

CATOOSA COUNTY, GEORGIA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended September 30, 2017

JOHNSON, HICKEY & MURCHISON, P.C.
Certified Public Accountants
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 unit, each major fund, and the aggregate remaining fund information of Catoosa County, Georgia, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. 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% 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 unit, each major fund, and the aggregate remaining fund information for Catoosa County, Georgia, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 43 - 47 and the development authority schedule of revenues, expenditures and changes in fund balances – budget and actual on page 48 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 27, 2018, 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, Nicky & Menckem, P.C.

March 27, 2018
Chattanooga, Tennessee

Catoosa County, Georgia
Management's Discussion and Analysis
For the Year Ended September 30, 2017

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 40 of this report.

FINANCIAL HIGHLIGHTS

Catoosa County’s total assets exceeded total liabilities by \$444.1 million (net position). Total net assets for governmental activities were \$448.2 million; total net assets for business-type activities were a deficit in the amount of \$4.1 million.

CATOOSA COUNTY, GEORGIA
NET POSITION
(\$ in Millions)
Fiscal Years 2017 and 2016

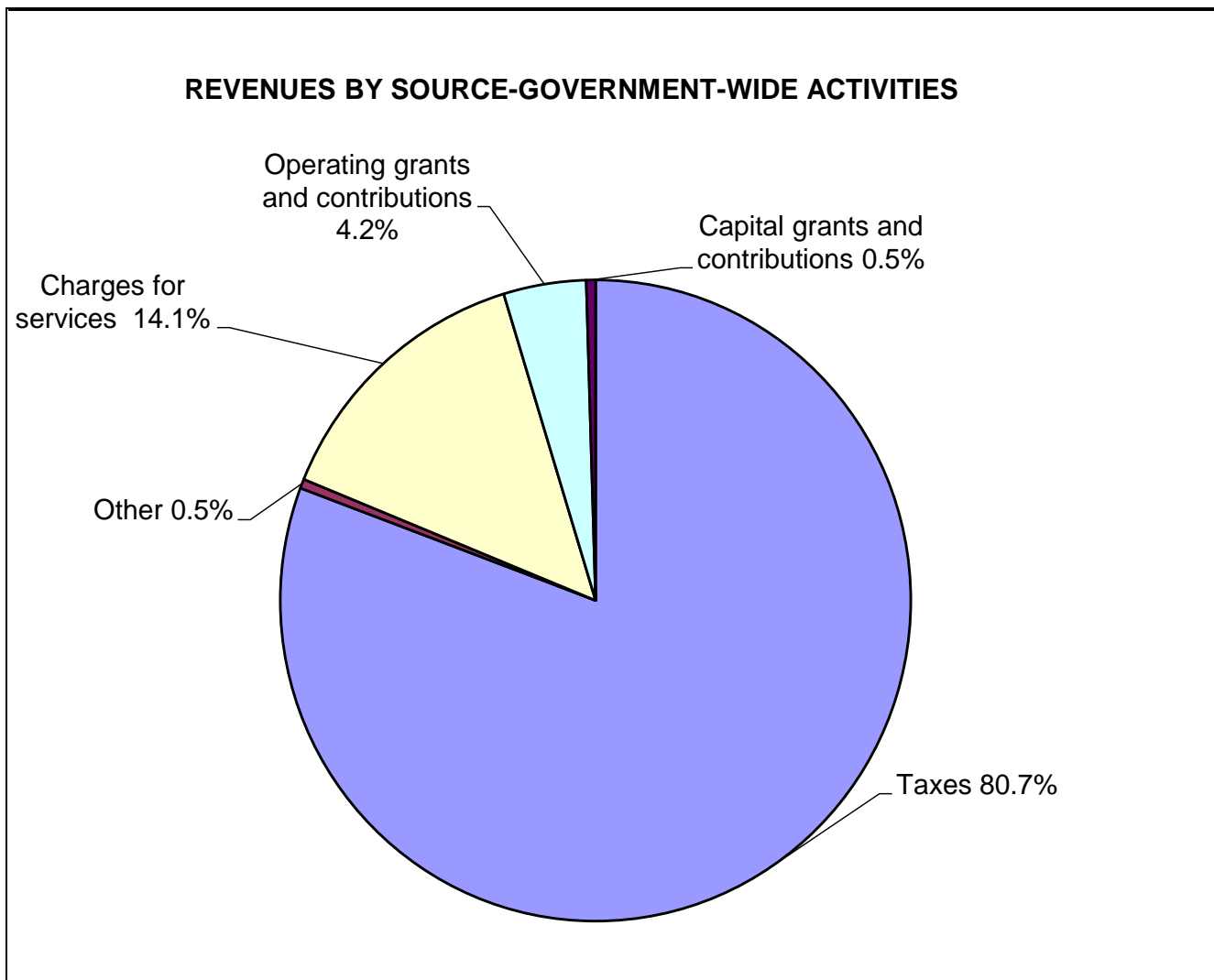
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 26.4	\$ 23.8	\$ (1.3)	\$ (1.4)	\$ 25.1	\$ 22.4
Capital Assets	429.3	440.4	3.6	3.9	432.9	444.3
Total Assets	455.7	464.2	2.3	2.5	458.0	466.7
Long-term Liabilities	3.1	2.6	6.4	6.0	9.5	8.6
Other Liabilities	4.3	7.5	-	0.3	4.3	7.8
Total Liabilities	7.4	10.1	6.4	6.3	13.8	16.4
Deferred revenue	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Net Position						
Net Investment in Capital Assets	424.9	436.5	3.6	3.9	428.5	440.4
Assigned			-	-	-	-
Restricted	14.5	12.4	-	-	14.5	12.4
Unrestricted	8.8	5.2	(7.7)	(7.7)	1.1	(2.5)
Total Net Position	\$ 448.2	\$454.1	\$ (4.1)	\$ (3.8)	\$444.1	\$450.3

