscal year ended June 30, 2016. Of this amount, \$253,070 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2016, the County's governmental funds reported combined ending fund balances of \$8,124,861 a decrease of \$1,855,347 or 18.59% in comparison with the prior year. Of this amount, \$4,349,835 remains in the General Fund as unreserved. This is a decrease of \$1,211,015 or 21.78% from the last fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,349,835 or 22% of total general fund expenditures. Overall, the County's financial position declined during the current fiscal year.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to facilitate analysis.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by property and sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, and streets. Business-type activities include the water and sewer systems.

The government-wide financial statements are presented on pages 10 & 11 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 12-17 of this report.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the County's budget presentations. These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic

financial statements. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 48.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. Butts County's assets exceeded its liabilities by \$77,228,562 at the close of the most recent fiscal year. The largest portion of the County's net position (96.2%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table provides a comparative summary of the County's net position:

| | Comparative Summary of Net Assets | | | |
|----------------------------------|-----------------------------------|---------------------|-------------------------|---------------------|
| | June 30, 2016 | | June 30, 2015 | |
| | Governmental Activities | Percentage of Total | Governmental Activities | Percentage of Total |
| Assets: | | | | |
| Current assets | \$ 9,086,728 | 10% | \$ 10,527,709 | 12% |
| Capital assets | 79,370,803 | 90% | 80,766,061 | 88% |
| Total assets | 88,457,531 | 100% | 91,293,770 | 100% |
| Deferred outflow of resources | 41,562 | 100% | 55,416 | 100% |
| Liabilities: | | | | |
| Current liabilities | 2,281,367 | 20% | 1,723,673 | 18% |
| Long-term liabilities | 8,989,164 | 80% | 7,888,475 | 82% |
| Total liabilities | 11,270,531 | 100% | 9,612,148 | 100% |
| Net assets: | | | | |
| Net Investment in capital assets | 74,262,966 | 96% | 75,653,320 | 93% |
| Restricted for capital projects | 1,219,586 | 1% | 1,814,303 | 2% |
| Restricted for debt service | 581,247 | 1% | 667,129 | 1% |
| Restricted for program purposes | 911,693 | 1% | 875,426 | 1% |
| Unrestricted | 253,070 | 1% | 2,726,860 | 3% |
| Total net assets | \$ 77,228,562 | 100% | \$ 81,737,038 | 100% |

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 4 to 1.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
June 30, 2016

Butts County, Georgia

Net position decreased \$4,508,476 for governmental activities for the current fiscal year. The County's overall financial position deteriorated during the current fiscal year 2016.

The following table provides a summary of the County's changes in net position:

| Comparative Summary of Changes in Net Position | | | | |
|--|----------------------------------|------------------------|----------------------------------|------------------------|
| | For the year ended June 30, 2016 | | For the year ended June 30, 2015 | |
| | Governmental Activities | Percentage of Total | Governmental Activities | Percentage of Total |
| Revenues: | | | | |
| Program: | | | | |
| Charges for services | \$ 5,366,815 | 24% | \$ 4,374,107 | 19% |
| Operating grants and contributions | 134,666 | 1% | 127,220 | 1% |
| Capital grants and contributions | 320,490 | 1% | 322,230 | 1% |
| General: | | | | |
| Taxes | 16,013,089 | 72% | 17,055,822 | 75% |
| Investment earnings | 22,446 | 0% | 49,580 | 0% |
| Other | 398,578 | 2% | 882,985 | 4% |
| Total revenues | 22,256,084 | 100% | 22,811,944 | 100% |
| Program Expenses: | | | | |
| General government | 7,799,041 | 29% | 6,255,144 | 25% |
| Judicial | 1,536,548 | 6% | 1,592,810 | 6% |
| Public safety | 9,115,213 | 34% | 8,514,357 | 35% |
| Public works | 5,025,145 | 19% | 4,660,531 | 19% |
| Health and welfare | 242,690 | 1% | 794,838 | 3% |
| Culture and recreation | 1,208,280 | 5% | 1,155,162 | 5% |
| Economic opportunity | 11,775 | 0% | 11,775 | 0% |
| Housing and development | 1,701,874 | 6% | 1,527,823 | 6% |
| Interest | 123,994 | 0% | 154,800 | 1% |
| Total Expenses | 26,764,560 | 100% | 24,667,240 | 100% |
| Excess (deficiency) | (4,508,476) | | (1,855,296) | |
| Beginning net position, as previously reported | 81,737,038 | | 87,022,797 | |
| Prior period adjustment | - | | (3,430,463) | |
| Beginning net position, as restated | 81,737,038 | | 83,592,334 | |
| Ending net position | \$ 77,228,562 | | \$ 81,737,038 | |

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
June 30, 2016

Butts County, Georgia

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes to support governmental operations and capital. Property taxes provided 40% of the County's total general revenues. Sales taxes are the second largest revenue source with almost \$6 million of revenues or 27% of the total. Because of the County's cash in reserves, we have been able to earn \$22,446 in interest earnings to support governmental activities. Also, note that program revenues cover only 22% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 78% of the governmental activities. As a result, the general economy and the county businesses have a major impact on the County's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety, public works and general government functions make up 82% of the total governmental activities expenses. Public safety costs exceed \$9 million, public works totals over \$5 million and general government totals over \$7 million. Expenditures for general government increased when compared to last year.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

| | Governmental Activities | | | | Governmental Activities | | | |
|-------------------------|----------------------------------|---------|----------------------|---------|----------------------------------|---------|----------------------|---------|
| | For the Year Ended June 30, 2016 | | | | For the Year Ended June 30, 2015 | | | |
| | Total Cost of Services | | Net Cost of Services | | Total Cost of Services | | Net Cost of Services | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| General government | \$ 7,799,041 | 29.14% | \$ 7,522,216 | 35.92% | \$ 6,255,144 | 25.36% | \$ 6,062,841 | 30.55% |
| Judicial | 1,536,548 | 5.74% | 1,291,580 | 6.17% | 1,592,810 | 6.46% | 1,319,520 | 6.65% |
| Public safety | 9,115,213 | 34.06% | 6,182,225 | 29.52% | 8,514,357 | 34.52% | 6,445,599 | 32.48% |
| Public works | 5,025,145 | 18.78% | 3,034,359 | 14.49% | 4,660,531 | 18.89% | 2,752,543 | 13.87% |
| Health and welfare | 242,690 | 0.91% | 242,690 | 1.16% | 794,838 | 3.22% | 794,838 | 4.01% |
| Culture and recreation | 1,208,280 | 4.51% | 868,246 | 4.15% | 1,155,162 | 4.68% | 794,696 | 4.00% |
| Economic opportunity | 11,775 | 0.04% | 11,775 | 0.06% | 11,775 | 0.05% | 11,775 | 0.06% |
| Housing and development | 1,701,874 | 6.36% | 1,665,504 | 7.95% | 1,527,823 | 6.19% | 1,507,071 | 7.59% |
| Interest | 123,994 | 0.46% | 123,994 | 0.58% | 154,800 | 0.63% | 154,800 | 0.78% |
| Total | \$ 26,764,560 | 100.00% | \$ 20,942,589 | 100.00% | \$ 24,667,240 | 100.00% | \$ 19,843,683 | 100.00% |

After reducing gross expenses by program revenues, public safety totals 29% of the net cost of services and public works totals 14% of these costs.

Major Governmental Funds

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$1,211,015. In fiscal year 2015, the fund balance decreased by \$742,485.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
June 30, 2016

Butts County, Georgia

Property taxes decreased \$487,908 when compared to fiscal year 2015.

The General Fund's ending fund balance represents the equivalent of 22% of annual expenditures, which is slightly over two and one-half month's operations.

Budgetary Highlights

The General Fund -

The County operated within its budget in most functions. Overall expenditures were \$1,329,393 over budget however. This was largely due to the County's failure to include the purchase of the Honeywell Building Management System purchase in its budget. The overage in expenditures of \$1,329,393 is offset by capital lease proceeds from Honeywell in the amount of \$1,403,710. Revenues fell short of the budget by \$497,660.

Capital Assets and Debt Administration

Capital Assets,

The County's net investment in capital assets for governmental activities as of June 30, 2016, was \$74,262,966 as compared to \$75,653,320 at June 30, 2015. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

| | Capital Assets | | % |
|--------------------------------|----------------|---------------|--------|
| | 2016 | 2015 | Change |
| Non-depreciable assets | | | |
| Land | \$ 4,170,805 | \$ 4,170,805 | 0.00% |
| Depreciable Assets: | | | |
| Buildings | 35,995,778 | 34,499,678 | 4.34% |
| Machinery and equipment | 5,939,327 | 5,322,846 | 11.58% |
| Vehicles and road equipment | 5,508,527 | 5,144,068 | 7.09% |
| Infrastructure | 115,754,142 | 114,644,361 | 0.97% |
| Total depreciable assets | 163,197,774 | 159,610,953 | 2.25% |
| Less accumulated depreciation | 87,997,776 | 83,015,697 | 6.00% |
| Book value- depreciable assets | 75,199,998 | 76,595,256 | -1.82% |
| Percentage depreciated | 46% | 48% | |
| Book value - all assets | \$ 79,370,803 | \$ 80,766,061 | -1.73% |

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
June 30, 2016

Butts County, Georgia

At June 30, 2016, the depreciable capital assets for governmental activities were 46% depreciated.

Long-term Debt

At the end of the fiscal year, the County had general obligation bonds outstanding of which will be retired with sales taxes of \$3,624,174. Overall, outstanding debt decreased by \$25,789 during the year.

| Outstanding Borrowings | | | |
|---------------------------|---------------------|---------------------|---------------|
| | 2016 | 2015 | % Change |
| General obligation bonds | \$ 3,624,174 | \$ 4,906,475 | -26.13% |
| Capital lease payable | 1,483,663 | 206,266 | 619.30% |
| Landfill postclosure care | 863,741 | 884,626 | -2.36% |
| Total | <u>\$ 5,971,578</u> | <u>\$ 5,997,367</u> | <u>-0.43%</u> |

See Note 3-H for additional information about the County's long-term debt. We discuss the landfill closure and post-closure care liability in Note 3-G.

Economic Conditions Affecting the County

The Three Rivers Regional Commission has estimated current population in 2016 for Butts County at 23,655.

According to the United States Bureau of Labor Statistics, the current economic recession has resulted in a 5.9% unemployment rate for Butts County for December 2015.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Administrator at the County Administration Building, 25 West Third Street, Suite 04, Jackson, Georgia 30233.

BUTTS COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2016

| | Primary Government- Governmental Activities | Component Units |
|--|--|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 7,549,327 | \$ 7,617,839 |
| Accounts receivable | 67,203 | 803,362 |
| Due from other governments | 1,470,198 | 39,967 |
| Inventories | - | 308,596 |
| Restricted assets - cash and cash equivalents | - | 1,662,129 |
| Capital assets, non-depreciable | 4,170,805 | 6,223,975 |
| Capital assets, depreciable (net of accumulated depreciation) | 75,199,998 | 23,455,194 |
| Total Assets | 88,457,531 | 40,111,062 |
| Deferred Outflows of Resources | | |
| Items paid in advance | - | 8,395 |
| Pension | 41,562 | 33,254 |
| Total Deferred Outflows of Resources | 41,562 | 41,649 |
| Liabilities | | |
| Accounts payable | 505,254 | 235,628 |
| Accrued payroll and deductions | 263,129 | - |
| Due to other governments | - | 16,240 |
| Accrued interest payable | 25,175 | - |
| Customer security deposits | - | 177,604 |
| Compensated absences due within one year | - | 7,546 |
| Bonds payable within one year | 1,364,719 | - |
| Notes payable within one year | - | 470,541 |
| Capital leases payable within one year | 123,090 | - |
| Landfill due in more than one year | 863,741 | - |
| Compensated absences due in more than one year | - | 118,747 |
| Bonds payable due in more than one year | 2,259,455 | - |
| Net pension liability | 4,505,395 | 276,589 |
| Notes payable due in more than one year | - | 5,897,242 |
| Capital leases due in more than one year | 1,360,573 | - |
| Total Liabilities | 11,270,531 | 7,200,137 |
| Deferred Inflows of Resources | | |
| Proportionate share of collective deferred inflows of resources - pension plan | - | 22,166 |
| Changes in proportionate and differences between employer contributions and proportionate share of contributions-pension plan | - | 33,938 |
| Total Deferred Inflows of Resources | - | 56,104 |
| Net Position | | |
| Net investment in capital assets | 74,262,966 | 23,311,386 |
| Restricted for: | | |
| Health programs | - | 131,743 |
| Capital projects | 1,219,586 | 1,174,811 |
| Debt service | 581,247 | 481,393 |
| General government programs | 20,266 | - |
| Judicial programs | 359,337 | - |
| Public safety programs | 317,389 | - |
| Recreation programs | 214,701 | - |
| Unrestricted | 253,070 | 7,797,137 |
| Total Net Position | \$ 77,228,562 | \$ 32,896,470 |

The accompanying notes are an integral part of these financial statements.

BUTTS COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

| Function/Program | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | |
|---|----------------------|-----------------------------------|--|-------------------------------------|--|----------------------|
| | Expenses | Charges for Services and Sales | Operating Grants, Contributions and Interest | Capital Grants and Contributions | Primary Government | Component Units |
| | | | | | Governmental Activities | |
| Primary Government | | | | | | |
| Governmental Activities | | | | | | |
| General government | \$ 7,799,041 | \$ 276,825 | \$ - | \$ - | \$ (7,522,216) | \$ - |
| Judicial | 1,536,548 | 169,968 | 75,000 | - | (1,291,580) | - |
| Public safety | 9,115,213 | 2,925,391 | 7,597 | - | (6,182,225) | - |
| Public works | 5,025,145 | 1,670,296 | - | 320,490 | (3,034,359) | - |
| Health and welfare | 242,690 | - | - | - | (242,690) | - |
| Culture and recreation | 1,208,280 | 287,965 | 52,069 | - | (868,246) | - |
| Economic opportunity | 11,775 | - | - | - | (11,775) | - |
| Housing and development | 1,701,874 | 36,370 | - | - | (1,665,504) | - |
| Interest | 123,994 | - | - | - | (123,994) | - |
| Total Governmental Activities | \$ 26,764,560 | \$ 5,366,815 | \$ 134,666 | \$ 320,490 | (20,942,589) | - |
| Component Units | | | | | | |
| Water and Sewer Authority | \$ 3,345,599 | \$ 3,585,653 | \$ - | \$ 1,623,069 | - | 1,863,123 |
| Department of Public Health | 350,977 | 135,841 | 366,858 | - | - | 151,722 |
| Development Authority of Butts County | 109,445 | - | 100,000 | - | - | (9,445) |
| Industrial Development Authority | 9,204 | - | 4,050 | - | - | (5,154) |
| Total - Component Units | \$ 3,815,225 | \$ 3,721,494 | \$ 470,908 | \$ 1,623,069 | - | 2,000,246 |
| General Revenues | | | | | | |
| Property taxes levied for general government purposes | | | | | 8,984,945 | - |
| Sales taxes | | | | | 5,933,741 | - |
| Insurance premium taxes | | | | | 922,925 | - |
| Other taxes | | | | | 171,478 | 15,715 |
| Investment earnings | | | | | 22,446 | 78,251 |
| Gain on sale of assets | | | | | 8,341 | - |
| Miscellaneous | | | | | 390,237 | - |
| Total General Revenues | | | | | 16,434,113 | 93,966 |
| Change in Net Position | | | | | (4,508,476) | 2,094,212 |
| Net Position Beginning of Year, as originally stated | | | | | 81,737,038 | 30,921,324 |
| Prior period adjustment | | | | | - | (119,066) |
| Net Position Beginning of Year, as restated | | | | | 81,737,038 | 30,802,258 |
| Net Position End of Year | | | | | \$ 77,228,562 | \$ 32,896,470 |

The accompanying notes are an integral part of these financial statements.

**BUTTS COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

| | General | E-911 Fund | 2012 SPLOST Capital Projects | 2012 SPLOST Debt Service | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|-----------------------|---|---|---|---|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 4,741,212 | \$ 293,574 | \$ 870,037 | \$ 581,247 | \$ 1,063,257 | \$ 7,549,327 |
| Receivables: | | | | | | |
| Accounts | 1,129,703 | - | - | - | - | 1,129,703 |
| Sales taxes | 407,698 | - | - | - | - | 407,698 |
| Interfund | 34,531 | - | - | - | - | 34,531 |
| Total Assets | \$ 6,313,144 | \$ 293,574 | \$ 870,037 | \$ 581,247 | \$ 1,063,257 | \$ 9,121,259 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 444,196 | \$ 45,000 | \$ 16,058 | \$ - | \$ - | \$ 505,254 |
| Salaries and wages payable | 263,129 | - | - | - | - | 263,129 |
| Interfund payable | - | 11,103 | - | - | 23,428 | 34,531 |
| Total Liabilities | 707,325 | 56,103 | 16,058 | - | 23,428 | 802,914 |
| Deferred Inflows of Resources | | | | | | |
| Unavailable revenue - local option sales tax | 193,484 | - | - | - | - | 193,484 |
| Total Deferred Inflows of Resources | 193,484 | - | - | - | - | 193,484 |
| Fund Balances | | | | | | |
| Non-spendable | 1,062,500 | - | - | - | - | 1,062,500 |
| Restricted for: | | | | | | |
| Capital projects | - | - | 853,979 | - | 365,607 | 1,219,586 |
| Debt service | - | - | - | 581,247 | - | 581,247 |
| Program purposes | - | 237,471 | - | - | 674,222 | 911,693 |
| Unassigned: | | | | | | |
| General fund | 4,349,835 | - | - | - | - | 4,349,835 |
| Total Fund Balances | 5,412,335 | 237,471 | 853,979 | 581,247 | 1,039,829 | 8,124,861 |
| Total Liabilities and Fund Balances | \$ 6,313,144 | \$ 293,574 | \$ 870,037 | \$ 581,247 | \$ 1,063,257 | \$ 9,121,259 |

The accompanying notes are an integral part of these financial statements.

