

**CATOOSA COUNTY, GEORGIA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Year Ended September 30, 2016**

**JOHNSON, HICKEY & MURCHISON, P.C.**  
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Chattanooga, Tennessee

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## FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Catoosa County, Georgia

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catoosa County, Georgia, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the aggregate discretely presented component unit, which is 100% of the assets, net position and revenues of the component unit activities.

### *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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Catoosa County Health Department, which represents 100%, 100%, and 100%, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those 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 Catoosa County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages vii – xviii, the general fund schedule of revenues, expenditures and changes in fund balances – budget and actual on pages 42 - 46 and the development authority schedule of revenues, expenditures and changes in fund balances – budget and actual on page 47 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Catoosa County, Georgia's basic financial statements. The combining nonmajor fund financial statements, agency funds financial statement, and financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements, agency fund financial statements, and the schedule of expenditures of federal awards 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining nonmajor fund financial statements, agency fund

financial statements, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2017, on our consideration of Catoosa County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Catoosa County, Georgia's internal control over financial reporting and compliance.

*Johnson, Niskey & Menckem, P.C.*

March 28, 2017  
Chattanooga, Tennessee

**Catoosa County, Georgia**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2016**

Management's discussion and analysis provides an objective and easily readable analysis of the Government's financial activities. The analysis provides summary financial information for Catoosa County and should be read in conjunction with the Government's financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Government's basic financial statements comprise three components; (1) *Government-wide financial statements*, (2) *Fund financial statements*, and (3) *Notes to the financial statements*. The *Government-wide financial statements* present an overall picture of the Government's financial position and results of operations. The *Fund financial statements* present financial information for the Government's major funds. The *Notes to the financial statements* provide additional information concerning the Government's finances that are not disclosed in the Government-wide or Fund financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The *Government-wide financial statements* are the Statement of Net Position and the Statement of Activities. These statements use accounting methods like those used by private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental Activities are primarily supported by property taxes, sales taxes, other taxes, federal and state grants, fines, and charges for services. Business-type activities are supported by charges to the users of those activities.

The Statement of Net Position presents information on all assets and liabilities of the Government, with the difference between assets and liabilities reported as net position. Net position is reported in four categories: (1) net investment in capital assets (2) assigned, (3) restricted and (4) unrestricted. Assets, liabilities, and net position is reported for all Governmental activities separate from the assets, liabilities and net position of Business-type activities. In addition, assets, liabilities, and net position is reported for the Catoosa County Health Department which is considered a component unit of the Government.

The Statement of Activities presents information on all revenues and expenses of the Government and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the Government. To assist in understanding the Government's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the Government include public safety, judicial, public works, health and welfare, culture and recreation, and general government services. Business-type activities financed by user charges include storm water and solid waste collections. Again, expenses and revenues of the component unit are reported separately from the primary Government's financial information.

*Fund financial statements* present financial information for governmental funds, proprietary funds, and fiduciary funds. These statements provide financial information for the major funds of Catoosa County. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The proprietary funds financial statements provide information on all assets and



liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. The statement of fiduciary net position provides information concerning assets held in trust by the Government on behalf of others.

*Fund financial statements* include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all governmental funds. A schedule of revenues, expenditures, and changes in fund balances – budget and actual, is provided as required supplementary information for the Government’s General Fund. For the proprietary funds a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows are presented. A statement of fiduciary changes in assets and liabilities is presented for the Government’s agency funds. *Fund financial statements* provide more detailed information about the Government’s activities. Individual funds are established to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

The *Government-wide financial statements* and the *Fund financial statements* provide different pictures of the Government. The *Government-wide financial statements* provide an overall picture of the Government’s financial standing, split between Governmental Activities and Business-type Activities. These statements are comparable to private-sector companies and give a good understanding of the Government’s overall financial health and how the Government paid for the various activities, or functions, provided by the Government. All assets including land, buildings, equipment and infrastructure (which include storm water systems, roads, bridges, traffic signals, etc.) are reported in the Statement of Net Position. All liabilities, including principal outstanding on bonds, capital leases, and future employee benefits obligated but not paid by the Government are reported in the Statement of Net Position. Transactions between the different functions of the Government, however, have been eliminated to avoid a duplication of the revenues and expenses. The *Fund financial statements* provide a picture of the major funds and a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *Fund financial statements* to the *Government-wide financial statements*, reconciliation is provided from the *Fund financial statements* to the *Government-wide financial statements*.

The *Notes to the financial statements* provide additional detail concerning the financial activities and financial balances of the Government. Additional information about the accounting practices of the Government; investments of the Government, long-term debt, and the pension plan are some of the items included in the Notes. The notes to the financial statements can be found on pages 13 to 39 of this report.

## **FINANCIAL HIGHLIGHTS**

Catoosa County’s total assets exceeded total liabilities by \$450.3 million (net position). Total net assets for governmental activities were \$454.1 million; total net assets for business-type activities were a deficit in the amount of \$3.8 million.

**CATOOSA COUNTY, GEORGIA**  
**NET POSITION**  
**(\$ in Millions)**  
**Fiscal Years 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Current and Other Assets</b>	<b>\$ 23.8</b>	<b>\$ 29.6</b>	<b>\$ (1.4)</b>	<b>\$ (1.4)</b>	<b>\$ 22.4</b>	<b>\$ 28.2</b>
<b>Capital Assets</b>	<b>440.4</b>	<b>451.1</b>	<b>3.9</b>	<b>4.2</b>	<b>444.3</b>	<b>455.3</b>
<b>Total Assets</b>	<b>464.2</b>	<b>480.7</b>	<b>2.5</b>	<b>2.8</b>	<b>466.7</b>	<b>483.5</b>
<b>Long-term Liabilities</b>	<b>2.6</b>	<b>3.9</b>	<b>6.0</b>	<b>6.3</b>	<b>8.6</b>	<b>10.2</b>
<b>Other Liabilities</b>	<b>7.5</b>	<b>12.9</b>	<b>0.3</b>	<b>0.3</b>	<b>7.8</b>	<b>13.2</b>
<b>Total Liabilities</b>	<b>10.1</b>	<b>16.8</b>	<b>6.3</b>	<b>6.6</b>	<b>16.4</b>	<b>23.4</b>
<b>Deferred revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>						
<b>Net Investment in Capital Assets</b>	<b>436.5</b>	<b>445.9</b>	<b>3.9</b>	<b>4.2</b>	<b>440.4</b>	<b>450.1</b>
<b>Assigned</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restricted</b>	<b>12.4</b>	<b>16.3</b>	<b>-</b>	<b>-</b>	<b>12.4</b>	<b>16.3</b>
<b>Unrestricted</b>	<b>5.2</b>	<b>1.7</b>	<b>(7.7)</b>	<b>(8.0)</b>	<b>(2.5)</b>	<b>(6.3)</b>
<b>Total Net Position</b>	<b>\$454.1</b>	<b>\$463.9</b>	<b>\$ (3.8)</b>	<b>\$ (3.8)</b>	<b>\$450.3</b>	<b>\$460.1</b>

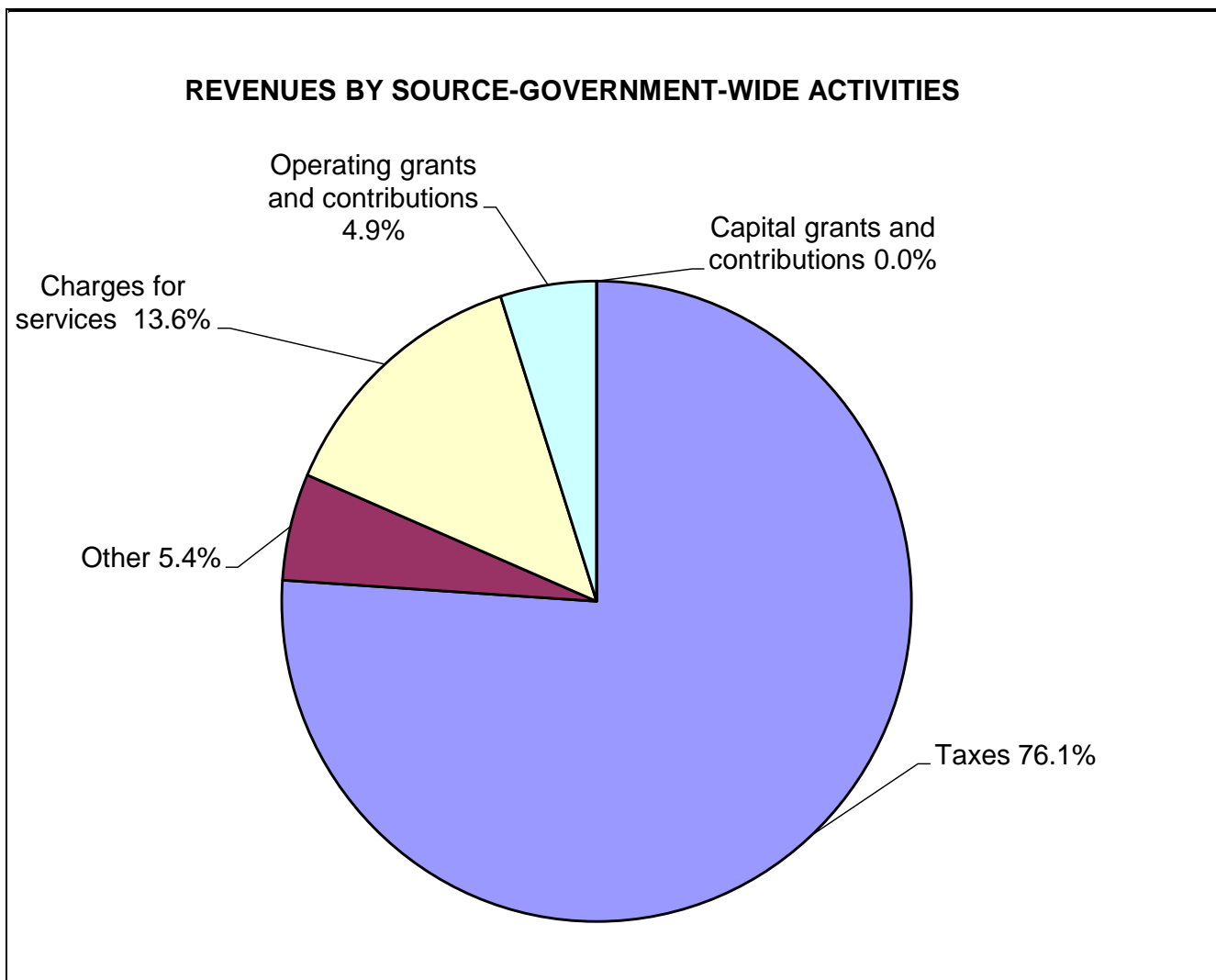
The Government's financial position declined during Fiscal 2016. Total net position declined by \$9.8 million, with all \$9.8 million of the decrease from governmental activities. The decrease in the assets of \$16.8 million is due to a decrease in capital assets of \$11.0 million and a decrease in current and other assets of \$5.8 million. The decrease in capital assets is the result of depreciation of \$12.6 million and sale of land of \$259 thousand partially offset by increases for capital additions of \$1.8 million. The decrease in current and other assets is the result of a decrease of \$5.3 million in cash and cash equivalents, a decrease of \$600 thousand in the receivable due from other governmental entities and a decrease of \$109 thousand in other taxes receivable partially offset by an increase of \$220 thousand in land held for resale. The decrease in cash is due to the settlement of the non-exchange financial guarantee related to the Hutcheson line of credit with Erlanger which resulted in a payment of \$6.2 million. Liabilities decreased \$7.0 million with a decrease of \$8.9 million in accounts payable and a decrease of \$1.6 million long-term liabilities partially offset by an increase of \$3.5 million tax anticipation note. The decrease in accounts payables was due the settlement of the \$8.6 million for the non-exchange financial guarantee related to the Hutcheson line of credit with Erlanger. The reduction of long-term liabilities was the result of retirement of bonds payable \$1.3 million, capital lease obligations \$83 thousand, reduction in landfill post closure care liability \$237 thousand; partially offset by an increase in compensated absences \$57 thousand. Net capital assets in the amount of \$440.4 million comprised the bulk of the net assets of the County. This includes land, buildings, equipment, capital improvements, infrastructure as well as assets currently under construction. Restricted net assets in the amount of \$12.4 million are comprised of \$12.1 million for SPLOST, \$353 thousand for Public Safety which includes Confiscated Assets Fund and DATE Fund and \$68 thousand for Multiple Grant Fund and Capital Projects Grant Fund. The negative balance in unrestricted net assets of \$2.5 million is

composed of a positive balance of \$5.2 million in governmental activities, mainly the General Fund reserve balance, and a negative of \$7.7 million in the business-type activities due to the negative fund equity in the Solid Waste Management Authority because of accrued landfill post closure care costs in the amount of \$6.3 million and a liability of \$1.4 million for the construction of the landfill gas to energy project.