The Government's financial position declined during Fiscal 2017. Total net position declined by \$6.2 million, with \$5.9 million of the decrease from governmental activities and \$287 thousand business-type activities. The decrease in the assets of \$8.7 million is due to a decrease in capital assets of \$11.4 million partially offset by an increase in current and other assets of \$2.7 million. The decrease in capital assets is the result of depreciation of \$12.8 million partially offset by increases for capital additions of \$1.4 million. The increase in current and other assets is the result of an increase of \$1.6 million in land held for resale, an increase of \$716 thousand in cash and cash equivalents, an increase of \$358 thousand in the receivable due from other governmental entities and an increase of \$131 thousand in other taxes receivable partially offset by decreases of \$81 thousand in prepaid expenses and \$21 thousand in property taxes receivable. Liabilities decreased \$2.6 million with a decrease of \$3.5 million in tax anticipation note and a decrease of \$326 thousand in long-term liabilities due within one year partially offset by an increase of \$916 thousand in long-term liabilities due in more than one year and an increase of \$309 thousand in accounts payable. Net capital assets in the amount of \$428.5 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 \$14.5 million are comprised of \$14.1 million for SPLOST, \$377 thousand for Public Safety which includes Confiscated Assets Fund and DATE Fund. The positive balance in unrestricted net assets of \$1.1 million is composed of a positive balance of \$8.8 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 \$6.4 million and a liability of \$1.3 million for the construction of the landfill gas to energy project.

