

**BUTTS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR
ENDED JUNE 30, 2017**

BUTTS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

Financial Section

Independent Auditor's Report	1-2
------------------------------------	-----

Management's Discussion and Analysis (Unaudited)	3-9
--	-----

Basic Financial Statements

Government-wide Financial Statements:

Statement of Net Position	10
Statement of Activities	11

Fund Financial Statements:

Governmental Funds:

Balance Sheet.....	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	13
Statement of Revenues, Expenditures and Changes in Fund Balances.....	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15

Fiduciary Funds:

Comparative Statement of Fiduciary Assets and Liabilities.....	16
--	----

Component Units:

Combining Statement of Net Position	17
Combining Statement of Activities.....	18

Notes to the Basic Financial Statements.....	19-42
--	-------

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund.....	43
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Clerk of Superior Court Fund	44
Schedule of Changes in the County's Net Pension Liability and Related Ratios	45
Schedule of County Contributions	46
Notes to the Required Supplementary Information.....	47

Supplementary Information

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

Combining Balance Sheet – By Fund Type	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances By Fund Type.....	49

BUTTS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS (Continued)

General Fund:	
Comparative Balance Sheet	50
Clerk of Superior Court	
Comparative Balance Sheet	51
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	52
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	54
Law Library Fund	
Comparative Balance Sheet	55
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	56
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	57
Courthouse Maintenance Fund	
Comparative Balance Sheet	58
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	59
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	60
Jail Fund	
Comparative Balance Sheet	61
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	62
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	63
Drug Abuse Treatment & Education Fund	
Comparative Balance Sheet.....	64
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	65
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual....	66
E-911 Fund	
Comparative Balance Sheet.....	67
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	68
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	69
Sheriff Fund	
Comparative Balance Sheet	70
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	71
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	72
Recreation Department Improvement Fund	
Comparative Balance Sheet.....	73
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	74
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	75

BUTTS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS (Continued)

Major Capital Project Fund

2012 SPLOST Capital Projects Fund	
Comparative Balance Sheet	76
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	77
Project-Length Budget Comparison.....	78

Non-Major Capital Projects Funds

Combining Balance Sheet	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	80

2007 SPLOST Capital Projects Fund

Comparative Balance Sheet.....	81
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	82
Project-Length Budget Comparison.....	83

1996 SPLOST Capital Projects Fund

Comparative Balance Sheet.....	84
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	85
Project Length-Budget Comparison.....	86

Indian Springs Fire Station Capital Projects Fund

Comparative Balance Sheet	87
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	88
Project-Length Budget Comparison.....	89

Impact Fees Capital Projects Fund

Comparative Balance Sheet.....	90
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	91
Project-Length Budget Comparison.....	92

Southern Crescent CDL Fund

Comparative Balance Sheet.....	93
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	94
Project Length-Budget Comparison	95

Capital Improvement Fund

Comparative Balance Sheet	96
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....	97
Project-Length Budget Comparison.	98

**BUTTS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017**

TABLE OF CONTENTS (Continued)

Major Debt Service Fund

2012 SPLOST Debt Service Fund

Comparative Balance Sheet.....	99
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	100
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	101

Fiduciary Funds

Agency Funds

Combining Statement of Changes in Assets and Liabilities.....	102-103
---	---------

Special Reports Section

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	104-105
Schedule of Findings and Questioned Costs.....	106-108

Special Purpose Local Option Sales Taxes:

1996 SPLOST

Independent Auditor's Report	109
Project Schedule	110

2007 SPLOST

Independent Auditor's Report	111
Project Schedule	112

2012 SPLOST

Independent Auditor's Report	113
Project Schedule	114

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Butts County Department of Public Health which represent 1.9%, 1.5%, and 9.9%, 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, 2017, 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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Members of American Institute of Certified Public Accountants & Georgia Society of Certified Public Accountants

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 pages 43-44, 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 6, 2018, 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 6, 2018

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, 2017. 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 \$73,754,880 (net position) for the fiscal year ended June 30, 2017. The County's unrestricted net assets had a deficit balance of \$2,582,677 for the 2017 fiscal year end.
- At June 30, 2017, the County's governmental funds reported combined ending fund balances of \$6,313,541 a decrease of \$1,811,320 or 22.29% in comparison with the prior year. Of this amount, \$2,178,419 remains in the General Fund as unreserved. This is a decrease of \$2,171,416 or 40.12% from the last fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,178,419 or 11% 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 12-16 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 19 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 \$73,754,880 at the close of the most recent fiscal year. The largest portion of the County's net position (98.97%) 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, 2017		June 30, 2016		June 30, 2015	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Assets:						
Current assets	\$ 7,150,186	9%	\$ 9,086,728	10%	\$ 10,527,709	12%
Capital assets	76,614,679	91%	79,370,803	90%	80,766,061	88%
Total assets	83,764,865	100%	88,457,531	100%	91,293,770	100%
Deferred outflow of resources	27,708	100%	41,562	100%	55,416	100%
Liabilities:						
Current liabilities	2,179,489	22%	2,281,367	20%	1,723,673	18%
Long-term liabilities	7,858,204	78%	8,989,164	80%	7,888,475	82%
Total liabilities	10,037,693	100%	11,270,531	100%	9,612,148	100%
Net assets:						
Net Investment in capital asse	72,994,651	99%	74,262,966	96%	75,653,320	93%
Restricted for capital projects	1,676,120	2%	1,219,586	1%	1,814,303	2%
Restricted for debt service	649,497	1%	581,247	1%	667,129	1%
Restricted for program purpos	1,017,289	2%	911,693	1%	875,426	1%
Unrestricted	(2,582,677)	-4%	253,070	1%	2,726,860	3%
Total net assets	\$ 73,754,880	100%	\$ 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 3 to 1.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
June 30, 2017

Butts County, Georgia

Net position decreased \$3,473,682, for governmental activities for the current fiscal year. The County's overall financial position deteriorated during the current fiscal year 2017.

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

	Comparative Summary of Changes in Net Position					
	Year ended June 30, 2017		Year ended June 30, 2016		Year ended June 30, 2015	
	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total	Governmental Activities	Percentage of Total
Revenues:						
Program:						
Charges for services	\$ 5,544,793	24%	\$ 5,366,815	24%	\$ 4,374,107	19%
Operating grants and contributions	136,466	1%	134,666	1%	127,220	1%
Capital grants and contributions	685,289	3%	320,490	1%	322,230	1%
General:						
Taxes	16,060,803	70%	16,013,089	72%	17,055,822	75%
Investment earnings	24,799	0%	22,446	0%	49,580	0%
Other	429,416	2%	398,578	2%	882,985	4%
Total revenues	22,881,566	100%	22,256,084	100%	22,811,944	100%
Program Expenses:						
General government	7,098,733	27%	7,799,041	29%	6,255,144	25%
Judicial	1,648,072	6%	1,536,548	6%	1,592,810	6%
Public safety	9,465,230	36%	9,115,213	34%	8,514,357	35%
Public works	4,612,015	17%	5,025,145	19%	4,660,531	19%
Health and welfare	240,572	1%	242,690	1%	794,838	3%
Culture and recreation	1,214,819	5%	1,208,280	5%	1,155,162	5%
Economic opportunity	9,813	0%	11,775	0%	11,775	0%
Housing and development	2,020,054	8%	1,701,874	6%	1,527,823	6%
Interest	45,940	0%	123,994	0%	154,800	1%
Total Expenses	26,355,248	100%	26,764,560	100%	24,667,240	100%
Excess (deficiency)	(3,473,682)		(4,508,476)		(1,855,296)	
Beginning net position, as previously reported	77,228,562		81,737,038		87,022,797	
Prior period adjustment	-		-		(3,430,463)	
Beginning net position, as restated	77,228,562		81,737,038		83,592,334	
Ending net position	\$ 73,754,880		\$ 77,228,562		\$ 81,737,038	

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes to support governmental operations and capital. Property taxes provided 51% of the County's total general revenues. Sales taxes are the second largest revenue source with \$6.5 million of revenues or 39% of the total. Because of the County's cash in reserves, we have been able to earn \$24,799 in interest earnings to support governmental activities. Also, note that program revenues cover only 24% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 76% 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 80% of the total governmental activities expenses. Public safety costs exceed \$9 million, public works totals over \$4.5 million and general government totals over \$7 million. Expenditures for general government decreased 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, 2017				For the Year Ended June 30, 2016			
	Total Cost of Services		Net Cost of Services		Total Cost of Services		Net Cost of Services	
	Amount	%	Amount	%	Amount	%	Amount	%
General government	\$ 7,098,733	26.93%	\$ 6,820,705	34.12%	\$ 7,799,041	29.14%	\$ 7,522,216	35.92%
Judicial	1,648,072	6.25%	1,397,168	6.99%	1,536,548	5.74%	1,291,580	6.17%
Public safety	9,465,230	35.91%	6,195,803	31.00%	9,115,213	34.06%	6,182,225	29.52%
Public works	4,612,015	17.50%	2,706,965	13.54%	5,025,145	18.78%	3,034,359	14.49%
Health and welfare	240,572	0.91%	240,572	1.20%	242,690	0.91%	242,690	1.16%
Culture and recreation	1,214,819	4.61%	859,769	4.30%	1,208,280	4.51%	868,246	4.15%
Economic opportunity	9,813	0.04%	9,813	0.05%	11,775	0.04%	11,775	0.06%
Housing and development	2,020,054	7.66%	1,711,965	8.56%	1,701,874	6.36%	1,665,504	7.95%
Interest	45,940	0.17%	45,940	0.23%	123,994	0.46%	123,994	0.58%
Total	\$ 26,355,248	100.00%	\$ 19,988,700	100.00%	\$ 26,764,560	100.00%	\$ 20,942,589	100.00%

After reducing gross expenses by program revenues, public safety totals 29.52% of the net cost of services and public works totals 14.49% 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 \$2,171,416. In fiscal year 2016, the fund balance decreased by \$1,211,015.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
June 30, 2017

Butts County, Georgia

Property taxes decreased \$571,424 when compared to fiscal year 2016.

The General Fund's ending fund balance represents the equivalent of 17% of annual expenditures, which is slightly over one month's operations.

Budgetary Highlights

The General Fund -

The County operated within its budget in most functions. Overall expenditures were \$408,501 under budget. Revenues fell short of the budget by \$1,054,030. Management erroneously included public utility tax revenue in a separate budgeted line item in the amount of \$700,000, and also included the same revenue in its property tax line. Several other errors were also made in budgeting revenues.

Capital Assets and Debt Administration

Capital Assets,

The County's net investment in capital assets for governmental activities as of June 30, 2017, was \$72,994,651 as compared to \$74,262,966 at June 30, 2016. 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		
	2017	2016	% Change
Non-depreciable assets			
Land	\$ 4,170,805	\$ 4,170,805	0.00%
Depreciable Assets:			
Buildings	36,150,228	35,995,778	0.43%
Machinery and equipment	6,060,651	5,939,327	2.04%
Vehicles and road equipment	5,889,192	5,508,527	6.91%
Infrastructure	116,758,004	115,754,142	0.87%
Total depreciable assets	164,858,075	163,197,774	1.02%
Less accumulated depreciation	92,414,201	87,997,776	5.02%
Book value- depreciable assets	72,443,874	75,199,998	-3.67%
Percentage depreciated	44%	46%	
Book value - all assets	\$ 76,614,679	\$ 79,370,803	-3.47%

At June 30, 2017, 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 \$2,259,455. Overall, outstanding debt decreased by \$1,508,198 during the year.