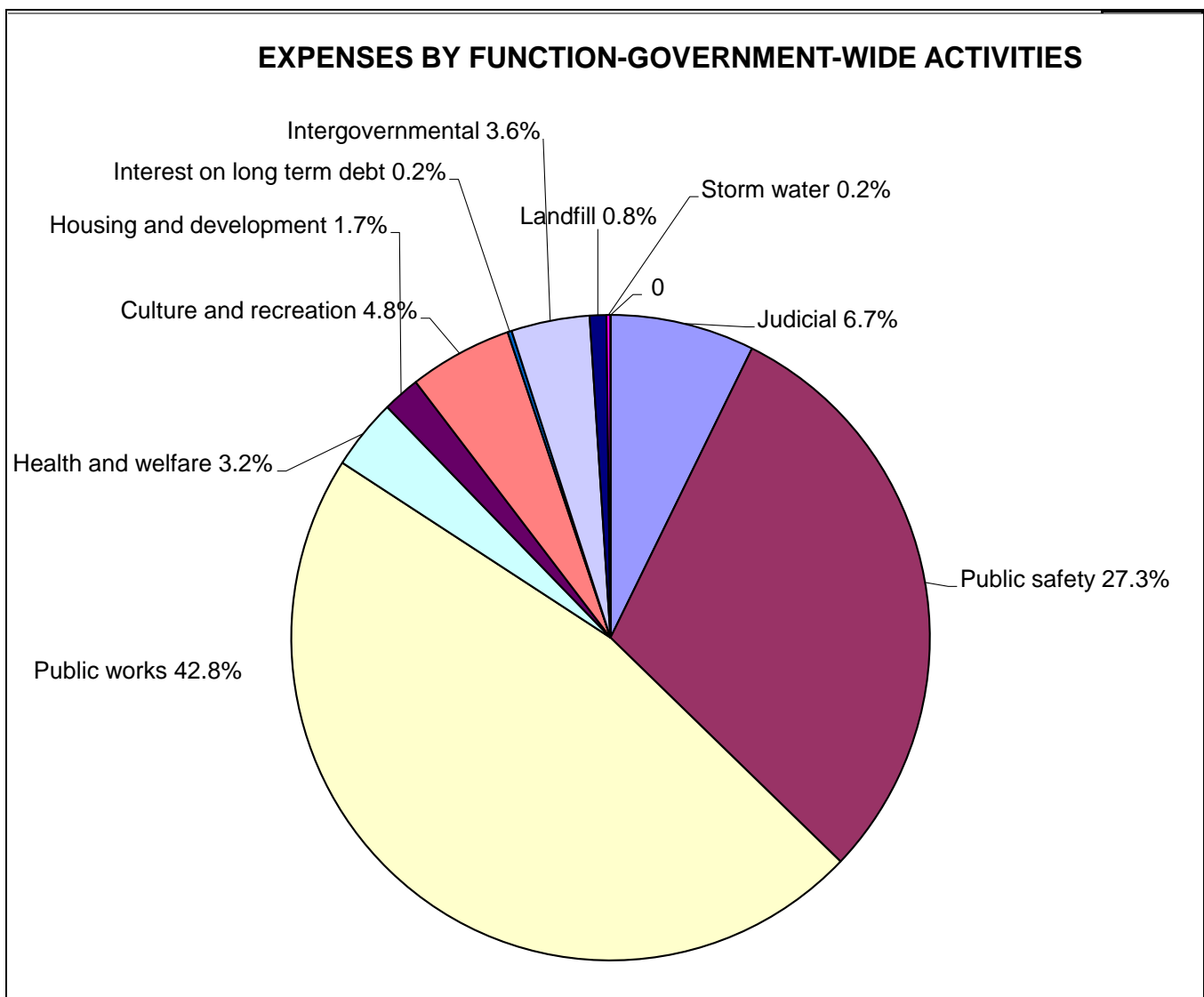
**CATOOSA COUNTY, GEORGIA**  
**CHANGES IN NET POSITION**  
(\$ in Millions)  
**Fiscal Years 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 5.1	\$ 5.3	\$ 0.5	\$ 0.4	\$ 5.6	\$ 5.7
Operating grants and contributions	2.1	1.6	-	-	2.1	1.6
Capital grants and contributions	-	0.3	-	-	-	0.3
General revenues:						
Property taxes	11.7	11.8	-	-	11.7	11.8
Special local option sales tax	9.6	9.8	-	-	9.6	9.8
Local option sales tax	6.8	6.8	-	-	6.8	6.8
Insurance premium tax	2.7	2.5	-	-	2.7	2.5
Federal payments in lieu of taxes	0.5	0.5	-	-	0.5	0.5
Other taxes	0.7	0.6	-	-	0.7	0.6
Franchise fees	0.4	0.4	-	-	0.4	0.4
Interest	-	-	-	-	-	-
Gain (loss) on sale of capital assets	0.2	-	-	-	0.2	-
Other	<u>2.3</u>	<u>0.1</u>	<u>-</u>	<u>-</u>	<u>2.3</u>	<u>0.1</u>
Total revenues	<u>42.1</u>	<u>39.7</u>	<u>0.5</u>	<u>0.4</u>	<u>42.6</u>	<u>40.1</u>
<b>Expenses:</b>						
General government	4.6	4.5	-	-	4.6	4.5
Judicial	3.5	3.2	-	-	3.5	3.2
Public safety	14.3	14.4	-	-	14.3	14.4
Public works	22.4	14.4	-	-	22.4	14.4
Health and welfare	1.7	10.4	-	-	1.7	10.4
Housing and development	0.9	2.3	-	-	0.9	2.3
Culture and recreation	2.5	2.6	-	-	2.5	2.6
Interest on long term debt	0.1	0.1	-	-	0.1	0.1
Intergovernmental	1.9	2.0	-	-	1.9	2.0
Landfill	-	-	0.4	0.4	0.4	0.4
Storm water	-	-	0.1	0.1	0.1	0.1
Total expenses	<u>51.9</u>	<u>53.9</u>	<u>0.5</u>	<u>0.5</u>	<u>52.4</u>	<u>54.4</u>
Change in net position before transfers	(9.8)	(14.2)	-	(0.1)	(9.8)	(14.3)
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	(9.8)	(14.2)	-	(0.1)	(9.8)	(14.3)
Beginning net position	463.9	478.1	(3.8)	(3.7)	460.1	474.4
Prior period adjustment	-	-	-	-	-	-
Ending net position	<u>\$ 454.1</u>	<u>\$ 463.9</u>	<u>\$ (3.8)</u>	<u>\$ (3.8)</u>	<u>\$ 450.3</u>	<u>\$ 460.1</u>

Total government-wide revenues for 2016 were \$42.6 million, an increase of \$2.5 million from \$40.1 million in 2015. The increase was the result of a \$2.3 million discount related to the settlement of the \$8.6 million liability for the non-exchange financial guarantee related to the Hutcheson line of credit with Erlanger, increases in operating grants and contributions of \$492 thousand, insurance premium tax \$178 thousand and gain on sale of capital assets \$176 thousand. The increases were partially offset by a reduction of \$235 thousand in capital grants and contributions, \$189 thousand charges for services, \$166 thousand property taxes, \$132 thousand special local option sales tax, \$92 thousand local option sales tax and \$34 thousand other taxes. The revenues are distributed by the following sources: \$32.4 million in taxes, \$5.6 million in charges for services, \$2.3 million other, \$2.1 million in operating grants and contributions and \$176 thousand gain on sale of capital assets. Of this amount \$42.1 million was in governmental activities and \$457 thousand was in business type activities. The chart below shows graphically the distribution of government-wide revenues by source.



Government-wide expenses were \$52.4 million for 2016, a decrease of \$2.0 million from \$54.4 million for 2015. The decrease was the result of reductions in health and welfare \$8.7 million, housing and development \$1.4 million, public safety \$159 thousand, intergovernmental \$96 thousand and culture and recreation \$91 thousand. The decrease in health and welfare was the result of having recognized in prior year the \$8.6 million liability and the corresponding expense for the non-exchange financial guarantee related to the Hutcheson line of credit with Erlanger. The decreases were partially offset by increases in public works of \$8.0 million, judicial \$282 thousand and general government \$110 thousand. The increase in public works was due to an increase of \$8.0 million in SPLOST Fund expenditures on capital projects due to closing out 2004 and 2009 SPLOST sewer projects and starting 2014 SPLOST cycle projects now that sufficient funds have been collected. Of the total expenses, \$51.9 million were for governmental activities and \$520 thousand for business-type activities. The following chart shows graphically further detail of government-wide expenses by function



## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Major Governmental Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Revenues in the governmental funds were \$39.6 million, a decrease of \$93 thousand from \$39.7 million in 2015. The decrease was the result of a decrease in the General Fund of \$257 thousand due to reductions in taxes \$75 thousand, intergovernmental \$56 thousand, fines, fees and forfeitures \$214 thousand; partially offset by increases in licenses and franchises \$3 thousand, charges for services \$9 thousand, investment earnings \$8 thousand and other \$68 thousand. Decrease in Other Governmental Funds of \$169 thousand due to reductions in intergovernmental \$157 thousand and other \$12 thousand. The decreases were partially offset by an increase of \$333 thousand in SPLOST Capital Projects revenue.

Expenditures in the governmental funds were \$42.7 million, a decrease of \$4.6 million from \$47.3 million in 2015. The decrease was the result of a decrease in General Fund of \$8.1 million due to a reduction in health and welfare of \$8.7 million due to in the prior year having recognized the \$8.6 million liability and the corresponding expense for the non-exchange financial guarantee related to the Hutcheson line of credit with Erlanger; partially offset by increases in judicial of \$278 thousand, general government \$69 thousand, public safety \$128 thousand, public works \$71 thousand, housing and development \$43 thousand and culture and recreation \$30 thousand. Decrease in Development Authority of \$2.9 million due to reductions in housing and development \$1.4 million, capital outlay \$1.2 million, debt service principal \$300 thousand and debt service interest \$23 thousand. The decreases were partially offset by an increase of \$6.2 million in SPLOST Capital Projects and \$168 thousand in Other Governmental Funds.

Other financing sources and uses were favorable, a source of funds of \$2.8 million, an improvement of \$2.7 million from a source of funds of \$30 thousand in 2015. The increase was the result of an increase of \$436 thousand in proceeds from sale of assets and \$2.3 million for discount on payment to others as the result of a favorable settlement of the \$8.6 million liability for the non-exchange financial guarantee related to the Hutcheson line of credit with Erlanger; partially offset by a \$5 thousand decrease in insurance proceeds.

As the County completed the year, its governmental funds reported a combined fund balance of \$18.1 million a decrease of \$302 thousand from \$18.4 million in 2015. The General Fund, which is the chief operating fund of the County increased \$3.2 million, Development Authority increased \$317 thousand, SPLOST Capital Projects Fund decreased \$3.8 million and Other Governmental Funds decreased \$80 thousand.

## **Major Proprietary Funds**

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Operating revenues in business type activities were \$457 thousand, a decrease of \$9 thousand from \$466 thousand in 2015. The decrease was due to a reduction in fees.

Operating expenses in business-type activities were \$520 thousand, a decrease of \$14 thousand from \$534 thousand in 2015. The reduction is due to decrease of \$2 thousand in operating expenses in Solid Waste Management and a reduction of \$12 thousand in operating expenses in Public Works.

The proprietary funds reported a reduction in net position of \$63 thousand for the period ended 2016.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Board of Commissioners were required to amend the budget to account for having received less revenue than previously anticipated and although having been required to meet changing governmental expenses and needs which arose during the fiscal year the County was able to accomplish these needs with less than anticipated expenditures. After the amendment, actual revenues exceeded budgeted revenues by \$23 thousand and budgeted expenditures exceeded actual expenditures by \$921 thousand.

The excess of actual revenue over budgeted revenue was due to the actual insurance premium tax exceeded budgeted by \$23 thousand.

The excess of budgeted expenditures over actual expenditures were primarily due to the following expenditure categories where budgeted exceeded actual: judicial \$50 thousand, general government \$251 thousand, public safety \$430 thousand, public works \$180 thousand and health and welfare \$10 thousand. The favorable variances were fairly distributed over all functions as the effort continues to control expenditures during these current economic times.

The excess of actual other financing sources exceeded budgeted other financing sources by \$2.3 due to discount on payable to others.

General fund operations for 2016 resulted in a fund balance of \$7.1 million, an increase of \$3.2 million from \$3.9 million in 2015. The \$3.2 million increase is the result of the excess of revenues and other sources over expenditures and other uses.

## **CAPITAL ASSETS ACTIVITY**

Investment in capital assets, net of accumulated depreciation, of the primary government decreased \$11,046,732. Beginning balance was \$455,317,027, plus current year additions of \$1,818,105, less current year depreciation of \$12,605,909, less net dispositions of \$258,928 and reclassifications,



resulted in an ending balance of \$444,270,295. The CIP additions in the amount of \$920 thousand includes expenditures for courthouse renovations \$355 thousand, 911 equipment upgrade \$246 thousand, Three Notch / Poplar Springs intersection improvement \$144 thousand, sheriff lobby renovations \$84 thousand, firing range \$66 thousand, Fire Station # 3 renovations \$16 thousand, Trans aid two buses \$8 thousand and Jack Mattox renovations \$1 thousand. Land improvements in the amount of \$128 thousand includes improvements to Nutrition / Freedom Center Building. The building addition of \$20 thousand was for the construction of a pole barn for equipment storage. The vehicle purchases in the amount of \$427 thousand includes ten vehicles for the Sheriff Department \$295 thousand, three pickups Public Works \$79 thousand and Animal Control \$26 thousand and one explorer Board of Commissioners \$27. The equipment purchases in the amount of \$323 thousand includes use of force simulator, body cameras, vehicle cameras and various items of computer equipment for Public Safety of \$134 thousand, asphalt roller, New Holland tractor, snow plow, sand spreader and various other items of road equipment Public Works \$116 thousand, zero turn mower, golf cart and early literacy stations Culture and Recreation \$34 thousand, two snow plows, two sand spreaders equipment trailer and storage building for General Government \$30 thousand and computer equipment for Judicial \$9 thousand. Dispositions in the amount of \$580 thousand included the sale of land in the amount of \$259 thousand, vehicles and equipment in the amount of \$321 thousand retired all of which were fully depreciated with a NBV of zero included \$180 thousand in vehicles and \$141 thousand in equipment. Most capital additions were funded by Capital Project Grants, SPLOST, J.C.S.A. or Confiscated Asset Funds. Additional information on the County's capital assets can be found in Note (5) on pages 25 to 28 of this report.

A summary of activity in capital assets, net of depreciation, of the primary government for the year ended September 30, 2016, is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Depreciation</b>	<b>Dispositions /Reclass</b>	<b>Ending Balance</b>
<b>Land</b>	\$ 6,405,286	\$ -	\$ -	\$ (258,928)	\$ 6,146,358
<b>CIP</b>	2,258,619	920,192		(2,759,830)	418,981
<b>Land Improvements</b>	5,296,671	127,542	385,829	1,424,540	6,462,924
<b>Infrastructure</b>	411,876,474	-	10,355,666	610,020	402,130,828
<b>Buildings</b>	25,488,527	20,286	509,168		24,999,645
<b>Equipment, vehicles, furniture &amp; fixtures</b>	3,991,450	750,085	1,355,246	725,270	4,111,559
	<u>\$ 455,317,027</u>	<u>\$ 1,818,105</u>	<u>\$ 12,605,909</u>	<u>\$ (258,928)</u>	<u>\$ 444,270,295</u>

## THE GOVERNMENT'S DEBT

The capital lease obligations represent the balance remaining on the lease financing for the lease purchase of sheriff's vehicles \$47,209. The bonds payable of the Catoosa County Development Authority consists of tax exempt revenue bond Series 2014A \$1,505,400 and taxable revenue bond

Series 2014B \$2,336,400. The post closure obligations are \$1,793,459 for Site #1 and \$4,546,983 for Site #2 which is The Georgia Environmental Protection Division estimate of the future liability for the next eighteen to twenty-four years respectively. The compensated absences represent the cumulative and vesting for unpaid employee vacation and sick leave. Additional information on the county's debt can be found in Note (7) on pages 29 to 33 of this report.