BUTTS COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

| | | |
|--|---------------------|-----------------------------|
| Total Governmental Fund Balances | | \$ 8,124,861 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the statement of net position the cost of these assets is capitalized and expensed over their estimated lives through annual depreciation expense. | | |
| Cost of capital assets | \$ 167,368,579 | |
| Less accumulated depreciation | <u>(87,997,776)</u> | 79,370,803 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds but are reported as revenue in the government-wide statement of net position. | | |
| Sales taxes | | 193,484 |
| Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net position: | | |
| Interfund receivables | \$ 34,531 | |
| Interfund payables | <u>(34,531)</u> | - |
| Deferred outflows of resources are not available in the current period and, therefore, are not reported in the funds. | | |
| | | 41,562 |
| Certain liabilities are not due and payable in the current period and therefore are not reported in the funds but are reported in the government-wide statement of net position. | | |
| Bonds | \$ (3,624,174) | |
| Net pension liability | (4,505,395) | |
| Landfill postclosure | (863,741) | |
| Capital leases | (1,483,663) | |
| Accrued interest | <u>(25,175)</u> | <u>(10,502,148)</u> |
| Net Position Of Governmental Activities | | <u><u>\$ 77,228,562</u></u> |

The accompanying notes are an integral part of these financial statements.

BUTTS COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | General | E-911 Fund | 2012 SPLOST Capital Projects | 2012 SPLOST Debt Service | Other Governmental Funds | Total Governmental Funds |
|--|--------------------|-----------------------|---|---|---|---|
| Revenues | | | | | | |
| Taxes | \$ 12,394,006 | \$ - | \$ - | \$ 3,629,678 | \$ - | \$ 16,023,684 |
| Licenses and permits | 159,310 | - | - | - | - | 159,310 |
| Intergovernmental | 328,087 | - | - | - | 75,000 | 403,087 |
| Charges for services | 3,665,181 | 360,854 | - | - | 152,802 | 4,178,837 |
| Fines and forfeitures | 620,159 | - | - | - | 362,703 | 982,862 |
| Investment earnings | 20,107 | 152 | 628 | 630 | 929 | 22,446 |
| Miscellaneous | 383,475 | - | - | - | - | 383,475 |
| Sale of assets | 20,500 | - | - | - | 47,898 | 68,398 |
| Insurance proceeds | 6,762 | - | - | - | - | 6,762 |
| Contributions | - | - | - | - | 97,875 | 97,875 |
| Total Revenues | 17,597,587 | 361,006 | 628 | 3,630,308 | 737,207 | 22,326,736 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 5,026,583 | - | - | - | 3,756 | 5,030,339 |
| Judicial | 1,411,476 | - | - | - | 53,117 | 1,464,593 |
| Public safety | 7,371,596 | 349,677 | - | - | 453,442 | 8,174,715 |
| Public works | 1,972,746 | - | - | - | - | 1,972,746 |
| Health and welfare | 242,690 | - | - | - | - | 242,690 |
| Culture and recreation | 1,010,336 | - | - | - | 58,250 | 1,068,586 |
| Economic opportunity | 11,775 | - | - | - | - | 11,775 |
| Housing and development | 2,992,235 | - | - | - | - | 2,992,235 |
| Intergovernmental | - | - | - | 1,145,983 | - | 1,145,983 |
| Capital Outlay | - | - | 1,789,088 | - | 154,185 | 1,943,273 |
| Debt Service: | | | | | | |
| Principal retirement | 59,788 | 66,525 | - | 1,312,850 | - | 1,439,163 |
| Interest and fiscal charges | 28,255 | 6,840 | - | 64,600 | - | 99,695 |
| Total Expenditures | 20,127,480 | 423,042 | 1,789,088 | 2,523,433 | 722,750 | 25,585,793 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,529,893) | (62,036) | (1,788,460) | 1,106,875 | 14,457 | (3,259,057) |

The accompanying notes are an integral part of these financial statements.

BUTTS COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>General</u> | <u>E-911 Fund</u> | <u>2012 SPLOST Capital Projects</u> | <u>2012 SPLOST Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|-----------------------|---|---|---|---|
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,529,893) | (62,036) | (1,788,460) | 1,106,875 | 14,457 | (3,259,057) |
| Other Financing Sources (Uses) | | | | | | |
| Lease proceeds | 1,403,710 | - | - | - | - | 1,403,710 |
| Transfers in | 125,168 | - | 1,192,757 | - | 255,935 | 1,573,860 |
| Transfers out | (210,000) | - | - | (1,192,757) | (171,103) | (1,573,860) |
| Total Other Financing Sources (Uses) | 1,318,878 | - | 1,192,757 | (1,192,757) | 84,832 | 1,403,710 |
| Net Change in Fund Balances | (1,211,015) | (62,036) | (595,703) | (85,882) | 99,289 | (1,855,347) |
| Fund Balances Beginning of Year | 6,623,350 | 299,507 | 1,449,682 | 667,129 | 940,540 | 9,980,208 |
| Fund Balances End of Year | <u>\$ 5,412,335</u> | <u>\$ 237,471</u> | <u>\$ 853,979</u> | <u>\$ 581,247</u> | <u>\$ 1,039,829</u> | <u>\$ 8,124,861</u> |

The accompanying notes are an integral part of these financial statements.

BUTTS COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

| | | |
|---|--------------------|--------------------|
| Net Changes In Fund Balances - Total Governmental Funds | \$ | (1,855,347) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. | | |
| However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period. | | |
| Depreciation expense | \$ (4,996,637) | |
| Capital outlay | <u>3,661,436</u> | (1,335,201) |
| Governmental funds report proceeds from the sale of assets as revenues. | | |
| However, in the statement of activities, the sale is netted against the basis of the assets sold and reported as a gain or loss. | | |
| Cost of assets sold less accumulated depreciation | | (60,057) |
| Increase in deferred outflows of resources | | |
| Pension @ 6/30/16 | \$ 41,562 | |
| Pension @ 6/30/15 | <u>(55,416)</u> | (13,854) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Sales taxes: | | |
| Deferred @ 6/30/16 | \$ 193,484 | |
| Deferred @ 6/30/15 | <u>(204,079)</u> | (10,595) |
| Elimination of transfers between governmental funds: | | |
| Transfers in | \$ 1,573,860 | |
| Transfers out | <u>(1,573,860)</u> | - |
| Interest expense reported in the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds | | |
| Liability @ 6/30/16 | \$ (25,175) | |
| Liability @ 6/30/15 | <u>31,425</u> | 6,250 |
| Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| Principal payments on general obligations bonds including bond premium amortization | \$ 1,282,301 | |
| Principal payments on capital leases | 126,313 | |
| Reduction of landfill postclosure costs | <u>20,885</u> | 1,429,499 |
| Capital lease proceeds provide current financial resources to governmental fund however, issuing debt increases long-term liabilities in the Statement of Net Position | | |
| Capital lease proceeds | | (1,403,710) |
| Increase in net pension liability | | |
| Net pension liability @ 6/30/15 | \$ 3,239,934 | |
| Net pension liability @ 6/30/16 | <u>(4,505,395)</u> | (1,265,461) |
| Change In Net Position of Governmental Activities | <u>\$</u> | <u>(4,508,476)</u> |

The accompanying notes are an integral part of these financial statements.

BUTTS COUNTY, GEORGIA
COMPARATIVE STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016 AND JUNE 30, 2015

| | <u>Agency Funds</u> <u>June 30, 2016</u> | <u>Agency Funds</u> <u>June 30, 2015</u> |
|---------------------------|---|---|
| Assets | | |
| Cash and cash equivalents | \$ 1,191,265 | \$ 902,845 |
| Total Assets | <u>\$ 1,191,265</u> | <u>\$ 902,845</u> |
| Liabilities | | |
| Due to others | \$ 1,018,729 | \$ 784,608 |
| Due to other governments | <u>172,536</u> | <u>118,237</u> |
| Total Liabilities | <u>\$ 1,191,265</u> | <u>\$ 902,845</u> |

The accompanying notes are an integral part of these financial statements.

BUTTS COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2016

| | Butts County, et al. Water and Sewer Authority | Butts County Department of Public Health | Butts County Industrial Development Authority | Development Authority of Butts County | Total |
|---|---|---|--|--|----------------------|
| Assets | | | | | |
| Current: | | | | | |
| Cash and cash equivalents | \$ 6,767,713 | \$ 616,391 | \$ 96,375 | \$ 137,360 | \$ 7,617,839 |
| Restricted cash and cash equivalents | 931,954 | - | - | - | 931,954 |
| Accounts Receivable | 778,645 | 24,717 | - | - | 803,362 |
| Intergovernmental receivable | - | 39,967 | - | - | 39,967 |
| Prepaid items | 8,395 | - | - | - | 8,395 |
| Inventories | 308,596 | - | - | - | 308,596 |
| Noncurrent Assets: | | | | | |
| Restricted cash and cash equivalents | 730,175 | - | - | - | 730,175 |
| Capital Assets: | | | | | |
| Nondepreciable capital assets | 1,995,010 | - | - | 4,228,965 | 6,223,975 |
| Depreciable capital assets, net | 22,682,868 | 38,960 | - | 733,366 | 23,455,194 |
| | - | | | | |
| Total Assets | 34,203,356 | 720,035 | 96,375 | 5,099,691 | 40,119,457 |
| Deferred Outflows of Resources | | | | | |
| Employer pension contributions | - | 33,254 | - | - | 33,254 |
| | | | | | |
| Total Assets and Deferred Outflows of Resources | 34,203,356 | 753,289 | 96,375 | 5,099,691 | 40,152,711 |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 235,620 | 8 | - | - | 235,628 |
| Intergovernmental payable | - | 16,240 | - | - | 16,240 |
| Customer security deposits | 177,604 | - | - | - | 177,604 |
| Compensated absences | - | 7,546 | - | - | 7,546 |
| Notes payable | 470,541 | - | - | - | 470,541 |
| Long-term Liabilities: | | | | | |
| Notes payable (net of current portion) | 4,834,742 | - | - | 1,062,500 | 5,897,242 |
| Net pension liability | - | 276,589 | - | - | 276,589 |
| Compensated absences (net of current portion) | 97,860 | 20,887 | - | - | 118,747 |
| | | | | | |
| Total Liabilities | 5,816,367 | 321,270 | - | 1,062,500 | 7,200,137 |
| Deferred Inflows of Resources | | | | | |
| Proportionate share of collective deferred inflows of resources - pension plan | - | 22,166 | - | - | 22,166 |
| Changes in proportionate and differences between employer contributions and proportionate share of contributions - pension plan | - | 33,938 | - | - | 33,938 |
| | | | | | |
| Total Deferred Inflows of Resources | - | 56,104 | - | - | 56,104 |
| | | | | | |
| Total Liabilities and Deferred Inflows of Resources | 5,816,367 | 377,374 | - | 1,062,500 | 7,256,241 |
| Net Position | | | | | |
| Net investment in capital assets | 19,372,595 | 38,960 | - | 3,899,831 | 23,311,386 |
| Restricted for specific health programs | - | 131,743 | - | - | 131,743 |
| Restricted for capital projects | 1,174,811 | - | - | - | 1,174,811 |
| Restricted for debt service | 481,393 | - | - | - | 481,393 |
| Unrestricted | 7,358,190 | 205,212 | 96,375 | 137,360 | 7,797,137 |
| | | | | | |
| Total Net Position | \$ 28,386,989 | \$ 375,915 | \$ 96,375 | \$ 4,037,191 | \$ 32,896,470 |

The accompanying notes are an integral part of these financial statements.

BUTTS COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2016

| | Butts County, et al. Water and Sewer Authority | Butts County Department of Public Health | Butts County Industrial Development Authority | Development Authority of Butts County | Total |
|--------------------------------------|--|---|--|--|----------------------|
| Expenses | | | | | |
| Health and welfare | \$ - | \$ 350,977 | \$ - | \$ - | \$ 350,977 |
| Economic development | - | - | 9,204 | 109,445 | 118,649 |
| Water and sewer | 3,244,044 | - | - | - | 3,244,044 |
| Interest | 101,555 | - | - | - | 101,555 |
| Total Expenses | 3,345,599 | 350,977 | 9,204 | 109,445 | 3,815,225 |
| Revenues | | | | | |
| Program revenues: | | | | | |
| Charges for services | 3,585,653 | 135,841 | - | - | 3,721,494 |
| Operating grants and contributions | - | 366,858 | 4,050 | 100,000 | 470,908 |
| Capital grants and contributions | 1,623,069 | - | - | - | 1,623,069 |
| Total Program Revenues | 5,208,722 | 502,699 | 4,050 | 100,000 | 5,815,471 |
| Net Program Revenue (Expense) | 1,863,123 | 151,722 | (5,154) | (9,445) | 2,000,246 |
| General revenues | | | | | |
| Investment earnings | 75,884 | 356 | 968 | 1,043 | 78,251 |
| Title Ad Valorem Tax | 15,715 | - | - | - | 15,715 |
| Total General Revenues | 91,599 | 356 | 968 | 1,043 | 93,966 |
| Change in Net Position | 1,954,722 | 152,078 | (4,186) | (8,402) | 2,094,212 |
| Net Position Beginning of | | | | | |
| Year (as originally stated) | 26,551,333 | 223,837 | 100,561 | 4,045,593 | 30,921,324 |
| Prior period adjustment | (119,066) | - | - | - | (119,066) |
| Net Position Beginning of | | | | | |
| Year (as restated) | 26,432,267 | 223,837 | 100,561 | 4,045,593 | 30,802,258 |
| Net Position End of Year | \$ 28,386,989 | \$ 375,915 | \$ 96,375 | \$ 4,037,191 | \$ 32,896,470 |

The accompanying notes are an integral part of these financial statements.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

The County of Butts, Georgia (the "County") was chartered by an act of the General Assembly of the State of Georgia. The County operates under a commission manager form of government and provides the following services: Public safety, roads, courts, health and sanitation, recreation, fire protection and general and administrative services.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County has implemented GASB 62 Codification of Accounting and Financial Reporting Guidance on pre-November 30, 1989 FASB Statements and AICPA pronouncements.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

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

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

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

Brief descriptions of the discretely presented component units follow:

Butts County, et al. Water and Sewer Authority (the Water and Sewer Authority) – Butts County has guaranteed the Water and Sewer Authority's notes payable to the Georgia Environmental Facilities Authority. The Water and Sewer Authority is authorized by law to acquire, construct, equip, operate, maintain, own and improve self-liquidating projects embracing: sources of water supply; the treatment, distribution and sale of water and related facilities; and the collection, treatment and disposal of sewage waste and any related facilities. The Water and Sewer Authority's financial statements have been presented separately and can be obtained by writing to the Butts County, et al, Water and Sewer Authority, P.O. Box 145, Jackson, Georgia 30233.

Butts County Department of Health (the Health Department) – The Butts County Health Department is governed by the Butts County Board of Commissioners. The Health Department provides public health services including child health checks, family planning, family health, sexually transmitted diseases and tuberculosis control, W.I.C., hypertension screening and monitoring, and environmental health services. The Health Department financial statements have been presented separately and can be obtained by writing to the Butts County Department of Public Health, 463 Kennedy Drive, Jackson, Georgia 30233.

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BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Butts County Industrial Development Authority (the Authority) - The Butts County Industrial Development Authority was created by referendum in 1968. The entity is governed by five board members appointed by the Butts County Board of Commissioners. The Authority can participate in land acquisition, lease agreements on land owned by the Authority, and tax abatements on land owned by the Authority. The Authority's financial statements have been presented separately and can be obtained by writing to the Butts County Industrial Development Authority, 625 West Third Street, Jackson, Georgia 30233.

Development Authority of Butts County (the Authority) - The Development Authority of Butts County was created in 1977 by local ordinance in accordance with the Development Authorities Act. It is governed by a seven member board appointed by the Butts County Board of Commissioners. The Authority's financial statements have been presented separately and can be obtained by writing to the Development Authority of Butts County, 625 West Third Street, Jackson, Georgia 30233.

1-B. Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the County's general revenues.

The statement of net position presents the financial position of the governmental activities of the County and it's discretely presented component units at year-end.

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

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

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

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

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Major individual governmental funds are reported in separate columns.

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

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

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

E-911 Fund - This special revenue fund is used to accumulate revenue derived from telephone surcharges established to help cover the costs associated with the County operating and maintaining and emergency call center.

2012 SPLOST Capital Projects Fund - This fund is used to record all transactions relating to 2012 SPLOST capital projects.

2012 SPLOST Debt Service Fund - This fund is used to accumulate enough proceeds from the collection of SPLOST to make the semi-annual bond payment. The additional monies collected beyond the bond payment amount are then remitted to the County Capital Projects Fund and to municipalities in the County in accordance with the 2012 SPLOST referendum.

Fiduciary Funds - Fiduciary fund reporting focuses on changes in assets and liabilities. The County's fiduciary funds are agency funds. Fiduciary funds employ the economic resources measurement focus and are accounted for on the accrual basis. Neither fiduciary funds nor component units that are fiduciary in nature are included in the government wide financial statements.

1-C. Measurement Focus

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

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

Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements. Proprietary funds and fiduciary funds employ the economic resources measurement focus and are accounted for on the accrual basis.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1-D. Basis of Accounting

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

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

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 31 days for sales taxes and within 60 days for all other revenues) before it can be recognized.

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

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

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

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

Deferred revenue is reclassified as “*unearned revenue*” on the government-wide statement of net position.

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

See auditor’s report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

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

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

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

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

The County has no investment policy that would further limit its investment choices.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at June 30, 2016.

1-E-3 Consumable Inventories

The Water and Sewer Authority's inventory consists of materials and supplies used to construct and repair water lines. The inventory is recorded at the lower of cost or market on a first-in, first out basis.

1-E-4 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

1-E-5 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net position.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1-E-6 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Infrastructure was added to capital assets to comply with requirements of GASB 34 in the fiscal year ended June 30, 2007. The county estimated the value of all paved County roads based on indexes provided by the Georgia Department of Transportation. Since that time all major construction projects related to roads have been capitalized.