Outstanding Borrowings			
	2017	2016	% Change
General obligation bonds	\$ 2,259,455	\$ 3,624,174	-37.66%
Capital lease payable	1,360,573	1,483,663	-8.30%
Landfill postclosure care	843,352	863,741	-2.36%
Total	<u>\$ 4,463,380</u>	<u>\$ 5,971,578</u>	<u>-25.26%</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 2017 for Butts County at 23,817.

According to the United States Bureau of Labor Statistics, the current economic recession has resulted in a 5.3% unemployment rate for Butts County for December 2016.

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, 2017

	Primary Government- Governmental Activities	Component Units
Assets		
Cash and cash equivalents	\$ 5,602,860	\$ 9,391,367
Accounts receivable	76,697	487,714
Due from other governments	1,470,629	40,331
Inventories	-	380,018
Restricted assets - cash and cash equivalents	-	1,608,493
Capital assets, non-depreciable	4,170,805	6,249,585
Capital assets, depreciable (net of accumulated depreciation)	72,443,874	23,326,897
Total Assets	83,764,865	41,484,405
Deferred Outflows of Resources		
Items paid in advance	-	49,136
Pension	27,708	69,193
Total Deferred Outflows of Resources	27,708	118,329
Liabilities		
Accounts payable	284,701	402,714
Accrued payroll and deductions	344,590	-
Due to other governments	-	19,561
Accrued interest payable	17,425	-
Customer security deposits	-	182,728
Compensated absences due within one year	-	10,894
Bonds payable within one year	1,403,214	-
Notes payable within one year	-	546,565
Capital leases payable within one year	129,559	-
Landfill due in more than one year	843,352	-
Compensated absences due in more than one year	-	124,563
Bonds payable due in more than one year	856,241	-
Net pension liability	4,927,597	260,977
Notes payable due in more than one year	-	5,474,823
Capital leases due in more than one year	1,231,014	-
Total Liabilities	10,037,693	7,022,825
Deferred Inflows of Resources		
Proportionate share of collective deferred inflows of resources - pension plan	-	603
Changes in proportionate and differences between employer contributions and proportionate share of contributions-pension plan	-	35,977
Total Deferred Inflows of Resources	-	36,580
Net Position		
Net investment in capital assets	72,994,651	23,465,094
Restricted for:		
Health programs	-	159,618
Capital projects	1,676,120	1,332,865
Debt service	649,497	456,373
General government programs	35,778	-
Judicial programs	382,268	-
Public safety programs	364,347	-
Recreation programs	234,896	-
Unrestricted	(2,582,677)	9,129,379
Total Net Position	\$ 73,754,880	\$ 34,543,329

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

**BUTTS COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

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 Governmental Activities	Component Units
Primary Government						
Governmental Activities						
General government	\$ 7,098,733	\$ 277,463	\$ -	\$ 565	\$ (6,820,705)	\$ -
Judicial	1,648,072	175,904	75,000	-	(1,397,168)	-
Public safety	9,465,230	3,261,719	7,708	-	(6,195,803)	-
Public works	4,612,015	1,486,810	-	418,240	(2,706,965)	-
Health and welfare	240,572	-	-	-	(240,572)	-
Culture and recreation	1,214,819	301,292	53,758	-	(859,769)	-
Economic opportunity	9,813	-	-	-	(9,813)	-
Housing and development	2,020,054	41,605	-	266,484	(1,711,965)	-
Interest	45,940	-	-	-	(45,940)	-
Total Governmental Activities	\$ 26,355,248	\$ 5,544,793	\$ 136,466	\$ 685,289	(19,988,700)	-
Component Units						
Water and Sewer Authority	\$ 3,385,320	\$ 3,876,641	\$ -	\$ 717,673	-	1,208,994
Department of Public Health	401,916	175,216	369,048	-	-	142,348
Development Authority of Butts County	120,244	-	100,000	250,000	-	229,756
Industrial Development Authority	1,476	-	-	-	-	(1,476)
Total - Component Units	\$ 3,908,956	\$ 4,051,857	\$ 469,048	\$ 967,673	-	1,579,622
General Revenues						
Property taxes levied for general government purposes					8,413,521	-
Sales taxes					6,491,306	-
Insurance premium taxes					982,140	-
Other taxes					173,836	-
Investment earnings					24,799	81,935
Gain on sale of assets					25,281	-
Miscellaneous					404,135	9,302
Total General Revenues					16,515,018	91,237
Change in Net Position					(3,473,682)	1,670,859
Net Position Beginning of Year, as originally stated					77,228,562	32,896,470
Prior period adjustment					-	(24,000)
Net Position Beginning of Year, as restated					77,228,562	32,872,470
Net Position End of Year					\$ 73,754,880	\$ 34,543,329

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

**BUTTS COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General	Clerk of Superior Court	2012 SPLOST Capital Projects	2012 SPLOST Debt Service	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 2,426,099	\$ 404,108	\$ 1,159,667	\$ 649,497	\$ 963,489	\$ 5,602,860
Receivables:						
Accounts	1,139,197	-	-	-	-	1,139,197
Sales taxes	408,129	-	-	-	-	408,129
Interfund	79,805	-	-	-	-	79,805
Total Assets	\$ 4,053,230	\$ 404,108	\$ 1,159,667	\$ 649,497	\$ 963,489	\$ 7,229,991
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 260,367	\$ -	\$ 24,115	\$ -	\$ 219	\$ 284,701
Salaries and wages payable	344,590	-	-	-	-	344,590
Interfund payable	-	34,263	-	-	45,542	79,805
Total Liabilities	604,957	34,263	24,115	-	45,761	709,096
Deferred Inflows of Resources						
Unavailable revenue - local option sales tax	207,354	-	-	-	-	207,354
Total Deferred Inflows of Resources	207,354	-	-	-	-	207,354
Fund Balances						
Non-spendable	1,062,500	-	-	-	-	1,062,500
Restricted for:						
Capital projects	-	-	1,135,552	-	270,284	1,405,836
Debt service	-	-	-	649,497	-	649,497
Program purposes	-	369,845	-	-	647,444	1,017,289
Unassigned:						
General fund	2,178,419	-	-	-	-	2,178,419
Total Fund Balances	3,240,919	369,845	1,135,552	649,497	917,728	6,313,541
Total Liabilities and Fund Balances	\$ 4,053,230	\$ 404,108	\$ 1,159,667	\$ 649,497	\$ 963,489	\$ 7,229,991

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, 2017

Total Governmental Fund Balances		\$ 6,313,541
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	\$ 169,028,880	
Less accumulated depreciation	<u>(92,414,201)</u>	76,614,679
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		207,354
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	\$ 79,805	
Interfund payables	<u>(79,805)</u>	-
Deferred outflows of resources are not available in the current period and, therefore, are not reported in the funds.		
		27,708
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	\$ (2,259,455)	
Net pension liability	(4,927,597)	
Landfill postclosure	(843,352)	
Capital leases	(1,360,573)	
Accrued interest	<u>(17,425)</u>	<u>(9,408,402)</u>
Net Position Of Governmental Activities		<u><u>\$ 73,754,880</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, 2017

	General	Clerk of Superior Court	2012 SPLOST Capital Projects	2012 SPLOST Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 12,091,528	\$ -	\$ -	\$ 3,955,404	\$ -	\$ 16,046,932
Licenses and permits	144,411	-	-	-	-	144,411
Intergovernmental	692,432	75,000	-	-	-	767,432
Charges for services	3,825,114	-	-	-	500,918	4,326,032
Fines and forfeitures	549,780	-	-	-	480,453	1,030,233
Investment earnings	20,774	312	565	3,136	578	25,365
Miscellaneous	393,713	12,015	-	-	-	405,728
Contributions	-	-	-	-	97,876	97,876
Total Revenues	17,717,752	87,327	565	3,958,540	1,079,825	22,844,009
Expenditures						
Current:						
General government	5,120,037	-	-	-	2,819	5,122,856
Judicial	1,509,186	67,212	-	-	14,526	1,590,924
Public safety	7,828,424	-	-	-	809,703	8,638,127
Public works	1,787,425	-	-	-	-	1,787,425
Health and welfare	240,572	-	-	-	-	240,572
Culture and recreation	1,034,634	-	-	-	72,661	1,107,295
Economic opportunity	9,813	-	-	-	-	9,813
Housing and development	1,907,393	-	-	-	-	1,907,393
Intergovernmental	-	-	-	1,231,292	-	1,231,292
Capital Outlay	-	-	1,000,540	-	502,874	1,503,414
Debt Service:						
Principal retirement	54,359	-	-	1,275,000	68,731	1,398,090
Interest and fiscal charges	36,325	-	-	102,450	4,634	143,409
Total Expenditures	19,528,168	67,212	1,000,540	2,608,742	1,475,948	24,680,610
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(1,810,416)	20,115	(999,975)	1,349,798	(396,123)	(1,836,601)
Other Financing Sources (Uses)						
Sale of assets	-	-	-	-	25,281	25,281
Transfers in	-	-	1,281,548	-	361,000	1,642,548
Transfers out	(361,000)	-	-	(1,281,548)	-	(1,642,548)
Total Other Financing Sources (Uses)	(361,000)	-	1,281,548	(1,281,548)	386,281	25,281
Net Change in Fund Balances	(2,171,416)	20,115	281,573	68,250	(9,842)	(1,811,320)
Fund Balances Beginning of Year	5,412,335	349,730	853,979	581,247	927,570	8,124,861
Fund Balances End of Year	\$ 3,240,919	\$ 369,845	\$ 1,135,552	\$ 649,497	\$ 917,728	\$ 6,313,541

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, 2017

Net Changes In Fund Balances - Total Governmental Funds \$ (1,811,320)
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	\$ (4,473,928)	
Capital outlay	1,717,805	(2,756,123)

Decrease in deferred outflows of resources

Pension @ 6/30/17	\$ 27,708	
Pension @ 6/30/16	(41,562)	(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 @ 6/30/17	\$ 207,354	
Deferred @ 6/30/16	(193,484)	13,870

Elimination of transfers between governmental funds:

Transfers in	\$ 1,642,548	
Transfers out	(1,642,548)	-

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 @ 6/30/17	\$ (17,425)	
Liability @ 6/30/16	25,175	7,750

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	\$ 1,364,719	
including bond premium amortization	123,090	
Principal payments on capital leases	20,389	1,508,198
Reduction of landfill postclosure costs		

Increase in net pension liability

Net pension liability @ 6/30/16	\$ 4,505,395	
Net pension liability @ 6/30/17	(4,927,597)	(422,202)

Change In Net Position of Governmental Activities	\$	(3,473,681)

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, 2017 AND JUNE 30, 2016

	<u>Agency Funds</u> <u>June 30, 2017</u>	<u>Agency Funds</u> <u>June 30, 2016</u>
Assets		
Cash and cash equivalents	\$ 912,272	\$ 1,191,265
Total Assets	<u>\$ 912,272</u>	<u>\$ 1,191,265</u>
Liabilities		
Due to others	\$ 826,560	\$ 1,018,729
Due to other governments	<u>85,712</u>	<u>172,536</u>
Total Liabilities	<u>\$ 912,272</u>	<u>\$ 1,191,265</u>