A summary of activity in long-term debt of the primary government for the year ended September 30, 2016, is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Capital lease obligations</b>	\$ 130,220		\$ (83,011)	\$ 47,209
<b>Bonds payable</b>	5,122,400	-	(1,280,600)	3,841,800
<b>Landfill closure / Postclosure obligation</b>	6,577,856	-	(237,414)	6,340,442
<b>Compensated absences</b>	577,547	57,493	-	635,040
	<u>\$ 12,408,023</u>	<u>\$ 57,493</u>	<u>\$ (1,601,025)</u>	<u>\$ 10,864,491</u>

## STATUS OF THE CATOOSA COUNTY ECONOMY

Retail sales taxes for the fiscal year 2016 were down \$92 thousand, or 1.4% compared to fiscal year 2015. The net digest for real, personal, mobile home, timber and equipment is up \$35.7 million, or 2.4% for 2016 over 2015

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## REQUESTS FOR INFORMATION

This report was prepared by the Finance Department of Catoosa County and is designed to present a general overview of the County's accountability. Questions concerning this report or requests for additional information can be obtained by contacting the Chief Financial Officer at [carl.henson@catoosa.com](mailto:carl.henson@catoosa.com) or at the following address and telephone number:

Catoosa County Government  
Finance Department  
800 Lafayette Street  
Ringgold, Ga. 30736  
706-965-2500

The Catoosa County Health Department, a component unit of Catoosa County, issues separately audited financial statements. Requests for additional information may be directed to:

Catoosa County Health Department  
Finance Office  
P.O. Box 609  
Lafayette, Ga. 30728  
706-638-5577

**CATOOSA COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2016**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and cash equivalents				
Available	\$ 17,759,624	\$ -	\$ 17,759,624	\$ 1,525,779
Restricted for specific use	398,300	-	398,300	-
Certificates of deposit				
Restricted for specific use	1,207,721		1,207,721	
Investments	10,960	-	10,960	-
Due from other funds	1,392,514	(1,392,514)	-	-
Due from other governmental entities	1,460,058	-	1,460,058	165,933
Property taxes receivable	226,681	-	226,681	-
Other taxes receivable	716,079	-	716,079	-
Accounts receivable	-	-	-	680
Prepaid expenses	424,601	-	424,601	-
Prepaid supplies	50,233	-	50,233	13,249
Loan costs	-	-	-	-
Land held for resale	220,000	-	220,000	-
Land and other nondepreciable assets	4,796,202	1,769,137	6,565,339	-
Other capital assets, net	435,601,682	2,103,274	437,704,956	7,318
Total assets	\$ 464,264,655	\$ 2,479,897	\$ 466,744,552	\$ 1,712,959
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Employer pension contributions	\$ -	\$ -	\$ -	\$ 219,779
Total deferred outflows of resources	\$ -	\$ -	\$ -	\$ 219,779
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 1,972,037	\$ 2,275	\$ 1,974,312	\$ 1,728
Tax anticipation note	3,500,000	-	3,500,000	-
Due to heirs, litigants and others	71,875	-	71,875	-
Due to other governments	-	-	-	44,899
Long-term liabilities				
Due within one year	1,962,849	303,193	2,266,042	47,732
Due in more than one year	2,561,200	6,037,249	8,598,449	1,259,701
Total liabilities	\$ 10,067,961	\$ 6,342,717	\$ 16,410,678	\$ 1,354,060
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	\$ 37,422	\$ -	\$ 37,422	\$ -
Earnings on pension plan investments	-	-	-	127,467
Total deferred inflows of resources	\$ 37,422	\$ -	\$ 37,422	\$ 127,467
<b>NET POSITION</b>				
Net investment in capital assets	\$ 436,508,875	\$ 3,872,411	\$ 440,381,286	\$ 7,318
Assigned	-	-	-	-
Restricted for				
SPLOST capital projects	12,080,514	-	12,080,514	-
Public safety	352,576	-	352,576	-
Family health and welfare	4,379	-	4,379	-
Unrestricted	5,212,928	(7,735,231)	(2,522,303)	443,893
Total net position	\$ 454,159,272	\$ (3,862,820)	\$ 450,296,452	\$ 451,211

(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
<b>PRIMARY GOVERNMENT</b>								
Governmental activities								
Judicial	\$ 3,526,289	\$ 1,187,809	\$ 88,565	\$ -	\$ (2,249,915)	\$ -	\$ (2,249,915)	\$ -
General government	4,617,441	927,623	88,230	-	(3,601,588)	-	(3,601,588)	-
Public safety	14,265,465	1,984,797	54,236	-	(12,226,432)	-	(12,226,432)	-
Public works	22,379,981	-	1,029,604	-	(21,350,377)	-	(21,350,377)	-
Health and welfare	1,652,439	49,813	720,275	-	(882,351)	-	(882,351)	-
Housing and development	931,109	346,324	-	-	(584,785)	-	(584,785)	-
Culture and recreation	2,473,068	633,230	155,234	13,143	(1,671,461)	-	(1,671,461)	-
Intergovernmental	1,903,832	-	-	-	(1,903,832)	-	(1,903,832)	-
Interest	87,279	-	-	-	(87,279)	-	(87,279)	-
Total governmental activities	51,836,903	5,129,596	2,136,144	13,143	(44,558,020)	-	(44,558,020)	-
Business-type activities								
Landfill services	439,987	421,865	-	-	-	(18,122)	(18,122)	-
Stormwater management	80,195	35,340	-	-	-	(44,855)	(44,855)	-
Total business-type activities	520,182	457,205	-	-	-	(62,977)	(62,977)	-
Total primary government	52,357,085	5,586,801	2,136,144	13,143	(44,558,020)	(62,977)	(44,620,997)	-
<b>COMPONENT UNITS</b>								
Health Department	1,447,529	608,727	694,646	-	-	-	-	(144,156)
Total component units	\$ 1,447,529	\$ 608,727	\$ 694,646	\$ -	-	-	-	(144,156)
<b>GENERAL REVENUES</b>								
Property taxes					11,673,219	-	11,673,219	-
Special local option sales tax					9,632,906	-	9,632,906	-
Local option sales tax					6,748,811	-	6,748,811	-
Insurance premium tax					2,694,931	-	2,694,931	-
Federal payments in lieu of taxes					448,767	-	448,767	-
Other taxes					676,893	-	676,893	-
Franchise fees					370,652	-	370,652	-
Interest					41,333	-	41,333	13,943
Gain (loss) on sale of capital assets					184,680	-	184,680	-
Insurance proceeds					16,972	-	16,972	-
Other					2,336,411	-	2,336,411	486,186
Total general revenues					34,825,575	-	34,825,575	500,129
<b>TRANSFERS</b>					-	-	-	-
Change in net position					(9,732,445)	(62,977)	(9,795,422)	355,973
<b>NET POSITION</b>								
Beginning					463,891,717	(3,799,843)	460,091,874	95,238
Ending					\$ 454,159,272	\$ (3,862,820)	\$ 450,296,452	\$ 451,211

(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2016**

	General Fund	Development Authority	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,690,062	\$ 312,914	\$ 11,756,648	-	\$ 17,759,624
Certificates of deposit	1,207,721	-	-	-	1,207,721
Restricted cash	-	-	398,300	-	398,300
Investments	10,960	-	-	-	10,960
Due from other governmental entities	1,460,058	-	-	-	1,460,058
Due from other funds	3,436,092	-	-	523,618	3,959,710
Property taxes receivable	226,681	-	-	-	226,681
Other taxes receivable	-	-	716,079	-	716,079
Prepaid expenses	424,601	-	-	-	424,601
Prepaid supplies	50,233	-	-	-	50,233
Land held for resale	-	220,000	-	-	220,000
	<u>-</u>	<u>220,000</u>	<u>-</u>	<u>-</u>	<u>220,000</u>
Total assets	<u>\$ 12,506,408</u>	<u>\$ 532,914</u>	<u>\$ 12,871,027</u>	<u>\$ 523,618</u>	<u>\$ 26,433,967</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,111,178	\$ 2,411	\$ 781,374	\$ 58,780	\$ 1,953,743
Due to heirs, litigants and others	71,875	-	-	-	71,875
Due to other funds	523,618	2,034,439	9,139	-	2,567,196
Tax anticipation note	3,500,000	-	-	-	3,500,000
	<u>5,206,671</u>	<u>2,036,850</u>	<u>790,513</u>	<u>58,780</u>	<u>8,092,814</u>
Total liabilities	<u>5,206,671</u>	<u>2,036,850</u>	<u>790,513</u>	<u>58,780</u>	<u>8,092,814</u>
<b>Deferred inflows of resources</b>					
Deferred tax revenue	181,337	-	-	-	181,337
Deferred grant revenue	-	-	-	37,422	37,422
	<u>181,337</u>	<u>-</u>	<u>-</u>	<u>37,422</u>	<u>218,759</u>
Total deferred inflows of resources	<u>181,337</u>	<u>-</u>	<u>-</u>	<u>37,422</u>	<u>218,759</u>
<b>Fund balances</b>					
Nonspendable					
Prepaid items	474,834	-	-	-	474,834
Restricted for					
SPLOST projects	-	-	12,080,514	-	12,080,514
Capital projects	-	-	-	64,089	64,089
Public safety	-	-	-	352,576	352,576
Health and welfare	-	-	-	4,379	4,379
Unassigned	6,643,566	(1,503,936)	-	6,372	5,146,002
	<u>7,118,400</u>	<u>(1,503,936)</u>	<u>12,080,514</u>	<u>427,416</u>	<u>18,122,394</u>
Total fund balances	<u>7,118,400</u>	<u>(1,503,936)</u>	<u>12,080,514</u>	<u>427,416</u>	<u>18,122,394</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,506,408</u>	<u>\$ 532,914</u>	<u>\$ 12,871,027</u>	<u>\$ 523,618</u>	<u>\$ 26,433,967</u>

(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2016**

Differences in amounts reported for governmental activities in the statement of net position on page 1:

Fund balances – total governmental funds	\$ 18,122,394
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Amounts reported for governmental activities in the statement of net position are different because:

Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	181,337
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	440,397,884
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Accrued interest is not due and payable in the current period and therefore is not reported in the funds.	(18,294)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,524,049)</u>
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	<u>\$ 454,159,272</u>
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(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2016**

	General Fund	Development Authority	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 21,715,883	\$ -	\$ 9,632,906	\$ -	\$ 31,348,789
Licenses and franchises	431,522	-	-	-	431,522
Charges for services	596,828	-	-	1,158,279	1,755,107
Intergovernmental	870,567	-	997,744	643,007	2,511,318
Fines, fees and forfeitures	2,285,030	-	-	284,069	2,569,099
Investment earnings	40,786	542	31,860	5	73,193
Other	882,078	-	-	24,360	906,438
Total revenues	<u>26,822,694</u>	<u>542</u>	<u>10,662,510</u>	<u>2,109,720</u>	<u>39,595,466</u>
<b>EXPENDITURES</b>					
Current					
Judicial	3,483,799	-	-	-	3,483,799
General government	4,404,568	-	56,068	-	4,460,636
Public safety	11,828,384	-	59,968	1,399,367	13,287,719
Public works	2,129,257	-	9,689,843	-	11,819,100
Health and welfare	1,088,484	-	-	460,814	1,549,298
Housing and development	733,756	108,303	-	-	842,059
Culture and recreation	1,942,868	-	113,853	142,052	2,198,773
Intergovernmental	-	-	1,903,832	-	1,903,832
Capital outlay	-	-	1,225,172	433,000	1,658,172
Debt service					
Principal	55,233	1,280,600	27,778	-	1,363,611
Interest	2,140	91,149	89	-	93,378
Total expenditures	<u>25,668,489</u>	<u>1,480,052</u>	<u>13,076,603</u>	<u>2,435,233</u>	<u>42,660,377</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,154,205	(1,479,510)	(2,414,093)	(325,513)	(3,064,911)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	18,608	425,000	-	-	443,608
Insurance proceeds	16,972	-	-	-	16,972
Discount on payable to others	2,302,500	-	-	-	2,302,500
Transfers from other funds	-	1,371,749	-	245,891	1,617,640
Transfers to other funds	(245,891)	-	(1,371,749)	-	(1,617,640)
<b>NET CHANGE IN FUND BALANCES</b>	3,246,394	317,239	(3,785,842)	(79,622)	(301,831)
<b>FUND BALANCES</b>					
Beginning	<u>3,872,006</u>	<u>(1,821,175)</u>	<u>15,866,356</u>	<u>507,038</u>	<u>18,424,225</u>
Ending	<u>\$ 7,118,400</u>	<u>\$ (1,503,936)</u>	<u>\$ 12,080,514</u>	<u>\$ 427,416</u>	<u>\$ 18,122,394</u>

(The accompanying notes are an integral part of these statements.)



**CATOOSA COUNTY, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2016**

Differences in amounts reported for governmental activities in the statement of activities on page 2:

Net change in fund balances – total governmental funds	\$ (301,831)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlay reported as expenditures in the governmental funds are reported as capital assets in the statement of activities.	1,818,105
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Depreciation expense on governmental capital assets are included in the statement of activities.	(12,306,848)
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Long-term liabilities in the statement of net position include an estimated liability for compensated absences. These are planned to be liquidated with future resources; therefore, the increase or decrease in the liability does not affect expenditures in the governmental funds.	(57,493)
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The net effect of various transactions involving capital assets (i.e. sales, trade-ins, and disposals) is to decrease net position.	(258,928)
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Certain governmental revenues will not be collected for several months after the fiscal year and are deferred in the governmental funds.	4,840
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Payment of accrued interest associated with long-term debt is an expenditure in the governmental funds, but the repayment reduces the accrued interest payable in the statement of net position	6,099
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Repayment of long-term debt and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<div style="border-top: 1px solid black; display: inline-block; width: 100%;">1,363,611</div>
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	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ (9,732,445)</div>
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(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2016**

	<u>Business-Type Activities</u>		
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	
	<u>Solid Waste Management Authority</u>	<u>Public Works Authority</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
<b>CAPITAL ASSETS</b>			
Land	\$ 1,738,360	\$ 30,777	\$ 1,769,137
Land improvements	6,601,955	898,093	7,500,048
Buildings	40,465	-	40,465
Equipment and vehicles	<u>1,846,650</u>	<u>30,815</u>	<u>1,877,465</u>
	10,227,430	959,685	11,187,115
Less accumulated depreciation	<u>6,714,419</u>	<u>600,285</u>	<u>7,314,704</u>
Net capital assets	<u>3,513,011</u>	<u>359,400</u>	<u>3,872,411</u>
Total assets	<u>\$ 3,513,011</u>	<u>\$ 359,400</u>	<u>\$ 3,872,411</u>
<b><u>LIABILITIES AND NET POSITION</u></b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 2,028	\$ 247	\$ 2,275
Due to other funds	1,392,514	-	1,392,514
Accrued closure and postclosure care costs	<u>303,193</u>	<u>-</u>	<u>303,193</u>
Total current liabilities	<u>1,697,735</u>	<u>247</u>	<u>1,697,982</u>
<b>LONG-TERM LIABILITIES</b>			
Accrued postclosure care costs	<u>6,037,249</u>	<u>-</u>	<u>6,037,249</u>
Total long-term liabilities	<u>6,037,249</u>	<u>-</u>	<u>6,037,249</u>
Total liabilities	<u>7,734,984</u>	<u>247</u>	<u>7,735,231</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,513,011	359,400	3,872,411
Unrestricted	<u>(7,734,984)</u>	<u>(247)</u>	<u>(7,735,231)</u>
	<u>(4,221,973)</u>	<u>359,153</u>	<u>(3,862,820)</u>
Total liabilities and net position	<u>\$ 3,513,011</u>	<u>\$ 359,400</u>	<u>\$ 3,872,411</u>

(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<u>Business-Type Activities</u>		
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	
	<u>Solid Waste Management Authority</u>	<u>Public Works Authority</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
User fees	\$ 421,865	\$ 35,340	\$ 457,205
Total revenues	<u>421,865</u>	<u>35,340</u>	<u>457,205</u>
<b>OPERATING EXPENSES</b>			
Depreciation	254,156	44,905	299,061
General operating expenses	<u>185,831</u>	<u>35,290</u>	<u>221,121</u>
Total expenses	<u>439,987</u>	<u>80,195</u>	<u>520,182</u>
<b>OPERATING LOSS</b>	(18,122)	(44,855)	(62,977)
<b>NET POSITION</b>			
Beginning	<u>(4,203,851)</u>	<u>404,008</u>	<u>(3,799,843)</u>
Ending	<u>\$ (4,221,973)</u>	<u>\$ 359,153</u>	<u>\$ (3,862,820)</u>