All reported capital assets are depreciated except for land and construction in progress. It is the County's policy not to charge infrastructure depreciation in the year of construction. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

| Asset Class | Estimated Lives | | | |
|-----------------------------|-------------------------|-----------------------|-------------------|-----------------|
| | Primary Government | Component Units | | |
| | Governmental Activities | Development Authority | Health Department | Water Authority |
| Land improvements | 39 years | 39 years | - | 40 years |
| Buildings | 39 years | 39 years | - | 39 years |
| Machinery and equipment | 5 - 10 years | 5 - 10 years | 5 years | 5-10 years |
| Vehicles and road equipment | 5 years | 5 years | 5 years | 5 years |
| Infrastructure | 39 years | 39 years | - | 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-E-7 Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. This item relates to the County's Retirement Plan and the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

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

1-E-8 Compensated Absences

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

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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

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

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

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

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

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

1-E-10 Fund Equity

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

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

- Non-spendable – Fund balances are reported as non-spendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County's board through the approval of a motion. Only the Board of Commissioners may modify or rescind a commitment.
- Assigned – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County has authorized the County's management to assign fund balances.
- Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Net Position - Net position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1-E-11 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary type discretely presented component units. For the County, these revenues are charges for services for water and sewer. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund.

1-E-12 Contributions of Capital

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

1-E-13 Interfund Activity

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

Transfers between funds reported in the governmental activities column are eliminated.

1-E-14 Estimates

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

1-E-15 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

1-E-16 Pensions

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

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The County adopts an annual operating budget for the general fund. The budget resolution reflects the total of each department’s appropriation in each fund.

The general fund budget is adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the County Commissioners.

The County Administrator or Finance Director may approve budget transfers within departments.

All unexpended annual appropriations lapse at year-end.

2-B. Expenditures in Excess of Appropriations

Public works expenditures exceeded appropriations by \$30,881. Housing and development expenditures exceeded appropriations by \$1,531,025. This was offset by lease proceeds from the agreement with Honeywell for the business management system of \$1,403,710.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to the government. The government’s deposit policy for custodial credit risk requires that the banking institution hold collateral in the County’s name equal to 110% of the total government’s deposits in excess of FDIC coverage. At June 30, 2016, the County’s bank balances were either insured by FDIC or collateralized with collateral held by the pledging bank’s trust department in the County’s name.

Investments – The County has not adopted a formal investment policy. All funds were held in cash and cash equivalent accounts at June 30, 2016.

3-B. Receivables

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

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

3-C. Property Taxes

Taxes are levied on a calendar year basis. Payments are due in two equal installments, the last being in December.

Levy Date - July 2, 2015

Due Date - First half – September 24, 2015

Second half - December 3, 2015

Lien Date - 90 days after second half due date

See auditor’s report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3-D. Capital Assets

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

| | Balance 6/30/2015 | Addition | Deductions | Balance 6/30/2016 |
|---|------------------------------|-----------------------|-------------------|------------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 4,170,805 | \$ - | \$ - | \$ 4,170,805 |
| Depreciable capital assets: | | | | |
| Buildings | \$ 34,499,678 | \$ 1,496,100 | \$ - | \$ 35,995,778 |
| Machinery and equipment | 5,322,846 | 616,481 | - | 5,939,327 |
| Vehicles and road equipment | 5,144,068 | 439,074 | 74,615 | 5,508,527 |
| Infrastructure | 114,644,361 | 1,109,781 | - | 115,754,142 |
| Total depreciable capital assets | 159,610,953 | 3,661,436 | 74,615 | 163,197,774 |
| Accumulated depreciation: | | | | |
| Buildings | 9,521,018 | 1,102,514 | - | 10,623,532 |
| Machinery and equipment | 3,781,895 | 404,010 | - | 4,185,905 |
| Vehicles and road equipment | 4,027,705 | 522,401 | 14,558 | 4,535,548 |
| Infrastructure | 65,685,079 | 2,967,712 | - | 68,652,791 |
| Total accumulated depreciation | 83,015,697 | 4,996,637 | 14,558 | 87,997,776 |
| | | - | | |
| Governmental activities capital assets, net | \$ 76,595,256 | \$ (1,335,201) | \$ 60,057 | \$ 75,199,998 |
| Governmental activities depreciation expense | | | | |
| General Government | | \$ 307,485 | | |
| Judicial | | 61,692 | | |
| Public safety | | 995,585 | | |
| Highway and streets | | 2,881,097 | | |
| Culture and recreation | | 124,299 | | |
| Housing and development | | 113,349 | | |
| Total governmental activities depreciation expense | | \$ 4,996,637 | | |

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

| | Balance 6/30/2015 | Addition | Deductions | Reclassifications | Balance 6/30/2016 |
|--|-----------------------------|----------------------------|--------------------|--------------------|-----------------------------|
| Component Units: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 6,208,877 | \$ - | \$ - | \$ - | \$ 6,208,877 |
| Construction in Progress | 15,098 | - | - | - | 15,098 |
| | | - | | | |
| Total capital assets not being depreciated | <u>\$ 6,223,975</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,223,975</u> |
| Depreciable capital assets: | | | | | |
| Buildings | \$ 295,025 | \$ 2,720 | \$ - | \$ - | \$ 297,745 |
| Machinery and equipment | 1,263,078 | 82,701 | - | - | 1,345,779 |
| Infrastructure | 33,491,966 | 2,133,780 | - | - | 35,625,746 |
| Total depreciable capital assets | <u>35,050,069</u> | <u>2,219,201</u> | <u>-</u> | <u>-</u> | <u>37,269,270</u> |
| Accumulated depreciation: | | | | | |
| Buildings | 130,480 | 9,976 | - | - | 140,456 |
| Machinery and equipment | 942,271 | 105,728 | - | - | 1,047,999 |
| Infrastructure | 11,782,560 | 843,061 | - | - | 12,625,621 |
| Total accumulated depreciation | <u>12,855,311</u> | <u>958,765</u> | <u>-</u> | <u>-</u> | <u>13,814,076</u> |
| Component units capital assets, net | <u><u>\$ 22,194,758</u></u> | <u><u>\$ 1,260,436</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 23,455,194</u></u> |

3-E. Interfund Balances and Transfers

Interfund balances at June 30, 2016, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

| Payable to: | Jail Fund | E-911 FUND | Drug Abuse Treatment & Education Fund | Total |
|--------------|------------------------|-------------------------|---|-------------------------|
| General Fund | \$ 3,553 | \$ 11,103 | \$ 19,875 | \$ 34,531 |
| Total | <u><u>\$ 3,553</u></u> | <u><u>\$ 11,103</u></u> | <u><u>\$ 19,875</u></u> | <u><u>\$ 34,531</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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

| | Transfers To | | | |
|----------------------------------|---------------------|--------------------|-------------------------|---------------------|
| | General | Capital | 2012 SPLOST | Total |
| Transfers from | Fund | Improvement | Capital Projects | |
| General Fund | \$ - | \$ 210,000 | \$ - | \$ 210,000 |
| Southern Crescent CDL Fund | 125,168 | - | - | 125,168 |
| Indian Springs Fire Station Fund | - | 45,935 | - | 45,935 |
| 2012 SPLOST Debt Service Fund | - | - | 1,192,757 | 1,192,757 |
| | <u>\$ 125,168</u> | <u>\$ 255,935</u> | <u>\$ 1,192,757</u> | <u>\$ 1,573,860</u> |

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. *Compensated Absences*

Under the current policy employees receive personal leave that includes sick leave and annual leave. Employees accumulate personal leave in the following amounts:

Completed 0-1 Years of Service: 4 hours per pay period
 Completed 1-5 Years of Service: 5 hours per pay period
 Completed 6-10 Years of Service: 6 hours per pay period
 Completed 11+ Years of Service: 7 hours per pay period

Up to 160 hours of personal leave can be carried over at the end of the calendar year. No liability has been recorded for personal leave accrued under the policy as it will be paid with current resources.

3-G. *Landfill Closure Costs*

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The estimated liability for landfill closure and post closure care costs has a balance of \$863,741 at June 30, 2016. The estimated total current cost of the landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 1994 (\$1,762,500). However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The landfill closed during the fiscal year ended June 30, 1997.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3-H. Long-Term Debt

County General Obligations Bonds – In 2012, the County issued \$2,620,000 Series 2012A general obligation sales tax bonds carrying an interest rate of 3.29% payable over 7 years and \$4,405,000 Series 2012B general obligation sales tax bonds carrying an interest rate of 2.0% payable over 5 years. The bonds will be retired from special purpose local option sales taxes. Bond proceeds were used to reduce debt by acquiring existing jail facilities, community center and superior court offices from Hamilton State Bank and Association of County Commissioners of Georgia and to fund various construction projects in the County and Municipalities within the County.

Annual debt service requirements to amortize all general obligation bonds outstanding as of June 30, 2016 follows:

| Year | Principal | Bond Premium | Total Principal Amount | Interest | Total |
|------|---------------------|-------------------|---------------------------|-------------------|---------------------|
| 2017 | \$ 1,275,000 | \$ 89,719 | \$ 1,364,719 | \$ 100,700 | \$ 1,465,419 |
| 2018 | 1,310,000 | 93,214 | 1,403,214 | 69,700 | 1,472,914 |
| 2019 | 760,000 | 96,241 | 856,241 | 30,400 | 886,641 |
| | <u>\$ 3,345,000</u> | <u>\$ 279,174</u> | <u>\$ 3,624,174</u> | <u>\$ 200,800</u> | <u>\$ 3,824,974</u> |

Capital Leases –

United Bank - In November 2013, the County entered into a capital lease purchase agreement with United Bank for the purchase of equipment for the Butts County 911 Standalone VESTA 4.x system with a total cost of \$338,455. The total principal of \$338,455 is due and payable in 5 installments of \$73,365 with interest of 3.316%. The first installment was due May 5, 2014 with the final payment due May 5, 2018.. The balance due at June 30, 2016 was \$139,741. Annual debt service requirements are as follows:

| Year | Principal | Interest | Total |
|------|-------------------|-----------------|-------------------|
| 2017 | \$ 68,731 | \$ 4,634 | \$ 73,365 |
| 2018 | 71,010 | 2,355 | 73,365 |
| | <u>\$ 139,741</u> | <u>\$ 6,989</u> | <u>\$ 146,730</u> |

U.S. Bancorp Government Leasing and Finance, Inc. – In October 2014, the County entered into an agreement with U.S. Bancorp Government Leasing and Finance, Inc. to finance the purchase of a Building Management System/ Energy Retrofit Project from Honeywell International, Inc. for a total cost of \$1,403,710. Work was delayed on installation of the system and the work was not completed until fiscal year 2016. The total principal of \$1,403,710 is due and payable in 15 annual payments with interest of 2.67%. The first installment was due July 15, 2015 with the final payment due July 15, 2029. The balance due at June 30, 2016 was \$1,343,922. Annual debt service requirements are as follows:

| Year | Principal | Interest | Total |
|-----------|---------------------|-------------------|---------------------|
| 2017 | \$ 54,359 | \$ 36,325 | \$ 90,684 |
| 2018 | 58,549 | 34,856 | 93,405 |
| 2019 | 72,883 | 33,273 | 106,156 |
| 2020 | 78,038 | 31,303 | 109,341 |
| 2021 | 83,427 | 29,194 | 112,621 |
| 2022-2026 | 506,863 | 108,997 | 615,860 |
| 2027-2030 | 489,803 | 32,496 | 522,299 |
| | <u>\$ 1,343,922</u> | <u>\$ 306,444</u> | <u>\$ 1,650,366</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3-H. Long-Term Debt (Continued)

Water and Sewer Authority – (a discretely presented component Unit) – The Water and Sewer Authority has issued various debt as explained below.

Revenue Bonds

In 2014, the Authority issued \$4,005,000 series 2014 Revenue Bonds carrying an interest rate of 2.366% payable over 14 years. The bonds will be retired from revenues generated from the Authority. Bond proceeds were used to reduce existing debt. Annual debt service requirements to amortize all revenue bonds outstanding as of June 30, 2016 follows:

Water and Sewer Authority (Continued)

| Year | Principal | Bond Premium | Total Principal Amount | Interest | Total |
|------|---------------------|------------------|---------------------------|-------------------|---------------------|
| 2017 | \$ 325,000 | \$ 7,260 | \$ 332,260 | \$ 84,388 | \$ 416,648 |
| 2018 | 335,000 | 7,260 | 342,260 | 77,788 | 420,048 |
| 2019 | 340,000 | 7,260 | 347,260 | 71,038 | 418,298 |
| 2020 | 350,000 | 7,260 | 357,260 | 64,138 | 421,398 |
| 2021 | 355,000 | 7,260 | 362,260 | 57,088 | 419,348 |
| 2022 | 365,000 | 7,260 | 372,260 | 48,975 | 421,235 |
| 2023 | 370,000 | 7,260 | 377,260 | 39,325 | 416,585 |
| 2024 | 225,000 | 7,260 | 232,260 | 31,144 | 263,404 |
| 2025 | 235,000 | 7,260 | 242,260 | 24,525 | 266,785 |
| 2026 | 240,000 | 7,260 | 247,260 | 17,400 | 264,660 |
| 2027 | 250,000 | 7,261 | 257,261 | 10,050 | 267,311 |
| 2028 | 210,000 | 7,261 | 217,261 | 3,150 | 220,411 |
| | <u>\$ 3,600,000</u> | <u>\$ 87,122</u> | <u>\$ 3,687,122</u> | <u>\$ 529,009</u> | <u>\$ 4,216,131</u> |

To remain in compliance with the bond agreement, the Authority must maintain a debt service ratio of 1.1 or greater. For the period ended June 30, 2016, the debt service ratio was 3.1.

Notes Payable

Georgia Environmental Finance Authority SRF11-022

Original principal amount of \$542,721, 1.13% interest, 240 monthly installments of \$2,528, commencing on December 1, 2013. Balance at June 30, 2016 was \$481,393. In order to comply with loan covenants, the Authority must maintain a fixed charges ratio of at least 1.05. For the fiscal year 2016, the fixed charges ratio was 6.29.

United Bank 57580704

Original principal amount of \$380,880, 1.9% interest, 60 principal and interest payments of \$6,664, commencing on July 15, 2013. Proceeds of note were used to pay off a real estate note with Hamilton State Bank. Balance at June 30, 2016 was \$156,768.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3-H. Long-Term Debt (Continued)

Water and Sewer Authority (Continued)

Georgia Environmental Finance Authority SRF11-025

Original principal amount of \$980,000, 1.4% interest. Principal and interest to be paid in 240 monthly installments commencing on September 1, 2016 with interest only payments made until then. Balance at June 30, 2016 was \$980,000. This loan is for the construction of a new 500,000 gallon elevated water storage tank

The following summarizes maturities of notes payable and related interest requirements:

| Year | GEFA SRF11-022 | United Bank | GEFA SRF11-025 | Interest Requirements | Total |
|-----------|-------------------|-------------------|-------------------|--------------------------|---------------------|
| 2017 | \$ 25,020 | \$ 77,668 | \$ 35,593 | \$ 18,857 | \$ 157,138 |
| 2018 | 25,304 | 79,100 | 43,263 | 18,783 | 166,450 |
| 2019 | 25,592 | - | 43,873 | 17,074 | 86,539 |
| 2020 | 25,883 | - | 44,491 | 16,165 | 86,539 |
| 2021 | 26,177 | - | 45,118 | 15,244 | 86,539 |
| 2022 | 26,474 | - | 45,754 | 14,311 | 86,539 |
| 2023 | 26,775 | - | 46,398 | 13,366 | 86,539 |
| 2024-2028 | 138,524 | - | 241,984 | 52,206 | 432,714 |
| 2029-2033 | 146,551 | - | 259,521 | 26,622 | 432,694 |
| 2034-2037 | 15,093 | - | 174,005 | 4,039 | 193,137 |
| Total | <u>\$ 481,393</u> | <u>\$ 156,768</u> | <u>\$ 980,000</u> | <u>\$ 196,667</u> | <u>\$ 1,814,828</u> |

Development Authority of Butts County – (a discretely presented component unit) – The Development Authority has issued the following note:

Butts County Board of Commissioners

In 2012, the Development Authority of Butts County paid off their loan with United Bank using proceeds from the issuance of general obligation sales tax bonds issued by Butts County. The original note was for the purchase of land adjacent to Riverview Business Park. As part of its intergovernmental agreement, the Development Authority has agreed to pay back the Butts County Board of Commissioners a total of \$1,000,000 for the Commissioner's assistance from the General Fund over the years with note payments on the United Bank loan and \$62,500 as refund of an overpayment. The amount will be paid back as land is sold in the Riverview Business Park with a zero percent interest rate.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3-H. Long-Term Debt (Continued)
Development Authority of Butts County (Continued)
Butts County Board of Commissioners

The following summarizes long term debt principal and interest requirements due until paid in full.

| <u>Year</u> | <u>Butts County Board of Commissioners</u> | <u>Interest Requirements</u> | <u>Total</u> |
|-------------|--|----------------------------------|---------------------|
| 2017 | - | - | - |
| 2018 | - | - | - |
| 2019 | - | - | - |
| 2020 | - | - | - |
| 2021-2024 | 1,062,500 | - | 1,062,500 |
| Total | <u>\$ 1,062,500</u> | <u>\$ -</u> | <u>\$ 1,062,500</u> |

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2016:

| <u>Governmental Activities</u> | <u>Outstanding 6/30/2015</u> | <u>Additions</u> | <u>Reductions</u> | <u>Outstanding 6/30/2016</u> | <u>Amounts Due in One Year</u> |
|--|----------------------------------|---------------------|---------------------|----------------------------------|------------------------------------|
| General obligation bonds | \$ 4,906,475 | \$ - | \$ 1,282,301 | \$ 3,624,174 | \$ 1,364,719 |
| Capital leases payable | 206,266 | 1,403,710 | 126,313 | 1,483,663 | 123,090 |
| Landfill postclosure care | 884,626 | - | 20,885 | 863,741 | - |
| Total Governmental Activities | <u>\$ 5,997,367</u> | <u>\$ 1,403,710</u> | <u>\$ 1,429,499</u> | <u>\$ 5,971,578</u> | <u>\$ 1,487,809</u> |
| Component Units | | | | | |
| Water and Sewer Authority | | | | | |
| Revenue Bonds | \$ 3,894,382 | \$ - | \$ 207,260 | \$ 3,687,122 | \$ 332,260 |
| United Bank | 232,908 | - | 76,140 | 156,768 | 77,668 |
| GEFA note - SRF11-022 | 506,132 | - | 24,739 | 481,393 | 25,020 |
| GEFA note - SRF 11-025 | 664,071 | 315,929 | - | 980,000 | 35,593 |
| Compensated absences | 97,860 | - | - | 97,860 | - |
| Total Water and Sewer Authority | <u>\$ 5,395,353</u> | <u>\$ 315,929</u> | <u>\$ 308,139</u> | <u>\$ 5,403,143</u> | <u>\$ 470,541</u> |
| Department of Public Health | | | | | |
| Compensated absences | <u>\$ 25,563</u> | <u>\$ 12,585</u> | <u>\$ 9,715</u> | <u>\$ 28,433</u> | <u>\$ 7,546</u> |
| Development Authority | | | | | |
| Butts County BOC | <u>\$ 1,062,500</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,062,500</u> | <u>\$ -</u> |
| Total Development Authority | <u>\$ 1,062,500</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,062,500</u> | <u>\$ -</u> |

The general obligations bonds are being repaid from the 2012 SPLOST bonds fund. The capital leases are being repaid with funds received from telephone surcharges and from the General Fund. The landfill closure and postclosure fund liability is being paid from the General Fund. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. In prior years, these funds have typically been paid from the General Fund. Each applicable discretely presented component unit repays their own debt.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3-I. Pension

Plan Description - The County sponsors the Association County Commissioners of Georgia ("ACCG") Restated Pension Plan for Butts County Employees (The Plan), which is a defined benefit pension plan. A copy of the plan's financial report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia Retirement Services, 191 Peachtree Street, NE, Atlanta, GA 30303 or by calling (800)736-7166.