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

BUTTS COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	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	\$ 8,241,125	\$ 693,415	\$ 95,673	\$ 361,154	\$ 9,391,367
Restricted cash and cash equivalents	976,752	-	-	-	976,752
Accounts Receivable	446,306	41,408	-	-	487,714
Intergovernmental receivable	-	40,331	-	-	40,331
Prepaid items	49,136	-	-	-	49,136
Inventories	380,018	-	-	-	380,018
Noncurrent Assets:					
Restricted cash and cash equivalents	631,741	-	-	-	631,741
Capital Assets:					
Nondepreciable capital assets	1,984,912	-	-	4,264,673	6,249,585
Depreciable capital assets, net	22,587,194	30,275	-	709,428	23,326,897
	-				
Total Assets	35,297,184	805,429	95,673	5,335,255	41,533,541
Deferred Outflows of Resources					
Employer pension contributions	-	69,193	-	-	69,193
	-				
Total Assets and Deferred Outflows of Resources	35,297,184	874,622	95,673	5,335,255	41,602,734
Liabilities					
Current Liabilities:					
Accounts payable	402,122	592	-	-	402,714
Intergovernmental payable	-	19,561	-	-	19,561
Customer security deposits	182,728	-	-	-	182,728
Compensated absences	-	10,894	-	-	10,894
Notes payable	546,565	-	-	-	546,565
Long-term Liabilities:					
Notes payable (net of current portion)	4,412,323	-	-	1,062,500	5,474,823
Net pension liability	-	260,977	-	-	260,977
Compensated absences (net of current portion)	97,312	27,251	-	-	124,563
	-				
Total Liabilities	5,641,050	319,275	-	1,062,500	7,022,825
Deferred Inflows of Resources					
Proportionate share of collective deferred inflows of resources - pension plan	-	603	-	-	603
Changes in proportionate and differences between employer contributions and proportionate share of contributions - pension plan	-	35,977	-	-	35,977
	-				
Total Deferred Inflows of Resources	-	36,580	-	-	36,580
Total Liabilities and Deferred Inflows of Resources	5,641,050	355,855	-	1,062,500	7,059,405
Net Position					
Net investment in capital assets	19,523,218	30,275	-	3,911,601	23,465,094
Restricted for specific health programs	-	159,618	-	-	159,618
Restricted for capital projects	1,118,573	-	-	214,292	1,332,865
Restricted for debt service	456,373	-	-	-	456,373
Unrestricted	8,557,970	328,874	95,673	146,862	9,129,379
	-				
Total Net Position	\$ 29,656,134	\$ 518,767	\$ 95,673	\$ 4,272,755	\$ 34,543,329

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, 2017

	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	\$ -	\$ 401,916	\$ -	\$ -	\$ 401,916
Economic development	-	-	1,476	120,244	121,720
Water and sewer	3,284,181	-	-	-	3,284,181
Interest	101,139	-	-	-	101,139
Total Expenses	3,385,320	401,916	1,476	120,244	3,908,956
Revenues					
Program revenues:					
Charges for services	3,876,641	175,216	-	-	4,051,857
Operating grants and contributions	-	369,048	-	100,000	469,048
Capital grants and contributions	717,673	-	-	250,000	967,673
Total Program Revenues	4,594,314	544,264	-	350,000	5,488,578
Net Program Revenue (Expense)	1,208,994	142,348	(1,476)	229,756	1,579,622
General revenues					
Investment earnings	79,898	504	774	759	81,935
Other	4,253	-	-	5,049	9,302
Total General Revenues	84,151	504	774	5,808	91,237
Change in Net Position	1,293,145	142,852	(702)	235,564	1,670,859
Net Position Beginning of					
Year (as originally stated)	28,386,989	375,915	96,375	4,037,191	32,896,470
Prior period adjustment	(24,000)	-	-	-	(24,000)
Net Position Beginning of					
Year (as restated)	28,362,989	375,915	96,375	4,037,191	32,872,470
Net Position End of Year	\$ 29,656,134	\$ 518,767	\$ 95,673	\$ 4,272,755	\$ 34,543,329

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, 2017

Index

Summary of Significant Accounting Policies	1
Reporting Entity	1-A
Basis of Presentation	1-B
Measurement Focus.....	1-C
Basis of Accounting	1-D
Assets, Liabilities and Fund Equity	1-E
Cash, Cash Equivalents and Investments	1-E-1
Receivables.....	1-E-2
Consumable Inventories	1-E-3
Prepaid Items.....	1-E-4
Interfund Balances	1-E-5
Capital Assets.....	1-E-6
Deferred Outflows/Inflows of Resources.....	1-E-7
Compensated Absences.....	1-E-8
Accrued Liabilities and Long-term Obligations.....	1-E-9
Fund Equity.....	1-E-10
Operating Revenues and Expenses	1-E-11
Contributions of Capital.....	1-E-12
Interfund Activity.....	1-E-13
Estimates	1-E-14
Comparative Data	1-E-15
Pensions	1-E-16
Tax Abatement Agreements.....	1-E-17
Stewardship, Compliance and Accountability	2
Budgetary Information.....	2-A
Expenditures in Excess of Appropriations	2-B
Detailed Notes on All Funds.....	3
Deposits and Investments.....	3-A
Receivables	3-B
Property Taxes	3-C
Capital Assets.....	3-D
Interfund Balances and Transfers.....	3-E
Compensated Absences.....	3-F
Landfill Closure Costs.....	3-G
Long-Term Debt	3-H
Pensions	3-I
Fund Equity	3-J
Other Notes	4
Risk Management	4-A
Contingent Liabilities	4-B
Joint Venture.....	4-C
Tax Abatement Programs	4-D
Hotel/Motel Lodging Tax	4-E

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

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.

Clerk of Superior Court Fund – This special revenue fund is used to accumulate revenue derived from the Clerk of Superior Court's Habeas Corpus Fund and Copy Fund established to help cover the additional court costs incurred by the County as a result of death row inmates being housed at the Georgia Diagnostic and Classification Center located in Butts County.

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, 2017

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, 2017

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, 2017.

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, 2017, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

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, 2017

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, 2017

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, 2017

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net position 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, 2017

1-E-17 Tax Abatement Agreements

During the year ended June 30, 2017, the county implemented *Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures*. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The County adopts an annual balanced budget for the general fund, the Clerk of Superior Court fund and all nonmajor special revenue funds. 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 safety expenditures exceeded appropriations by \$153,404. Housing and development expenditures exceeded appropriations by \$268,781. This excess is offset by an Employment Incentive Grant of \$266,484 received by the County and transferred to the Butts County, et al. Water and Sewer Authority for improvements of water and sewer lines for a new employer that is coming to the County.

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, 2017, 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, 2017.

3-B. Receivables

Receivables at June 30, 2017, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

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

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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 8, 2016

Due Date - First half – September 27, 2016

Second half - December 7, 2016

Lien Date - 90 days after second half due date

3-D. Capital Assets

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

	Balance 6/30/2016	Addition	Deductions	Balance 6/30/2017
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,170,805	\$ -	\$ -	\$ 4,170,805
Depreciable capital assets:				
Buildings	\$ 35,995,778	\$ 154,450	\$ -	\$ 36,150,228
Machinery and equipment	5,939,327	178,827	57,503	6,060,651
Vehicles and road equipment	5,508,527	380,665	-	5,889,192
Infrastructure	115,754,142	1,003,862	-	116,758,004
Total depreciable capital assets	163,197,774	1,717,804	57,503	164,858,075
Accumulated depreciation:				
Buildings	10,623,532	1,018,732	-	11,642,264
Machinery and equipment	4,185,905	297,146	57,503	4,425,548
Vehicles and road equipment	4,535,548	344,240	-	4,879,788
Infrastructure	68,652,791	2,813,810	-	71,466,601
Total accumulated depreciation	87,997,776	4,473,928	57,503	92,414,201
		-		
Governmental activities capital assets, net	\$ 75,199,998	\$ (2,756,124)	\$ -	\$ 72,443,874
Governmental activities depreciation expense				
General Government		\$ 308,529		
Judicial		57,148		
Public safety		1,037,585		
Highway and streets		2,844,979		
Culture and recreation		113,026		
Housing and development		112,661		
Total governmental activities depreciation expense		\$ 4,473,928		

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

	Balance 6/30/2016	Addition	Deductions	Reclassifications	Balance 6/30/2017
Component Units:					
Capital assets not being depreciated:					
Land	\$ 6,208,877	\$ 35,708	\$ -	\$ 5,000	\$ 6,249,585
Construction in Progress	15,098	-	-	(15,098)	-
		-			
Total capital assets not being depreciated	<u>\$ 6,223,975</u>	<u>\$ 35,708</u>	<u>\$ -</u>	<u>\$ (10,098)</u>	<u>\$ 6,249,585</u>
Depreciable capital assets:					
Buildings	\$ 297,745	\$ -	\$ -	\$ -	\$ 297,745
Machinery and equipment	1,345,779	268,259	-	-	1,614,038
Infrastructure	35,625,746	619,479	-	10,098	36,255,323
Total depreciable capital assets	<u>37,269,270</u>	<u>887,738</u>	<u>-</u>	<u>10,098</u>	<u>38,167,106</u>
Accumulated depreciation:					
Buildings	140,456	9,807	-	-	150,263
Machinery and equipment	1,047,999	119,830	-	-	1,167,829
Infrastructure	12,625,621	896,496	-	-	13,522,117
Total accumulated depreciation	<u>13,814,076</u>	<u>1,026,133</u>	<u>-</u>	<u>-</u>	<u>14,840,209</u>
Component units capital assets, net	<u><u>\$ 23,455,194</u></u>	<u><u>\$ (138,395)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,098</u></u>	<u><u>\$ 23,326,897</u></u>

3-E. Interfund Balances and Transfers

Interfund balances at June 30, 2017, 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:	Clerk of Superior Court	Jail Fund	E-911 FUND	Drug Abuse Treatment & Education Fund	Total
General Fund	<u>\$ 34,263</u>	<u>\$ 7,508</u>	<u>\$ 27,556</u>	<u>\$ 10,478</u>	<u>\$ 79,805</u>
Total	<u><u>\$ 34,263</u></u>	<u><u>\$ 7,508</u></u>	<u><u>\$ 27,556</u></u>	<u><u>\$ 10,478</u></u>	<u><u>\$ 79,805</u></u>

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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

<u>Transfers from</u>	<u>Transfers To</u>		
	<u>Capital</u>	<u>2012 SPLOST</u>	<u>Total</u>
	<u>Improvement</u>	<u>Capital Projects</u>	
	<u>Fund</u>	<u>Fund</u>	
General Fund	\$ 361,000	\$ -	\$ 361,000
2012 SPLOST Debt Service Fund	-	1,281,548	1,281,548
	<u>\$ 361,000</u>	<u>\$ 1,281,548</u>	<u>\$ 1,642,548</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 \$843,352 at June 30, 2017. 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, 2017

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, 2017 follows:

Year	Principal	Bond Premium	Total Principal Amount	Interest	Total
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>\$ 2,070,000</u>	<u>\$ 189,455</u>	<u>\$ 2,259,455</u>	<u>\$ 100,100</u>	<u>\$ 2,359,555</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. Amortization expense for this asset is included with depreciation expense on page 29. 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, 2017 was \$71,010. Annual debt service requirements are as follows:

Year	Principal	Interest	Total
2018	\$ 71,010	\$ 2,355	\$ 73,365
	<u>\$ 71,010</u>	<u>\$ 2,355</u>	<u>\$ 73,365</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. Amortization expense for this asset is included with depreciation expense on page 29. 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, 2017 was \$1,289,563. Annual debt service requirements are as follows:

Year	Principal	Interest	Total
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	89,061	26,939	116,000
2023-2027	539,039	95,297	634,336
2028-2030	368,566	19,257	387,823
	<u>\$ 1,289,563</u>	<u>\$ 270,119</u>	<u>\$ 1,559,682</u>

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017 follows:

Year	Principal	Bond Premium	Total Principal Amount	Interest	Total
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>\$ 3,275,000</u>	<u>\$ 79,862</u>	<u>\$ 3,354,862</u>	<u>\$ 444,621</u>	<u>\$ 3,799,483</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, 2017, the debt service ratio was 2.56.