(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<u>Business-Type Activities</u>		
	<u>Major Fund</u>	<u>Nonmajor Fund</u>	
	<u>Solid Waste Management Authority</u>	<u>Public Works Authority</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from user fees	\$ 421,865	\$ 35,340	\$ 457,205
Payments to suppliers for goods or services	<u>(426,181)</u>	<u>(35,340)</u>	<u>(461,521)</u>
Net cash used by operating activities	<u>(4,316)</u>	<u>-</u>	<u>(4,316)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Loan from other funds	<u>4,316</u>	<u>-</u>	<u>4,316</u>
Net cash provided by capital and related financing activities	<u>4,316</u>	<u>-</u>	<u>4,316</u>
<b>NET CHANGE IN CASH</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>			
Operating loss	\$ (18,122)	\$ (44,855)	\$ (62,977)
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation	254,156	44,905	299,061
Net change in operating liabilities	<u>(240,350)</u>	<u>(50)</u>	<u>(240,400)</u>
Net cash used by operating activities	<u>\$ (4,316)</u>	<u>\$ -</u>	<u>\$ (4,316)</u>

(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**SEPTEMBER 30, 2016**

**Agency  
Funds**

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**ASSETS**

Cash and cash equivalents	\$ 2,712,440
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Total assets	<u>\$ 2,712,440</u>
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**LIABILITIES**

Due to heirs, litigants, and others	\$ 1,720,979
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Due to other governmental entities	<u>991,461</u>
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Total liabilities	<u>\$ 2,712,440</u>
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(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**COMPONENT UNIT**  
**SEPTEMBER 30, 2016**

	<b>Catoosa County Health Department June 30, 2016</b>
<b>ASSETS</b>	
Cash	\$ 1,525,779
Accounts receivable	680
Due from other governments	165,933
Inventory	13,249
Other capital assets, net of accumulated depreciation	<u>7,318</u>
Total assets	<u><u>\$ 1,712,959</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 219,779</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 1,728
Due to other governments	44,899
Long-term liabilities	
Due within one year	47,732
Due in more than one year	<u>1,259,701</u>
Total liabilities	<u><u>\$ 1,354,060</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u><u>\$ 127,467</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	7,318
Unrestricted	<u>443,893</u>
Total net position	<u><u>\$ 451,211</u></u>

(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**COMPONENT UNIT**  
**YEAR ENDED JUNE 30, 2016**

<u>Functions/Programs</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for Service</u>	<u>Revenue and Changes in Net Position</u>
		<u>Operating Grants and Contributions</u>	<u>Total</u>
<b>Catoosa County Health Department</b>			
Health Department operations	<u>1,447,529</u>	<u>608,727</u>	<u>694,646</u>
			<u>(144,156)</u>
Total component units	<u>\$ 1,447,529</u>	<u>\$ 608,727</u>	<u>\$ 694,646</u>
			<u>(144,156)</u>
<b>GENERAL REVENUES</b>			
		Intergovernmental funding	486,186
		Interest	<u>13,943</u>
		Total general revenues	<u>500,129</u>
		Change in net position	355,973
<b>NET POSITION</b>			
		Beginning	<u>95,238</u>
		Ending	<u>\$ 451,211</u>

(The accompanying notes are an integral part of these statements.)

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Catoosa County, Georgia (the County) was organized by Georgia Acts of 1853. The County is governed by a five-member Board of Commissioners, with day-to-day operations vested in an appointed county manager.

The accounting policies of the County conform to generally accepted accounting principles applicable to local governments. The more significant accounting policies of the County are summarized below.

**Reporting Entity**

The accompanying financial statements include all funds of Catoosa County, Georgia (the primary government) as well as its component units, entities for which the County is financially accountable.

The County's financial statements include the financial statements (the only ones available) of the Catoosa County Solid Waste Management Authority and the Catoosa County Public Works Authority. These entities are reported as blended component units, as they provide services to the County and its citizens and are governed by boards controlled by members of the Board of Commissioners. The rates for user charges and debt authorizations are subject to approval by the Catoosa County Board of Commissioners. The Authorities are reported as enterprise funds.

The County's financial statements also include the financial statements (the only ones available) of the Catoosa County Development Authority. The development authority is reported as a blended component unit. The Catoosa County Development Authority was created by legislative act in the State of Georgia. The Board is appointed by the County Board of Commissioners which must approve Authority debt for which the Board is ultimately responsible. The purpose of the development authority is to develop industry in the County by assisting in the purchase and financing of property through bond issues and other debt. This component unit operates as a special revenue fund. In prior years, the Catoosa County Development Authority was presented as a discretely presented component unit. In accordance with current guidance, the development authority was blended in the current year because the development authority's total debt outstanding is expected to be repaid entirely with resources of the primary government.

The discretely presented component units include organizations which are legally separate from the primary government. They are considered component units because a majority of their boards are appointed by the County and because there is a financial benefit/burden relationship with the County. Discretely presented component units are as follows:

The Development Authority of Catoosa County (which had no assets and no activity during the current year) was created by legislative act in the State of Georgia. The Board of the Catoosa County Development Authority and the Board of the Development Authority of Catoosa County are the same, and are appointed by the County Board of Commissioners which must approve Authority debt for which the Board is ultimately responsible. The purpose of the development authority is to develop industry in the County by assisting in the purchase and financing of property through bond issues and other debt. This component unit operates as an enterprise fund. There are no financial statements available for the Development Authority of Catoosa County due to no assets and current year activity.



**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Reporting Entity (continued)**

The Catoosa County Health Department was created by legislative act in the State of Georgia and provides health care services and education to County residents. The Catoosa County Board of Health, the governing authority of the Health Department, is composed of seven members, three of whom are appointed by the County Board of Commissioners and one of whom is the chief executive officer of the Board of Commissioners.

The Catoosa County Health Department issues separately audited financial statements. Copies of these financial statements may be obtained from the Catoosa County Health Department, Ringgold, Georgia. In its separately audited financial statements, the Catoosa County Health Department is reported as a general fund. The Health Department's fiscal year end is June 30.

The following organizations have separately selected governing bodies, and are legally separate and fiscally independent from the County. Therefore, they are not considered component units of Catoosa County and are excluded from the accompanying financial statements:

Catoosa County Board of Education  
Catoosa County Department of Family and Children's Services  
Catoosa Utility District

**Basis of Presentation**

The County presents government-wide as well as fund level financial statements with activities at both levels categorized as either governmental or business-type. The government-wide statements of net position and activities have eliminated internal balances and transfers between the activities of the governmental funds, which were presented separately in the fund financial statements. Transfers between governmental activities and business-type activities of the primary government are separately stated on the government-wide statement of net position. As further discussed in Note 3, cash balances held by agency funds for governmental activities of the primary government are eliminated in the government-wide statement of net position and in the fund financial statements. The government-wide statement of activities reflects both the gross and net cost of functional categories which are otherwise supported by general government revenues. The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues are those directly associated with the function and include revenues from fines and forfeitures, licenses and permit fees, and charges for services. Operating and capital grants and contributions are limited to the funding of a specific operating expense or capital acquisition.

At the fund level, major funds are presented separately while nonmajor funds are combined into a single column. Major funds are determined based on their percentage of assets, liabilities, revenues or expenditures compared to the total of the same for all governmental funds, and on their percentage of the same for the total of all governmental and proprietary funds, as applicable. The general fund, Development Authority, and the SPLOST capital projects fund are reported as major governmental funds. The Solid Waste Management Authority is a major enterprise fund.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Accounting**

The government-wide financial statements, consisting of the statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liability is incurred. The government-wide financial statements report information on all of the nonfiduciary activities of the County as a whole.

The fund-level financial statements of the governmental funds, consisting of the general fund, special revenue funds, and capital projects funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they are susceptible to accrual, which is defined as being both measurable, meaning that the amount of the transaction can be determined, and available, meaning collectible within the current period or soon enough thereafter (generally defined as within 60 days) to be used to pay liabilities of the current period. Those revenues susceptible to accrual are property and other taxes, federal and state grants, other state funds, interest income and charges for services. Expenditures are generally recognized when the liability is incurred. Exceptions to this general rule include accumulated unpaid vacation, sick pay and other employee amounts which are expected to be liquidated with future resources.

Since the governmental funds statements are presented on a different measurement focus and basis of accounting than the governmental activities column in the government-wide financial statements, a reconciliation is presented on the page following the applicable fund statement which reconciles the adjustments necessary to convert the fund financial statements to the governmental activities column of the government-wide presentation.

All business-type activities, including the primary government proprietary funds, use the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when the liability is incurred. Operating revenues of proprietary funds are those revenues that result from the activities of the fund, such as charges for services. All other revenue is considered nonoperating revenue and includes grants, investment earnings, and gain on the sale of capital assets. Likewise, operating expenses are those expenses related to the principal activity of the fund, such as depreciation. Nonoperating expenses include all other expenses not considered operating, such as interest expense.

Agency funds are custodial in nature, as they receive and disburse receipts for other funds and other entities. The County's agency funds are presented using the economic resources measurement focus and the accrual basis of accounting.

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

**Fund Accounting**

The accounts of the County are organized on the basis of funds, which are considered separate accounting entities. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Amounts reported in the fund financial statements as due

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Accounting (continued)**

to or due from other funds are eliminated upon preparation of the government-wide statement of net position. The various funds are grouped into fund types as follows:

**Governmental Funds**

**General Fund**

The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund, or those for which it is considered fiscally responsible to be accounted for in a separate fund.

**Special Revenue Funds**

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

**Capital Projects Funds**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets not financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**Proprietary Funds**

**Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise and therefore funded primarily through user charges.

**Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

**Fiduciary Funds**

**Trust and Agency Funds**

Trust and agency funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Non-current governmental assets/liabilities**

The County eliminates the presentation of account groups, but provides for these records to be maintained and incorporated into the governmental activities section of the government-wide financial statements.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Accounting (continued)**

The County maintains the following funds:

General fund

Special revenue funds

Confiscated Assets Fund, which accounts for revenues and expenditures associated with currency forfeitures and drug fines and restitution.

Emergency 911 Fund, which accounts for revenues and expenditures associated with the operation of a County 911 emergency service.

Multiple Grant Fund, which accounts for revenues and expenditures from certain grants.

JCSA Fund, which accounts for specific revenues and expenditures associated with the operation of the County jail.

State Library Fund, which accounts for specific revenues and expenditures of the County library.

DATE Program Fund, which accounts for revenues and expenditures associated with drug awareness.

Catoosa County Development Authority (a blended component unit), which accounts for aid and assistance in the promotion and establishment of new business and recreation within the County.

Catoosa County Health Department (a discretely presented component unit), which provides health care services and health education to the residents of Catoosa County. In its separately issued financial statements, the Health Department is reported as a general fund.

Capital projects funds

SPLOST Capital Projects Fund, which accounts for the acquisition of assets, and other specific projects, with proceeds from the special local option sales tax.

Capital projects grant fund, which accounts for acquisition of assets with proceeds from state or federal grants.

Proprietary funds

Enterprise funds

Public Works Authority (a blended component unit), which accounts for the operation of stormwater management.

Solid Waste Management Authority (a blended component unit), which accounts for the operation of the disposal of solid waste.

Development Authority of Catoosa County (a discretely presented component unit), which accounts for aid and assistance in the promotion and establishment of new business and recreation within the County.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Accounting (continued)**

Fiduciary funds

Agency funds

Tax Commissioner, which accounts for receipts and disbursements of property and other taxes.

Clerk of Superior Court, which accounts for receipts and disbursements of the Clerk's office, primarily court costs, fines and settlements.

Magistrate Court, which accounts for receipts and disbursements of the Magistrate Court, primarily court costs, fines and settlements.

Probate Judge, which accounts for receipts and disbursements of the Probate Judge office, primarily traffic fines and marriage license fees.

Sheriff, which accounts for receipts and disbursements of the Sheriff's Department, primarily cash bonds.

**Fund Equity**

Fund equity at the governmental fund 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 assets and 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:

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

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

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

Assigned – Fund balances are reported as assigned when amounts are constrained by Board action to be used for specific purposes, but are neither restricted or committed.

Unassigned – Fund balances are reported as unassigned when the residual amount does not meet any of the above criteria. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Equity (continued)**

When both restricted and unrestricted amounts of fund balance are available for expenditure, 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.

Net position – Net position represents the residual of all elements presented in a statement of financial position. 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. Net position is reported as restricted as described in the fund balances section above. All other net position is reported as unassigned.

**Budget and budgetary control**

Although no budget to actual statements are presented in the basic financial statements, the County provides, for information purposes, its budget requirements and process. Annual revenue estimates and expenditure appropriations, on the modified accrual basis of accounting, are prepared for all governmental funds, with the exception of the capital projects funds, for which no annual appropriation is required and none is adopted. The projects accounted for in the capital projects funds are subject to budgetary control on a project basis. Providing budgetary information on an annual basis does not provide meaningful information because projects extend over more than one reporting period. Although a budget is not required for proprietary fund types, the County adopts a budget on the accrual basis of accounting for its primary government proprietary funds.

The proposed budget is reviewed by the Board of Commissioners for determination of the property tax levy. The current tax levy, along with other required information, is filed in the Office of the Clerk of the Superior Court and published in the local newspaper with notice of public hearings to obtain taxpayer comments. The budget is legally enacted through adoption at a subsequent public hearing as required by law.

Expenditures may not legally exceed budgeted appropriations at the department level. Budgetary integration is employed as a management tool during the fiscal year. As needed during the year, the County finance manager is authorized to amend line items, with the exception of salaries, within a department. Approval by the Board of Commissioners is required for amendments to salary line items, or department or fund totals. The budget was amended within the above guidelines for the year ended September 30, 2016.

**Receivables**

Receivables are reported at the outstanding principal amount. The County uses the direct write-off method to account for bad debts, which produces no material differences from the allowance method. Individual accounts are written off when they are determined to be uncollectible.

**Capital Assets**

For the fund financial statements, capital assets of governmental funds are recorded as expenditures at the time of purchase. For its proprietary funds and for governmental funds at the government-wide presentation, the County capitalizes long-lived assets with an original cost of \$1,000 or more. Such assets are recorded at cost.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets (continued)**

For its proprietary funds and for its governmental funds at the government-wide presentation, depreciation of property and equipment is provided over the estimated useful lives of individual assets by the straight-line method. Estimated lives are as follows: equipment, 3 to 7 years; buildings, 25 to 75 years; land improvements, 10 to 27 years; infrastructure, 40 to 60 years.

Public domain (infrastructure) assets, which include roads, streets, curbs, gutters, sidewalks, etc., are recorded in the funds as expenditures at the time of purchase, and as capital assets in the government-wide financial statements. Infrastructure assets acquired prior to July 1, 1979, are not reported in these financial statements.

**Notes payable**

Notes payable reported in governmental funds are expected to be liquidated with expendable, available resources.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County.

**Prepaid expenses**

Prepaid expenses consist of certain payments which reflect costs applicable to future periods. In governmental funds, these types of costs are recorded as expenditures during the term of the benefit period, rather than when paid.

**Discounts/premiums/issuance costs**

In governmental funds, at the fund-level presentation, these types of transactions are recognized as revenue when received or as expenditures in the period in which incurred.

In proprietary funds, and at the government-wide presentation for governmental activities, discounts and premiums are deferred and amortized over the benefit or payment period. Debt issuance costs, except for any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred.

**Cash equivalents**

For purposes of these financial statements, the County considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**Deferred Outflows/Inflows of Resources**

The County has adopted the provisions of GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Under this Statement, GASB has defined deferred outflows of resources and deferred inflows of resources as follows:

Deferred outflows of resources - a consumption of net position by the government that is applicable to a future reporting period.