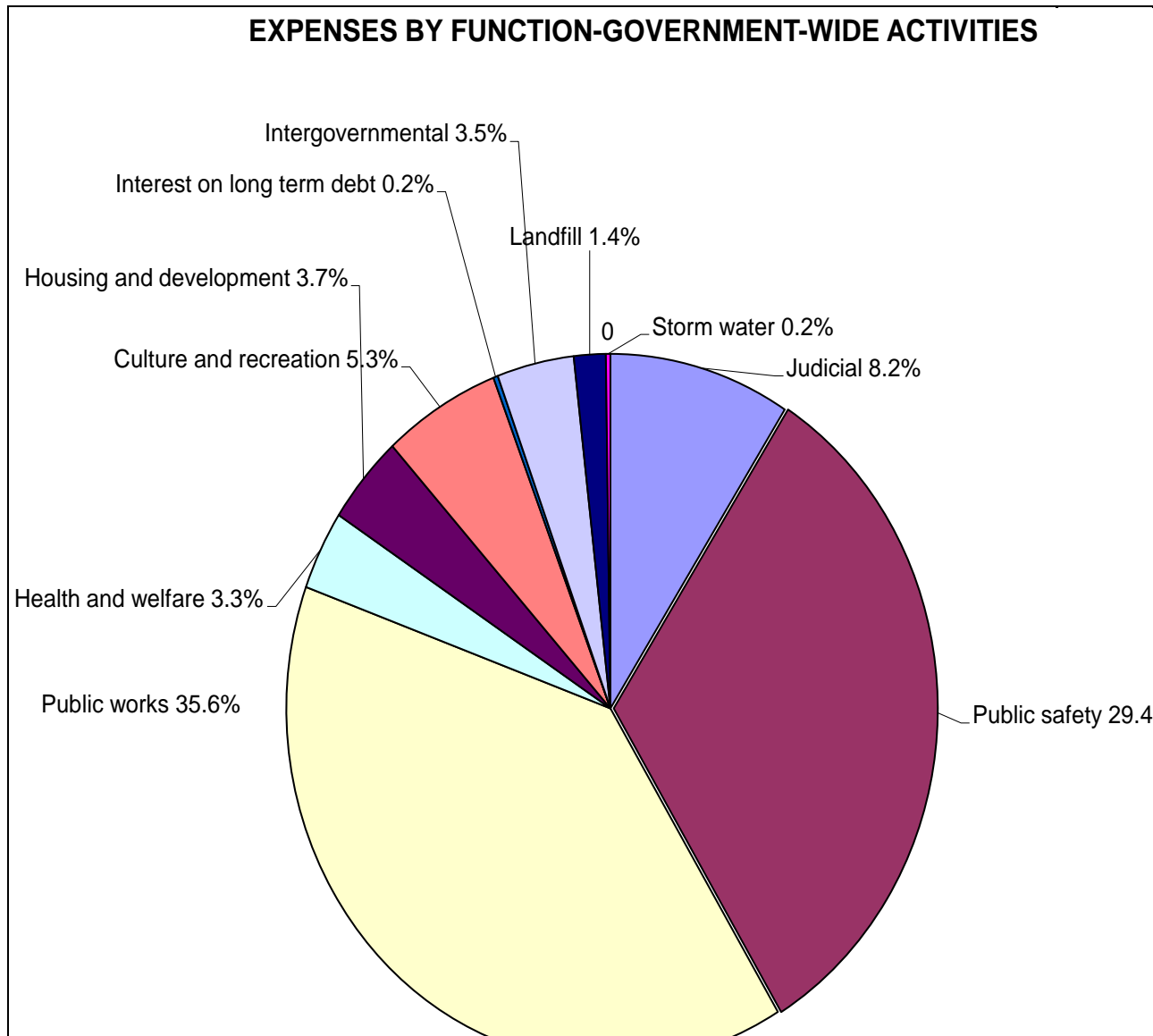
CATOOSA COUNTY, GEORGIA
CHANGES IN NET POSITION
(\$ in Millions)
Fiscal Years 2017 and 2016

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:						
Program revenues:						
Charges for services	\$ 5.5	\$ 5.1	\$ 0.5	\$ 0.5	\$ 6.0	\$ 5.6
Operating grants and contributions	1.8	2.1	-	-	1.8	2.1
Capital grants and contributions	0.2	-	-	-	0.2	-
General revenues:						
Property taxes	13.1	11.7	-	-	13.1	11.7
Special local option sales tax	9.9	9.6	-	-	9.9	9.6
Local option sales tax	6.9	6.8	-	-	6.9	6.8
Insurance premium tax	2.9	2.7	-	-	2.9	2.7
Federal payments in lieu of taxes	0.4	0.5	-	-	0.4	0.5
Other taxes	0.7	0.7	-	-	0.7	0.7
Franchise fees	0.4	0.4	-	-	0.4	0.4
Gain (loss) on sale of capital assets	-	0.2	-	-	-	0.2
Other	0.2	2.3	-	-	0.2	2.3
Total revenues	<u>42.0</u>	<u>42.1</u>	<u>0.5</u>	<u>0.5</u>	<u>42.5</u>	<u>42.6</u>
Expenses:						
General government	4.5	4.6	-	-	4.5	4.6
Judicial	4.0	3.5	-	-	4.0	3.5
Public safety	14.3	14.3	-	-	14.3	14.3
Public works	17.3	22.4	-	-	17.3	22.4
Health and welfare	1.6	1.7	-	-	1.6	1.7
Housing and development	1.8	0.9	-	-	1.8	0.9
Culture and recreation	2.6	2.5	-	-	2.6	2.5
Interest on long term debt	0.1	0.1	-	-	0.1	0.1
Intergovernmental	1.7	1.9	-	-	1.7	1.9
Landfill	-	-	0.7	0.4	0.7	0.4
Storm water	-	-	0.1	0.1	0.1	0.1
Total expenses	<u>47.9</u>	<u>51.9</u>	<u>0.8</u>	<u>0.5</u>	<u>48.7</u>	<u>52.4</u>
Change in net position before transfers	(5.9)	(9.8)	(0.3)	-	(6.2)	(9.8)
Change in net position	(5.9)	(9.8)	(0.3)	-	(6.2)	(9.8)
Beginning net position	454.1	463.9	(3.8)	(3.8)	450.3	460.1
Ending net position	<u>\$ 448.2</u>	<u>\$ 454.1</u>	<u>\$ (4.1)</u>	<u>\$ (3.8)</u>	<u>\$ 444.1</u>	<u>\$ 450.3</u>