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

Plan Membership

As of January 1, 2015, pension plan membership consisted of the following:

| | |
|---|-------------------|
| Retirees, Beneficiaries and Disables receiving benefits | 54 |
| Terminated plan participants entitled to but not yet receiving benefits | 95 |
| Active employees participating in the Plan | <u>161</u> |
| Total Number of Participants | <u><u>310</u></u> |

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

For the year ended June 30, 2016, the County's contribution rate was 14.7% of annual payroll. County contributions to the plan were \$868,297 for the year ended June 30, 2016.

Net Pension Liability of the County

Effective July 1, 2014, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which significantly changed the County's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The County's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2014.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3-I. Pension (Continued)
Net Pension Liability of the County (Continued)

Actuarial Assumptions

The following actuarial assumptions were used in determining the total pension liability:

| | |
|---------------------------|---------------------------------|
| Inflation | 3.00% |
| Salary Increases | 4.0% -5.5%, including inflation |
| Investment Rate of Return | 7.50% |

The long-term expected rate of return on pension plan investments was determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return* |
|------------------|----------------------|---|
| S & P 500 | 30.00 % | 3.22 % |
| Barlay's Agg. | 30.00 | 2.34 |
| MSCI EAFE | 15.00 | 1.43 |
| Citi Non US WEBI | 5.00 | 0.27 |
| NARREIT Equity | 5.00 | 0.57 |
| Russell 2000 | 5.00 | 0.47 |
| Russell 3000 | 5.00 | 0.53 |
| S&P Mid Cap | 5.00 | 0.66 |
| Total | <u>100.00 %</u> | |

*Rates shown are net of 3.00% assumed rate of inflation

Discount rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3-I. Pension (Continued)
Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County

The changes in the components of the net pension liability of the County for the year ended June 30, 2016, were as follows:

| | Total Liability Pension | Plan Fiduciary Net Position | Net Pension Liability |
|--|----------------------------|--------------------------------|--------------------------|
| Balances at June 30, 2015 | \$ 10,951,511 | \$ 7,711,577 | \$ 3,239,934 |
| <i>Changes for the year:</i> | | | |
| Service Cost | 353,962 | - | 353,962 |
| Interest | 819,312 | - | 819,312 |
| Liability Experience (Gain)/Loss | 551,067 | - | 551,067 |
| Assumption Change | 372,334 | - | 372,334 |
| Employer Contributions | - | 868,297 | (868,297) |
| Service Buy Back | 391,358 | 391,358 | - |
| Net investment income | - | 63,966 | (63,966) |
| Benefit payments, including refunds of employee contributions | (446,063) | (446,063) | - |
| Administrative expense | - | (31,898) | 31,898 |
| Other changes | - | (69,151) | 69,151 |
| <i>Net changes</i> | <u>2,041,970</u> | <u>776,509</u> | <u>1,265,461</u> |
| Balances at June 30, 2016 | <u>\$ 12,993,481</u> | <u>\$ 8,488,086</u> | <u>\$ 4,505,395</u> |

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents the multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.5 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

| | 1% Decrease 6.50% | Current Discount Rate 7.50% | 1% Increase 8.50% |
|--------------------------------|----------------------|-----------------------------------|----------------------|
| County's net pension liability | \$ 6,290,828 | \$ 4,505,395 | \$ 3,024,164 |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

Calculations are based on the substantive plan in effect as of December 31, 2015 and the current sharing pattern of costs between employer and employee.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3-I. Pension (Continued)

Pension expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions

For the year ended June 30, 2016, the County recognized pension expense of \$868,297. At June 30, 2016, the County reported a deferred outflow of resources related to pensions from the following source:

| | Deferred Outflows of Resources |
|-----------------------|--------------------------------------|
| Net investment income | \$ 41,562 |
| Year ending June 30: | |
| 2017 | \$ 13,854 |
| 2018 | 13,854 |
| 2019 | 13,854 |
| Total | \$ 41,562 |

Component Unit – Butts County, et al. Water & Sewer Authority

The authority approved allowing its employees to enter the Association County Commissioners of Georgia (“ACCG”) Restated Pension Plan for Butts County Employees sponsored by the Butts County Board of Commissioners. Upon the Authority’s employees entering the Plan, the Authority limited the Plan benefits to only be applicable for employee services as of January 1, 2013 and later. The reason for this was to eliminate the risk of an unfunded Plan liability for any employee years of service prior to January 1, 2013. Prior to January 1, 2014, the Authority is only responsible for its proportionate share of the normal cost which represents the actuarial estimate of the cost for benefits accruing during the current year and administrative expenses. The Authority’s proportionate share is determined by the aggregate amount of annual salaries of each active Plan participant associated with each jurisdiction to the total aggregate amount of annual salaries of all Plan participants associated with both jurisdictions. For fiscal year 2016, the Authority contributed \$64,839 to the Plan. The Authority contributed this amount to the Butts County Board of Commissioners to include in their total retirement contribution of \$868,297.

Component Unit – Health Department

Plan Description

The Employee’s Retirement System of Georgia, a cost-sharing multiple-employer defined benefit pension plan, was established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation. The Plan is administered by the Employees’ Retirement System of Georgia. The System is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law and the funding policy adopted by the Board. Each plan and fund, including benefit contribution provisions, was established and can be amended by state law. The Plan issues a publicly available financial report that can be obtained at www.ers.ga.gov.

See auditor’s report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

3-J. Fund Equity

Fund Balances:

| | |
|--|--------------|
| • Non spendable - The following fund balances are non-spendable because they are allocated to: | |
| General Fund: | |
| Long-term due from other governments | \$ 1,062,500 |
| • Restricted - The following fund balances are restricted for: | |
| 2012 SPLOST Debt Service Fund used to account for the proceeds from the collection of SPLOST to make the semi-annual bond payment. | \$ 581,247 |
| 2012 Capital Project Fund - used to account for capital projects financed with 2012 SPLOST. | \$ 853,979 |
| E911 Fund - used to account for accumulated revenues derived from telephone surcharges to cover the costs associated with the operating and maintaining the emergency call center. | \$ 237,471 |

Net Position:

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

| | Activities |
|--|----------------------|
| Net investment in capital assets | |
| Cost of capital assets | \$ 167,368,579 |
| Less accumulated depreciation | (87,997,776) |
| Book value | 79,370,803 |
| Less capital related debt | (5,107,837) |
| Net investment in capital assets, net of related debt | \$ 74,262,966 |

Note 4 - Other Notes

4-A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is a member of the Association of County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency. This membership allows the County to share liability, crime, motor vehicle and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia counties to form interlocal risk management agencies. The ACCG Interlocal Risk Management Agency (IRMA) is a county interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities - ACCG IRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. ACCG IRMA is to defend and protect in accordance with the member government contract and related coverage descriptions of the County are as follows:

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

- To pay all contributions, assessments or other sums due to ACCG IRMA at such times and in such amounts as shall be established by ACCG IRMA.
- To select a person to serve as a Member representative.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

- To allow ACCG IRMA and its agents reasonable access to all facilities of the county and all records, including but not limited to financial records, which relate to the purposes of ACCG IRMA.
- To allow attorneys appointed by ACCG IRMA to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the Fund or Funds established by ACCG IRMA.
- To assist and cooperate in the defense and settlement of claims against the County.
- To furnish full cooperation to ACCG IRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of ACCG IRMA relating to the purposes of ACCG IRMA.
- To follow all loss reduction and prevention procedures established by ACCG IRMA.
- To furnish to ACCG IRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in ACCG IRMA or any Fund established by ACCG IRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the County participates.

The County retains the first \$1,000 of each risk of loss in the form of a deductible. The County files all claims with ACCG IRMA. ACCG IRMA bills the County for any risk of loss up to the \$1,000 deductible.

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

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, Butts County became a member of the ACCG's Workers' Compensation Self Insurance Fund. The liability of the fund to the employees of any employer (Butts County) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability. The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County's responsibilities relating to the worker's compensation pool is to pay all costs, other than those referenced in the above paragraph regarding litigation. The County prepays an estimated annual premium based upon claims experience. Then an audit is conducted of actual experience, with the difference in the premium being paid or refunded as applicable.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

4-B. Contingent Liabilities

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

The County was a defendant in several lawsuits at June 30, 2016. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

4-C. Joint Venture

The County is a member of the Three Rivers Regional Commission (RC). During the year ended June 30, 2016, Butts County paid total dues of \$17,470 to the RC. Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a RC. A copy of the RC audit can be obtained by contacting them directly.

See auditor's report.

BUTTS COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

| | Original/ Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------------|---------------------|--------------------------------------|
| Revenues | | | |
| Taxes | \$ 13,406,878 | \$ 12,394,006 | \$ (1,012,872) |
| Licenses and permits | 110,500 | 159,310 | 48,810 |
| Intergovernmental | 320,000 | 328,087 | 8,087 |
| Charges for services | 3,098,994 | 3,665,181 | 566,187 |
| Fines and forfeitures | 490,000 | 620,159 | 130,159 |
| Investment earnings | 1,000 | 20,107 | 19,107 |
| Insurance proceeds | 16,980 | 383,475 | 366,495 |
| Sale of assets | - | 20,500 | 20,500 |
| Miscellaneous | 650,895 | 6,762 | (644,133) |
| Total Revenues | 18,095,247 | 17,597,587 | (497,660) |
| Expenditures | | | |
| Current: | | | |
| General government | 5,050,634 | 5,026,583 | (24,051) |
| Judicial | 1,470,729 | 1,411,476 | (59,253) |
| Public safety | 7,449,209 | 7,371,596 | (77,613) |
| Public works | 1,941,865 | 1,972,746 | 30,881 |
| Health and welfare | 242,690 | 242,690 | - |
| Culture and recreation | 1,081,932 | 1,010,336 | (71,596) |
| Economic opportunity | 11,775 | 11,775 | - |
| Housing and development | 1,461,210 | 2,992,235 | 1,531,025 |
| Debt Service | | | |
| Principal retirement | 59,788 | 59,788 | - |
| Interest | 28,255 | 28,255 | - |
| Total Expenditures | 18,798,087 | 20,127,480 | 1,329,393 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (702,840) | (2,529,893) | (1,827,053) |
| Other Financing Sources (Uses) | | | |
| Lease proceeds | - | 1,403,710 | 1,403,710 |
| Transfers in (out) | - | (84,832) | (84,832) |
| Total Other Financing Sources (Uses) | - | 1,318,878 | 1,318,878 |
| Net Change in Fund Balances | (702,840) | (1,211,015) | (508,175) |
| Fund Balances Beginning of Year | 6,623,350 | 6,623,350 | - |
| Fund Balances End of Year | \$ 5,920,510 | \$ 5,412,335 | \$ (508,175) |

See auditor's report.

BUTTS COUNTY, GEORGIA
E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Original/ Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------------|-------------------|--------------------------------------|
| Revenues | | | |
| Charges for services | \$ 327,293 | \$ 360,854 | \$ 33,561 |
| Investment earnings | - | 152 | 152 |
| Total Revenues | <u>327,293</u> | <u>361,006</u> | <u>33,713</u> |
| Expenditures | | | |
| Current: | | | |
| Public safety | 553,435 | 349,677 | (203,758) |
| Debt Service | | | |
| Principal retirement | 66,525 | 66,525 | - |
| Interest and fiscal charges | 6,840 | 6,840 | - |
| Total Expenditures | <u>626,800</u> | <u>423,042</u> | <u>(203,758)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(299,507)</u> | <u>(62,036)</u> | <u>237,471</u> |
| Other Financing Sources (Uses) | | | |
| Capital Lease Proceeds | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (299,507) | (62,036) | 237,471 |
| Fund Balances Beginning of Year | <u>299,507</u> | <u>299,507</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ 237,471</u> | <u>\$ 237,471</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND
RELATED RATIOS

| | <u>2016</u> |
|---|-----------------------------|
| Total Pension Liability | |
| Service cost | \$ 353,962 |
| Interest on total pension liability | 819,312 |
| Changes of benefit terms | |
| Differences between expected and actual experience | 551,067 |
| Changes of assumptions | 372,334 |
| Service buy back | 391,358 |
| Benefit payments, including refunds of employee contributions | <u>(446,063)</u> |
| Net change in total pension liability | 2,041,970 |
| Total pension liability - beginning | <u>10,951,511</u> |
| Total pension liability - ending | <u><u>\$ 12,993,481</u></u> |
| Plan fiduciary net position | |
| Contributions - employer | \$ 868,297 |
| Service buy back | 391,358 |
| Net investment income | 63,966 |
| Benefit payments, including refunds of employee contributions | (446,063) |
| Administrative expenses | (31,898) |
| Other | <u>(69,151)</u> |
| Net change in fiduciary net position | 776,509 |
| Plan fiduciary net position - beginning | <u>7,711,577</u> |
| Plan fiduciary net position - ending | <u><u>\$ 8,488,086</u></u> |
| County's net pension liability | <u><u>\$ 4,505,395</u></u> |
| Plan fiduciary net position as a percentage of total pension liability | 65.3% |
| Covered employee payroll | \$ 5,955,689 |
| County's net pension liability as a percentage of covered employee payroll | 75.65% |

See auditor's report.

BUTTS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

SCHEDULE OF COUNTY CONTRIBUTIONS

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------------|--------------------|--------------------|
| Actuarially determined contribution | \$ 833,403 | \$ 754,785 | \$ 766,159 |
| Contributions in relation to the actuarially determined contribution | <u>868,297</u> | <u>799,561</u> | <u>809,174</u> |
| Contribution in deficiency (excess) | <u>\$ (34,894)</u> | <u>\$ (44,776)</u> | <u>\$ (43,015)</u> |
| Covered-employee payroll | \$ 5,955,689 | \$ 5,487,003 | \$ 5,793,674 |
| Contributions as a percentage of covered employee payroll | 14.58% | 14.57% | 13.97% |

Notes to the Schedule

| | |
|---------------------------------------|--|
| Valuation Date | January 1, 2015 |
| Cost Method | Entry Age Normal |
| Actuarial Asset Valuation Method | Smoothed market value with a 5-year smoothing period |
| Assumed Rate of Return on Investments | 7.50% |
| Projected Salary Increases | 5% (including 3.0% inflation) |
| Amortization Method | Closed level dollar for unfunded liability |
| Remaining Amortization Period | None Remaining |

The schedule will present 10 years of information once it is accumulated.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

Note 1 – Budgetary Information

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

Note 2 - Expenditures in Excess of Appropriations

Public works expenditures exceeded appropriations by \$30,881. Housing and development expenditures exceeded appropriations by \$1,531,025. This was offset by lease proceeds from the agreement with Honeywell for the business management system of \$1,403,710.

See auditor's report.