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 2017, the fixed charges ratio was 3.21.

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 \$79,158.

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, 2017 was \$944,407. This loan is for the construction of a new 500,000gallon elevated water storage tank

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

3-H. Long-Term Debt (Continued)

Water and Sewer Authority (Continued)

Caterpillar Financial Services

Original principal amount of \$170,200, 2.29% interest. Principal and interest to be paid in 36 monthly installments of \$4,954 commencing on September 26, 2016. Balance as of June 30, 2017 was \$124,088. This capital lease was for the purchase of a Komatsu Excavator.

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

Year	GEFA SRF11-022	United Bank	GEFA SRF11-025	Caterpillar Financial Services	Interest Requirements	Total
2018	\$ 25,304	\$ 79,100	\$ 43,263	\$ 56,581	\$ 21,650	\$ 225,898
2019	25,592	-	43,873	58,243	18,279	145,987
2020	25,883	-	44,491	9,264	16,201	95,839
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	15,093	-	174,005	-	4,039	193,137
Total	<u>\$ 456,373</u>	<u>\$ 79,100</u>	<u>\$ 944,407</u>	<u>\$ 124,088</u>	<u>\$ 181,918</u>	<u>\$ 1,785,886</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.

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

Year	Butts County Board of Commissioners	Interest Requirements	Total
2018	\$ -	\$ -	\$ -
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022-2024	1,062,500	-	1,062,500
Total	<u>\$ 1,062,500</u>	<u>\$ -</u>	<u>\$ 1,062,500</u>

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

3-H. Long-Term Debt (Continued)

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2017:

Governmental Activities	Outstanding 6/30/2016	Additions	Reductions	Outstanding 6/30/2017	Amounts Due in One Year
General obligation bonds	\$ 3,624,174	\$ -	\$ 1,364,719	\$ 2,259,455	\$ 1,403,214
Capital leases payable	1,483,663	-	123,090	1,360,573	129,559
Landfill postclosure care	863,741	-	20,389	843,352	-
Total Governmental Activities	\$ 5,971,578	\$ -	\$ 1,508,198	\$ 4,463,380	\$ 1,532,773
Component Units					
Water and Sewer Authority					
Revenue Bonds	\$ 3,687,122	\$ -	\$ 332,260	\$ 3,354,862	\$ 342,260
United Bank	156,768	-	77,610	79,158	79,158
GEFA note - SRF11-022	481,393	-	25,020	456,373	25,304
GEFA note - SRF 11-025	980,000	-	35,593	944,407	43,263
Capital lease payable - Caterpillar	-	170,200	46,112	124,088	56,580
Compensated absences	97,860	-	548	97,312	-
Total Water and Sewer Authority	\$ 5,403,143	\$ 170,200	\$ 517,143	\$ 5,056,200	\$ 546,565
Department of Public Health					
Compensated absences	\$ 28,433	\$ 17,258	\$ 7,546	\$ 38,145	\$ 10,894
Development Authority					
Butts County BOC	\$ 1,062,500	\$ -	\$ -	\$ 1,062,500	\$ -
Total Development Authority	\$ 1,062,500	\$ -	\$ -	\$ 1,062,500	\$ -

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.

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.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

3-I. Pension (Continued)

Plan Membership

As of January 1, 2016, pension plan membership consisted of the following:

Retirees, Beneficiaries and Disables receiving benefits	61
Terminated plan participants entitled to but not yet receiving benefits	99
Active employees participating in the Plan	<u>163</u>
Total Number of Participants	<u><u>323</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, 2017, the County's contribution rate was 15.0% of annual payroll. County contributions to the plan were \$908,115 for the year ended June 30, 2017.

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, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2016.

See auditor's report.

BUTTS COUNTY, GEORGIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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%
	0

Mortality Rates were based on the RP-2000 Combined Healthy Mortality Table

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 (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. 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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
S & P 500	30.00 %	3.07 %
Barlay's Agg.	30.00	1.97
MSCI EAFE	15.00	0.86
Citi Non US WEBI	5.00	0.30
NARREIT Equity	5.00	0.52
Russell 2000	5.00	0.47
Russell 3000	5.00	0.51
S&P Mid Cap	5.00	0.58
Total	<u>100.00 %</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.5% revised to 7.25% as of December 31, 2016. 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, 2017

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, 2016	\$ 12,993,481	\$ 8,488,086	\$ 4,505,395
<i>Changes for the year:</i>			
Service Cost	361,231	-	361,231
Interest	974,511	-	974,511
Liability Experience (Gain)/Loss	111,454	-	111,454
Assumption Change	439,347	-	439,347
Employer Contributions	-	908,115	(908,115)
Service Buy Back	-	-	-
Net investment income	-	637,369	(637,369)
Benefit payments, including refunds of employee contributions	(508,687)	(490,301)	(18,386)
Administrative expense	-	(35,887)	35,887
Other changes	-	(63,642)	63,642
<i>Net changes</i>	1,377,856	955,654	422,202
Balances at June 30, 2017	\$ 14,371,337	\$ 9,443,740	\$ 4,927,597

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
County's net pension liability	\$ 6,908,066	\$ 4,927,597	\$ 3,285,591

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, 2016 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, 2017

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, 2017, the County recognized pension expense of \$908,115. At June 30, 2017, the County reported a deferred outflow of resources related to pensions from the following source:

	Deferred Outflows of Resources
	<hr/>
Net investment income	\$ 27,708
	<hr/>
Year ending June 30:	
2018	\$ 13,854
2019	13,854
	<hr/>
Total	\$ 27,708
	<hr/>

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 2017, the Authority contributed \$69,322 to the Plan. The Authority contributed this amount to the Butts County Board of Commissioners to include in their total retirement contribution of \$908,115.

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, 2017

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.	\$ 649,497
2012 Capital Project Fund - used to account for capital projects financed with 2012 SPLOST.	\$ 1,135,552
Clerk of Superior Court - Accumulated grants received into the Habeas Corpus fund from the State of Georgia in excess of monies expended to handle death row inmate cases	\$ 369,845

Net Position:

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

	<u>Activities</u>
Net investment in capital assets	
Cost of capital assets	\$ 169,028,880
Less accumulated depreciation	(92,414,201)
Book value	76,614,679
Less capital related debt	(3,620,028)
Net investment in capital assets, net of related debt	\$ 72,994,651

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:

- 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, 2017

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

- 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 prepay 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, 2017. 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, 2017

4-C. Joint Venture

The County is a member of the Three Rivers Regional Commission (RC). During the year ended June 30, 2017, Butts County paid total dues of \$17,609 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.

4-D. Tax Abatement Programs

The County enters into property tax abatement programs with local businesses for the purpose of attracting and retaining business within their jurisdictions. The tax abatements can be granted to any business located within the County. These tax abatement programs are issued on a case by case basis for individual businesses for both real and personal property from the Development Authority of Butts County and the Joint Development Authority of Butts County and Spalding County. On February 11, 2016, the Joint Development Authority of Butts County and Spalding County entered into a Memorandum of Understanding with Dollar General Corporation for the construction of a distribution center and related facilities on approximately 150 acres in Butts County and Spalding County. As part of that agreement, in year 1 following the completion of the Project, property tax abatements have been granted to the company. Year 1 is defined as the calendar year immediately following the earlier of the year in which construction of the Project is completed or any portion of the Project has been placed into service or operation, but in no case shall Year 1 be later than 2018. As of June 30, 2017, the Project was on schedule to be completed by the end of calendar year 2017. No tax abatements were granted during the current fiscal year.

4-E. Hotel/Motel Lodging Tax

During the year ended June 30, 2017, the County levied a 3.00% hotel/motel tax on lodging facilities within the County. In accordance with the Official Code of Georgia Annotated 48-13-51, the County allocates 5.00% of this tax for the promotion of tourism, conventions or trade shows. The County collected \$1,325 in hotel/motel tax during fiscal year 2017. These collections were used for the promotion of tourism within the County.

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, 2017

	Original/ Final Budget	Actual	Variance Over (Under)
Revenues			
Taxes	\$ 13,429,724	\$ 12,091,528	\$ (1,338,196)
Licenses and permits	129,671	144,411	14,740
Intergovernmental	321,000	684,724	363,724
Charges for services	3,748,021	3,832,822	84,801
Fines and forfeitures	705,861	549,780	(156,081)
Investment earnings	4,700	20,774	16,074
Miscellaneous	432,805	393,713	(39,092)
Total Revenues	18,771,782	17,717,752	(1,054,030)
Expenditures			
Current:			
General government	5,439,274	5,120,037	(319,237)
Judicial	1,523,776	1,509,186	(14,590)
Public safety	7,675,020	7,828,424	153,404
Public works	2,087,544	1,787,425	(300,119)
Health and welfare	242,690	240,572	(2,118)
Culture and recreation	1,224,978	1,034,634	(190,344)
Economic opportunity	11,775	9,813	(1,962)
Housing and development	1,638,612	1,907,393	268,781
Debt Service			
Principal payments	56,675	54,359	(2,316)
Interest payments	36,325	36,325	-
Total Expenditures	19,936,669	19,528,168	(408,501)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,164,887)	(1,810,416)	(645,529)
Other Financing Sources (Uses)			
Transfers in (out)	-	(361,000)	(361,000)
Total Other Financing Sources (Uses)	-	(361,000)	(361,000)
Net Change in Fund Balances	(1,164,887)	(2,171,416)	(1,006,529)
Fund Balances Beginning of Year	5,412,335	5,412,335	-
Fund Balances End of Year	\$ 4,247,448	\$ 3,240,919	\$ (1,006,529)

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, 2017**

	Original/ Final Budget	Actual	Variance Over (Under)
Revenues			
Intergovernmental	\$ 75,000	\$ 75,000	\$ -
Investment earnings	312	312	-
Miscellaneous	12,015	12,015	-
Total Revenues	<u>87,327</u>	<u>87,327</u>	<u>-</u>
Expenditures			
Current:			
Judicial	67,212	67,212	-
Total Expenditures	<u>67,212</u>	<u>67,212</u>	<u>-</u>
Net Change in Fund Balance	20,115	20,115	-
Fund Balances Beginning of Year	<u>349,730</u>	<u>349,730</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ 369,845</u></u>	<u><u>\$ 369,845</u></u>	<u><u>\$ -</u></u>

See auditor's report.

BUTTS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

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

	<u>2017</u>
Total Pension Liability	
Service cost	\$ 361,231
Interest on total pension liability	974,511
Changes of benefit terms	
Differences between expected and actual experience	111,454
Changes of assumptions	439,347
Benefit payments, including refunds of employee contributions	<u>(508,687)</u>
Net change in total pension liability	1,377,856
Total pension liability - beginning	<u>12,993,481</u>
Total pension liability - ending	<u><u>\$ 14,371,337</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 908,115
Net investment income	637,369
Benefit payments, including refunds of employee contributions	(490,301)
Administrative expenses	(35,887)
Other	<u>(63,642)</u>
Net change in fiduciary net position	955,654
Plan fiduciary net position - beginning	<u>8,488,086</u>
Plan fiduciary net position - ending	<u><u>\$ 9,443,740</u></u>
County's net pension liability	<u><u>\$ 4,927,597</u></u>
Plan fiduciary net position as a percentage of total pension liability	65.7%
Covered employee payroll	\$ 6,176,955
County's net pension liability as a percentage of covered employee payroll	79.8%

See auditor's report.