Total government-wide revenues for 2017 were \$42.5 million, a decrease of \$115 thousand from \$42.6 million in 2016. The reduction was the result of a \$2.1 million decrease in other due to a \$2.3 million discount in prior year related to the settlement of the financial guarantee for the Hutcheson line of credit with Erlanger partially offset by a \$116 thousand increase in insurance proceeds, a reduction of \$352 thousand operating grants and contributions and a reduction of \$159 thousand on gain on sale of capital assets. The decreases were partially offset by increases of \$1.4 million in property taxes, \$366 thousand charges for services, \$245 thousand special local option sales tax, \$172 thousand local option sales tax, \$173 thousand insurance proceeds, \$165 thousand capital grants and contributions and \$53 thousand other taxes. The revenues are distributed by the following sources: \$34.3 million in taxes, \$6.0 million in charges for services, \$1.8 million in operating grants and contributions, \$254 thousand other and \$178 thousand capital grants. Of this amount \$42.0 million was in governmental activities and \$472 thousand was in business type activities. The chart below shows graphically the distribution of government-wide revenues by source.



Government-wide expenses were \$48.7 million for 2017, a decrease of \$3.7 million from \$52.4 million for 2016. The decrease was the result of reductions in public works \$5.1 million, intergovernmental \$226 thousand, general government \$79 thousand, health and welfare \$46 thousand and interest \$12 thousand. The decrease in public works was due an increase in prior year SPLOST Funded expenditures on capital projects due to closing out 2004 and 2009 SPLOST sewer projects and starting 2014 SPLOST cycle projects after sufficient funds had been collected. The decreases were partially offset by increases in housing and development \$853 thousand, judicial \$480 thousand, landfill services \$247 thousand, culture and recreation \$87 thousand and public safety \$83 thousand. Of the total expenses, \$47.9 million were for governmental activities and \$760 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 \$41.8 million, an increase of \$2.2 million from \$39.6 million in 2016. The increase was the result of an increase in the General Fund of \$2.3 million; partially offset by decreases in Other Governmental Funds \$84 thousand and SPLOST Capital Projects \$27 thousand. The increase in the General Fund was due to increases in taxes \$1.8 million, fines, fees and forfeitures \$212 thousand, charges for services \$211 thousand, intergovernmental \$166 thousand; partially offset by a decrease of 44 thousand in other.

Expenditures in the governmental funds were \$38.9 million, a decrease of \$3.8 million from \$42.7 million in 2016. The decrease was the result of decreases in SPLOST Capital Projects of \$5.8 million and Other Governmental Funds \$402 thousand; partially offset by increases in the Development Authority of \$1.6 million and General Fund \$859 thousand. The decrease in SPLOST Capital Projects was due to reductions in public works of \$5.2 million, capital outlay \$254 thousand, intergovernmental \$226 thousand, public safety \$49 thousand and general government \$35 thousand. The decrease in Other Governmental Funds was due to reductions in capital outlays of \$335 thousand, public safety \$149 thousand, health and welfare \$45 thousand; partially offset by increases in public works of \$60 thousand, culture and recreation \$40 thousand and judicial \$27 thousand. The increase in the Development Authority was due to increases in housing and development of \$791 thousand and debt service \$791 thousand. The increase in the General Fund was due to increases in judicial of \$388 thousand, public safety \$225 thousand, health and welfare \$162 thousand, culture and recreation \$62 thousand and public works \$22 thousand.

Other financing sources and uses were favorable, a source of funds of \$2.8 million, an improvement of \$29 thousand from a source of funds of \$2.8 million in 2016. The increase was the result of increases in proceeds from long-term debt of \$324 thousand and insurance proceeds of \$116 thousand; partially offset by a decrease in proceeds from sale of assets of \$411 thousand.

As the County completed the year, its governmental funds reported a combined fund balance of \$23.8 million an increase of \$5.7 million from \$18.1 million in 2016. The General Fund, which is the chief operating fund of the County increased \$2.6 million, SPLOST Capital Projects Fund increased \$2.0 million, Development Authority increased \$1.1 million and Other Governmental Funds decreased \$7 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 \$460 thousand, an increase of \$3 thousand from \$457 thousand in 2016. The increase was due to an increase in fees.