BUTTS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2016

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Nonmajor Debt Service Fund | Total Nonmajor Governmental Funds |
|--|---|--|---|--|
| Assets | | | | |
| Cash and cash equivalents | \$ 697,650 | 365,607 | \$ - | \$ 1,063,257 |
| Total Assets | <u>\$ 697,650</u> | <u>\$ 365,607</u> | <u>\$ -</u> | <u>\$ 1,063,257</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Interfund payable | \$ 23,428 | \$ - | \$ - | 23,428 |
| Total Liabilities | <u>23,428</u> | <u>-</u> | <u>-</u> | <u>23,428</u> |
| Fund Balances | | | | |
| Restricted for: | | | | |
| Capital projects | - | 365,607 | - | 365,607 |
| Program purposes | 674,222 | - | - | 674,222 |
| Total Fund Balances | <u>674,222</u> | <u>365,607</u> | <u>-</u> | <u>1,039,829</u> |
| Total Liabilities and Fund Balances | <u>\$ 697,650</u> | <u>\$ 365,607</u> | <u>\$ -</u> | <u>\$ 1,063,257</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2016

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Nonmajor Debt Service Fund | Total Nonmajor Governmental Funds |
|---|---|--|-------------------------------------|--|
| Revenues | | | | |
| Intergovernmental | \$ 75,000 | \$ - | \$ - | \$ 75,000 |
| Charges for services | 82,895 | 69,907 | - | 152,802 |
| Fines and forfeitures | 362,703 | - | - | 362,703 |
| Contributions | 97,875 | - | - | 97,875 |
| Investment earnings | 497 | 432 | - | 929 |
| Sale of assets | 47,898 | - | - | 47,898 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Revenues | 666,868 | 70,339 | - | 737,207 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 3,756 | - | - | 3,756 |
| Judicial | 53,117 | - | - | 53,117 |
| Public safety | 453,442 | - | - | 453,442 |
| Culture and recreation | 58,250 | - | - | 58,250 |
| Capital Outlay | - | 154,185 | - | 154,185 |
| Debt Service | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Expenditures | 568,565 | 154,185 | - | 722,750 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Excess of Revenues Over (Under) Expenditures | 98,303 | (83,846) | - | 14,457 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Other Financing Sources (Uses) | | | | |
| Transfers in (out) | - | 84,832 | - | 84,832 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net Change in Fund Balances | 98,303 | 986 | - | 99,289 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund Balances Beginning of Year | 575,919 | 364,621 | - | 940,540 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund Balances End of Year | \$ 674,222 | \$ 365,607 | \$ - | \$ 1,039,829 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|---|----------------------------|----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 4,741,212 | \$ 5,574,964 |
| Receivables: | | |
| Interfund receivable | 34,531 | 7,568 |
| Due from other governments | 1,062,500 | 1,062,500 |
| Sales taxes | 407,698 | 430,346 |
| Other | <u>67,203</u> | <u>95,473</u> |
| Total Assets | <u><u>\$ 6,313,144</u></u> | <u><u>\$ 7,170,851</u></u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 444,196 | \$ 93,965 |
| Salaries and wages payable | <u>263,129</u> | <u>249,457</u> |
| Total Liabilities | <u>707,325</u> | <u>343,422</u> |
| Deferred Inflows of Resources | | |
| Unavailable revenue - local option sales tax | <u>193,484</u> | <u>204,079</u> |
| Total Deferred Inflows of Resources | <u>193,484</u> | <u>204,079</u> |
| Fund Balances | | |
| Non-spendable | 1,062,500 | 1,062,500 |
| Unassigned | <u>4,349,835</u> | <u>5,560,850</u> |
| Total Fund Balances | <u>5,412,335</u> | <u>6,623,350</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>\$ 6,313,144</u></u> | <u><u>\$ 7,170,851</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
E-911 FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 293,574 | \$ 299,507 |
| | <u>293,574</u> | <u>299,507</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts Payable | \$ 45,000 | \$ - |
| Interfund payable | 11,103 | - |
| | <u>56,103</u> | <u>-</u> |
| Total Liabilities | <u>56,103</u> | <u>-</u> |
| Fund Balances | | |
| Reserved for program purposes | 237,471 | 299,507 |
| | <u>237,471</u> | <u>299,507</u> |
| Total Liabilities and Fund Balances | <u>\$ 293,574</u> | <u>\$ 299,507</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
E-911 FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---|--------------------------|--------------------------|
| Revenues | | |
| Charges for services | \$ 360,854 | \$ 353,205 |
| Investment earnings | 152 | 197 |
| Total Revenues | <u>361,006</u> | <u>353,402</u> |
| Expenditures | | |
| Current: | | |
| Public safety | 349,677 | 296,954 |
| Debt Service | | |
| Principal retirement | 66,525 | 64,390 |
| Interest and fiscal charges | 6,840 | 8,975 |
| Total Expenditures | <u>423,042</u> | <u>370,319</u> |
| Excess (Deficiency) of Revenues | | |
| Over (Under) Expenditures | <u>(62,036)</u> | <u>(16,917)</u> |
| Other Financing Sources (Uses) | | |
| Capital Lease Proceeds | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (62,036) | (16,917) |
| Fund Balances Beginning of Year | <u>299,507</u> | <u>316,424</u> |
| Fund Balances End of Year | <u><u>\$ 237,471</u></u> | <u><u>\$ 299,507</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016**

| | Law Library | Courthouse Maintenance | Jail | Drug Abuse Treatment & Education | Clerk of Superior Court | Sheriff | Recreation Department Improvement | Total Nonmajor Special Revenue Funds |
|--|------------------------|-----------------------------------|------------------|---|--|------------------|--|---|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 9,607 | \$ 20,266 | \$ 62,955 | \$ 7,514 | \$ 349,730 | \$ 32,877 | \$ 214,701 | \$ 697,650 |
| Total Assets | <u>\$ 9,607</u> | <u>\$ 20,266</u> | <u>\$ 62,955</u> | <u>\$ 7,514</u> | <u>\$ 349,730</u> | <u>\$ 32,877</u> | <u>\$ 214,701</u> | <u>\$ 697,650</u> |
| Liabilities and Fund Balances | | | | | | | | |
| Liabilities | | | | | | | | |
| Interfund payable | \$ - | \$ - | \$ 3,553 | \$ 19,875 | \$ - | \$ - | \$ - | \$ 23,428 |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>3,553</u> | <u>19,875</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>23,428</u> |
| Fund Balances | - | | | | | | | |
| Restricted for program purposes | 9,607 | 20,266 | 59,402 | (12,361) | 349,730 | 32,877 | 214,701 | 674,222 |
| Total Liabilities and Fund Balances | <u>\$ 9,607</u> | <u>\$ 20,266</u> | <u>\$ 62,955</u> | <u>\$ 7,514</u> | <u>\$ 349,730</u> | <u>\$ 32,877</u> | <u>\$ 214,701</u> | <u>\$ 697,650</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Law Library | Courthouse Maintenance | Jail | Drug Abuse Treatment & Education | Clerk of Superior Court | Sheriff | Recreation Department Improvement | Total Nonmajor Special Revenue Funds |
|------------------------------------|-----------------|---------------------------|------------------|--|-------------------------------|------------------|---|---|
| Revenues | | | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ 75,000 | \$ - | \$ - | \$ 75,000 |
| Charges for services | - | - | - | - | 10,222 | 33,608 | 39,065 | 82,895 |
| Fines and forfeitures | 18,000 | 19,064 | 66,780 | 18,474 | - | 240,385 | - | 362,703 |
| Contributions | - | - | - | - | - | 45,806 | 52,069 | 97,875 |
| Investment earnings | - | 6 | 28 | 5 | 344 | 14 | 100 | 497 |
| Sale of assets | - | - | - | - | - | 47,898 | - | 47,898 |
| Total Revenues | <u>18,000</u> | <u>19,070</u> | <u>66,808</u> | <u>18,479</u> | <u>85,566</u> | <u>367,711</u> | <u>91,234</u> | <u>666,868</u> |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | 3,756 | - | - | - | - | - | 3,756 |
| Judicial | 9,914 | - | - | - | 43,203 | - | - | 53,117 |
| Public safety | - | - | 53,262 | 40,531 | - | 359,649 | - | 453,442 |
| Culture and recreation | - | - | - | - | - | - | 58,250 | 58,250 |
| Debt Service | | | | | | | | |
| Principal retirement | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>9,914</u> | <u>3,756</u> | <u>53,262</u> | <u>40,531</u> | <u>43,203</u> | <u>359,649</u> | <u>58,250</u> | <u>568,565</u> |
| Net Change in Fund Balances | 8,086 | 15,314 | 13,546 | (22,052) | 42,363 | 8,062 | 32,984 | 98,303 |
| Fund Balances | | | | | | | | |
| Beginning of Year | <u>1,521</u> | <u>4,952</u> | <u>45,856</u> | <u>9,691</u> | <u>307,367</u> | <u>24,815</u> | <u>181,717</u> | <u>575,919</u> |
| Fund Balances End of Year | <u>\$ 9,607</u> | <u>\$ 20,266</u> | <u>\$ 59,402</u> | <u>\$ (12,361)</u> | <u>\$ 349,730</u> | <u>\$ 32,877</u> | <u>\$ 214,701</u> | <u>\$ 674,222</u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
LAW LIBRARY FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|---------------------------------|-----------------|-----------------|
| Assets | | |
| Cash and cash equivalents | \$ 9,607 | \$ 1,521 |
| Total Assets | <u>\$ 9,607</u> | <u>\$ 1,521</u> |
| Fund Balances | | |
| Restricted for program purposes | <u>\$ 9,607</u> | <u>\$ 1,521</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
LAW LIBRARY FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---|-----------------|-----------------|
| Revenues | | |
| Fines and forfeitures | \$ 18,000 | \$ 10,386 |
| Expenditures | | |
| Current: | | |
| Judicial | 9,914 | 10,920 |
| Total Expenditures | 9,914 | 10,920 |
| Excess of Revenues Over (Under) Expenditures | 8,086 | (534) |
| Fund Balances Beginning of Year | 1,521 | 2,055 |
| Fund Balances End of Year | <u>\$ 9,607</u> | <u>\$ 1,521</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Original/ Final Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|---|---------------------------------------|---------------|--------------------------------------|
| Revenues | | | |
| Fines and forfeitures | \$ 18,000 | \$ 18,000 | \$ - |
| Expenditures | | | |
| Current: | | | |
| Judicial | 9,914 | 9,914 | - |
| Total Expenditures | 9,914 | 9,914 | - |
| Excess of Revenues Over (Under) Expenditures | 8,086 | 8,086 | - |
| Fund Balances Beginning of Year | 1,521 | 1,521 | - |
| Fund Balances End of Year | \$ 9,607 | \$ 9,607 | \$ - |

See auditor's report.

**BUTTS COUNTY, GEORGIA
COURTHOUSE MAINTENANCE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|--|------------------|-----------------|
| Assets | | |
| Cash and cash equivalents | \$ 20,266 | \$ 4,952 |
| Total Assets | <u>\$ 20,266</u> | <u>\$ 4,952</u> |
| Liabilities and Fund Balances | | |
| Accounts payable | \$ - | \$ - |
| Fund Balances | | |
| Restricted for program purposes | <u>20,266</u> | <u>4,952</u> |
| Total Liabilities and Fund Balances | <u>\$ 20,266</u> | <u>\$ 4,952</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
COURTHOUSE MAINTENANCE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---|-------------------------|------------------------|
| Revenues | | |
| Fines and fees | \$ 19,064 | \$ 12,183 |
| Investment earnings | <u>6</u> | <u>12</u> |
| Total Revenues | <u>19,070</u> | <u>12,195</u> |
| Expenditures | | |
| Current: | | |
| General government | <u>3,756</u> | <u>47,863</u> |
| Total Expenditures | <u>3,756</u> | <u>47,863</u> |
| Excess (Deficit) of Revenues Over (Under) Expenditures | 15,314 | (35,668) |
| Fund Balances Beginning of Year | <u>4,952</u> | <u>40,620</u> |
| Fund Balances End of Year | <u><u>\$ 20,266</u></u> | <u><u>\$ 4,952</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
COURTHOUSE MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

| | Original/ Final Budget | Actual | Variance Over (Under) |
|---|---------------------------------------|---------------|--------------------------------------|
| Revenues | | | |
| Fines and fees | \$ - | \$ 19,064 | \$ 19,064 |
| Investment earnings | - | 6 | 6 |
| Total Revenues | - | 19,070 | 19,070 |
| Expenditures | | | |
| Current: | | | |
| General government | 4,323 | 3,756 | (567) |
| Total Expenditures | 4,323 | 3,756 | (567) |
| Excess (Deficit) of Revenues Over (Under) Expenditures | (4,323) | 15,314 | 19,637 |
| Fund Balances Beginning of Year | 4,952 | 4,952 | - |
| Fund Balances End of Year | \$ 629 | \$ 20,266 | \$ 19,637 |

See auditor's report.

**BUTTS COUNTY, GEORGIA
JAIL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 62,955 | \$ 49,409 |
| Total Assets | <u>\$ 62,955</u> | <u>\$ 49,409</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Interfund payable | \$ 3,553 | \$ 3,553 |
| Fund Balances | | |
| Restricted for program purposes | <u>59,402</u> | <u>45,856</u> |
| Total Liabilities and Fund Balances | <u>\$ 62,955</u> | <u>\$ 49,409</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
JAIL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|
| Revenues | | |
| Fines and fees | \$ 66,780 | \$ 51,275 |
| Investment earnings | <u>28</u> | <u>30</u> |
| Total Revenues | <u>66,808</u> | <u>51,305</u> |
| Expenditures | | |
| Current: | | |
| Jail Staffing and Supplies | <u>53,262</u> | <u>67,537</u> |
| Total Expenditures | <u>53,262</u> | <u>67,537</u> |
| Net Changes in Fund Balances | 13,546 | (16,232) |
| Fund Balances Beginning of Year | <u>45,856</u> | <u>62,088</u> |
| Fund Balances End of Year | <u>\$ 59,402</u> | <u>\$ 45,856</u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

| | Original/ Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------------|-------------------------|--------------------------------------|
| Revenues | | | |
| Fines and fees | \$ 37,511 | \$ 66,780 | \$ 29,269 |
| Investment earnings | - | 28 | 28 |
| Total Revenues | <u>37,511</u> | <u>66,808</u> | <u>29,297</u> |
| Expenditures | | | |
| Current: | | | |
| Jail Staffing and Supplies | <u>83,367</u> | <u>53,262</u> | <u>(30,105)</u> |
| Total Expenditures | <u>83,367</u> | <u>53,262</u> | <u>(30,105)</u> |
| Net Changes in Fund Balance | (45,856) | 13,546 | 59,402 |
| Fund Balances Beginning of Year | <u>45,856</u> | <u>45,856</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ -</u></u> | <u><u>\$ 59,402</u></u> | <u><u>\$ 59,402</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
DRUG ABUSE TREATMENT & EDUCATION FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|-----------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 7,514 | \$ 13,706 |
| Total Assets | <u>\$ 7,514</u> | <u>\$ 13,706</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Interfund payable | \$ 19,875 | \$ 4,015 |
| Total Liabilities | <u>19,875</u> | <u>4,015</u> |
| Fund Balances | | |
| Restricted (unrestricted) for program purposes | <u>(12,361)</u> | <u>9,691</u> |
| Total Liabilities and Fund Balances | <u>\$ 7,514</u> | <u>\$ 13,706</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
DRUG ABUSE TREATMENT & EDUCATION FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---|--------------------|-----------------|
| Revenues | | |
| Fines and fees | \$ 18,474 | \$ 35,981 |
| Investment earnings | <u>5</u> | <u>9</u> |
| Total Revenues | <u>18,479</u> | <u>35,990</u> |
| Expenditures | | |
| Current: | | |
| Public safety | <u>40,531</u> | <u>42,655</u> |
| Total Expenditures | <u>40,531</u> | <u>42,655</u> |
| Excess of Revenues Over Expenditures | (22,052) | (6,665) |
| Fund Balances Beginning of Year | <u>9,691</u> | <u>16,356</u> |
| Fund Balances End of Year | <u>\$ (12,361)</u> | <u>\$ 9,691</u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
DRUG ABUSE TREATMENT & EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

| | Original/ Final Budget | Actual | Variance Over (Under) |
|---|---------------------------------------|---------------------------|--------------------------------------|
| Revenues | | | |
| Fines and fees | \$ 33,819 | \$ 18,474 | \$ (15,345) |
| Investment earnings | - | 5 | 5 |
| Total Revenues | <u>33,819</u> | <u>18,479</u> | <u>(15,340)</u> |
| Expenditures | | | |
| Current: | | | |
| Public safety | <u>43,510</u> | <u>40,531</u> | <u>(2,979)</u> |
| Total Expenditures | <u>43,510</u> | <u>40,531</u> | <u>(2,979)</u> |
| Excess of Revenues Over Expenditures | (9,691) | (22,052) | (12,361) |
| Fund Balances Beginning of Year | <u>9,691</u> | <u>9,691</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ -</u></u> | <u><u>\$ (12,361)</u></u> | <u><u>\$ (12,361)</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
CLERK OF SUPERIOR COURT
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|--|--------------------------|--------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 349,730 | \$ 307,367 |
| Due from other governments | <u>-</u> | <u>-</u> |
| Total Assets | <u><u>\$ 349,730</u></u> | <u><u>\$ 307,367</u></u> |
| Fund Balances | | |
| Restricted for program purposes | <u>\$ 349,730</u> | <u>\$ 307,367</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 349,730</u></u> | <u><u>\$ 307,367</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
CLERK OF SUPERIOR COURT
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|--|--------------------------|--------------------------|
| Revenues | | |
| Intergovernmental | \$ 75,000 | \$ 75,000 |
| Investment earnings | 344 | 345 |
| Charges for services | <u>10,222</u> | <u>22,510</u> |
| Total Revenues | <u>85,566</u> | <u>97,855</u> |
| Expenditures | | |
| Current: | | |
| Judicial | <u>43,203</u> | <u>72,756</u> |
| Total Expenditures | <u>43,203</u> | <u>72,756</u> |
| Net Change in Fund Balances | 42,363 | 25,099 |
| Fund Balances Beginning of Year | <u>307,367</u> | <u>282,268</u> |
| Fund Balances End of Year | <u><u>\$ 349,730</u></u> | <u><u>\$ 307,367</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
CLERK OF SUPERIOR COURT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

| | Original/ Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------------|--------------------------|--------------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 75,000 | \$ 75,000 | \$ - |
| Investment earnings | 344 | 344 | - |
| Miscellaneous | 10,222 | 10,222 | - |
| Total Revenues | <u>85,566</u> | <u>85,566</u> | <u>-</u> |
| Expenditures | | | |
| Current: | | | |
| Judicial | 43,203 | 43,203 | - |
| Total Expenditures | <u>43,203</u> | <u>43,203</u> | <u>-</u> |
| Net Change in Fund Balance | 42,363 | 42,363 | - |
| Fund Balances Beginning of Year | <u>307,367</u> | <u>307,367</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ 349,730</u></u> | <u><u>\$ 349,730</u></u> | <u><u>\$ -</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
SHERIFF FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|---------------------------------|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 32,877 | \$ 24,815 |
| Total Assets | <u>\$ 32,877</u> | <u>\$ 24,815</u> |
| Fund Balances | | |
| Restricted for program purposes | <u>\$ 32,877</u> | <u>\$ 24,815</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
SHERIFF FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| Revenues | | |
| Investment earnings | \$ 14 | \$ 90 |
| Fines and forfeitures | 288,283 | 231,087 |
| Sheriff commissary | 33,608 | 16,911 |
| Concessions | - | - |
| Contributions | 45,806 | 38,911 |
| Miscellaneous | - | 580 |
| | <hr/> | <hr/> |
| Total Revenues | 367,711 | 287,579 |
| | <hr/> | <hr/> |
| Expenditures | | |
| Current: | | |
| Public safety | 336,710 | 317,928 |
| Sheriff commissary | 22,939 | 14,806 |
| | <hr/> | <hr/> |
| Total Expenditures | 359,649 | 332,734 |
| | <hr/> | <hr/> |
| Net Changes in Fund Balances | 8,062 | (45,155) |
| | | |
| Fund Balances Beginning of Year | 24,815 | 69,970 |
| | <hr/> | <hr/> |
| Fund Balances End of Year | \$ 32,877 | \$ 24,815 |
| | <hr/> <hr/> | <hr/> <hr/> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
SHERIFF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

| | Original/ Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------------|---------------|--------------------------------------|
| Revenues | | | |
| Investment earnings | \$ 14 | \$ 14 | \$ - |
| Fines and forfeitures | 288,283 | 288,283 | - |
| Sheriff commissary | 33,608 | 33,608 | - |
| Contributions | 45,806 | 45,806 | - |
| Total Revenues | 367,711 | 367,711 | - |
| Expenditures | | | |
| Current: | | | |
| Public safety | 336,710 | 336,710 | - |
| Sheriff commissary | 22,939 | 22,939 | - |
| Total Expenditures | 359,649 | 359,649 | - |
| Net Changes in Fund Balances | 8,062 | 8,062 | - |
| Fund Balances Beginning of Year | 24,815 | 24,815 | - |
| Fund Balances End of Year | \$ 32,877 | \$ 32,877 | \$ - |

See auditor's report.