BUTTS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

SCHEDULE OF COUNTY CONTRIBUTIONS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 870,793	\$ 833,403	\$ 754,785	\$ 766,159
Contributions in relation to the actuarially determined contribution	<u>908,115</u>	<u>868,297</u>	<u>799,561</u>	<u>809,174</u>
Contribution in deficiency (excess)	<u>\$ (37,322)</u>	<u>\$ (34,894)</u>	<u>\$ (44,776)</u>	<u>\$ (43,015)</u>
Covered-employee payroll	\$ 6,176,955	\$ 5,955,689	\$ 5,487,003	\$ 5,793,674
Contributions as a percentage of covered employee payroll	14.70%	14.58%	14.57%	13.97%

Notes to the Schedule

Valuation Date	January 1, 2016
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.25%
Projected Salary Increases	4.0%-5.5% (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, 2017

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 safety expenditures exceeded appropriations by \$153,404. Housing and development expenditures exceeded appropriations by \$267,188. This excess is offset by an Employment Incentive Grant of \$266,484 received by the County and transferred to the Butts County, et al. Water and Sewer Authority for improvements of water and sewer lines for a new employer that is coming to the County.

See auditor's report.

BUTTS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 693,205	270,284	\$ 963,489
Total Assets	<u>\$ 693,205</u>	<u>\$ 270,284</u>	<u>\$ 963,489</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 219	\$ -	\$ 219
Interfund payable	45,542	-	45,542
Total Liabilities	<u>45,761</u>	<u>-</u>	<u>45,761</u>
Fund Balances			
Restricted for:			
Capital projects	-	270,284	270,284
Program purposes	647,444	-	647,444
Total Fund Balances	<u>647,444</u>	<u>270,284</u>	<u>917,728</u>
Total Liabilities and Fund Balances	<u>\$ 693,205</u>	<u>\$ 270,284</u>	<u>\$ 963,489</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, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Charges for services	\$ 454,549	\$ 46,369	\$ 500,918
Fines and forfeitures	480,453	-	480,453
Contributions	97,876	-	97,876
Investment earnings	396	182	578
	<hr/>	<hr/>	<hr/>
Total Revenues	1,033,274	46,551	1,079,825
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
General government	2,819	-	2,819
Judicial	14,526	-	14,526
Public safety	809,703	-	809,703
Culture and recreation	72,661	-	72,661
Capital Outlay	-	502,874	502,874
Debt Service			
Principal retirement	68,731	-	68,731
Interest and fiscal charges	4,634	-	4,634
	<hr/>	<hr/>	<hr/>
Total Expenditures	973,074	502,874	1,475,948
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenditures	60,200	(456,323)	(396,123)
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)			
Sale of assets	25,281	-	25,281
Transfers in (out)	-	361,000	361,000
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	25,281	361,000	386,281
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	85,481	(95,323)	(9,842)
	<hr/>	<hr/>	<hr/>
Fund Balances Beginning of Year	561,963	365,607	927,570
	<hr/>	<hr/>	<hr/>
Fund Balances End of Year	\$ 647,444	\$ 270,284	\$ 917,728
	<hr/>	<hr/>	<hr/>

See auditor's report.

**BUTTS COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 2,426,099	\$ 4,741,212
Receivables:		
Interfund receivable	79,805	34,531
Due from other governments	1,062,500	1,062,500
Sales taxes	408,129	407,698
Other	<u>76,697</u>	<u>67,203</u>
Total Assets	<u>\$ 4,053,230</u>	<u>\$ 6,313,144</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 260,367	\$ 444,196
Salaries and wages payable	<u>344,590</u>	<u>263,129</u>
Total Liabilities	<u>604,957</u>	<u>707,325</u>
Deferred Inflows of Resources		
Unavailable revenue - local option sales tax	<u>207,354</u>	<u>193,484</u>
Total Deferred Inflows of Resources	<u>207,354</u>	<u>193,484</u>
Fund Balances		
Non-spendable	1,062,500	1,062,500
Unassigned	<u>2,178,419</u>	<u>4,349,835</u>
Total Fund Balances	<u>3,240,919</u>	<u>5,412,335</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,053,230</u>	<u>\$ 6,313,144</u>

See auditor's report.

**BUTTS COUNTY, GEORGIA
CLERK OF SUPERIOR COURT
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 404,108	\$ 349,730
Total Assets	<u>\$ 404,108</u>	<u>\$ 349,730</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ 34,263	\$ -
Total Liabilities	<u>34,263</u>	<u>-</u>
Fund Balances		
Restricted for program purposes	\$ 369,845	\$ 349,730
Total Liabilities and Fund Balances	<u>\$ 404,108</u>	<u>\$ 349,730</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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Intergovernmental	\$ 75,000	\$ 75,000
Investment earnings	312	344
Charges for services	<u>12,015</u>	<u>10,222</u>
Total Revenues	<u>87,327</u>	<u>85,566</u>
Expenditures		
Current:		
Judicial	<u>67,212</u>	<u>43,203</u>
Total Expenditures	<u>67,212</u>	<u>43,203</u>
Net Change in Fund Balances	20,115	42,363
Fund Balances Beginning of Year	<u>349,730</u>	<u>307,367</u>
Fund Balances End of Year	<u>\$ 369,845</u>	<u>\$ 349,730</u>

See auditor's report.

**BUTTS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	Law Library	Courthouse Maintenance	Jail	Drug Abuse Treatment & Education	E-911 Fund	Sheriff	Recreation Department Improvement	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents	\$ 12,423	\$ 35,778	\$ 55,084	\$ 12,102	\$ 305,999	\$ 36,704	\$ 235,115	\$ 693,205
Total Assets	<u>\$ 12,423</u>	<u>\$ 35,778</u>	<u>\$ 55,084</u>	<u>\$ 12,102</u>	<u>\$ 305,999</u>	<u>\$ 36,704</u>	<u>\$ 235,115</u>	<u>\$ 693,205</u>
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219	\$ 219
Interfund payable	-	-	7,508	10,478	27,556	-	-	45,542
Total Liabilities	<u>-</u>	<u>-</u>	<u>7,508</u>	<u>10,478</u>	<u>27,556</u>	<u>-</u>	<u>219</u>	<u>45,761</u>
Fund Balances								
Restricted for program purposes	12,423	35,778	47,576	1,624	278,443	36,704	234,896	647,444
Total Liabilities and Fund Balances	<u>\$ 12,423</u>	<u>\$ 35,778</u>	<u>\$ 55,084</u>	<u>\$ 12,102</u>	<u>\$ 305,999</u>	<u>\$ 36,704</u>	<u>\$ 235,115</u>	<u>\$ 693,205</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, 2017

	Law Library	Courthouse Maintenance	Jail	Drug Abuse Treatment & Education	E-911 Fund	Sheriff	Recreation Department Improvement	Total Nonmajor Special Revenue Funds
Revenues								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	365,014	50,562	38,973	454,549
Fines and forfeitures	17,342	18,316	55,794	13,980	-	375,021	-	480,453
Contributions	-	-	-	-	-	44,118	53,758	97,876
Investment earnings	-	15	36	5	185	30	125	396
Total Revenues	17,342	18,331	55,830	13,985	365,199	469,731	92,856	1,033,274
Expenditures								
Current:								
General government	-	2,819	-	-	-	-	-	2,819
Judicial	14,526	-	-	-	-	-	-	14,526
Public safety	-	-	67,656	-	250,862	491,185	-	809,703
Culture and recreation	-	-	-	-	-	-	72,661	72,661
Debt Service								
Principal retirement	-	-	-	-	68,731	-	-	68,731
Interest and fiscal charges	-	-	-	-	4,634	-	-	4,634
Total Expenditures	14,526	2,819	67,656	-	324,227	491,185	72,661	973,074
Excess of Revenues Over Expenditures	2,816	15,512	(11,826)	13,985	40,972	(21,454)	20,195	60,200
Other Financing Sources								
Sale of assets	-	-	-	-	-	25,281	-	25,281
Total Other Financing Sources	-	-	-	-	-	25,281	-	25,281
Net Changes in Fund Balances	2,816	15,512	(11,826)	13,985	40,972	3,827	20,195	85,481
Fund Balances								
Beginning of Year	9,607	20,266	59,402	(12,361)	237,471	32,877	214,701	561,963
Fund Balances End of Year	\$ 12,423	\$ 35,778	\$ 47,576	\$ 1,624	\$ 278,443	\$ 36,704	\$ 234,896	\$ 647,444

See auditor's report.

**BUTTS COUNTY, GEORGIA
LAW LIBRARY FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 12,423	\$ 9,607
Total Assets	<u>\$ 12,423</u>	<u>\$ 9,607</u>
Fund Balances		
Restricted for program purposes	<u>\$ 12,423</u>	<u>\$ 9,607</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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Fines and forfeitures	\$ 17,342	\$ 18,000
Expenditures		
Current:		
Judicial	14,526	9,914
Total Expenditures	14,526	9,914
Excess of Revenues Over (Under) Expenditures	2,816	8,086
Fund Balances Beginning of Year	9,607	1,521
Fund Balances End of Year	\$ 12,423	\$ 9,607

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, 2017**

	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Fines and forfeitures	\$ 17,342	\$ 17,342	\$ -
Expenditures			
Current:			
Judicial	14,526	14,526	-
Total Expenditures	14,526	14,526	-
Excess of Revenues Over (Under) Expenditures	2,816	2,816	-
Fund Balances Beginning of Year	9,607	9,607	-
Fund Balances End of Year	\$ 12,423	\$ 12,423	\$ -

See auditor's report.

**BUTTS COUNTY, GEORGIA
COURTHOUSE MAINTENANCE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 35,778	\$ 20,266
Total Assets	<u>\$ 35,778</u>	<u>\$ 20,266</u>
Liabilities and Fund Balances		
Accounts payable	\$ -	\$ -
Fund Balances		
Restricted for program purposes	35,778	20,266
Total Liabilities and Fund Balances	<u>\$ 35,778</u>	<u>\$ 20,266</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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Fines and fees	\$ 18,316	\$ 19,064
Investment earnings	<u>15</u>	<u>6</u>
Total Revenues	<u>18,331</u>	<u>19,070</u>
Expenditures		
Current:		
General government	<u>2,819</u>	<u>3,756</u>
Total Expenditures	<u>2,819</u>	<u>3,756</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	15,512	15,314
Fund Balances Beginning of Year	<u>20,266</u>	<u>4,952</u>
Fund Balances End of Year	<u><u>\$ 35,778</u></u>	<u><u>\$ 20,266</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, 2017**

	Original/ Final Budget	Actual	Variance Over (Under)
Revenues			
Fines and fees	\$ 20,000	\$ 18,316	\$ (1,684)
Investment earnings	<u>-</u>	<u>15</u>	<u>15</u>
Total Revenues	<u>20,000</u>	<u>18,331</u>	<u>(1,669)</u>
Expenditures			
Current:			
General government	<u>24,952</u>	<u>2,819</u>	<u>(22,133)</u>
Total Expenditures	<u>24,952</u>	<u>2,819</u>	<u>(22,133)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	(4,952)	15,512	20,464
Fund Balances Beginning of Year	<u>4,952</u>	<u>20,266</u>	<u>(15,314)</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ 35,778</u></u>	<u><u>\$ 35,778</u></u>

See auditor's report.