Deferred inflows of resources - an acquisition of net position by the government that is applicable to a future reporting period.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Outflows/Inflows of Resources (continued)**

As of September 30, 2016, the County did not have any deferred outflows of resources and had deferred inflows of resources from deferred property taxes of \$181,337 and deferred grant revenue of \$37,422.

**(2) CASH AND INVESTMENTS**

The County reports its cash and other investments under the provisions of governmental auditing standards.

At September 30, 2016, the County reports cash equivalents as follows:

	<b>Weighted Average Maturity (Years)</b>	<b>Fair Value</b>
Certificates of deposit	0.98	\$ 1,207,721

Interest Rate Risk – As a means of limiting its exposure to losses resulting from rising interest rates, the County’s usual policy is to invest in certificates of three years or less. The exposure to interest rate changes is presented using the weighted average maturity method. Its policy is to limit exposure to interest rate risk by requiring sufficient liquidity in the investment portfolio. The County’s investments experienced no significant fluctuations in fair value during the year.

Custodial Credit Risk – The County’s policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 110% of the value of the uninsured deposits. The deposits must be covered by federal deposit insurance, by collateral held by the County’s agent in the County’s name, or by Federal Reserve Banks acting as third party agents. State statutes also authorize the types of investments in which the County may participate. The County’s policy is to limit its investments to certificates of deposit and savings and money market accounts with local banks and Georgia Fund 1, a combined state and local government investment pool. Investments in the local government investment pool are specifically invested in “Georgia Fund 1”. Georgia Fund 1, created by OCGA 36-83-8, is a Standard and Poor’s AAf rated investment pool which is managed by the Office of the State Treasurer to maintain principal stability. The pool is not registered with the SEC as an investment company and the State does not consider Georgia Fund 1 to be a 2a-7 like pool. Georgia Fund 1 is managed to maintain a constant net asset value of \$1.00 value per share and a weighted maturity of 90 days or less, with the maximum maturity of any investment limited to 397 days. At September 30, 2016, the Georgia Fund 1 weighted average maturity was 35 days. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker’s acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair market value. The fair values of investments in external investment pools are the same as the value of the pool shares. The County maintained a balance of \$10,960 in Georgia Fund 1 as of September 30, 2016.

Credit Risk – The County’s policies are designed to maximize its earnings, while protecting the security and providing maximum liquidity, in accordance with all applicable state laws.



**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(2) CASH AND INVESTMENTS (continued)**

The following schedules classify the deposits and investments into three categories to give an indication of the level of risk assumed by the County at year end:

*Deposit Categories of Custodial Credit Risk*

Category 1 - Insured or collateralized, with securities held by the County or by its agent in the County's name.

Category 2 - Collateralized, with securities held by the pledging financial institution's trust department or agent in the County's name.

Category 3 - Uncollateralized or collateralized, with securities held by the pledging financial institution or by its trust department or agent, but not in the County's name.

*Investment Categories of Custodial Credit Risk*

Category 1 - Insured or registered, with securities held by the County or its agent in the County's name.

Category 2 - Uninsured and unregistered, with securities held by the counterpart's trust department or agent in the County's name.

Category 3 - Uninsured and unregistered, with securities held by the counterpart or by its trust department or agent but not in the County's name.

The following schedule of cash and cash equivalents and investments of all of the County's funds (including fiduciary funds) as of September 30, 2016, is categorized by custodial credit risk:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and cash equivalents					
Deposits with financial institutions	\$ 1,999,618	\$ 19,408,159	\$ -	\$ 21,407,777	\$ 20,870,364

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount</u>
Investments				
Georgia Fund 1	\$ -	\$ 10,960	\$ -	\$ 10,960

The deposits of the County are included in the following classifications at September 30, 2016.

Cash and cash equivalents	\$ 17,759,624
Restricted cash	398,300
Cash and cash equivalents - agency funds	<u>2,712,440</u>
	<u>\$ 20,870,364</u>

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(3) INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS**

Most interfund receivable and payable balances are attributable to unsettled balances for charges between funds, and are expected to be paid within one year.

General fund payables to other governmental funds result from revenues received for these funds being held in a general fund cash account until an expenditure need arises. The balance in the confiscated assets fund is not expected to be repaid within one year. It is anticipated that the balance in the other funds will be repaid within one year.

The general fund receivable from the SPLOST capital project fund results from the general fund disbursing funds for a project which was determined to be a SPLOST project. It is anticipated that the balance will be repaid within one year.

The general fund receivable from the solid waste fund resulted from the general fund disbursing funds in a prior year for the Landfill Gas to Energy Project. This project is generating revenues that are funding the postclosure care cost on the landfill with the excess going to reduce the balance due to the general fund.

Payables from the agency funds to other funds consist of taxes, fines and forfeitures, and fees collected by the agency funds on behalf of other funds. At September 30, 2016, payables from agency funds to other funds were \$225,042, and have been eliminated and reported as cash and cash equivalents in the fund for which the revenue was collected.

Interfund receivables and payables at September 30, 2016, consist of the following:

Amounts receivable to the general fund from the following funds:

Major governmental fund	
Development Authority	\$ 2,034,439
SPLOST capital projects	\$ 9,139
Major enterprise funds	
Solid waste	\$ 1,392,514

Amounts payable from the general fund to the following funds:

Nonmajor governmental funds	
Confiscated assets	\$ 80,810
Multiple grant	\$ 39,793
JCSA	\$ 928
State grant for library	\$ 22,753
DATE program	\$ 294,449
Capital projects	\$ 84,885

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**(3) INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS (continued)**

In addition, the general fund advanced the Development Authority \$2,034,439, for the purpose of land development, and other expenses for industrial revenue projects. Costs of \$589 have been incurred on the start of a new project.

The Hill Top 11/Cabelas Project is an agreement between the Development Authority and Larry Armour, the developer for site acquisition and development agreement for additional acreage on the Hill Top Site to include the Cabelas site. The estimated cost of \$2,200,000 was approved by the Development Authority with a guarantee from Larry Armour. The current balance of \$2,033,850 represents progress payments. It is anticipated that the repayment of the \$2,200,000 to the County will be funded by intergovernmental revenues to the Development Authority by the County which is expected to be generated by an increase in property and sales tax collections, or from subsequent Special Local Option Sales Tax.

**(4) FAIR VALUE MEASUREMENTS**

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a framework for measuring fair value for certain assets and liabilities using a consistent definition and accepted valuation techniques. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets and for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

**Level 1**

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

**Level 2**

Inputs to the valuation methodology other than quoted prices included within level 1 that are observable for the financial asset or liability, either directly or indirectly.

**Level 3**

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Following is a description of the valuation methodologies used for assets at fair value:

Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;

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**(4) FAIR VALUE MEASUREMENTS (continued)**

Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Assets itemized below were measured at fair value during the year ended September 30, 2016. The market approach was used to determine the fair value of the land held for resale.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Land held for resale	<u>\$ 220,000</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 220,000
Other investments				
Georgia Fund 1				<u>10,960</u>
				<u>\$ 230,960</u>

**(5) CAPITAL ASSETS**

**Governmental activities**

A summary of changes in capital assets and accumulated depreciation for governmental activities is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Dispositions and Reclassifications</u>	<u>Ending</u>
<b>Nondepreciable capital assets</b>				
Land	\$ 4,636,149	\$ -	\$ (258,928)	\$ 4,377,221
Construction in progress	<u>2,258,619</u>	<u>920,192</u>	<u>(2,759,830)</u>	<u>418,981</u>
<b>Nondepreciable capital assets</b>	<u>\$ 6,894,768</u>	<u>\$ 920,192</u>	<u>\$ (3,018,758)</u>	<u>\$ 4,796,202</u>

**CATOOSA COUNTY, GEORGIA**  
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**(5) CAPITAL ASSETS (continued)**  
**Governmental activities (continued)**

	<u>Beginning</u>	<u>Additions</u>	<u>Dispositions and Reclassifications</u>	<u>Ending</u>
<b>Depreciable capital assets</b>				
Land improvements	\$ 5,210,602	\$ 127,542	\$ 1,424,540	\$ 6,762,684
Infrastructure	758,352,923	-	610,020	758,962,943
Buildings	33,377,441	20,286	-	33,397,727
Equipment, vehicles, furniture and fixtures	<u>18,603,187</u>	<u>750,085</u>	<u>405,650</u>	<u>19,758,922</u>
	<u>815,544,153</u>	<u>897,913</u>	<u>2,440,210</u>	<u>818,882,276</u>
<b>Less accumulated depreciation</b>				
Land improvements	1,220,444	272,113	-	1,492,557
Infrastructure	346,476,449	10,355,666	-	356,832,115
Buildings	7,888,914	509,168	-	8,398,082
Equipment, vehicles, furniture and fixtures	<u>15,707,559</u>	<u>1,169,901</u>	<u>(319,620)</u>	<u>16,557,840</u>
	<u>371,293,366</u>	<u>12,306,848</u>	<u>(319,620)</u>	<u>383,280,594</u>
<b>Depreciable capital assets, net</b>	<u>\$ 444,250,787</u>	<u>\$ (11,408,935)</u>	<u>\$ 2,759,830</u>	<u>\$ 435,601,682</u>

Depreciation expense for governmental activities is charged to functions as follows:

General government	\$ 169,999
Judicial	48,465
Public safety	1,027,149
Public works	10,564,360
Health and welfare	112,142
Culture and recreation	274,295
Housing and development	<u>110,438</u>
	<u>\$ 12,306,848</u>

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(5) CAPITAL ASSETS (continued)**

**Business-type activities**

A summary of changes in capital assets and accumulated depreciation for the business-type activities is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Dispositions and Reclassifications</u>	<u>Ending</u>
<b>Nondepreciable capital assets</b>				
Land	\$ 1,769,137	\$ -	\$ -	\$ 1,769,137
<b>Depreciable capital assets</b>				
Land improvements	\$ 7,500,048	\$ -	\$ -	\$ 7,500,048
Buildings	40,465	-	-	40,465
Equipment and vehicles	<u>1,879,158</u>	<u>-</u>	<u>(1,693)</u>	<u>1,877,465</u>
	<u>9,419,671</u>	<u>-</u>	<u>(1,693)</u>	<u>9,417,978</u>
<b>Less accumulated depreciation</b>				
Land improvements	6,193,535	113,716	-	6,307,251
Buildings	40,465	-	-	40,465
Equipment and vehicles	<u>783,336</u>	<u>185,345</u>	<u>(1,693)</u>	<u>966,988</u>
	<u>7,017,336</u>	<u>299,061</u>	<u>(1,693)</u>	<u>7,314,704</u>
<b>Depreciable capital assets, net</b>	<u>\$ 2,402,335</u>	<u>\$ (299,061)</u>	<u>\$ -</u>	<u>\$ 2,103,274</u>

Depreciation expense for the business-type activities totaled \$299,061.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(5) CAPITAL ASSETS (continued)**  
**Component Units**

A summary of changes in capital assets and accumulated depreciation is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Dispositions and Reclassifications</u>	<u>Ending</u>
<b>Depreciable capital assets</b>				
Machinery and equipment	\$ 21,200	\$ -	\$ -	\$ 21,200
	<u>21,200</u>	<u>-</u>	<u>-</u>	<u>21,200</u>
<b>Less accumulated depreciation</b>				
Machinery and equipment	10,853	3,029	-	13,882
	<u>10,853</u>	<u>3,029</u>	<u>-</u>	<u>13,882</u>
<b>Depreciable capital assets, net</b>	<u>\$ 10,347</u>	<u>\$ (3,029)</u>	<u>\$ -</u>	<u>\$ 7,318</u>

Depreciation expense for the component unit totaled \$3,029.

**(6) TAX ANTICIPATION NOTE**

On August 25, 2016, the county obtained Tax Anticipation Notes (TAN), Series 2016 in the amount of \$3,500,000. The proceeds of the TAN were used to fund current operations. Interest at 1.49% is due at maturity. The TAN is due and payable on December 31, 2016.

	<u>Beginning Balance</u>	<u>Adjustments and Additions</u>	<u>Adjustments and Retirements</u>	<u>Ending Balance</u>
TAN, Series 2016	<u>\$ -</u>	<u>\$ 3,500,000</u>	<u>\$ -</u>	<u>\$ 3,500,000</u>

Subsequent to year-end the TAN has been paid off by the County.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(7) LONG-TERM DEBT**

**Governmental activities**

Debt for governmental activities reported in the government-wide statement of net position represents amounts not expected to be paid with expendable, available resources, and consists of the following:

Capital lease obligations recorded in the government-wide statement of net position consist of the following:

Lease financed with Regions Bank, for vehicles in the amount of \$216,997 under a lease purchase agreement, payable in monthly payments of \$4,781, including interest at 2.77%, through July, 2017	<u><u>\$ 47,209</u></u>
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Maturities of lease obligations are as follows:

	<u>Gross Payments</u>	<u>Imputed Interest</u>	<u>Net Present Value</u>
For the year ending September 30, 2017	<u><u>\$ 47,811</u></u>	<u><u>\$ 602</u></u>	<u><u>\$ 47,209</u></u>

The gross amount of governmental activities assets recorded under existing capital leases in the government-wide statement of net position is \$216,997 and represents vehicles. Accumulated depreciation of assets acquired under capital leases is recorded at \$183,924. Amortization expense of \$51,931 under existing capital leases is included in depreciation expense.

Bonds payable of the Catoosa County Development Authority consist of the following:

Tax exempt revenue bond series 2014A to First Tennessee Bank, original borrowings of \$2,509,000, payable in biannual principal payments of \$250,900 plus interest at 1.45%, through July, 2019	\$ 1,505,400
Taxable revenue bond series 2014B to First Tennessee Bank, original borrowings of \$3,894,000, payable in biannual principal payments of \$389,400 plus interest at 2.13%, through July, 2019	<u>2,336,400</u>
	<u><u>\$ 3,841,800</u></u>



**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(7) LONG-TERM DEBT (continued)**

**Governmental activities (continued)**

Maturities of bonds payable are as follows:

	<b>Gross Payments</b>	<b>Imputed Interest</b>	<b>Net Present Value</b>
For the year ending September 30, 2017	\$ 1,347,190	\$ 66,590	\$ 1,280,600
2018	1,322,991	42,391	1,280,600
2019	<u>1,298,797</u>	<u>18,197</u>	<u>1,280,600</u>
	<u>\$ 3,968,978</u>	<u>\$ 127,178</u>	<u>\$ 3,841,800</u>

Catoosa County Development Authority Tax-Exempt Revenue Bond "Series 2014A" in the amount of \$2,509,000 at the "Bank Qualified Rate" of 1.45% per annum for a term of 60 months, was issued for the purpose of providing funds to pay or to be applied toward the cost of refunding a portion (\$1,009,000) of the 2014 TAN Note used to refinance the Infrastructure Improvements related to the Costco Improvements Project and \$1,500,000 of the 2014 Public Facilities Improvement Project at Jack Mattox Park.

Taxable Revenue Bond "Series 2014B" in the amount of \$3,894,000 at the "Bank Qualified Rate" of 2.13% per annum for a term of 60 months, was issued for the purpose of providing funds to pay or to be applied toward the cost of refunding a portion of the 2014 TAN Note equal to the amount of the proceeds (\$3,869,000) of the 2014 TAN Note used to refinance the funding of the Costco Improvements and paying a portion (\$25,000) of the cost of issuance of the Bonds.