BUTTS COUNTY, GEORGIA
RECREATION DEPARTMENT IMPROVEMENT FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 214,701 | \$ 181,717 |
| Total Assets | <u>\$ 214,701</u> | <u>\$ 181,717</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | - | - |
| Fund Balances | | |
| Restricted for program purposes | 214,701 | 181,717 |
| Total Liabilities and Fund Balances | <u>\$ 214,701</u> | <u>\$ 181,717</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
RECREATION DEPARTMENT IMPROVEMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|--------------------------|--------------------------|
| Revenues | | |
| Investment earnings | \$ 100 | \$ 108 |
| Contributions | 52,069 | 44,600 |
| Concessions | <u>39,065</u> | <u>56,913</u> |
| Total Revenues | <u>91,234</u> | <u>101,621</u> |
| Expenditures | | |
| Current: | | |
| Program costs | 14,322 | 20,792 |
| Concession purchases | <u>43,928</u> | <u>41,580</u> |
| Total Expenditures | <u>58,250</u> | <u>62,372</u> |
| Excess (Deficiency) of Revenues | | |
| Over (Under) Expenditures | 32,984 | 39,249 |
| Fund Balances Beginning of Year | <u>181,717</u> | <u>142,468</u> |
| Fund Balances End of Year | <u><u>\$ 214,701</u></u> | <u><u>\$ 181,717</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
RECREATION DEPARTMENT IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Original/ Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------------|-------------------|--------------------------------------|
| Revenues | | | |
| Investment earnings | \$ - | \$ 100 | \$ 100 |
| Contributions | 27,870 | 52,069 | 24,199 |
| Concessions | 43,413 | 39,065 | (4,348) |
| Total Revenues | <u>71,283</u> | <u>91,234</u> | <u>19,951</u> |
| Expenditures | | | |
| Current: | | | |
| Program costs | 209,587 | 14,322 | (195,265) |
| Concession purchases | 43,413 | 43,928 | 515 |
| Total Expenditures | <u>253,000</u> | <u>58,250</u> | <u>(194,750)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (181,717) | 32,984 | 214,701 |
| Fund Balances Beginning of Year | <u>181,717</u> | <u>181,717</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ 214,701</u> | <u>\$ 214,701</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
2012 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|
| Assets | | |
| Cash and cash equivalents | \$ 870,037 | \$ 1,449,682 |
| | <u>870,037</u> | <u>1,449,682</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 16,058 | \$ - |
| | <u>16,058</u> | <u>-</u> |
| Fund Balances | | |
| Restricted for capital projects | 853,979 | 1,449,682 |
| | <u>853,979</u> | <u>1,449,682</u> |
| Total Liabilities and Fund Balances | \$ 870,037 | \$ 1,449,682 |
| | <u>870,037</u> | <u>1,449,682</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
2012 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|--------------------------|----------------------------|
| Revenues | | |
| Investment earnings | \$ 732 | \$ 535 |
| Total Revenues | <u>732</u> | <u>535</u> |
| Expenditures | | |
| Capital Outlay | <u>1,789,088</u> | <u>912,671</u> |
| Total Expenditures | <u>1,789,088</u> | <u>912,671</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,788,356)</u> | <u>(912,136)</u> |
| Other Financing Sources (Uses) | | |
| Transfer in (out) from 2007 SPLOST | - | 309,318 |
| Transfer in (out) from 2012 SPLOST Debt Services | <u>1,192,653</u> | <u>1,317,458</u> |
| Total Other Financing Sources (Uses) | <u>1,192,653</u> | <u>1,626,776</u> |
| Net Change in Fund Balances | (595,703) | 714,640 |
| Fund Balances Beginning of Year | <u>1,449,682</u> | <u>735,042</u> |
| Fund Balances End of Year | <u><u>\$ 853,979</u></u> | <u><u>\$ 1,449,682</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
2012 SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECTS FUND
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Actual To Date | Variance Over (Under) |
|---|----------------------------|---------------------------|--------------------------------------|
| Revenues | | | |
| Investment earnings | \$ - | \$ 1,549 | \$ 1,549 |
| Total Revenues | - | 1,549 | 1,549 |
| Expenditures | | | |
| Intergovernmental | | | |
| City of Jackson | 3,361,843 | - | (3,361,843) |
| City of Flovilla | 537,895 | - | (537,895) |
| City of Jenkinsburg | 660,000 | - | (660,000) |
| Butts County, et. al Water & Sewer Authority | 2,286,053 | - | (2,286,053) |
| Development Authority of Butts County | 5,042,776 | 4,405,606 | (637,170) |
| Capital Outlay | | | |
| Roads/Bridges | 3,777,840 | 1,648,759 | (2,129,081) |
| Capital equipment | 3,080,320 | 1,968,088 | (1,112,232) |
| Debt Service | | | |
| Principal payments | 723,707 | 723,707 | - |
| Interest payments | 6,315 | 6,315 | - |
| Total Expenditures | 19,476,749 | 8,752,475 | (10,724,274) |
| Deficiency of Revenues ((under) Expenditures | (19,476,749) | (8,750,926) | 10,725,823 |
| Other Financing Sources (Uses) | | | |
| Bond proceeds | 7,025,000 | 7,025,000 | - |
| Bond premium | 371,657 | 371,657 | - |
| Bond issuance costs | (126,662) | (126,662) | - |
| Transfer in (out) from 2012 SPLOST Debt Service | 14,838,583 | 4,071,867 | (10,766,716) |
| Transfer in (out) from 2007 SPLOST | - | 309,318 | 309,318 |
| Transfers out COPS Debt Service | (2,631,829) | (2,046,275) | 585,554 |
| Total Other Financing Sources (Uses) | 19,476,749 | 9,604,905 | (9,871,844) |
| Net Change in Fund Balances | - | 853,979 | 853,979 |
| Fund Balances Beginning of Year | - | - | - |
| Fund Balances End of Year | \$ - | \$ 853,979 | \$ 853,979 |

See auditor's report.

**BUTTS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2016**

| | 2007 SPLOST Fund | 2001 SPLOST Fund | 1996 SPLOST Fund | Indian Springs Fire Station | Impact Fees | Southern Crescent CDL Fund | Capital Improvement Fund | Total Non-major Capital Projects Funds |
|--|---------------------------------|---------------------------------|---------------------------------|--|------------------------|---|---|---|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 1,593 | \$ - | \$ 16,524 | \$ - | \$ 127,039 | \$ - | \$ 220,451 | \$ 365,607 |
| Total Assets | <u>\$ 1,593</u> | <u>\$ -</u> | <u>\$ 16,524</u> | <u>\$ -</u> | <u>\$ 127,039</u> | <u>\$ -</u> | <u>\$ 220,451</u> | <u>\$ 365,607</u> |
| Liabilities and Fund Balances | | | | | | | | |
| Liabilities | | | | | | | | |
| Interfund Payable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | | | | |
| Restricted for capital projects | <u>1,593</u> | <u>-</u> | <u>16,524</u> | <u>-</u> | <u>127,039</u> | <u>-</u> | <u>220,451</u> | <u>365,607</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,593</u> | <u>\$ -</u> | <u>\$ 16,524</u> | <u>\$ -</u> | <u>\$ 127,039</u> | <u>\$ -</u> | <u>\$ 220,451</u> | <u>\$ 365,607</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | 2007 SPLOST Fund | 2001 SPLOST Fund | 1996 SPLOST Fund | Indian Springs Fire Station | Impact Fees | Southern Crescent CDL Fund | Capital Improvement Fund | Total Non-major Capital Projects Funds |
|---|---------------------------------|---------------------------------|---------------------------------|--|------------------------|---|---|---|
| Revenues | | | | | | | | |
| Investment earnings | \$ - | \$ - | \$ 60 | \$ 2 | \$ 24 | 15 | \$ 331 | \$ 432 |
| Charges for services | - | - | - | - | 69,907 | - | - | 69,907 |
| Total Revenues | - | - | 60 | 2 | 69,931 | 15 | 331 | 70,339 |
| Expenditures | | | | | | | | |
| Capital Outlay | 4,733 | - | 52,757 | 52,658 | 8,222 | - | 35,815 | 154,185 |
| Total Expenditures | 4,733 | - | 52,757 | 52,658 | 8,222 | - | 35,815 | 154,185 |
| Excess (Deficiency of Revenues Over (Under) Expenditures | (4,733) | - | (52,697) | (52,656) | 61,709 | 15 | (35,484) | (83,846) |
| Other Financing Sources (Uses) | | | | | | | | |
| Transfers in (out) | - | - | - | (45,935) | - | (125,168) | 255,935 | 84,832 |
| Total Other Financing Sources (Uses) | - | - | - | (45,935) | - | (125,168) | 255,935 | 84,832 |
| Net Change in Fund Balances | (4,733) | - | (52,697) | (98,591) | 61,709 | (125,153) | 220,451 | 986 |
| Fund Balances - Beginning of Year | 6,326 | - | 69,221 | 98,591 | 65,330 | 125,153 | - | 364,621 |
| Fund Balances - End of Year | \$ 1,593 | \$ - | \$ 16,524 | \$ - | \$ 127,039 | \$ - | \$ 220,451 | \$ 365,607 |

See auditor's report.

BUTTS COUNTY, GEORGIA
2007 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|
| Assets | | |
| Cash and cash equivalents | \$ <u>1,593</u> | \$ <u>6,326</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ <u>-</u> | \$ <u>-</u> |
| Fund Balances | | |
| Restricted for capital projects | <u>1,593</u> | <u>6,326</u> |
| Total Liabilities and Fund Balances | \$ <u>1,593</u> | \$ <u>6,326</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
2007 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|------------------------|------------------------|
| Revenues | | |
| Investment earnings | \$ - | \$ 75 |
| Total Revenues | <u>-</u> | <u>75</u> |
| Expenditures | | |
| Capital Outlay | <u>4,733</u> | <u>1,155</u> |
| Total Expenditures | <u>4,733</u> | <u>1,155</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(4,733)</u> | <u>(1,080)</u> |
| Other Financing Sources (Uses) | | |
| Transfer to 2012 SPLOST Capital Projects | <u>-</u> | <u>(309,318)</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(309,318)</u> |
| Net Change in Fund Balances | (4,733) | (310,398) |
| Fund Balances Beginning of Year | <u>6,326</u> | <u>316,724</u> |
| Fund Balances End of Year | <u><u>\$ 1,593</u></u> | <u><u>\$ 6,326</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
2007 SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECTS FUND
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Budget Amendment | Final Budget | Actual To Date | Variance Over (Under) |
|---|----------------------------|-----------------------------|-------------------------|---------------------------|--------------------------------------|
| Revenues | | | | | |
| Intergovernmental | \$ - | \$ 596,009 | \$ 596,009 | \$ 1,077,009 | \$ 481,000 |
| Insurance proceeds | - | - | - | 2,350 | 2,350 |
| Investment earnings | 30,000 | 387,721 | 417,721 | 409,560 | (8,161) |
| | - | | | | |
| Total Revenues | 30,000 | 983,730 | 1,013,730 | 1,488,919 | 475,189 |
| Expenditures | | | | | |
| Intergovernmental | | | | | |
| City of Jackson | - | 3,300,000 | 3,300,000 | 3,300,000 | - |
| City of Flovilla | - | 500,000 | 500,000 | 500,000 | - |
| City of Jenkinsburg | - | 350,000 | 350,000 | 350,000 | - |
| Butts County, et. al. Water & Sewer Authority | - | 3,000,000 | 3,000,000 | 3,000,000 | - |
| Butts County Hospital Authority | - | - | - | 129,510 | 129,510 |
| Capital Outlay | | | | | |
| Jail expansion | 9,294,048 | (2,399,783) | 6,894,265 | 8,400,014 | 1,505,749 |
| Administrative building phase 2 | 760,000 | 69,413 | 829,413 | 1,048,277 | 218,864 |
| 911 Tower | 150,000 | (49,465) | 100,535 | 184,582 | 84,047 |
| Library expansion | 481,050 | 105,950 | 587,000 | 554,238 | (32,762) |
| Health department renovation | 100,000 | (13,000) | 87,000 | 92,403 | 5,403 |
| Hotel restrooms | 35,000 | (700) | 34,300 | - | (34,300) |
| Clerk of Superior Court office expansion | 450,000 | 135,164 | 585,164 | 872,640 | 287,476 |
| Recreation complex expansion | - | 513,000 | 513,000 | 580,260 | 67,260 |
| Roads/Bridges | 500,000 | 2,470,716 | 2,970,716 | 1,531,760 | (1,438,956) |
| Capital equipment | 604,309 | 1,181,291 | 1,785,600 | 2,134,280 | 348,680 |
| Debt Service | | | | | |
| Principal payments | - | - | - | 258,620 | 258,620 |
| Interest payments | - | - | - | 26,301 | 26,301 |
| | | | | | |
| Total Expenditures | 12,374,407 | 9,162,586 | 21,536,993 | 22,962,885 | 1,425,892 |
| Deficiency of Revenues ((under) Expenditures | (12,344,407) | (8,178,856) | (20,523,263) | (21,473,966) | (950,703) |
| Other Financing Sources (Uses) | | | | | |
| Bond proceeds | - | 17,830,000 | 17,830,000 | 17,830,000 | - |
| Capital lease proceeds | - | 217,950 | 217,950 | 264,201 | 46,251 |
| Bond premium | - | - | - | 595,456 | 595,456 |
| Bond issuance costs | - | - | - | (341,647) | (341,647) |
| Transfers out | - | - | - | (890,917) | (890,917) |
| Transfers in from COPS Debt Service | 644,048 | - | 644,048 | 644,048 | - |
| Transfer from Sheriff Special Revenue | - | 12,350 | 12,350 | 12,350 | - |
| Transfer from Habeas Corpus Fund | - | 100,000 | 100,000 | 100,000 | - |
| Transfer in (out) 2007 SPLOST Debt Service | 11,700,359 | (9,981,444) | 1,718,915 | 3,262,068 | 1,543,153 |
| | | | | | |
| Total Other Financing Sources (Uses) | 12,344,407 | 8,178,856 | 20,523,263 | 21,475,559 | 952,296 |
| Net Change in Fund Balances | - | - | - | 1,593 | 1,593 |
| Fund Balances Beginning of Project | - | - | - | - | - |
| Fund Balances End of Year | \$ - | \$ - | \$ - | \$ 1,593 | \$ 1,593 |

See auditor's report.

BUTTS COUNTY, GEORGIA
2001 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------|-----------------------|-----------------------|
| Assets | | |
| Cash and cash equivalents | \$ <u> -</u> | \$ <u> -</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ <u> -</u> | \$ <u> -</u> |
| Fund Balances | | |
| Restricted for capital projects | <u> -</u> | <u> -</u> |
| Total Liabilities and Fund Balances | \$ <u> -</u> | \$ <u> -</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
2001 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|
| Revenues | | |
| Investment earnings | \$ - | \$ - |
| Total Revenues | <u>-</u> | <u>-</u> |
| Expenditures | | |
| Capital Outlay | <u>-</u> | <u>1,944</u> |
| Total Expenditures | <u>-</u> | <u>1,944</u> |
| Net Change in Fund Balances | - | (1,944) |
| Fund Balances Beginning of Year | <u>-</u> | <u>1,944</u> |
| Fund Balances End of Year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
2001 SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECTS FUND
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Budget Amendment | Amended Budget | Actual To Date | Variance Over (Under) |
|--|----------------------------|-----------------------------|---------------------------|---------------------------|----------------------------------|
| Revenues | | | | | |
| Investment earnings | \$ - | \$ 419,340 | \$ 419,340 | \$ 537,604 | \$ 118,264 |
| Intergovernmental | - | 1,977,687 | 1,977,687 | 1,926,262 | (51,425) |
| Total Revenues | - | 2,397,027 | 2,397,027 | 2,463,866 | 66,839 |
| Expenditures | | | | | |
| Current: | | | | | |
| Culture and recreation | 150,000 | 7,245 | 157,245 | 169,821 | 12,576 |
| Health and Welfare | 250,000 | - | 250,000 | 250,000 | - |
| General government | - | 6,240 | 6,240 | 6,240 | - |
| Capital Outlay | | | | | |
| Equipment | 827,000 | (288,964) | 538,036 | 619,298 | 81,262 |
| Buildings and Improvements | 2,354,966 | 2,387,230 | 4,742,196 | 5,666,466 | 924,270 |
| Roads and Bridges | 5,840,310 | 2,169,233 | 8,009,543 | 7,072,584 | (936,959) |
| Intergovernmental | 4,683,239 | 488,243 | 5,171,482 | 5,415,824 | 244,342 |
| Debt Service: | | | | | |
| Principal retirement | 396,673 | - | 396,673 | 396,673 | - |
| Interest and fiscal charges | 31,335 | - | 31,335 | 32,080 | 745 |
| Total Expenditures | 14,533,523 | 4,769,227 | 19,302,750 | 19,628,986 | 326,236 |
| (Deficiency) of Revenues (Under) Expenditures | (14,533,523) | (2,372,200) | (16,905,723) | (17,165,120) | (259,397) |
| Other Financing Sources (Uses) | | | | | |
| Bond proceeds | 5,910,000 | - | 5,910,000 | 5,910,000 | - |
| Bond issuance costs | (163,150) | - | (163,150) | (162,461) | 689 |
| Proceeds from capital leases | 396,673 | - | 396,673 | 396,673 | - |
| Transfers in | 8,390,000 | 2,372,200 | 10,762,200 | 11,020,908 | 258,708 |
| Total Other Financing Sources (Uses) | 14,533,523 | 2,372,200 | 16,905,723 | 17,165,120 | 259,397 |
| Net Change in Fund Balances | - | - | - | - | - |
| Fund Balances Beginning of Year | - | - | - | - | - |
| Fund Balances End of Year | \$ - | \$ - | \$ - | \$ - | \$ - |

See auditor's report.