**BUTTS COUNTY, GEORGIA
JAIL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 55,084	\$ 62,955
Total Assets	<u>\$ 55,084</u>	<u>\$ 62,955</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ 7,508	\$ 3,553
Fund Balances		
Restricted for program purposes	<u>47,576</u>	<u>59,402</u>
Total Liabilities and Fund Balances	<u>\$ 55,084</u>	<u>\$ 62,955</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Fines and fees	\$ 55,794	\$ 66,780
Investment earnings	<u>36</u>	<u>28</u>
Total Revenues	<u>55,830</u>	<u>66,808</u>
Expenditures		
Current:		
Jail Staffing and Supplies	<u>67,656</u>	<u>53,262</u>
Total Expenditures	<u>67,656</u>	<u>53,262</u>
Net Changes in Fund Balances	(11,826)	13,546
Fund Balances Beginning of Year	<u>59,402</u>	<u>45,856</u>
Fund Balances End of Year	<u>\$ 47,576</u>	<u>\$ 59,402</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, 2017**

	Original/ Final Budget	Actual	Variance Over (Under)
Revenues			
Fines and fees	\$ 50,000	\$ 55,794	\$ 5,794
Investment earnings	30	36	6
Total Revenues	<u>50,030</u>	<u>55,830</u>	<u>5,800</u>
Expenditures			
Current:			
Jail Staffing and Supplies	<u>108,789</u>	<u>67,656</u>	<u>(41,133)</u>
Total Expenditures	<u>108,789</u>	<u>67,656</u>	<u>(41,133)</u>
Net Changes in Fund Balance	(58,759)	(11,826)	46,933
Fund Balances Beginning of Year	<u>59,402</u>	<u>59,402</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ 643</u></u>	<u><u>\$ 47,576</u></u>	<u><u>\$ 46,933</u></u>

See auditor's report.

BUTTS COUNTY, GEORGIA
DRUG ABUSE TREATMENT & EDUCATION FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 12,102	\$ 7,514
Total Assets	<u>\$ 12,102</u>	<u>\$ 7,514</u>
 Liabilities and Fund Balances		
Liabilities		
Interfund payable	<u>\$ 10,478</u>	<u>\$ 19,875</u>
 Total Liabilities	<u>10,478</u>	<u>19,875</u>
 Fund Balances		
Restricted (unrestricted) for program purposes	<u>1,624</u>	<u>(12,361)</u>
 Total Liabilities and Fund Balances	<u>\$ 12,102</u>	<u>\$ 7,514</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Fines and fees	\$ 13,980	\$ 18,474
Investment earnings	<u>5</u>	<u>5</u>
Total Revenues	<u>13,985</u>	<u>18,479</u>
Expenditures		
Current:		
Public safety	<u>-</u>	<u>40,531</u>
Total Expenditures	<u>-</u>	<u>40,531</u>
Excess of Revenues Over Expenditures	13,985	(22,052)
Fund Balances Beginning of Year	<u>(12,361)</u>	<u>9,691</u>
Fund Balances End of Year	<u>\$ 1,624</u>	<u>\$ (12,361)</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, 2017**

	Original/ Final Budget	Actual	Variance Over (Under)
Revenues			
Fines and fees	\$ 33,341	\$ 13,980	\$ (19,361)
Investment earnings	10	5	(5)
Total Revenues	<u>33,351</u>	<u>13,985</u>	<u>(19,366)</u>
Expenditures			
Current:			
Public safety	<u>20,990</u>	<u>-</u>	<u>(20,990)</u>
Total Expenditures	<u>20,990</u>	<u>-</u>	<u>(20,990)</u>
Excess of Revenues Over Expenditures	12,361	13,985	1,624
Fund Balances Beginning of Year	<u>(12,361)</u>	<u>(12,361)</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 1,624</u></u>	<u><u>\$ 1,624</u></u>

See auditor's report.

BUTTS COUNTY, GEORGIA
E-911 FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	<u>\$ 305,999</u>	<u>\$ 293,574</u>
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	\$ -	\$ 45,000
Interfund payable	<u>27,556</u>	<u>11,103</u>
Total Liabilities	<u>27,556</u>	<u>56,103</u>
Fund Balances		
Reserved for program purposes	<u>278,443</u>	<u>237,471</u>
Total Liabilities and Fund Balances	<u>\$ 305,999</u>	<u>\$ 293,574</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Charges for services	\$ 365,014	\$ 360,854
Investment earnings	<u>185</u>	<u>152</u>
Total Revenues	<u>365,199</u>	<u>361,006</u>
Expenditures		
Current:		
Public safety	250,862	349,677
Debt Service		
Principal retirement	68,731	66,525
Interest and fiscal charges	<u>4,634</u>	<u>6,840</u>
Total Expenditures	<u>324,227</u>	<u>423,042</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>40,972</u>	<u>(62,036)</u>
Other Financing Sources (Uses)		
Capital Lease Proceeds	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net Change in Fund Balances	40,972	(62,036)
Fund Balances Beginning of Year	<u>237,471</u>	<u>299,507</u>
Fund Balances End of Year	<u>\$ 278,443</u>	<u>\$ 237,471</u>

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, 2017

	Original/ Final Budget	Actual	Variance Over (Under)
Revenues			
Charges for services	\$ 319,000	\$ 365,014	\$ 46,014
Investment earnings	200	185	(15)
Total Revenues	<u>319,200</u>	<u>365,199</u>	<u>45,999</u>
Expenditures			
Current:			
Public safety	490,126	250,862	(239,264)
Debt Service			
Principal retirement	61,846	68,731	6,885
Interest and fiscal charges	4,699	4,634	(65)
Total Expenditures	<u>556,671</u>	<u>324,227</u>	<u>(232,444)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(237,471)</u>	<u>40,972</u>	<u>278,443</u>
Other Financing Sources (Uses)			
Capital Lease Proceeds	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(237,471)	40,972	278,443
Fund Balances Beginning of Year	<u>237,471</u>	<u>237,471</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ 278,443</u></u>	<u><u>\$ 278,443</u></u>

See auditor's report.

**BUTTS COUNTY, GEORGIA
SHERIFF FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 36,704	\$ 32,877
Total Assets	<u>\$ 36,704</u>	<u>\$ 32,877</u>
Fund Balances		
Restricted for program purposes	<u>\$ 36,704</u>	<u>\$ 32,877</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Investment earnings	\$ 30	\$ 14
Fines and forfeitures	375,021	288,283
Sheriff commissary	50,562	33,608
Contributions	44,118	45,806
	<u>469,731</u>	<u>367,711</u>
Total Revenues		
Expenditures		
Current:		
Public safety	459,824	336,710
Sheriff commissary	31,361	22,939
	<u>491,185</u>	<u>359,649</u>
Total Expenditures		
Excess Revenues Over (Under) Expenditures	<u>(21,454)</u>	<u>8,062</u>
Other Financing Sources		
Sale of assets	25,281	-
	<u>25,281</u>	<u>-</u>
Total Other financing Sources		
Net Changes in Fund Balances	3,827	8,062
Fund Balances Beginning of Year	<u>32,877</u>	<u>24,815</u>
Fund Balances End of Year	<u>\$ 36,704</u>	<u>\$ 32,877</u>

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, 2017**

	Original/ Final Budget	Actual	Variance Over (Under)
Revenues			
Investment earnings	\$ 30	\$ 30	\$ -
Fines and forfeitures	375,021	375,021	-
Sheriff commissary	50,562	50,562	-
Contributions	44,118	44,118	-
Total Revenues	469,731	469,731	-
Expenditures			
Current:			
Public safety	459,824	459,824	-
Sheriff commissary	31,361	31,361	-
Total Expenditures	491,185	491,185	-
Excess Revenues Over (Under) Expenditures	(21,454)	(21,454)	-
Other Financing Sources			
Sale of assets	25,281	25,281	-
Total Other Financing Sources	25,281	25,281	-
Net Changes in Fund Balances	3,827	3,827	-
Fund Balances Beginning of Year	32,877	32,877	-
Fund Balances End of Year	\$ 36,704	\$ 36,704	\$ -

See auditor's report.

BUTTS COUNTY, GEORGIA
RECREATION DEPARTMENT IMPROVEMENT FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 235,115	\$ 214,701
Total Assets	<u>\$ 235,115</u>	<u>\$ 214,701</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	<u>219</u>	<u>-</u>
Fund Balances		
Restricted for program purposes	<u>234,896</u>	<u>214,701</u>
Total Liabilities and Fund Balances	<u>\$ 235,115</u>	<u>\$ 214,701</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Investment earnings	\$ 125	\$ 100
Contributions	53,758	52,069
Concessions	<u>38,973</u>	<u>39,065</u>
Total Revenues	<u>92,856</u>	<u>91,234</u>
Expenditures		
Current:		
Program costs	31,780	14,322
Concession purchases	<u>40,881</u>	<u>43,928</u>
Total Expenditures	<u>72,661</u>	<u>58,250</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	20,195	32,984
Fund Balances Beginning of Year	<u>214,701</u>	<u>181,717</u>
Fund Balances End of Year	<u><u>\$ 234,896</u></u>	<u><u>\$ 214,701</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, 2017

	Original/ Final Budget	Actual	Variance Over (Under)
Revenues			
Investment earnings	\$ -	\$ 125	\$ 125
Contributions	51,184	53,758	2,574
Concessions	-	38,973	38,973
Total Revenues	<u>51,184</u>	<u>92,856</u>	<u>41,672</u>
Expenditures			
Current:			
Program costs	224,603	31,780	(192,823)
Concession purchases	41,282	40,881	(401)
Total Expenditures	<u>265,885</u>	<u>72,661</u>	<u>(193,224)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(214,701)	20,195	234,896
Fund Balances Beginning of Year	<u>214,701</u>	<u>214,701</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 234,896</u>	<u>\$ 234,896</u>

See auditor's report.

BUTTS COUNTY, GEORGIA
2012 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 1,159,667	\$ 870,037
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 24,115	\$ 16,058
Fund Balances		
Restricted for capital projects	1,135,552	853,979
Total Liabilities and Fund Balances	\$ 1,159,667	\$ 870,037

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Investment earnings	\$ 565	\$ 732
Total Revenues	<u>565</u>	<u>732</u>
Expenditures		
Capital Outlay	<u>1,000,540</u>	<u>1,789,088</u>
Total Expenditures	<u>1,000,540</u>	<u>1,789,088</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(999,975)</u>	<u>(1,788,356)</u>
Other Financing Sources (Uses)		
Transfer in (out) from 2012 SPLOST Debt Services	<u>1,281,548</u>	<u>1,192,653</u>
Total Other Financing Sources (Uses)	<u>1,281,548</u>	<u>1,192,653</u>
Net Change in Fund Balances	281,573	(595,703)
Fund Balances Beginning of Year	<u>853,979</u>	<u>1,449,682</u>
Fund Balances End of Year	<u><u>\$ 1,135,552</u></u>	<u><u>\$ 853,979</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, 2017

	Original Budget	Actual To Date	Variance Over (Under)
Revenues			
Investment earnings	\$ -	\$ 2,114	\$ 2,114
Total Revenues	<u>-</u>	<u>2,114</u>	<u>2,114</u>
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	2,367,210	(1,410,630)
Capital equipment	3,080,320	2,250,177	(830,143)
Debt Service			
Principal payments	723,707	723,707	-
Interest payments	6,315	6,315	-
Total Expenditures	<u>19,476,749</u>	<u>9,753,015</u>	<u>(9,723,734)</u>
Deficiency of Revenues ((under) Expenditures	<u>(19,476,749)</u>	<u>(9,750,901)</u>	<u>9,725,848</u>
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	5,353,415	(9,485,168)
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)	<u>19,476,749</u>	<u>10,886,453</u>	<u>(8,590,296)</u>
Net Change in Fund Balances	<u>-</u>	<u>1,135,552</u>	<u>1,135,552</u>
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 1,135,552</u>	<u>\$ 1,135,552</u>

See auditor's report.