The Authority and the County have entered into an Intergovernmental Installment Sale Agreement, dated as of July 1, 2014 under which the Authority has agreed to construct and acquire the 2014 Project, the Infrastructure Improvements and the Vehicles and to sell the same to the County, and County has agreed to purchase from the Authority the 2014 Project, the Infrastructure Improvements and Vehicles and to possess and use the same for the benefit of the citizens of the County for a term extending through July 1, 2019 to be repaid from proceeds of the 2014 SPLOST. The County has obligated itself to make payments to the Authority in amounts sufficient to enable the Authority to pay the principal of and interest on the Bonds as same become due and payable.

A summary of changes in long-term debt for governmental activities is as follows:

	<b>Beginning Balance</b>	<b>Adjustments and Additions</b>	<b>Adjustments and Retirements</b>	<b>Ending Balance</b>
Capital lease obligations	\$ 130,220	\$ -	\$ (83,011)	\$ 47,209
Bonds payable	5,122,400	-	(1,280,600)	3,841,800
Compensated absences	<u>577,547</u>	<u>57,493</u>	<u>-</u>	<u>635,040</u>
	<u>\$ 5,830,167</u>	<u>\$ 57,493</u>	<u>\$ (1,363,611)</u>	<u>\$ 4,524,049</u>

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(7) LONG-TERM DEBT (continued)**

**Governmental activities (continued)**

Presentation of long-term debt of governmental activities in the government-wide statement of net position is as follows:

Due within one year	
Capital lease obligations	\$ 47,209
Bonds payable	1,280,600
Compensated absences	<u>635,040</u>
	1,962,849
Due in more than one year	<u>2,561,200</u>
	<u><u>\$ 4,524,049</u></u>

The resources of the general fund have been used in prior years to liquidate the balance of the compensated absences.

**Business-type activities**

As discussed in Note 13, the Solid Waste Management Authority has an estimated liability for postclosure care costs in the amount of \$6,340,442. Maturities of the estimated landfill obligation are as follows:

For the year ending September 30, 2017	\$ 303,193
2018	303,193
2019	303,193
2020	303,193
2021	303,193
2022-2026	1,515,965
2027-2031	1,515,965
2032-2036	1,199,470
2037-2039	<u>593,077</u>
	<u><u>\$ 6,340,442</u></u>

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(7) LONG-TERM DEBT (continued)**

**Business-type activities (continued)**

A summary of changes in long-term debt for business-type activities is as follows:

	<u>Beginning Balance</u>	<u>Adjustments and Additions</u>	<u>Adjustments and Retirements</u>	<u>Ending Balance</u>
Landfill postclosure	\$ 6,577,856	\$ -	\$ (237,414)	\$ 6,340,442

Presentation of long-term debt of business-type activities in the government-wide statement of net position is as follows:

Due within one year	
Landfill postclosure	\$ 303,193
Due in more than one year	
Landfill postclosure	<u>6,037,249</u>
	<u>\$ 6,340,442</u>

As further addressed in Note 16, it is anticipated that a portion of the landfill postclosure liability will be liquidated with general government resources.

**Component Unit**

A summary of changes in long-term debt for component units is as follows:

	<u>Beginning Balance</u>	<u>Adjustments and Additions</u>	<u>Adjustments and Retirements</u>	<u>Ending Balance</u>
Capital lease obligations	\$ 51,340	\$ 11,664	\$ (15,272)	\$ 47,732
Net pension liability	<u>1,201,698</u>	<u>58,003</u>	<u>-</u>	<u>1,259,701</u>
	<u>\$ 1,253,038</u>	<u>\$ 69,667</u>	<u>\$ (15,272)</u>	<u>\$ 1,307,433</u>

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(7) LONG-TERM DEBT (continued)**  
**Component unit (continued)**

Presentation of long-term debt of component units is as follows:

Due within one year	
Compensated absences	\$ 47,732
Due in more than one year	
Net pension liability	<u>1,259,701</u>
	<u><u>\$ 1,307,433</u></u>

**(8) TAXES**

Property taxes are levied for the calendar year on October 20 and are delinquent after December 20 of each year. Property taxes attach as an enforceable lien on property as of the levy date.

The County is required by state law to reduce the property tax levy by the amount of local option sales tax collections for the previous calendar year.

**(9) EMPLOYEE RETIREMENT PLANS**

**Primary Government**

The Catoosa County Pension Plan is a defined contribution pension plan established by the County to provide benefits at retirement age to full-time, permanent employees of the County. This plan is administered by trustees appointed by the Board of Commissioners. Participation in the plan is elective, subject to certain eligibility requirements. At September 30, 2016, there were approximately 236 participants in the plan. Participants are required to contribute 3% of covered salary, and the County is required to contribute 7%. An employee becomes 100% vested after three years of service in regards to employer contributions. If a participant terminates employment before being fully vested, then the non-vested portion of the terminated participant's account balance remains in the Plan and is called a forfeiture. Forfeitures will be used to reduce any employer contributions. For the year ended September 30, 2016, employer and employee contributions were \$639,380 and \$274,020, respectively. Employer contributions have been charged to expense. At September 30, 2016, the County had a liability of approximately \$120,000 related to employer retirement contributions. Plan provisions and contribution requirements are established and may be amended by the Catoosa County Board of Commissioners.

**Catoosa County Development Authority**

The Catoosa County Development Authority has no employees and, therefore, no pension plan.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(9) EMPLOYEE RETIREMENT PLANS (continued)**

**Catoosa County Health Department**

All permanent personnel of the Health Department are covered by the Employee's Retirement System of Georgia (ERS), a cost-sharing, multiple-employer defined benefit pension plan 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. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov/formspubs/formspubs](http://www.ers.ga.gov/formspubs/formspubs). Complete pension disclosures are in the Health Department's separately issued financial statements. Summarized information related to the plan is indicated below.

At June 30, 2016, the Health Department reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The Health Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015, the Employer's proportion was 0.031093%, which was a decrease of 0.000947% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Health Department recognized pension expense of \$58,401. At June 30, 2016, the Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 10,065
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	90,890
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,070	26,512
Employer contributions subsequent to the measurement date	<u>213,709</u>	<u>-</u>
	<u>\$ 219,779</u>	<u>\$ 127,467</u>

Health Department contributions subsequent to the measurement date of \$213,709 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(9) EMPLOYEE RETIREMENT PLANS (continued)**

**Catoosa County Health Department (continued)**

Amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ending June 30, 2017	\$ (58,827)
2018	(52,704)
2019	(40,511)
2020	30,645
2021	-
Thereafter	-

The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.45-9.25%, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	\$ 1,785,672	\$ 1,259,701	\$ 811,291

Schedule of Proportionate Share of the Net Pension Liability

	2016	2015
Employer's proportion of the net pension liability	0.031093%	0.032040%
Employer's proportionate share of the net pension liability	1,259,701	1,259,701
Employer's covered-employee payroll during the measurement period	701,744	771,628
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	179.51%	155.74%
Plan fiduciary net position as a percentage of the total pension liability	76.20%	77.99%

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(9) EMPLOYEE RETIREMENT PLANS (continued)**

**Catoosa County Health Department (continued)**

Schedule of Contributions

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 213,709	\$ 156,113
Contributions in relation to the contractually required contribution	213,709	156,113
Contribution deficiency (excess)	-	-
Covered-employee payroll	701,744	771,628
Contributions as a percentage of covered-employee payroll	30.45%	20.23%

There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

**(10) CONDUIT DEBT**

The Catoosa County Development Authority has special limited obligations related to various projects that represent conduit debt obligations. Conduit debt obligations are limited-obligation bonds or similar instruments issued by a governmental unit to provide capital financing for a third party that is not part of the reporting entity. Debt proceeds are typically used to finance development of industry, hospital, or environmental facilities within the governmental unit's jurisdiction that are transferred to the third party by sale or lease. The governmental unit has no obligation for the debt beyond the resources received from the third party by sale or lease. The obligations issued by the Development Authority do not constitute an indebtedness or pledge of the faith and credit of the Development Authority or the County.

As of September 30, 2016, the Development Authority had an outstanding conduit debt obligation with Shaw Industries for \$17,000,000 for Series 2014B Taxable Industries Revenue Bonds and \$56,500,000 for Series 2016 Taxable Industries Revenue Bonds.

**(11) LITIGATION**

The County is currently the defendant in certain legal actions which are being vigorously defended. It is the opinion of management and legal counsel that these proceedings will not have a material effect on the financial position of the County.

**(12) COMMITMENTS**

The County has construction commitments totaling \$11,358,466. As of September 30, 2016, the remaining balance on these commitments totaled \$2,917,894.

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**(13) LANDFILL CLOSURE AND POSTCLOSURE CARE COST**

Catoosa County operates the S.R. 151 Municipal Solid Waste Landfill. This facility is permitted for operation by the Georgia Department of Natural Resources Environmental Protection Division, which specifies the requirements for its design, operation, closure and postclosure care.

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

Site 1 ceased operation in July, 1998. The certificate of closure was issued, and the thirty year postclosure care period began on July 15, 2003. The current estimate of postclosure care cost is approximately \$105,498 per year. A liability of \$1,793,459 represents 100% of the estimated postclosure care costs for Site 1.

Site 2 ceased operation in October, 2004. The certificate of closure was issued on July 10, 2008, and the thirty year postclosure care period began approximately one year later. The current estimate of postclosure care cost is approximately \$197,695 per year. A liability of \$4,546,983 represents 100% of the estimated postclosure care costs for Site 2.

The above estimates are based on what it would cost to perform postclosure care in 2016. Because of the potential for change, due to inflation, technology, or laws and regulations, actual costs may be higher, when the costs are actually incurred.

The County has complied with Environmental Protection Agency rules regarding financial assurance relative to projected closure and postclosure care costs.

**(14) RISK FINANCING ACTIVITIES**

It is the policy of the County to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability and property and casualty, with a \$25,000 deductible per claim. Settled claims have not exceeded commercial coverage in the past three fiscal years. There were no deductibles for which the County was responsible for the fiscal years ended September 30, 2016, 2015, and 2014, respectively.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, Catoosa County became a member of the Association of County Commissioners of Georgia Workers' Compensation Self Insurance Fund. The effective date of membership was January 1, 1989. The liability of the fund to the employees of any employer (Catoosa 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.

As a member of the Fund, the County is jointly and severally liable for the liabilities of the Fund. The County pays an annual premium to the Fund, based on the estimated payrolls in various job classifications. Based on the overall incidence of claims during the year, the Fund either distributes a dividend if the claims history has been better than expected, or assesses additional premiums if the claims history has been much worse than expected. The County participates in these dividends or assessments on a pro-rata basis, based on the County's actual payrolls as a percentage of the total payrolls in the Fund.



**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(14) RISK FINANCING ACTIVITIES (continued)**

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 and demanding compensation thereto, although such suits, other proceedings, allegations or demands may 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.

**(15) COMPENSATED ABSENCES**

The County has a policy of compensated annual vacation/personal leave from 6 to 40 days based upon years of service. The leave is cumulative and vesting, to a maximum of 320 hours, and any unused leave is payable upon the employee's termination, resignation, retirement, death, or request.

The County has a policy of compensated sick leave of 48 hours per year. The leave is cumulative and vesting, to a maximum of 160 hours, and any unused leave is payable upon termination, resignation, retirement or death. Any unused leave may be payable, under specific circumstances, upon request of the employee.

An estimated liability, in the amount of \$635,040, for unpaid vacation and sick leave is recorded in the government-wide financial statements. There is no liability for business-type activities. None of the government activities liability is recorded in the fund financial statements, because any payments, even those which would be paid in the next twelve months, if susceptible to a reasonable estimate, are expected to be liquidated with future resources.

The Catoosa County Health Department provides for vacation and sick leave, with specific vesting options. Complete disclosures are in the Health Department's separately issued financial statements. An estimated liability, in the amount of \$47,732 for unpaid vacation and sick leave is reported in the component units and government-wide statements of net position.

**(16) DEFICIT FUND EQUITY**

At September 30, 2016, the Solid Waste Management Authority has a net position deficit in the amount of \$4,221,973, resulting primarily from the liability for landfill postclosure care costs.

As discussed in Note 13, the Authority has a liability of approximately \$6.3 million to fund the estimated postclosure care costs. Effective with the fiscal year ending September 30, 2012, the Solid Waste Management Authority placed equipment in service which generates electricity from the methane generated by the landfill. The anticipated revenue from the sale of electricity is expected to fund a portion of the liability for postclosure care costs. It is anticipated that the County general government will fund the remaining balance.

At September 30, 2016, the Catoosa County Development Authority has a fund balance deficit in the amount of \$1,503,936. This deficit is a result of amounts due to the general fund at year end. The Catoosa County Development Authority entered into an agreement with Mr. Armour, the developer to provide site development incentives in the form of site prep on the remaining 19.88 acres next to Costco. The deficit is the result of the general fund having advanced the funds for the site prep. In return Mr. Armour committed

**CATOOSA COUNTY, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**(16) DEFICIT FUND EQUITY (continued)**

to deliver certain retailers to the site meeting very specific minimum conditions in the form of annual sales, job creation and other criteria. Cabela's transaction exceeded all of the delivery criteria, purchased 9.2 of the acres, built a New Generation Store consisting of approximately 70,000 square feet and opened May 13, 2015. Mr. Armour guaranteed that the sales and property taxes generated from the property will re-pay the amount of the site development costs within 7 years of the date of opening of the first retail facility. If there is a shortfall after this time period, Mr. Armour will pay the difference to the Development Authority. Mr. Armour's guarantee is secured by a Letter of Credit drawn on CapitalMark Bank and Trust.

At September 30, 2016, the Emergency 911 Fund has a fund balance deficit in the amount of \$1,902 and the JCSA Fund has a fund balance deficit in the amount of \$3,731. Both of these deficits are resulting primarily from the liability for accounts payable at year end.

**(17) JOINT VENTURE**

Under Georgia law, the County, in conjunction with other cities and counties in the fifteen county northwest Georgia area, is a member of the Northwest Georgia Regional Commission (RDC) and is required to pay annual dues thereto. During the year ended September 30, 2016, the County paid approximately \$52,000 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC.