Operating expenses in business-type activities were \$760 thousand, an increase of \$240 thousand from \$520 thousand in 2016. The increase is due primarily to a prior year reduction of \$237 thousand in the estimated post closure care cost due to the practice in prior years of discounting each year the remaining estimated cost liability. Federal regulations governing post closure financial assurance, which Georgia has now adopted by reference, does not allow for the reduction in years. The cost should always be that required for 30 years of maintenance regardless of how many years the site has been closed. The facilities that had been getting cost reductions each year will not be required to go back to 30 years, but will no longer continue getting reductions.

The proprietary funds reported a reduction in net position of \$287 thousand for the period ended 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues and other financing sources exceeded budgeted revenues and other financing sources \$1.3 million. The excess of actual revenues and other financing sources over budget revenues and other financing sources was: property taxes \$203 thousand, other taxes \$311 thousand, charges for current services \$223 thousand, intergovernmental \$42 thousand, other revenue \$156 thousand, fines, fees and forfeitures \$106 thousand, investment earnings \$39 thousand, other \$103 thousand and other financing sources \$132 thousand

Budgeted expenditures exceeded actual expenditures \$1.3 million. The excess of budgeted expenditures over actual expenditures were primarily due to the following expenditure categories where budgeted exceeded actual: judicial \$151 thousand, general government \$305 thousand, public safety \$487 thousand, public works \$218 thousand, health and welfare \$12 thousand, housing and development \$85 thousand and culture and recreation \$74 thousand. The favorable variances were fairly distributed over all functions as the effort continues to control expenditures.

General fund operations for 2017 resulted in a fund balance of \$9.7 million, an increase of \$2.6 million from \$7.1 million in 2016. The \$2.6 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 \$444,270,295, plus current year additions of \$1,361,507, less current year depreciation of \$12,758,519, less net dispositions and reclassifications of \$6,696, resulted in an ending balance of \$432,866,587. The CIP additions in the amount of \$190 thousand includes expenditures for trans-aid two buses \$81 thousand, firing range \$54 thousand, 911 equipment upgrade \$33 thousand, Fire Station # 3 renovations \$9 thousand, sheriff lobby renovations \$8 thousand, and Jack Mattox renovations \$5 thousand. Land improvements in the amount of \$88 thousand includes Courthouse communications and IT consolidation. The vehicle purchases in the amount of \$666 thousand includes twelve vehicles for the Sheriff Department \$350 thousand, two buses for Public Transportation \$90 thousand, two pickups Animal Control \$63 thousand, two pickups Building Inspection \$47 thousand, one explorer Emergency Management \$39, one pickup Public Buildings \$27 thousand, one explorer Tax Assessor \$26 thousand and one pickup Public Works \$24 thousand. The equipment purchases in the amount of \$418 thousand includes turnout gear, jaws of life, special operations trailer, thermal imaging equipment and other items for Fire and Rescue of \$130 thousand, air compressor, forklift brake lathe, tire balancer, two post lift and a four post lift for Garage \$110 thousand, bobcat, heavy equipment trailer and other items of road equipment for Public Works \$102 thousand, genie lift for Public Buildings \$14 thousand, methane gas tester and flowmeter Solid Waste Management \$13 thousand, zero turn mower for Recreation \$11 thousand, six heart start AEDs, two color copies, various items of computer equipment and other items of office equipment for General Government \$38 thousand. Dispositions in the amount of \$808 thousand included vehicles in the amount of \$666 thousand all were fully depreciated except for one with a NBV of \$7 thousand included equipment in the amount of \$142 thousand all was fully depreciated with a NBV of zero. 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, 2017, is as follows:

	Beginning Balance	Additions	Depreciation	Dispositions /Reclass	Ending Balance
Land	\$ 6,146,358	\$ -	\$ -	\$ -	\$ 6,146,358
CIP	418,981	190,097		(382,444)	226,634
Land Improvements	6,462,924	87,605	462,448	292,438	6,380,519
Infrastructure	402,130,828	-	10,355,666	-	391,775,162
Buildings	24,999,645	-	508,659		24,490,986
Equipment, vehicles, furniture & fixtures	4,111,559	1,083,805	1,431,746	83,310	3,846,928
	<u>\$ 444,270,295</u>	<u>\$ 1,361,507</u>	<u>\$ 12,758,519</u>	<u>\$ (6,696)</u>	<u>\$ 432,866,587</u>