**BUTTS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017**

	2007	1996		Capital	Total
	SPLOST	SPLOST	Impact	Improvement	Non-major
	Fund	Fund	Fees	Fund	Capital
					Projects Funds
Assets					
Cash and cash equivalents	\$ -	\$ 16,131	\$ 164,552	\$ 89,601	\$ 270,284
Total Assets	<u>\$ -</u>	<u>\$ 16,131</u>	<u>\$ 164,552</u>	<u>\$ 89,601</u>	<u>\$ 270,284</u>
Liabilities and Fund Balances					
Liabilities					
Interfund Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted for capital projects	-	16,131	164,552	89,601	270,284
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 16,131</u>	<u>\$ 164,552</u>	<u>\$ 89,601</u>	<u>\$ 270,284</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, 2017

	2007 SPLOST Fund	1996 SPLOST Fund	Impact Fees	Capital Improvement Fund	Total Non-major Capital Projects Funds
Revenues					
Investment earnings	\$ -	\$ 7	\$ 82	\$ 93	\$ 182
Charges for services	-	-	46,369	-	46,369
Total Revenues	-	7	46,451	93	46,551
Expenditures					
Capital Outlay	1,593	400	8,938	491,943	502,874
Total Expenditures	1,593	400	8,938	491,943	502,874
Excess (Deficiency of Revenues Over (Under) Expenditures	(1,593)	(393)	37,513	(491,850)	(456,323)
Other Financing Sources (Uses)					
Transfers in (out)	-	-	-	361,000	361,000
Total Other Financing Sources (Uses)	-	-	-	361,000	361,000
Net Change in Fund Balances	(1,593)	(393)	37,513	(130,850)	(95,323)
Fund Balances - Beginning of Year	1,593	16,524	127,039	220,451	365,607
Fund Balances - End of Year	\$ -	\$ 16,131	\$ 164,552	\$ 89,601	\$ 270,284

See auditor's report.

BUTTS COUNTY, GEORGIA
2007 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ -	\$ 1,593
	<u> </u>	<u> </u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ -
	<u> </u>	<u> </u>
Fund Balances		
Restricted for capital projects	-	1,593
	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	\$ -	\$ 1,593
	<u> </u>	<u> </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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Investment earnings	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>
Expenditures		
Capital Outlay	<u>1,593</u>	<u>4,733</u>
Total Expenditures	<u>1,593</u>	<u>4,733</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,593)</u>	<u>(4,733)</u>
Other Financing Sources (Uses)		
Transfer to General Fund	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,593)	(4,733)
Fund Balances Beginning of Year	<u>1,593</u>	<u>6,326</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ 1,593</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, 2017

	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	1,533,353	(1,437,363)
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	22,964,478	1,427,485
Deficiency of Revenues ((under) Expenditures	(12,344,407)	(8,178,856)	(20,523,263)	(21,475,559)	(952,296)
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	-	-	-	-	-
Fund Balances Beginning of Project	-	-	-	-	-
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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 16,131	\$ 16,524
Total Assets	<u>\$ 16,131</u>	<u>\$ 16,524</u>
Fund Balances		
Restricted for capital projects	\$ 16,131	\$ 16,524
Total Fund Balances	<u>\$ 16,131</u>	<u>\$ 16,524</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Investment earnings	\$ 7	\$ 60
Expenditures		
Capital Outlay	400	52,757
Net Change in Fund Balances	(393)	(52,697)
Fund Balances Beginning of Year	16,524	69,221
Fund Balances End of Year	<u>\$ 16,131</u>	<u>\$ 16,524</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, 2017

	Original/ Final Budget	Actual Year to Date	Over (Under)
Revenues			
Investment earnings	\$ -	\$ 419,962	\$ 419,962
Expenditures			
Intergovernmental	1,248,291	2,299,115	1,050,824
Capital Outlay	5,100,000	4,817,097	(282,903)
Total Expenditures	6,348,291	7,116,212	767,921
Deficiency of Revenues (Under) Expenditures	(6,348,291)	(6,696,250)	(347,959)
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	-	16,131	16,131
Fund Balances, Beginning	-	-	-
Fund Balances, Ending	\$ -	\$ 16,131	\$ 16,131

See auditor's report.

**BUTTS COUNTY, GEORGIA
INDIAN SPRINGS FIRE STATION
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ -	\$ -
	<u> </u>	<u> </u>
Fund Balances		
Restricted for capital projects	\$ -	\$ -
	<u> </u>	<u> </u>

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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Investment earnings	\$ -	\$ 2
Total Revenues	<u>-</u>	<u>2</u>
Expenditures		
Capital Outlay	<u>-</u>	<u>52,658</u>
Total Expenditures	<u>-</u>	<u>52,658</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(52,656)</u>
Other Financing Sources (Uses)		
Transfer in from General Fund	-	-
Transfer to Capital Improvement Fund	<u>-</u>	<u>(45,935)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(45,935)</u>
Net Change in Fund Balances	-	(98,591)
Fund Balances Beginning of Year	<u>-</u>	<u>98,591</u>
Fund Balances End of Year	<u>\$ -</u>	<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, 2017**

	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	276,375	278,524	554,899	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>554,899</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>

See auditor's report.

BUTTS COUNTY, GEORGIA
IMPACT FEES
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 164,552	\$ 127,039
	<u> </u>	<u> </u>
Fund Balances		
Restricted for capital projects - Administration	\$ 2,471	\$ 2,757
Restricted for capital projects - Library	5,949	4,415
Restricted for capital projects - Public Safety	52,673	39,528
Restricted for capital projects - Recreation	21,101	15,551
Restricted for capital projects - Roads	82,358	64,789
	<u> </u>	<u> </u>
Total Fund Balances	\$ 164,552	\$ 127,039
	<u> </u>	<u> </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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Charges for services	\$ 46,369	\$ 69,907
Investment earnings	<u>82</u>	<u>24</u>
Total Revenues	<u>46,451</u>	<u>69,931</u>
Expenditures		
Capital Outlay	<u>8,938</u>	<u>8,222</u>
Total Expenditures	<u>8,938</u>	<u>8,222</u>
Excess of Revenues Over Expenditures	<u>37,513</u>	<u>61,709</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	37,513	61,709
Fund Balances Beginning of Year	<u>127,039</u>	<u>65,330</u>
Fund Balances End of Year	<u><u>\$ 164,552</u></u>	<u><u>\$ 127,039</u></u>

See auditor's report.

BUTTS COUNTY, GEORGIA
IMPACT FEES
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2017

	<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	199,554	\$ 226,598	\$ 226,598	\$ -
Investment earnings	34	399	433	433	-
Total Revenues	<u>27,078</u>	<u>199,953</u>	<u>227,031</u>	<u>227,031</u>	<u>-</u>
Expenditures					
Capital Outlay	<u>-</u>	<u>94,371</u>	<u>94,371</u>	<u>94,371</u>	<u>-</u>
Excess of Revenue over Expenditures	<u>27,078</u>	<u>105,582</u>	<u>132,660</u>	<u>132,660</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>107,671</u>	<u>2,089</u>	<u>2,089</u>	<u>-</u>
Net Change in Fund Balance	<u>27,078</u>	<u>107,671</u>	<u>134,749</u>	<u>134,749</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>\$ 107,671</u>	<u>\$ 164,552</u>	<u>\$ 164,552</u>	<u>\$ -</u>

See auditor's report.

**BUTTS COUNTY, GEORGIA
SOUTHERN CRESCENT CDL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ -	\$ -
	<u> </u>	<u> </u>
Fund Balances		
Restricted for capital projects	\$ -	\$ -
	<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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Investment earnings	\$ -	\$ 15
Total Revenues	<u>-</u>	<u>15</u>
Expenditures		
Capital Outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>15</u>
Other Financing Sources (Uses)		
Transfer out	<u>-</u>	<u>(125,168)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(125,168)</u>
Net Change in Fund Balances	-	(125,153)
Fund Balances Beginning of Year	<u>-</u>	<u>125,153</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See auditor's report.

**BUTTS COUNTY, GEORGIA
SOUTHERN CRESCENT CDL FUND
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2017**

	Original Budget	Budget Amendment	Final Budget	Actual Project to Date	Variance 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>

See auditor's report.

**BUTTS COUNTY, GEORGIA
CAPITAL IMPROVEMENT FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 89,601	\$ 220,451
	<u>89,601</u>	<u>220,451</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ -	\$ -
	<u>-</u>	<u>-</u>
Fund Balances		
Restricted for capital projects	89,601	220,451
	<u>89,601</u>	<u>220,451</u>
Total Liabilities and Fund Balances	\$ 89,601	\$ 220,451
	<u>89,601</u>	<u>220,451</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Investment earnings	\$ 93	\$ 331
Total Revenues	<u>93</u>	<u>331</u>
Expenditures		
Capital Outlay	<u>491,943</u>	<u>35,815</u>
Total Expenditures	<u>491,943</u>	<u>35,815</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(491,850)</u>	<u>(35,484)</u>
Other Financing Sources (Uses)		
Transfer in from General Fund	361,000	210,000
Transfer in from Southern Crescent CDL Fund	<u>-</u>	<u>45,935</u>
Total Other Financing Sources (Uses)	<u>361,000</u>	<u>255,935</u>
Net Change in Fund Balances	(130,850)	220,451
Fund Balances Beginning of Year	<u>220,451</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ 89,601</u></u>	<u><u>\$ 220,451</u></u>

See auditor's report.

**BUTTS COUNTY, GEORGIA
CAPITAL IMPROVEMENT FUND
PROJECT-LENGTH BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Actual Project to Date</u>	<u>Variance Over (Under)</u>
Revenues			
Investment earnings	\$ -	\$ 424	\$ 424
Total Revenues	<u>-</u>	<u>424</u>	<u>424</u>
Expenditures			
Capital Outlay	<u>-</u>	<u>527,758</u>	<u>527,758</u>
Total Expenditures	<u>-</u>	<u>527,758</u>	<u>527,758</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(527,334)</u>	<u>(527,334)</u>
Other Financing Sources (Uses)			
Transfers in (out)	<u>-</u>	<u>616,935</u>	<u>616,935</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>616,935</u>	<u>616,935</u>
Net Changes in Fund Balances	<u>-</u>	<u>89,601</u>	<u>89,601</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ 89,601</u></u>	<u><u>\$ 89,601</u></u>

See auditor's report.