Separate financial statements may be obtained from –

Northwest Georgia Regional Commission  
P. O. Box 1793  
Rome, Georgia 30162-1793

**(18) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 28, 2017, the date which these financial statements were available for issue.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## **GENERAL FUND**

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

**CATOOSA COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<b>Budget</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>TAXES</b>				
Property taxes				
Real property	\$ 9,574,269	\$ 9,603,506	\$ 9,603,507	\$ 1
Motor vehicle	1,350,000	1,292,482	1,292,484	2
MV title ad valorem tax	559,132	464,465	464,466	1
Mobile home ad valorem	55,400	50,287	50,287	-
Railroad ad valorem	-	3,604	3,604	-
Heavy duty equipment	19,217	7,199	7,200	1
Timber	598	1,061	1,061	-
Penalties and interest	300,000	245,770	245,770	-
	<u>11,858,616</u>	<u>11,668,374</u>	<u>11,668,379</u>	<u>5</u>
Other taxes				
Intangible recording	169,000	264,590	264,590	-
Malt beverage	380,000	289,534	289,534	-
Local option sales tax	6,947,538	6,748,810	6,748,811	1
Insurance premium tax	2,516,642	2,672,089	2,694,931	22,842
Financial institutions	75,000	49,638	49,638	-
	<u>10,088,180</u>	<u>10,024,661</u>	<u>10,047,504</u>	<u>22,843</u>
	<u>21,946,796</u>	<u>21,693,035</u>	<u>21,715,883</u>	<u>22,848</u>
<b>LICENSES AND FRANCHISES</b>				
Malt beverage licenses	38,000	31,475	31,475	-
Business licenses	43,000	29,395	29,395	-
Cable television franchises	358,000	370,652	370,652	-
	<u>439,000</u>	<u>431,522</u>	<u>431,522</u>	<u>-</u>
<b>CHARGES FOR CURRENT SERVICES</b>				
Recreation fees	176,000	184,379	184,381	2
Concession income	76,500	95,517	95,518	1
Zoning fees	62,000	55,886	55,886	-
Inspection fees	250,000	261,043	261,043	-
	<u>564,500</u>	<u>596,825</u>	<u>596,828</u>	<u>3</u>
<b>INTERGOVERNMENTAL</b>				
Real estate transfer tax	43,000	73,130	73,131	1
	<u>43,000</u>	<u>73,130</u>	<u>73,131</u>	<u>1</u>

**CATOOSA COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<b>Budget</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>OTHER REVENUE</b>				
Federal financial assistance				
Transportation grants	\$ 284,834	\$ 260,103	\$ 260,104	\$ 1
Transportation grants - capital	84,994	-	-	-
Federal payments in lieu of taxes	450,000	448,766	448,767	1
Salary reimbursement	73,000	88,564	88,565	1
	<u>892,828</u>	<u>797,433</u>	<u>797,436</u>	<u>3</u>
	<u>935,828</u>	<u>870,563</u>	<u>870,567</u>	<u>4</u>
<b>FINES, FEES AND FORFEITURES</b>				
Magistrate Court	159,000	129,163	129,163	-
Juvenile Court	4,500	3,594	3,594	-
Clerk of Courts	623,000	566,746	566,747	1
Probate Judge	608,000	487,247	487,248	1
State Court	-	1,057	1,057	-
Tax Commissioner	919,000	927,619	927,623	4
Sheriff	162,200	169,596	169,598	2
	<u>2,475,700</u>	<u>2,285,022</u>	<u>2,285,030</u>	<u>8</u>
<b>INVESTMENT EARNINGS</b>				
Interest	<u>32,000</u>	<u>40,778</u>	<u>40,786</u>	<u>8</u>
<b>OTHER</b>				
Animal control fees	28,500	29,290	29,292	2
Fines for drug awareness	-	4,453	4,454	1
Theater admissions	125,200	154,834	154,835	1
Passenger fares	63,000	49,812	49,813	1
Building rentals	240,600	174,431	174,431	-
Election fees	5,000	15,416	15,417	1
Prisoner reimbursements	92,000	132,822	132,824	2
Library fees	24,000	23,715	23,715	-
Donations	-	88,228	88,230	2
Fire service contract	193,086	206,281	206,281	-
Other income	3,000	2,784	2,786	2
	<u>774,386</u>	<u>882,066</u>	<u>882,078</u>	<u>12</u>
	<u>27,168,210</u>	<u>26,799,811</u>	<u>26,822,694</u>	<u>22,883</u>

**CATOOSA COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2016**

	Budget			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES				
Judicial				
Magistrate Court	\$ 660,468	\$ 660,468	\$ 629,382	\$ 31,086
Superior Court	335,271	278,227	278,218	9
Juvenile Court	479,548	536,788	536,782	6
Clerk of Court	645,427	677,337	677,331	6
State Court	-	38,630	38,624	6
State Court Solicitor	-	30,242	30,238	4
Probate Judge	456,532	456,532	437,863	18,669
Public Defender	319,521	298,026	298,024	2
District Attorney	562,033	557,347	557,337	10
Total judicial	3,458,800	3,533,597	3,483,799	49,798
General Government				
Board of Commissioners	278,363	278,363	269,865	8,498
County manager	217,173	218,274	218,268	6
County attorney	150,000	182,173	182,173	-
Finance	222,149	222,221	222,216	5
Finance administration	126,195	125,377	125,372	5
Purchasing	56,209	56,209	54,835	1,374
Information systems	117,839	117,839	91,269	26,570
Tax Commissioner	986,587	986,587	906,757	79,830
Tax Assessor	593,111	593,111	518,276	74,835
Elections	303,543	303,543	293,672	9,871
Malt Beverage Board	3,650	2,074	2,074	-
Public buildings	1,020,032	1,031,971	1,031,956	15
Projects administration	60,266	60,021	60,016	5
Other agencies	101,000	101,000	76,725	24,275
Risk management	195,000	195,000	191,143	3,857
Geographic information system	42,050	42,050	20,266	21,784
Human resources	134,949	139,688	139,685	3
Total general government	4,608,116	4,655,501	4,404,568	250,933
Public Safety				
Sheriff	4,184,501	4,331,344	4,147,352	183,992
Traffic control	381,202	381,202	341,192	40,010
Jail operations	3,534,042	3,534,042	3,392,503	141,539
DATE program	-	-	-	-
Coroner	71,153	73,172	73,166	6
Animal control	346,886	346,886	282,398	64,488
Emergency management	45,691	35,444	35,434	10
Ambulance service	150,000	150,000	150,000	-
Fire service	3,644,145	3,406,343	3,406,339	4
Total public safety	12,357,620	12,258,433	11,828,384	430,049

**CATOOSA COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<b>Budget</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Public Works</b>				
Roads and bridges	\$ 2,295,023	\$ 2,234,626	\$ 2,054,480	\$ 180,146
Public works administration	78,111	74,782	74,777	5
Total public works	2,373,134	2,309,408	2,129,257	180,151
<b>Health and Welfare</b>				
Public health	507,286	505,719	505,718	1
Public welfare	35,500	35,900	25,900	10,000
Public transportation	680,602	556,870	556,866	4
Total health and welfare	1,223,388	1,098,489	1,088,484	10,005
<b>Housing and Development</b>				
Planning and zoning	320,111	308,271	308,266	5
Economic development	165,079	156,230	156,223	7
Agriculture Extension Service	116,535	95,363	95,353	10
Building inspection	202,979	173,923	173,914	9
Total housing and development	804,704	733,787	733,756	31
<b>Culture and Recreation</b>				
Libraries	519,423	519,423	519,423	-
General recreation	427,758	451,901	451,892	9
Jack Mattox Recreation Park	237,447	254,478	254,470	8
Boynton Stephens Park	25,000	15,203	15,203	-
RYSA Poplar Springs Ball Field	45,000	27,808	27,806	2
McConnell Park	15,459	11,587	11,583	4
County recreation programs	15,000	15,000	15,000	-
Elsie Holmes Nature Park	15,449	11,630	11,627	3
Adult Literacy Center	135,291	125,822	125,819	3
Senior Center	104,393	76,858	76,852	6
Amphitheater	5,315	7,752	7,750	2
Colonnade/Civic Center	453,187	425,450	425,443	7
Total culture and recreation	1,998,722	1,942,912	1,942,868	44
<b>Debt Service</b>				
Principal	55,233	55,233	55,233	-
Interest	2,140	2,140	2,140	-
Total debt service	57,373	57,373	57,373	-
Total expenditures	26,881,857	26,589,500	25,668,489	921,011



**CATOOSA COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Budget</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 286,353</b>	<b>\$ 210,311</b>	<b>\$ 1,154,205</b>	<b>\$ 943,894</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	10,000	18,608	18,608	-
Insurance proceeds	-	16,972	16,972	-
Discount on payable to others	-	-	2,302,500	2,302,500
Transfers to other funds	(296,353)	(245,891)	(245,891)	-
	(286,353)	(210,311)	2,092,189	2,302,500
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	-	-	3,246,394	3,246,394
<b>FUND BALANCES</b>				
Beginning	3,872,006	3,872,006	3,872,006	-
Ending	<b>\$ 3,872,006</b>	<b>\$ 3,872,006</b>	<b>\$ 7,118,400</b>	<b>\$ 3,246,394</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The budget is prepared on the same basis as the expenditures are presented, therefore no reconciliation between the budget basis and the basis under generally accepted accounting principles is required.

**CATOOSA COUNTY, GEORGIA  
DEVELOPMENT AUTHORITY  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2016**

	<b>Budget</b>			<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>INVESTMENT EARNINGS</b>				
Interest	-	542	542	-
<b>EXPENDITURES</b>				
<b>Housing and Development</b>				
Economic development	\$ -	\$ 108,304	108,303	\$ 1
<b>Debt Service</b>				
Principal	-	1,280,600	1,280,600	-
Interest	-	91,149	91,149	-
Total debt service	-	1,371,749	1,371,749	-
Total expenditures	-	1,480,053	1,480,052	1
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(1,479,511)	(1,479,510)	1
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	1,371,749	1,371,749	-
Proceeds from sale of land	-	107,762	425,000	317,238
	-	1,479,511	1,796,749	317,238
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	-	-	317,239	317,239
<b>FUND BALANCES</b>				
Beginning	(1,821,175)	(1,821,175)	(1,821,175)	-
Ending	<u>\$ (1,821,175)</u>	<u>\$ (1,821,175)</u>	<u>\$ (1,503,936)</u>	<u>\$ 317,239</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The budget is prepared on the same basis as the expenditures are presented, therefore no reconciliation between the budget basis and the basis under generally accepted accounting principles is required.

## **OTHER SUPPLEMENTARY INFORMATION**

**COMBINING FINANCIAL STATEMENTS  
NONMAJOR GOVERNMENTAL FUNDS**

**CATOOSA COUNTY, GEORGIA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**SEPTEMBER 30, 2016**

	Special Revenue							Total Nonmajor Governmental Funds
	Confiscated Assets	Emergency 911	Multiple Grant	JCSA	State Grant for Library	DATE Program	Total	Capital Projects Grant Fund
<b>ASSETS</b>								
Due from other funds	\$ 80,810	\$ -	\$ 39,793	\$ 928	\$ 22,753	\$ 294,449	\$ 438,733	\$ 84,885
Total assets	<u>\$ 80,810</u>	<u>\$ -</u>	<u>\$ 39,793</u>	<u>\$ 928</u>	<u>\$ 22,753</u>	<u>\$ 294,449</u>	<u>\$ 438,733</u>	<u>\$ 84,885</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 22,076	\$ 1,902	\$ 11,453	\$ 4,659	\$ 10,748	\$ 607	\$ 51,445	\$ 7,335
Total liabilities	<u>\$ 22,076</u>	<u>\$ 1,902</u>	<u>\$ 11,453</u>	<u>\$ 4,659</u>	<u>\$ 10,748</u>	<u>\$ 607</u>	<u>\$ 51,445</u>	<u>\$ 7,335</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred revenue	\$ -	\$ -	\$ 23,961	\$ -	\$ -	\$ -	\$ 23,961	\$ 13,461
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,961</u>	<u>\$ 13,461</u>
<b>FUND BALANCES</b>								
Restricted	\$ 58,734	\$ -	\$ 4,379	\$ -	\$ -	\$ 293,842	\$ 356,955	\$ 64,089
Unassigned	<u>-</u>	<u>(1,902)</u>	<u>-</u>	<u>(3,731)</u>	<u>12,005</u>	<u>-</u>	<u>6,372</u>	<u>-</u>
Total fund balances	<u>\$ 58,734</u>	<u>\$ (1,902)</u>	<u>\$ 4,379</u>	<u>\$ (3,731)</u>	<u>\$ 12,005</u>	<u>\$ 293,842</u>	<u>\$ 363,327</u>	<u>\$ 64,089</u>

**CATOOSA COUNTY, GEORGIA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**YEAR ENDED SEPTEMBER 30, 2016**

	Special Revenue								Total Nonmajor Governmental Funds
	Confiscated Assets	Emergency 911	Multiple Grant	JCSA	State Grant for Library	DATE Program	Total	Capital Projects Grant Fund	
REVENUES									
Charges for services	\$ -	\$ 1,158,279	\$ -	\$ -	\$ -	\$ -	\$ 1,158,279	\$ -	\$ 1,158,279
Intergovernmental	-	-	438,419	-	160,984	-	599,403	43,604	643,007
Fines, fees and forfeitures	86,651	-	-	101,056	-	96,362	284,069	-	284,069
Other	-	-	21,752	-	-	-	21,752	2,608	24,360
Interest	-	-	-	-	-	-	-	5	5
Total revenues	86,651	1,158,279	460,171	101,056	160,984	96,362	2,063,503	46,217	2,109,720
EXPENDITURES									
Current									
Public safety	18,543	1,153,977	-	146,389	-	41,639	1,360,548	38,819	1,399,367
Health and welfare	-	-	460,814	-	-	-	460,814	-	460,814
Culture and recreation	-	-	-	-	134,659	-	134,659	7,393	142,052
Capital outlay	80,399	245,699	-	83,210	12,675	-	421,983	11,017	433,000
Total expenditures	98,942	1,399,676	460,814	229,599	147,334	41,639	2,378,004	57,229	2,435,233
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,291)	(241,397)	(643)	(128,543)	13,650	54,723	(314,501)	(11,012)	(325,513)
OTHER FINANCING SOURCES									
Transfer from other funds	-	245,891	-	-	-	-	245,891	-	245,891
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(12,291)	4,494	(643)	(128,543)	13,650	54,723	(68,610)	(11,012)	(79,622)
FUND BALANCES									
Beginning	71,025	(6,396)	5,022	124,812	(1,645)	239,119	431,937	75,101	507,038
Ending	\$ 58,734	\$ (1,902)	\$ 4,379	\$ (3,731)	\$ 12,005	\$ 293,842	\$ 363,327	\$ 64,089	\$ 427,416

## **AGENCY FUNDS**

Agency funds are used to account for funds collected by the County as an agent for individuals, private organizations, other governments, and other funds.