BUTTS COUNTY, GEORGIA
1996 SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---------------------------------|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 16,524 | \$ 69,221 |
| Total Assets | <u>\$ 16,524</u> | <u>\$ 69,221</u> |
| Fund Balances | | |
| Restricted for capital projects | \$ 16,524 | \$ 69,221 |
| Total Fund Balances | <u>\$ 16,524</u> | <u>\$ 69,221</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
1996 SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|
| Revenues | | |
| Investment earnings | \$ 60 | \$ 131 |
| Expenditures | | |
| Capital Outlay | 52,757 | 31,175 |
| Net Change in Fund Balances | (52,697) | (31,044) |
| Fund Balances Beginning of Year | 69,221 | 100,265 |
| Fund Balances End of Year | <u>\$ 16,524</u> | <u>\$ 69,221</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
1996 SPECIAL PURPOSE LOCAL OPTION SALES TAX CAPITAL PROJECTS FUND
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2016

| | Final Budget | Year to Date | Over (Under) |
|--|-------------------------|-------------------------|-------------------------|
| Revenues | | | |
| Investment earnings | \$ - | \$ 419,955 | \$ 419,955 |
| Expenditures | | | |
| Intergovernmental | 1,248,291 | 2,299,115 | 1,050,824 |
| Capital Outlay | 5,100,000 | 4,816,697 | (283,303) |
| Total Expenditures | 6,348,291 | 7,115,812 | 767,521 |
| Deficiency of Revenues (Under) Expenditures | (6,348,291) | (6,695,857) | (347,566) |
| Other Financing Sources (Uses) | | | |
| Bond proceeds | 6,455,000 | 6,455,000 | - |
| Bond issuance costs | (106,709) | (106,709) | - |
| Transfers in | - | 364,090 | 364,090 |
| | - | | |
| Total Other Financing Sources (Uses) | 6,348,291 | 6,712,381 | 364,090 |
| Net Changes in Fund Balances | - | 16,524 | 16,524 |
| Fund Balances, Beginning | - | - | - |
| Fund Balances, Ending | \$ - | \$ 16,524 | \$ 16,524 |

See auditor's report.

**BUTTS COUNTY, GEORGIA
INDIAN SPRINGS FIRE STATION
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|---------------------------------|-------------|-------------|
| Assets | | |
| Cash and cash equivalents | \$ - | \$ 98,591 |
| Fund Balances | | |
| Restricted for capital projects | \$ - | \$ 98,591 |

See auditor's report.

**BUTTS COUNTY, GEORGIA
INDIAN SPRINGS FIRE STATION
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|--|--------------------|-------------------------|
| Revenues | | |
| Investment earnings | \$ 2 | \$ 156 |
| Total Revenues | <u>2</u> | <u>156</u> |
| Expenditures | | |
| Capital Outlay | <u>52,658</u> | <u>456,464</u> |
| Total Expenditures | <u>52,658</u> | <u>456,464</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(52,656)</u> | <u>(456,308)</u> |
| Other Financing Sources (Uses) | | |
| Transfer in from General Fund | - | 554,899 |
| Transfer to Capital Improvement Fund | <u>(45,935)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(45,935)</u> | <u>554,899</u> |
| Net Change in Fund Balances | (98,591) | 98,591 |
| Fund Balances Beginning of Year | <u>98,591</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ -</u></u> | <u><u>\$ 98,591</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
INDIAN SPRINGS FIRE STATION
CAPITAL PROJECTS FUND
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2016**

| | Original Budget | Amendments | Final Budget | Actual Year to Date | Variance Over (Under) |
|---|----------------------------|--------------------|-------------------------|------------------------------------|--------------------------------------|
| Revenues | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 158</u> | <u>\$ 158</u> |
| Expenditures | | | | | |
| Capital Outlay | <u>276,375</u> | <u>278,524</u> | <u>554,899</u> | <u>509,122</u> | <u>(45,777)</u> |
| Excess of Revenues Over Expenditures | <u>(276,375)</u> | <u>(278,524)</u> | <u>(554,899)</u> | <u>(508,964)</u> | <u>45,935</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 275,375 | 278,524 | 553,899 | 554,899 | - |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>(45,935)</u> | <u>(45,935)</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>278,524</u> | <u>553,899</u> | <u>508,964</u> | <u>(45,935)</u> |
| Net Changes in Fund Balances | - | - | - | - | - |
| Fund Balances Beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances Ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
IMPACT FEES
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|-------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 127,039 | \$ 65,330 |
| Fund Balances | | |
| Restricted for capital projects - Administration | \$ 2,757 | \$ 1,844 |
| Restricted for capital projects - Library | 4,415 | 2,314 |
| Restricted for capital projects - Public Safety | 39,528 | 20,859 |
| Restricted for capital projects - Recreation | 15,551 | 10,360 |
| Restricted for capital projects - Roads | 64,789 | 29,953 |
| Total Fund Balances | <u>\$ 127,039</u> | <u>\$ 65,330</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
IMPACT FEES
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---|--------------------------|-------------------------|
| Revenues | | |
| Charges for services | \$ 69,907 | \$ 32,921 |
| Investment earnings | <u>24</u> | <u>26</u> |
| Total Revenues | <u>69,931</u> | <u>32,947</u> |
| Expenditures | | |
| Capital Outlay | <u>8,222</u> | <u>16,738</u> |
| Total Expenditures | <u>8,222</u> | <u>16,738</u> |
| Excess of Revenues Over Expenditures | <u>61,709</u> | <u>16,209</u> |
| Other Financing Sources (Uses) | | |
| Transfer in | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 61,709 | 16,209 |
| Fund Balances Beginning of Year | <u>65,330</u> | <u>49,121</u> |
| Fund Balances End of Year | <u><u>\$ 127,039</u></u> | <u><u>\$ 65,330</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
IMPACT FEES
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Amendments</u> | <u>Final Budget</u> | <u>Project to Date</u> | <u>Over (Under)</u> |
|---|----------------------------|-------------------|-------------------------|----------------------------|-------------------------|
| Revenues | | | | | |
| Charges for services | \$ 27,044 | \$ 153,185 | \$ 180,229 | \$ 180,229 | \$ - |
| Investment earnings | 34 | 317 | 351 | 351 | - |
| Total Revenues | <u>27,078</u> | <u>153,502</u> | <u>180,580</u> | <u>180,580</u> | <u>-</u> |
| Expenditures | | | | | |
| Capital Outlay | <u>-</u> | <u>85,433</u> | <u>85,433</u> | <u>85,433</u> | <u>-</u> |
| Excess of Revenue over Expenditures | <u>27,078</u> | <u>68,069</u> | <u>95,147</u> | <u>95,147</u> | <u>-</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfer in | <u>-</u> | <u>2,089</u> | <u>2,089</u> | <u>2,089</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>70,158</u> | <u>2,089</u> | <u>2,089</u> | <u>-</u> |
| Net Change in Fund Balance | <u>27,078</u> | <u>70,158</u> | <u>97,236</u> | <u>97,236</u> | <u>-</u> |
| Fund Balances Beginning of Year | <u>29,803</u> | <u>-</u> | <u>29,803</u> | <u>29,803</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 56,881</u> | <u>\$ 70,158</u> | <u>\$ 127,039</u> | <u>\$ 127,039</u> | <u>\$ -</u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
SOUTHERN CRESCENT CDL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|---------------------------------|-----------------------------|-----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ - | \$ 125,153 |
| | <u> </u> | <u> </u> |
| Fund Balances | | |
| Restricted for capital projects | \$ - | \$ 125,153 |
| | <u> </u> | <u> </u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
SOUTHERN CRESCENT CDL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------------|
| Revenues | | |
| Investment earnings | \$ 15 | \$ 63 |
| Total Revenues | <u>15</u> | <u>63</u> |
| Expenditures | | |
| Capital Outlay | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>-</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | <u>15</u> | <u>63</u> |
| Other Financing Sources (Uses) | | |
| Transfer out | <u>(125,168)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(125,168)</u> | <u>-</u> |
| Net Change in Fund Balances | (125,153) | 63 |
| Fund Balances Beginning of Year | <u>125,153</u> | <u>125,090</u> |
| Fund Balances End of Year | <u><u>\$ -</u></u> | <u><u>\$ 125,153</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
SOUTHERN CRESCENT CDL FUND
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2016**

| | Original Budget | Budget Amendment | Final Budget | Project to Date | Over (Under) |
|---|----------------------------|-----------------------------|-------------------------|----------------------------|-------------------------|
| Revenues | | | | | |
| Intergovernmental | \$ 208,591 | \$ 153,605 | \$ 362,196 | \$ 362,196 | \$ - |
| Investment earnings | - | - | - | 210 | 210 |
| Total Revenues | <u>208,591</u> | <u>153,605</u> | <u>362,196</u> | <u>362,406</u> | <u>210</u> |
| Expenditures | | | | | |
| Capital Outlay | <u>208,591</u> | <u>153,605</u> | <u>362,196</u> | <u>237,238</u> | <u>(124,958)</u> |
| Total Expenditures | <u>208,591</u> | <u>153,605</u> | <u>362,196</u> | <u>237,238</u> | <u>(124,958)</u> |
| Excess of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>125,168</u> | <u>125,168</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfer out | <u>-</u> | <u>-</u> | <u>-</u> | <u>(125,168)</u> | <u>(125,168)</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(125,168)</u> | <u>(125,168)</u> |
| Net Change in Fund Balances | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
CAPITAL IMPROVEMENT FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|--|----------------|-------------|
| Assets | | |
| Cash and cash equivalents | \$ 220,451 | \$ - |
| | <u>220,451</u> | <u>-</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Interfund payable | \$ - | \$ - |
| | <u>-</u> | <u>-</u> |
| Fund Balances | | |
| Restricted for capital projects | 220,451 | - |
| | <u>220,451</u> | <u>-</u> |
| Total Liabilities and Fund Balances | \$ 220,451 | \$ - |
| | <u>220,451</u> | <u>-</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
CAPITAL IMPROVEMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--|--------------------------|--------------------|
| Revenues | | |
| Investment earnings | \$ 331 | \$ - |
| Total Revenues | <u>331</u> | <u>-</u> |
| Expenditures | | |
| Capital Outlay | <u>35,815</u> | <u>-</u> |
| Total Expenditures | <u>35,815</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(35,484)</u> | <u>-</u> |
| Other Financing Sources (Uses) | | |
| Transfer in from General Fund | 210,000 | - |
| Transfer in from Southern Crescent CDL Fund | <u>45,935</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>255,935</u> | <u>-</u> |
| Net Change in Fund Balances | 220,451 | - |
| Fund Balances Beginning of Year | <u>-</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ 220,451</u></u> | <u><u>\$ -</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
CAPITAL IMPROVEMENT FUND
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2016**

| | <u>Original Budget</u> | <u>Project to Date</u> | <u>Over (Under)</u> |
|--|----------------------------|----------------------------|--------------------------|
| Revenues | | | |
| Investment earnings | \$ - | \$ 331 | \$ 331 |
| Total Revenues | <u>-</u> | <u>331</u> | <u>331</u> |
| Expenditures | | | |
| Capital Outlay | <u>-</u> | <u>35,815</u> | <u>35,815</u> |
| Total Expenditures | <u>-</u> | <u>35,815</u> | <u>35,815</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>(35,484)</u> | <u>(35,484)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers in (out) | <u>-</u> | <u>255,935</u> | <u>255,935</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>255,935</u> | <u>255,935</u> |
| Net Changes in Fund Balances | <u>-</u> | <u>220,451</u> | <u>220,451</u> |
| Fund Balances, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ -</u></u> | <u><u>\$ 220,451</u></u> | <u><u>\$ 220,451</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
2012 SPLOST DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND JUNE 2015

| | <u>2016</u> | <u>2015</u> |
|-----------------------------|----------------|----------------|
| Assets | | |
| Cash and cash equivalents | \$ 581,247 | \$ 667,129 |
| | <u>581,247</u> | <u>667,129</u> |
| Fund Balances | | |
| Restricted for debt service | \$ 581,247 | \$ 667,129 |
| | <u>581,247</u> | <u>667,129</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
2012 SPLOST DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---|--------------------------|--------------------------|
| Revenues | | |
| Sales Tax | \$ 3,629,678 | \$ 3,973,658 |
| Investment earnings | 630 | 102 |
| Total Revenues | <u>3,630,308</u> | <u>3,973,760</u> |
| Expenditures | | |
| City of Flovilla | 93,550 | 103,330 |
| City of Jackson | 584,685 | 645,813 |
| City of Jenkinsburg | 70,162 | 77,498 |
| Butts County et al Water & Sewer Authority | 397,586 | 439,153 |
| Debt Service | | |
| Principal retirement | 1,312,850 | 1,225,000 |
| Interest and fiscal charges | 64,600 | 151,950 |
| Total Expenditures | <u>2,523,433</u> | <u>2,642,744</u> |
| Excess of Revenues Over Expenditures | <u>1,106,875</u> | <u>1,331,016</u> |
| Other Financing Sources (Uses) | | |
| Transfers in (out) | (1,192,757) | (1,317,458) |
| Total Other Financing Sources (Uses) | <u>(1,192,757)</u> | <u>(1,317,458)</u> |
| Net Changes in Fund Balances | (85,882) | 13,558 |
| Fund Balances Beginning of Year | <u>667,129</u> | <u>653,571</u> |
| Fund Balances End of Year | <u><u>\$ 581,247</u></u> | <u><u>\$ 667,129</u></u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
2012 SPLOST DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

| | Original/ Final Budget | Actual | Variance Over (Under) |
|---|---------------------------------------|--------------------------|--------------------------------------|
| Revenues | | | |
| Sales Tax | \$ 3,629,678 | \$ 3,629,678 | \$ - |
| Investment earnings | 630 | 630 | - |
| Total Revenues | <u>3,630,308</u> | <u>3,630,308</u> | <u>-</u> |
| Expenditures | | | |
| City of Flovilla | 93,550 | 93,550 | - |
| City of Jackson | 584,685 | 584,685 | - |
| City of Jenkinsburg | 70,162 | 70,162 | - |
| Butts County et al Water & Sewer Authority | 397,586 | 397,586 | - |
| Debt Service | | | |
| Principal retirement | 1,312,850 | 1,312,850 | - |
| Interest and fiscal charges | 64,600 | 64,600 | - |
| Total Expenditures | <u>2,523,433</u> | <u>2,523,433</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | <u>1,106,875</u> | <u>1,106,875</u> | <u>-</u> |
| Other Financing Sources (Uses) | | | |
| Transfers in (out) | (1,192,757) | (1,192,757) | - |
| Total Other Financing Sources (Uses) | <u>(1,192,757)</u> | <u>(1,192,757)</u> | <u>-</u> |
| Net Changes in Fund Balances | (85,882) | (85,882) | - |
| Fund Balances Beginning of Year | <u>667,129</u> | <u>667,129</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ 581,247</u></u> | <u><u>\$ 581,247</u></u> | <u><u>\$ -</u></u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
NONMAJOR DEBT SERVICE FUND
2007 SPLOST DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015**

| | <u>2016</u> | <u>2015</u> |
|---------------------------------|-----------------------------|-----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ - | \$ - |
| | <u> </u> | <u> </u> |
| Fund Balances | | |
| Restricted for debt service | \$ - | \$ - |
| Restricted for capital projects | - | - |
| | <u> </u> | <u> </u> |
| Fund Balance | \$ - | \$ - |
| | <u> </u> | <u> </u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
NONMAJOR DEBT SERVICE FUND
2007 SPLOST DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---|-------------|------------------|
| Revenues | | |
| Sales tax | \$ - | \$ - |
| Investment earnings | - | 66 |
| Total Revenues | <u>-</u> | <u>66</u> |
| Expenditures | | |
| Debt Service: | | |
| Principal payments | - | - |
| Interest and fiscal charges | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | <u>-</u> | <u>66</u> |
| Other Financing Sources (Uses) | | |
| Transfer out | - | (554,899) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(554,899)</u> |
| Net Change in Fund Balances | - | (554,833) |
| Fund Balances Beginning of Year | <u>-</u> | <u>554,833</u> |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ -</u> |

See auditor's report.

**BUTTS COUNTY, GEORGIA
NONMAJOR DEBT SERVICE FUND
2007 SPLOST DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

| | Original/ Final Budget | Actual | Variance Over (Under) |
|---|---------------------------------------|---------------|--------------------------------------|
| Revenues | | | |
| Sales tax | \$ - | \$ - | \$ - |
| Investment earnings | - | - | - |
| Total Revenues | - | - | - |
| Expenditures | | | |
| Debt Service | | | |
| Principal payments | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total Expenditures | - | - | - |
| Excess of Revenues Over Expenditures | - | - | - |
| Other Financing Sources (Uses) | | | |
| Transfers out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Changes in Fund Balances | - | - | - |
| Fund Balances Beginning of Year | - | - | - |
| Fund Balances End of Year | \$ - | \$ - | \$ - |

See auditor's report.