BUTTS COUNTY, GEORGIA
2012 SPLOST DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND JUNE 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 649,497	\$ 581,247
	<u>649,497</u>	<u>581,247</u>
Fund Balances		
Restricted for debt service	\$ 649,497	\$ 581,247
	<u>649,497</u>	<u>581,247</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Sales Tax	\$ 3,955,404	\$ 3,629,678
Investment earnings	3,136	630
	<u>3,958,540</u>	<u>3,630,308</u>
Total Revenues		
	<u>3,958,540</u>	<u>3,630,308</u>
Expenditures		
City of Flovilla	100,514	93,550
City of Jackson	628,210	584,685
City of Jenkinsburg	75,385	70,162
Butts County et al Water & Sewer Authority	427,183	397,586
Debt Service		
Principal retirement	1,275,000	1,312,850
Interest and fiscal charges	102,450	64,600
	<u>2,608,742</u>	<u>2,523,433</u>
Total Expenditures		
	<u>2,608,742</u>	<u>2,523,433</u>
Excess of Revenues Over Expenditures	<u>1,349,798</u>	<u>1,106,875</u>
Other Financing Sources (Uses)		
Transfers in (out)	(1,281,548)	(1,192,757)
	<u>(1,281,548)</u>	<u>(1,192,757)</u>
Total Other Financing Sources (Uses)		
	<u>(1,281,548)</u>	<u>(1,192,757)</u>
Net Changes in Fund Balances	68,250	(85,882)
Fund Balances Beginning of Year	<u>581,247</u>	<u>667,129</u>
Fund Balances End of Year	<u><u>\$ 649,497</u></u>	<u><u>\$ 581,247</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, 2017

	Original/ Final Budget	Actual	Variance Over (Under)
Revenues			
Sales Tax	\$ 3,955,404	\$ 3,955,404	\$ -
Investment earnings	3,136	3,136	-
Total Revenues	<u>3,958,540</u>	<u>3,958,540</u>	<u>-</u>
Expenditures			
City of Flovilla	100,514	100,514	-
City of Jackson	628,210	628,210	-
City of Jenkinsburg	75,385	75,385	-
Butts County et al Water & Sewer Authority	427,183	427,183	-
Debt Service			
Principal retirement	1,325,350	1,325,350	-
Interest and fiscal charges	52,100	52,100	-
Total Expenditures	<u>2,608,742</u>	<u>2,608,742</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>1,349,798</u>	<u>1,349,798</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers in (out)	(1,281,548)	(1,281,548)	-
Total Other Financing Sources (Uses)	<u>(1,281,548)</u>	<u>(1,281,548)</u>	<u>-</u>
Net Changes in Fund Balances	68,250	68,250	-
Fund Balances Beginning of Year	<u>581,247</u>	<u>581,247</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ 649,497</u></u>	<u><u>\$ 649,497</u></u>	<u><u>\$ -</u></u>

See auditor's report.

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

Clerk of Superior Court	Balance June 30, 2016	Additions	Deductions	Reclassify Interfund Payable	Balance June 30, 2017
Assets					
Cash and cash equivalents	\$ 84,337	\$ 629,415	\$ 623,838	\$ -	\$ 89,914
Total Assets	<u>\$ 84,337</u>	<u>\$ 629,415</u>	<u>\$ 623,838</u>	<u>\$ -</u>	<u>\$ 89,914</u>
Liabilities					
Due to others	\$ 84,337	\$ 629,415	\$ 623,838	\$ -	\$ 89,914
Total Liabilities	<u>\$ 84,337</u>	<u>\$ 629,415</u>	<u>\$ 623,838</u>	<u>\$ -</u>	<u>\$ 89,914</u>
Probate Court					
Assets					
Cash and cash equivalents	\$ 81,636	\$ 1,016,985	\$ 999,908	\$ -	\$ 98,713
Total Assets	<u>\$ 81,636</u>	<u>\$ 1,016,985</u>	<u>\$ 999,908</u>	<u>\$ -</u>	<u>\$ 98,713</u>
Liabilities					
Due to others	\$ 81,636	\$ 1,016,985	\$ 999,908	\$ -	\$ 98,713
Total Liabilities	<u>\$ 81,636</u>	<u>\$ 1,016,985</u>	<u>\$ 999,908</u>	<u>\$ -</u>	<u>\$ 98,713</u>
Sheriff					
Assets					
Cash and cash equivalents	\$ 835,319	\$ 2,024,581	\$ 2,239,450	\$ -	\$ 620,450
Total Assets	<u>\$ 835,319</u>	<u>\$ 2,024,581</u>	<u>\$ 2,239,450</u>	<u>\$ -</u>	<u>\$ 620,450</u>
Liabilities					
Due to others	\$ 835,319	\$ 2,024,581	\$ 2,239,450	\$ -	\$ 620,450
Total Liabilities	<u>\$ 835,319</u>	<u>\$ 2,024,581</u>	<u>\$ 2,239,450</u>	<u>\$ -</u>	<u>\$ 620,450</u>
Magistrate Court					
Assets					
Cash and cash equivalents	\$ 17,437	\$ 234,607	\$ 234,561	\$ -	\$ 17,483
Total Assets	<u>\$ 17,437</u>	<u>\$ 234,607</u>	<u>\$ 234,561</u>	<u>\$ -</u>	<u>\$ 17,483</u>
Liabilities					
Due to others	\$ 17,437	\$ 234,607	\$ 234,561	\$ -	\$ 17,483
Total Liabilities	<u>\$ 17,437</u>	<u>\$ 234,607</u>	<u>\$ 234,561</u>	<u>\$ -</u>	<u>\$ 17,483</u>

See auditor's report.

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

Tax Commissioner	Balance			Reclassify	Balance
	June 30, 2016	Additions	Deductions	Interfund Payable	June 30, 2017
Assets					
Cash and cash equivalents	\$ 172,536	\$ 24,269,453	\$ 24,356,277	\$ -	\$ 85,712
Total Assets	\$ 172,536	\$ 24,269,453	\$ 24,356,277	\$ -	\$ 85,712
Liabilities					
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	172,536	24,269,453	24,356,277	-	85,712
Total Liabilities	\$ 172,536	\$ 24,269,453	\$ 24,356,277	\$ -	\$ 85,712
Total					
Assets					
Cash and cash equivalents	\$ 1,191,265	\$ 28,175,041	\$ 28,454,034	\$ -	\$ 912,272
Total Assets	\$ 1,191,265	\$ 28,175,041	\$ 28,454,034	\$ -	\$ 912,272
Liabilities					
Interfund payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to others	1,018,729	3,905,588	4,097,757	-	826,560
Due to other governments	172,536	24,269,453	24,356,277	-	85,712
Total Liabilities	\$ 1,191,265	\$ 28,175,041	\$ 28,454,034	\$ -	\$ 912,272

See auditor's report.

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 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, 2017, 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 6, 2018.

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, 16-3, 17-2 and 17-3.

333 Harkness Street, Jackson, GA 30233
Phone: (770) 775-4881 - Fax: (770) 775-3508

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Compliance and Other Matters

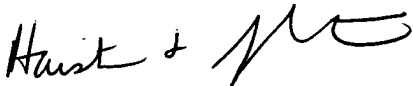
As part of obtaining reasonable assurance about whether Butts County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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 6, 2018

BUTTS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

17-1 Status of Prior Year Findings

The previous Independent Auditor's report for the year ended June 30, 2016 was prepared by Haisten & Johnston, P. C. and was dated February 4, 2017. 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 safety 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, 2017

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.

17-2 Significant Deficiency Regarding Purchasing Policy and Bid Process

Findings

As part of testing internal controls, we selected a sample of cash disbursements to determine that the transactions were documented according to the County's purchasing policy and when applicable to the County's bid process. We determined that even though the accounting system warns the user when a purchase order exceeds the budgeted amount for a specific line item, the user has the option of overriding the control. Users appear to be overriding the control frequently. We also selected a sample of contracted services that required three bids. We determined that the documentation was lacking on several of the transactions selected and that the documentation did not adequately reflect that proper procedures were followed.

Recommendations

We recommend that the County review its purchasing policies and establish necessary procedures to ensure that proper documentation is kept on file to show that the bid process was followed in all cases where bidding is required.

Response

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

BUTTS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2017

17-3 Significant Deficiency Regarding Management Oversight

Findings

During our audit, we discovered that the Board of Commissioners does not receive a full financial report at their monthly meetings. The Commissioners have asked the Chief Financial Officer to provide them with a report on the amount of cash in the bank but no longer receive a report that shows the actual revenues and expenditures compared to the budgeted revenues and expenditures during the year. During the current fiscal year, several errors were made in budgeting revenues. It appears that the Public Utilities Tax was not only budgeted as a specific revenue line item but also included in the property tax revenue line. By reviewing the budget comparison report on a monthly basis, this error might have been discovered in time to prepare a budget amendment for the fiscal year.

Recommendations

We recommend that the Chief Financial Officer present a financial report at least monthly to the Board of Commissioners so that there is some oversight during the year as to the financial position of the County.

Response

Butts County, Georgia agrees with the findings and recommendations.

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 ON SPECIAL COUNTY
1 PERCENT SALES AND USE TAX
APPROVED IN SPECIAL ELECTION HELD SEPTEMBER 17, 1996**

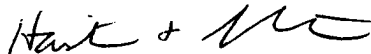
To the Board of Commissioners
Butts County, Georgia

We have audited the accompanying Schedule of Special Purpose Local Options Sales Tax for Butts County, Georgia as of June 30, 2017. 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, 2017 in conformity with accounting principles generally accepted in the United States of America.



Haisten & Johnston, P.C.
Jackson, Georgia

February 6, 2018

333 Harkness Street, Jackson, GA 30233
Phone: (770) 775-4881 - Fax: (770) 775-3508

Members of American Institute of Certified Public Accountants & Georgia Society of Certified Public Accountants

BUTTS COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2017
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	\$ 992,030	\$ 400	\$ 992,430	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>\$ 5,129,096</u>	<u>\$ 400</u>	<u>\$ 5,129,496</u>	

See auditor's report.

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 ON SPECIAL COUNTY
1 PERCENT SALES AND USE TAX
APPROVED IN SPECIAL ELECTION HELD July 18, 2006**

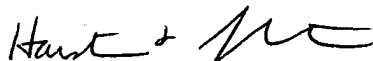
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BUTTS COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2017
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
APPROVED IN SPECIAL ELECTION HELD JULY 18, 2006

<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	963,853	-	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	1,593	2,274,966	100.00%
Total	<u>\$ 19,524,407</u>	<u>\$ 19,714,474</u>	22,725,944	1,593	22,727,537	
Reconciliation to Project-Length						
Actual Expense on Page 83						
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>\$ 22,962,885</u>	<u>\$ 1,593</u>	<u>\$ 22,964,478</u>	

See auditor's report.

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 ON SPECIAL COUNTY
1 PERCENT SALES AND USE TAX
APPROVED IN SPECIAL ELECTION HELD NOVEMBER 8, 2011**

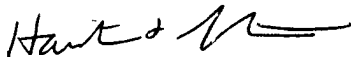
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Butts County, Georgia

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BUTTS COUNTY, GEORGIA
YEAR ENDED JUNE 30, 2017
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	\$ 1,821,266	\$ 628,210	\$ 2,449,476	72.86%
B. City of Flovilla	537,895	537,895	291,403	100,514	391,917	72.86%
C. City of Jenkinsburg	660,000	660,000	218,552	75,385	293,937	44.54%
D. Butts County et al. Water and Sewer Authority	2,286,053	2,286,053	1,238,461	427,183	1,665,644	72.86%
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	1,648,759	718,451	2,367,210	62.66%
G. Capital Equipment	3,080,320	3,080,320	1,968,088	282,089	2,250,177	73.05%
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>	12,322,157	2,231,832	14,553,989	
Reconciliation to Project-Length Actual Expense on Page 78						
Distribution to other Governments Paid by Debt Service Fund			(3,569,682)	(1,231,292)	(4,800,974)	
			<u>\$ 8,752,475</u>	<u>\$ 1,000,540</u>	<u>\$ 9,753,015</u>	

See auditor's report.