**CATOOSA COUNTY, GEORGIA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**SEPTEMBER 30, 2016**

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
<b>ASSETS</b>				
Cash and cash equivalents				
Tax Commissioner	\$ 1,013,668	\$ 50,887,398	\$ 50,909,605	\$ 991,461
Clerk of Superior Court	976,124	3,930,899	3,344,966	1,562,057
Magistrate Court	2,336	225,628	224,066	3,898
Probate Judge	724	788,221	782,200	6,745
State Court	-	92,125	2,152	89,973
Sheriff	52,746	570,096	564,536	58,306
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 2,045,598</u>	<u>\$ 56,494,367</u>	<u>\$ 55,827,525</u>	<u>\$ 2,712,440</u>
<b>LIABILITIES</b>				
Due to other funds				
Tax Commissioner	\$ -	\$ 11,795,614	\$ 11,795,614	\$ -
Clerk of Superior Court	-	1,010,032	1,010,032	-
Magistrate Court	-	134,846	134,846	-
Probate Judge	-	561,009	561,009	-
State Court	-	1,074	1,074	-
Sheriff	-	116,565	116,565	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	-	13,619,140	13,619,140	-
Unrestricted Due to other governments				
Tax Commissioner	1,013,668	39,091,784	39,113,991	991,461
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	1,013,668	39,091,784	39,113,991	991,461
Due to heirs, litigants and others				
Clerk of Superior Court	976,124	2,920,867	2,334,934	1,562,057
Magistrate Court	2,336	90,782	89,220	3,898
Probate Judge	724	227,212	221,191	6,745
State Court	-	91,051	1,078	89,973
Sheriff	52,746	453,531	447,971	58,306
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	1,031,930	3,783,443	3,094,394	1,720,979
Total liabilities	<u>\$ 2,045,598</u>	<u>\$ 56,494,367</u>	<u>\$ 55,827,525</u>	<u>\$ 2,712,440</u>



## **FINANCIAL SCHEDULES**

**CATOOSA COUNTY, GEORGIA**  
**SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE**  
**YEAR ENDED SEPTEMBER 30, 2016**

	<u>Levy Year</u>					<u>Prior to</u>	
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2012</u>	<u>Total</u>	
<b>TAXES RECEIVABLE</b>							
Beginning	\$ -	\$ 189,703	\$ 12,373	\$ 5,683	\$ 4,125	\$ 211,884	
<b>TAX LEVY</b>	9,659,914	-	-	-	-	9,659,914	
<b>ADJUSTMENTS</b>							
Releases, net of pickups	(37,042)	(8,511)	(1,904)	(1,331)	(1,940)	(50,728)	
<b>COLLECTIONS</b>	<u>(9,440,101)</u>	<u>(142,516)</u>	<u>(7,479)</u>	<u>(3,027)</u>	<u>(1,266)</u>	<u>(9,594,389)</u>	
<b>TAXES RECEIVABLE</b>							
Ending	<u>\$ 182,771</u>	<u>\$ 38,676</u>	<u>\$ 2,990</u>	<u>\$ 1,325</u>	<u>\$ 919</u>	<u>\$ 226,681</u>	

## **INTERNAL CONTROL AND COMPLIANCE SECTION**

**CATOOSA COUNTY, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2016**

<b>Grantor/Pass-Through</b>	<b>Federal</b>	<b>Contract or</b>	<b>Beginning</b>	<b>Cash</b>		<b>Ending</b>
<b>Grantor/Program Title</b>	<b>CFDA</b>	<b>Pass-Through</b>	<b>Accrued</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Accrued</b>
	<b>Number</b>	<b>Number</b>	<b>(Deferred)</b>	<b>(Refunds)</b>		<b>(Deferred)</b>
<b>U.S. Department of Health and Human Services</b>						
Pass-through from Georgia Department of Behavioral						
Health and Developmental Disabilities						
Substance Abuse and Mental Health Services (CAP II)	93.959	44100-026-0000014883	\$ 47,536	\$ 190,020	\$ 174,766	\$ 32,282
Substance Abuse and Mental Health Services (CAP III)	93.243	44100-906-0000029200	(7,685)	154,899	199,201	36,617
			39,851	344,919	373,967	68,899
Substance Abuse and Mental Health Services (CAP I)	93.243	441-93-11110293-01	(3,806)	-	2,341	(1,465)
Total Health and Human Services			36,045	344,919	376,308	67,434
<b>U.S. Department of Transportation</b>						
Pass-through from Georgia Department of Transportation						
Mass Transportation Assistance	20.507	TT005573	67,479	265,504	198,025	-
	20.507	TT005915	-	-	62,078	62,078
			67,479	265,504	260,103	62,078
Pass-through from Transit Alliance Group						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	16-0024	7,645	53,529	49,814	3,930
Total Department of Transportation			75,124	319,033	309,917	66,008
<b>U.S. Department of Housing and Urban Development</b>						
Pass-through from Georgia Department of Community Affairs						
Community Development Block Grant	14.218	14p-y-023-1-5650	-	447,666	447,666	-
Total Department of Housing and Urban Development			-	447,666	447,666	-
<b>U.S. Department of Homeland Security</b>						
Pass-through from Georgia Emergency Management Agency						
Hazardous Materials Emergency Preparedness	20.703	OHM15-007	5,000	-	-	5,000
Hazardous Mitigation Assistance Multi-Jurisdictional Plan	97.047	PDMC-PL-2014-4	-	-	18,332	18,332
Emergency Management Performance Grants	97.042	OEM14-023S01	-	19,683	19,683	-
Total Department of Homeland Security			5,000	19,683	38,015	23,332
<b>Total Federal Awards</b>			<b>\$ 116,169</b>	<b>\$ 1,131,301</b>	<b>\$ 1,171,906</b>	<b>\$ 156,774</b>

**NOTES TO SCHEDULE OF FEDERAL AWARDS**

The Schedule of Federal Awards is prepared on the modified accrual basis of accounting.

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

**To the Board of Commissioners  
Catoosa County, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catoosa County, Georgia as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 28, 2017. Our report includes a reference to other auditors who audited the financial statements of the Catoosa County Health Department, as described in our report on the Catoosa County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal controls* 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 the 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. 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.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2016-1.

## **Catoosa County, Georgia's Response to Findings**

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

## **Purpose of this Report**

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

*Johnson, Nicky & Menckem, P.C.*

March 28, 2017  
Chattanooga, Tennessee



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of Commissioners  
Catoosa County, Georgia**

**Report on Compliance for Each Major Federal Program**

We have audited Catoosa County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Catoosa County, Georgia's major federal programs for the year ended September 30, 2016. Catoosa County, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Catoosa County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Catoosa County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Catoosa County, Georgia's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Catoosa County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

## Report on Internal Control Over Compliance

Management of Catoosa County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Catoosa County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Catoosa County, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Johnson, Wiley & Meacham, P.C.*

March 28, 2017  
Chattanooga, Tennessee



**CATOOSA COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2016**

**SUMMARY OF AUDIT RESULTS**

The auditors' report expresses an unmodified opinion on the financial statements of Catoosa County, Georgia.

No significant deficiencies were reported. No material weaknesses were reported.

One instance of noncompliance material to the financial statements was reported.

No significant deficiencies or material weaknesses over the major programs were reported.

The auditors' report on compliance with the material compliance requirements of the major federal award programs expressed an unmodified opinion.

The programs tested as major programs were:

CFDA #14.218 Community Development Block Grant

The threshold for distinguishing Types A and B programs was \$750,000.

Catoosa County, Georgia was determined to be a low-risk auditee.

**FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS***

**Current Year Findings**

**2016-1 Noncompliance with State Law**

**Condition**

Georgia State law requires that no county elected officer use a county credit card unless the board of commissioners has publicly voted to authorize the elected official to use such card, the county has adopted a policy regarding the use of county credit cards, and the county and elected official must enter into a contract regarding the use of the county credit card. As of September 30, 2016, with regards to elected officials and county credit cards, the board of commissioners have approved elected officials to use county credit cards, the county has adopted a credit card policy for elected officials, however, no contracts between the county and elected officials have been entered into.

**Criteria**

The County is not in compliance with state law.

**Effect**

Credit cards could be misappropriated.

**CATOOSA COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2016**

**Current Year Findings (continued)**

**2016-1 Noncompliance with State Law (continued)**

**Recommendation**

The board of commissioners enter into a contract with elected officials regarding the use of the county credit cards.

**Views of the Responsible Officials**

The officials concur with this finding. Subsequent to year-end, the County is in compliance with state law.

**Prior Year Findings**

None

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

None reported

**SPECIAL LOCAL OPTION SALES TAX**



## INDEPENDENT AUDITORS' REPORT ON SPECIAL 1 PERCENT SALES AND USE TAX

To the Board of Commissioners  
Catoosa County, Georgia:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catoosa County, Georgia as of and for the year ended September 30, 2016, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 28, 2017. We have also audited the accompanying schedules of the County's projects constructed with special local option sales tax funds, for the year ended September 30, 2016, (the specific projects allowed having been identified in resolutions dated April 3, 2003, June 17, 2008, and January 15, 2013 calling for imposition of the special sales and use tax authorized by Section 48-8-110 OCGA). These schedules are the responsibility of the management of Catoosa County, Georgia. Our responsibility is to express an opinion on the schedules based on our audit.

We conducted our audit of the schedules in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules of the County's projects constructed with special local option sales tax funds are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedules of the County's projects constructed with special local option sales tax funds, as referred to above, present fairly, in all material respects, the amounts of projects constructed with proceeds from the County's special local option sales tax for the year ended September 30, 2016, in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, and state regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Johnson, Hickey & Murchison, P.C.*

March 28, 2017  
Chattanooga, Tennessee

**CATOOSA COUNTY, GEORGIA**  
**SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION**  
**SALES TAX PROJECTS 2004 CYCLE**  
**YEAR ENDED SEPTEMBER 30, 2016**

PROJECT	ORIGINAL	REALLOC- ATIONS	REVISED	EXPENDITURES			PERCENTAGE OF COMPLETION	CUMULATIVE OTHER FUNDING
	ESTIMATED COST		ESTIMATED COSTS	PRIOR YEARS	CURRENT YEAR	TOTAL		
Fort Oglethorpe sewer, water and capital outlay projects	\$ 5,461,000	\$ -	\$ 5,461,000	\$ 5,609,689	\$ -	\$ 5,609,689	100%	\$ 341,362
Ringgold sewer, water and capital outlay projects	1,935,000	-	1,935,000	1,986,126	-	1,986,126	100%	69,881
Catoosa Utility District water projects	2,500,000	-	2,500,000	2,562,322	-	2,562,322	100%	59,612
Fort Oglethorpe sewer projects	2,000,000	-	2,000,000	1,789,112	-	1,789,112	89%	-
Catoosa County sewer projects	16,190,000	-	16,190,000	13,229,197	3,848,944	17,078,141	100%	438,738
Stormwater projects	2,000,000	-	2,000,000	1,998,628	-	1,998,628	100%	-
Keith projects	637,000	-	637,000	652,763	-	652,763	100%	-
Recreation	2,000,000	-	2,000,000	2,049,490	-	2,049,490	100%	-
Public safety equipment	5,015,000	-	5,015,000	5,139,098	-	5,139,098	100%	-
Public works vehicles	685,000	-	685,000	701,950	-	701,950	100%	-
Multi-purpose buildings	550,000	-	550,000	563,610	-	563,610	100%	-
Roads and bridges	2,000,000	-	2,000,000	2,261,965	-	2,261,965	100%	161,611
Library enhancement	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>358,660</u>	<u>-</u>	<u>358,660</u>	100%	<u>-</u>
	<u>\$ 41,323,000</u>	<u>\$ -</u>	<u>\$ 41,323,000</u>	<u>\$ 38,902,610</u>	<u>\$ 3,848,944</u>	<u>\$ 42,751,554</u>		<u>\$ 1,071,204</u>

**Reconciliation of current year expenditures**

SPLOST 2004 expenditures per financial statements  
Less debt service principal

\$ 3,848,944

-

\$ 3,848,944

**CATOOSA COUNTY, GEORGIA**  
**SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION**  
**SALES TAX PROJECTS 2009 CYCLE**  
**YEAR ENDED SEPTEMBER 30, 2016**

PROJECT	ORIGINAL	REALLOC-	REVISED	EXPENDITURES			PERCENTAGE OF COMPLETION	CUMULATIVE OTHER FUNDING
	ESTIMATED COST		ESTIMATED COSTS	PRIOR YEARS	CURRENT YEAR	TOTAL		
Fort Oglethorpe sewer, water and capital outlay projects	\$ 7,112,000	\$ -	\$ 7,112,000	\$ 5,747,923	\$ -	\$ 5,747,923	81%	\$ 29,154
Ringgold sewer, water and capital outlay projects	2,520,000	-	2,520,000	2,045,751	13,747	2,059,498	82%	33,163
Catoosa Utility District water projects	4,000,000	-	4,000,000	3,231,921	-	3,231,921	81%	15,518
Catoosa County sewer projects	15,750,000	-	15,750,000	10,962,053	1,292,799	12,254,852	78%	-
Recreation	2,000,000	-	2,000,000	1,211,418	4,178	1,215,596	61%	-
Public safety equipment	5,509,000	-	5,509,000	2,856,103	94,691	2,950,794	54%	-
Public works vehicles	1,500,000	-	1,500,000	1,202,270	-	1,202,270	80%	-
Multi-purpose buildings	1,190,000	-	1,190,000	872,055	902	872,957	73%	-
Roads, buildings, and stormwater	9,869,000	-	9,869,000	10,022,727	-	10,022,727	100%	2,087,050
Library enhancement	500,000	-	500,000	92,703	99,453	192,156	38%	-
Economic development	2,000,000	-	2,000,000	1,608,201	37,172	1,645,373	82%	-
GIS department	400,000	-	400,000	94,708	10,222	104,930	26%	5,940
Historical tourism/greenspace	<u>750,000</u>	<u>-</u>	<u>750,000</u>	<u>612,531</u>	<u>-</u>	<u>612,531</u>	82%	<u>10,000</u>
	<u>\$ 53,100,000</u>	<u>\$ -</u>	<u>\$ 53,100,000</u>	<u>\$ 40,560,364</u>	<u>\$ 1,553,164</u>	<u>\$ 42,113,528</u>		<u>\$ 2,180,825</u>

**Reconciliation of current year expenditures**

SPLOST 2009 expenditures per financial statements  
Less debt service principal

\$ 1,581,031  
(27,867)  
\$ 1,553,164

**CATOOSA COUNTY, GEORGIA**  
**SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION**  
**SALES TAX PROJECTS 2014 CYCLE**  
**YEAR ENDED SEPTEMBER 30, 2016**

PROJECT	ORIGINAL	REALLOC- ATIONS	REVISED	EXPENDITURES			PERCENTAGE OF COMPLETION	CUMULATIVE OTHER FUNDING
	ESTIMATED COST		ESTIMATED COSTS	PRIOR YEARS	CURRENT YEAR	TOTAL		
Fort Oglethorpe sewer, water and capital outlay projects	\$ 7,150,000	\$ -	\$ 7,150,000	\$ 843,937	\$ 675,006	\$ 1,518,943	21%	\$ 723
Ringgold sewer, water and capital outlay projects	2,500,000	-	2,500,000	39	841,788	841,827	34%	247
Catoosa Utility District water projects	2,300,000	-	2,300,000	400,362	373,291	773,653	34%	46
Catoosa County sewer projects	12,400,000	-	12,400,000	10,714	2,482,994	2,493,708	20%	500,000
Recreation	2,263,101	-	2,263,101	320,419	316,616	637,035	28%	-
Public safety equipment and buildings	9,222,399	-	9,222,399	1,125,830	274,048	1,399,878	15%	-
Roads and bridges	9,000,000	-	9,000,000	1,428,425	2,010,921	3,439,346	38%	1,056,200
Equipment and vehicles	2,164,500	-	2,164,500	102,720	255,488	358,208	17%	-
Public buildings and grounds	800,000	-	800,000	52,980	182,868	235,848	29%	26,758
Courthouse renovation	2,200,000	-	2,200,000	337,536	354,560	692,096	31%	-
Stormwater projects	3,000,000	-	3,000,000	432,592	195,664	628,256	21%	-
Economic development	6,700,000	-	6,700,000	1,072,171	1,055,133	2,127,304	32%	18,566
GIS department	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>4,795</u>	<u>-</u>	<u>4,795</u>	2%	<u>-</u>
	<u>\$ 60,000,000</u>	<u>\$ -</u>	<u>\$ 60,000,000</u>	<u>\$ 6,132,520</u>	<u>\$ 9,018,377</u>	<u>\$ 15,150,897</u>		<u>\$ 1,602,540</u>

**Reconciliation of current year expenditures**

SPLOST 2014 expenditures per financial statements  
Less debt service principal

\$ 9,018,377

-