BUTTS COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| | Balance | | | Reclassify | Balance |
|--------------------------------|----------------------|---------------------|---------------------|--------------------------|----------------------|
| Clerk of Superior Court | June 30, 2015 | Additions | Deductions | Interfund Payable | June 30, 2016 |
| Assets | | | | | |
| Cash and cash equivalents | \$ 184,332 | \$ 672,801 | \$ 772,796 | \$ - | \$ 84,337 |
| Total Assets | <u>\$ 184,332</u> | <u>\$ 672,801</u> | <u>\$ 772,796</u> | <u>\$ -</u> | <u>\$ 84,337</u> |
| Liabilities | | | | | |
| Due to others | \$ 184,332 | \$ 672,801 | \$ 772,796 | \$ - | \$ 84,337 |
| Total Liabilities | <u>\$ 184,332</u> | <u>\$ 672,801</u> | <u>\$ 772,796</u> | <u>\$ -</u> | <u>\$ 84,337</u> |
| Probate Court | | | | | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 117,812 | \$ 925,231 | \$ 961,407 | \$ - | \$ 81,636 |
| Total Assets | <u>\$ 117,812</u> | <u>\$ 925,231</u> | <u>\$ 961,407</u> | <u>\$ -</u> | <u>\$ 81,636</u> |
| Liabilities | | | | | |
| Due to others | \$ 117,812 | \$ 925,231 | \$ 961,407 | \$ - | \$ 81,636 |
| Total Liabilities | <u>\$ 117,812</u> | <u>\$ 925,231</u> | <u>\$ 961,407</u> | <u>\$ -</u> | <u>\$ 81,636</u> |
| Sheriff | | | | | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 465,820 | \$ 1,930,641 | \$ 1,561,142 | \$ - | \$ 835,319 |
| Total Assets | <u>\$ 465,820</u> | <u>\$ 1,930,641</u> | <u>\$ 1,561,142</u> | <u>\$ -</u> | <u>\$ 835,319</u> |
| Liabilities | | | | | |
| Due to others | \$ 465,820 | \$ 1,930,641 | \$ 1,561,142 | \$ - | \$ 835,319 |
| Total Liabilities | <u>\$ 465,820</u> | <u>\$ 1,930,641</u> | <u>\$ 1,561,142</u> | <u>\$ -</u> | <u>\$ 835,319</u> |
| Magistrate Court | | | | | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 16,644 | \$ 223,839 | \$ 223,046 | \$ - | \$ 17,437 |
| Total Assets | <u>\$ 16,644</u> | <u>\$ 223,839</u> | <u>\$ 223,046</u> | <u>\$ -</u> | <u>\$ 17,437</u> |
| Liabilities | | | | | |
| Due to others | \$ 16,644 | \$ 223,839 | \$ 223,046 | \$ - | \$ 17,437 |
| Total Liabilities | <u>\$ 16,644</u> | <u>\$ 223,839</u> | <u>\$ 223,046</u> | <u>\$ -</u> | <u>\$ 17,437</u> |

See auditor's report.

BUTTS COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

| Tax Commissioner | Balance June 30, 2015 | Additions | Deductions | Reclassify Interfund Payable | Balance June 30, 2016 |
|---------------------------|--|----------------------|----------------------|---|--|
| Assets | | | | | |
| Cash and cash equivalents | \$ 118,237 | \$ 23,184,592 | \$ 23,130,293 | \$ - | \$ 172,536 |
| Total Assets | <u>\$ 118,237</u> | <u>\$ 23,184,592</u> | <u>\$ 23,130,293</u> | <u>\$ -</u> | <u>\$ 172,536</u> |
| Liabilities | | | | | |
| Interfund payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other governments | 118,237 | 23,184,592 | 23,130,293 | - | 172,536 |
| Total Liabilities | <u>\$ 118,237</u> | <u>\$ 23,184,592</u> | <u>\$ 23,130,293</u> | <u>\$ -</u> | <u>\$ 172,536</u> |
| Total | | | | | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 902,845 | \$ 26,937,104 | \$ 26,648,684 | \$ - | \$ 1,191,265 |
| Total Assets | <u>\$ 902,845</u> | <u>\$ 26,937,104</u> | <u>\$ 26,648,684</u> | <u>\$ -</u> | <u>\$ 1,191,265</u> |
| Liabilities | | | | | |
| Interfund payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to others | 784,608 | 3,752,512 | 3,518,391 | - | 1,018,729 |
| Due to other governments | 118,237 | 23,184,592 | 23,130,293 | - | 172,536 |
| Total Liabilities | <u>\$ 902,845</u> | <u>\$ 26,937,104</u> | <u>\$ 26,648,684</u> | <u>\$ -</u> | <u>\$ 1,191,265</u> |

See auditor's report.

HAISTEN & JOHNSTON

A Professional Corporation of Certified Public Accountants

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

To the Butts County Board of Commissioners
Jackson, 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 Controller General of the United States, the financial statement of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butts County, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Butts County, Georgia's basic financial statements and have issued our report thereon dated February 4, 2017.

Other auditors audited the financial statements of Butts County Department of Public Health as described in our report on Butts County, Georgia's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies, as identified as Items 13-1, 16-2 and 16-3.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether Butts County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as Item 13-1 and 16-2.

Butts County, Georgia's Response to Findings

Butts County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Butts County, Georgia's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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


Haisten & Johnston, P. C.
Jackson, Georgia

February 4, 2017

BUTTS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

16-1 Status of Prior Year Findings

The previous Independent Auditor's report for the year ended June 30, 2015 was prepared by Haisten & Johnston, P. C. and was dated January 30, 2016. The following findings were noted:

13-1 Significant Deficiency Regarding Risk Assessment and Monitoring

Findings

The County does not have a formal risk assessment policy in place. As a result, there is no monitoring of compliance with laws, contracts and grant agreements.

Recommendations

We recommend that the County implement a formal risk assessment policy and follow up on any lack of monitoring of compliance with laws, contracts, and grant agreements that is revealed when the risk assessment is performed.

Response

Butts County, Georgia agrees with the findings and the recommendations.

16-2 Significant Deficiency Regarding Expenditures Exceeding Appropriations

Findings

Expenditures for the public works function and housing and development function exceeded appropriated amounts. This is a violation of Georgia Law.

Recommendations

We recommend that the County financial staff more closely monitor expenditures as compared to appropriations and that budget amendments be presented to the board of commissioners for approval when an unforeseen circumstance arises after the original budget is approved.

Response

Butts County, Georgia agrees with the finding and the recommendations.

BUTTS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2016

16-3 Significant Deficiency Regarding Cash Bonds held by the Sheriff's Department

Findings

The County has Cash Bonds that have been held for a number of years in an account maintained by the Sheriff's Department.

Recommendations

We recommend that the County conduct research to determine if these cases have in fact been settled in the court system and, if so, how the bonds should be disbursed. The bonds should then be disbursed accordingly.

Response

Butts County, Georgia agrees with the finding and the recommendations.

HAISTEN & JOHNSTON

A Professional Corporation of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON SPECIAL COUNTY 1 PERCENT SALES AND USE TAX APPROVED IN SPECIAL ELECTION HELD SEPTEMBER 17, 1996

To the Board of Commissioners
Butts County, Georgia

We have audited the accompanying Schedule of Special Purpose Local Options Sales Tax for Butts County, Georgia as of June 30, 2016. This schedule is the responsibility of Butts County's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax 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 Schedule of Special Purpose Local Option Sales Tax is free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of Butts County's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in Butts County's resolution or ordinance calling for the tax for the year ended June 30, 2016 in conformity with accounting principles generally accepted in the United States of America.


Haisten & Johnston, P.C.
Jackson, Georgia

February 4, 2017

BUTTS COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2016
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
APPROVED IN SPECIAL ELECTION HELD SEPTEMBER 17, 1996

| <u>Project</u> | Original Estimated Cost | Prior Years | Current Year | Total | Estimated Percentage of Completion |
|-------------------------|-------------------------------|---------------------|------------------|---------------------|--|
| Capital Outlay Projects | | | | | |
| A. Courthouse Repair | \$ 1,000,000 | \$ 939,273 | \$ 52,757 | \$ 992,030 | 100.00% |
| B. Two Fire Stations | 700,000 | 645,626 | - | 645,626 | 100.00% |
| C. Recreation Projects | 200,000 | 206,619 | - | 206,619 | 100.00% |
| D. Water and Sewer | 3,200,000 | 3,284,821 | - | 3,284,821 | 100.00% |
| Total | <u>\$ 5,100,000</u> | <u>\$ 5,076,339</u> | <u>\$ 52,757</u> | <u>\$ 5,129,096</u> | |

See auditor's report.

HAISTEN & JOHNSTON

A Professional Corporation of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON SPECIAL COUNTY
1 PERCENT SALES AND USE TAX
APPROVED IN SPECIAL ELECTION HELD SEPTEMBER 18, 2001**

To the Board of Commissioners
Butts County, Georgia

We have audited the accompanying Schedule of Special Purpose Local Options Sales Tax for Butts County, Georgia as of June 30, 2016. This schedule is the responsibility of Butts County's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax 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 Schedule of Special Purpose Local Option Sales Tax is free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of Butts County's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in Butts County's resolution or ordinance calling for the tax for the year ended June 30, 2016 in conformity with accounting principles generally accepted in the United States of America.


Haisten & Johnston, P.C.
Jackson, Georgia

February 4, 2017

BUTTS COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2016
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
APPROVED IN SPECIAL ELECTION HELD SEPTEMBER 18, 2001

Project

| | Original Estimated Cost | Current Estimated Cost | Prior Years | Current Year | Total | Estimated Percentage of Completion |
|---|-------------------------------|------------------------------|----------------------|-----------------|----------------------|--|
| Capital Outlay Projects | | | | | | |
| A. Land Acquisition - Library | \$ 150,000 | \$ 150,000 | \$ 125,000 | \$ - | \$ 125,000 | 100.00% |
| B. Butts County Hospital Authority | - | 48,981 | 48,981 | - | 48,981 | 100.00% |
| C. Butts County Industrial Development Authority | - | 65,028 | 198,028 | - | 198,028 | 100.00% |
| D. City of Jackson | 1,900,000 | 1,900,000 | 1,900,000 | - | 1,900,000 | 100.00% |
| E. City of Jenkinsburg | 102,000 | 102,000 | 102,000 | - | 102,000 | 100.00% |
| F. City of Flovilla | 400,000 | 400,000 | 400,000 | - | 400,000 | 100.00% |
| G. Butts County et al Water & Sewer Authority | 2,638,982 | 2,638,982 | 2,638,982 | - | 2,638,982 | 100.00% |
| H. Building Improvements | 2,604,966 | 4,597,046 | 6,366,328 | - | 6,366,328 | 100.00% |
| I. Roads and Bridges | 5,840,310 | 7,358,017 | 7,063,886 | - | 7,063,886 | 100.00% |
| J. Capital Equipment | 827,000 | 600,708 | 669,108 | - | 669,108 | 100.00% |
| Total | <u>\$ 14,463,258</u> | <u>\$ 17,860,762</u> | <u>\$ 19,512,313</u> | <u>\$ -</u> | <u>\$ 19,512,313</u> | |

See auditor's report.

HAISTEN & JOHNSTON

A Professional Corporation of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON SPECIAL COUNTY 1 PERCENT SALES AND USE TAX APPROVED IN SPECIAL ELECTION HELD July 18, 2006

To the Board of Commissioners
Butts County, Georgia

We have audited the accompanying Schedule of Special Purpose Local Options Sales Tax for Butts County, Georgia as of June 30, 2016. This schedule is the responsibility of Butts County's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax 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 Schedule of Special Purpose Local Option Sales Tax is free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of Butts County's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in Butts County's resolution or ordinance calling for the tax for the year ended June 30, 2016 in conformity with accounting principles generally accepted in the United States of America.



Haisten & Johnston, P.C.
Jackson, Georgia

February 4, 2017

BUTTS COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2016
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
APPROVED IN SPECIAL ELECTION HELD JULY 18, 2006

| <u>Project</u> | <u>Original Estimated Cost</u> | <u>Current Estimated Cost</u> | <u>Prior Years</u> | <u>Current Year</u> | <u>Total</u> | <u>Estimated Percentage of Completion</u> |
|---|--|---------------------------------------|------------------------|-------------------------|----------------------|---|
| Capital Outlay Projects | | | | | | |
| A. City of Jackson | \$ 3,300,000 | \$ 3,300,000 | \$ 3,300,000 | \$ - | \$ 3,300,000 | 100.00% |
| B. City of Flovilla | 500,000 | 500,000 | 500,000 | - | 500,000 | 100.00% |
| C. City of Jenkinsburg | 350,000 | 350,000 | 350,000 | - | 350,000 | 100.00% |
| D. Butts County et al. Water and Sewer Authority | 3,000,000 | 3,000,000 | 3,000,000 | - | 3,000,000 | 100.00% |
| E. Butts County Hospital Authority | - | 48,573 | 129,510 | - | 129,510 | 100.00% |
| F. Jail expansion | 9,294,048 | 8,774,048 | 8,400,024 | - | 8,400,024 | 100.00% |
| G. Administrative building Phase 2 | 760,000 | 760,000 | 959,120 | 4,733 | 963,853 | 100.00% |
| H. 911 Tower | 150,000 | 150,000 | 128,207 | - | 128,207 | 85.47% |
| I. Library Expansion | 481,050 | 481,050 | 552,364 | - | 552,364 | 100.00% |
| J. Health Department Renovation | 100,000 | 100,000 | 92,403 | - | 92,403 | 93.40% |
| K. Historic hotel restrooms | 35,000 | 35,000 | 49,584 | - | 49,584 | 100.00% |
| L. Clerk of Superior Court office expansion | 450,000 | 470,000 | 870,077 | - | 870,077 | 100.00% |
| M. Roads and bridges | 500,000 | 500,000 | 1,532,131 | - | 1,532,131 | 100.00% |
| N. Recreation complex expansion | - | 500,000 | 584,418 | - | 584,418 | 100.00% |
| O. Capital equipment | 604,309 | 745,803 | 2,273,373 | - | 2,273,373 | 100.00% |
| Total | <u>\$ 19,524,407</u> | <u>\$ 19,714,474</u> | 22,721,211 | 4,733 | 22,725,944 | |
| Reconciliation to Project-Length | | | | | | |
| Actual Expense on Page 84 | | | | | | |
| Debt Service | | | | | | |
| Principal retirement | | | 258,620 | - | 258,620 | |
| Interest and fiscal charges | | | 26,301 | - | 26,301 | |
| Transfer Out to Hotel Restroom Capital Project Fund | | | (47,980) | - | (47,980) | |
| Total Actual Expense | | | <u>\$ 22,958,152</u> | <u>\$ 4,733</u> | <u>\$ 22,962,885</u> | |

See auditor's report.

HAISTEN & JOHNSTON

A Professional Corporation of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON SPECIAL COUNTY 1 PERCENT SALES AND USE TAX APPROVED IN SPECIAL ELECTION HELD NOVEMBER 8, 2011

To the Board of Commissioners
Butts County, Georgia

We have audited the accompanying Schedule of Special Purpose Local Options Sales Tax for Butts County, Georgia as of June 30, 2016. This schedule is the responsibility of Butts County's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax 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 Schedule of Special Purpose Local Option Sales Tax is free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of Butts County's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in Butts County's resolution or ordinance calling for the tax for the year ended June 30, 2016 in conformity with accounting principles generally accepted in the United States of America.


Haisten & Johnston, P.C.
Jackson, Georgia

February 4, 2017

BUTTS COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2016
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
APPROVED IN SPECIAL ELECTION HELD NOVEMBER 8, 2011

| <u>Project</u> | <u>Original Estimated Cost</u> | <u>Current Estimated Cost</u> | <u>Prior Years</u> | <u>Current Year</u> | <u>Total</u> | <u>Estimated Percentage of Completion</u> |
|---|--|---------------------------------------|------------------------|-------------------------|---------------------|---|
| Capital Outlay Projects | | | | | | |
| A. City of Jackson | \$ 3,361,843 | \$ 3,361,843 | \$ 1,236,581 | \$ 584,685 | \$ 1,821,266 | 54.17% |
| B. City of Flovilla | 537,895 | 537,895 | 197,853 | 93,550 | 291,403 | 54.17% |
| C. City of Jenkinsburg | 660,000 | 660,000 | 148,390 | 70,162 | 218,552 | 33.11% |
| D. Butts County et al. Water and Sewer Authority | 2,286,053 | 2,286,053 | 840,875 | 397,586 | 1,238,461 | 54.17% |
| E. Development Authority of Butts County | 5,042,776 | 5,042,776 | 4,405,606 | - | 4,405,606 | 87.36% |
| F. Roads and bridges | 3,777,840 | 3,777,840 | 540,479 | 1,108,280 | 1,648,759 | 43.64% |
| G. Capital Equipment | 3,080,320 | 3,080,320 | 1,287,280 | 680,808 | 1,968,088 | 63.89% |
| Refinance of Existing Projects | | | | | | |
| A. Principal payments | 723,707 | 723,707 | 723,707 | - | 723,707 | 100.00% |
| B. Interest Payments | 6,315 | 6,315 | 6,315 | - | 6,315 | 100.00% |
| Total | <u>\$ 19,476,749</u> | <u>\$ 19,476,749</u> | 9,387,086 | 2,935,071 | 12,322,157 | |
| Reconciliation to Project-Length | | | | | | |
| Actual Expense on Page 79 | | | | | | |
| Distribution to other Governments Paid by | | | | | | |
| Debt Service Fund | | | | | | |
| | | | (2,423,699) | (1,145,983) | (3,569,682) | |
| | | | <u>\$ 6,963,387</u> | <u>\$ 1,789,088</u> | <u>\$ 8,752,475</u> | |

See auditor's report.