THE GOVERNMENT'S DEBT

The bonds payable of the Catoosa County Development Authority consists of tax exempt revenue bond Series 2014A \$1,003,600 and taxable revenue bond Series 2014B \$1,557,600. Notes payable of the Catoosa County Development Authority to Financial Corporation of North Georgia, LLC, original borrowings of \$1,704,923, payable on or before November 15, 2019 and \$105,841 payable on or before October 21, 2019, both notes with no interest. The post closure obligations are \$1,816,774 for Site #1 and \$4,606,094 for Site #2 which is The Georgia Environmental Protection Division estimate of the future liability for the next seventeen to twenty-three 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, 2017, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital lease obligations	\$ 47,209	\$ -	\$ (47,209)	\$ -
Bonds payable	3,841,800	-	(1,280,600)	2,561,200
Notes payable		2,626,212	(815,448)	1,810,764
Landfill closure / Postclosure obligation	6,340,442	82,426	-	6,422,868
Compensated absences	635,040	24,187	-	659,227
	<u>\$ 10,864,491</u>	<u>\$ 2,732,825</u>	<u>\$ (2,143,257)</u>	<u>\$ 11,454,059</u>

STATUS OF THE CATOOSA COUNTY ECONOMY

Retail sales taxes for the fiscal year 2017 were up \$172 thousand, or 2.6% compared to fiscal year 2016. The net digest for real, personal, mobile home, timber and equipment is up \$98.8 million, or 6.55% for 2017 over 2016.

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 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, 2017

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
ASSETS				
Cash and cash equivalents				
Available	\$ 19,634,773	\$ -	\$ 19,634,773	\$ 1,662,871
Restricted for specific use	348,541	-	348,541	-
Investments	11,578	-	11,578	-
Due from other funds	1,312,329	(1,312,329)	-	-
Due from other governmental entities	1,818,236	-	1,818,236	157,409
Property taxes receivable	206,048	-	206,048	-
Other taxes receivable	846,858	-	846,858	-
Accounts receivable	-	-	-	511
Prepaid expenses	343,345	-	343,345	-
Prepaid supplies	42,443	-	42,443	25,616
Land held for resale	1,810,764	-	1,810,764	-
Land and other nondepreciable assets	4,603,855	1,769,137	6,372,992	-
Other capital assets, net	424,675,551	1,818,044	426,493,595	4,289
Total assets	<u>\$ 455,654,321</u>	<u>\$ 2,274,852</u>	<u>\$ 457,929,173</u>	<u>\$ 1,850,696</u>
DEFERRED OUTFLOWS OF RESOURCES				
Employer pension contributions	\$ -	\$ -	\$ -	\$ 287,374
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,374</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 2,281,537	\$ 2,004	\$ 2,283,541	\$ 1,448
Due to heirs, litigants and others	65,520	-	65,520	-
Due to other governments	-	-	-	44,162
Long-term liabilities				
Due within one year	1,939,827	-	1,939,827	3,611
Due in more than one year	3,091,364	6,422,868	9,514,232	1,370,025
Total liabilities	<u>\$ 7,378,248</u>	<u>\$ 6,424,872</u>	<u>\$ 13,803,120</u>	<u>\$ 1,419,246</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	\$ 43,806	\$ -	\$ 43,806	\$ -
Earnings on pension plan investments	-	-	-	81,627
Total deferred inflows of resources	<u>\$ 43,806</u>	<u>\$ -</u>	<u>\$ 43,806</u>	<u>\$ 81,627</u>
NET POSITION				
Net investment in capital assets	\$ 424,907,442	\$ 3,587,181	\$ 428,494,623	\$ 4,289
Restricted for				
Capital projects	14,083,178	-	14,083,178	-
Public safety	377,112	-	377,112	-
Health and welfare	3,190	-	3,190	-
Unrestricted	8,861,345	(7,737,201)	1,124,144	632,908
Total net position	<u>\$ 448,232,267</u>	<u>\$ (4,150,020)</u>	<u>\$ 444,082,247</u>	<u>\$ 637,197</u>

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2017

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	
PRIMARY GOVERNMENT								
Governmental activities								
Judicial	\$ 4,006,046	\$ 1,362,800	\$ 99,066	\$ -	\$ (2,544,180)	\$ -	\$ (2,544,180)	\$ -
General government	4,537,984	944,844	41,273	-	(3,551,867)	-	(3,551,867)	-
Public safety	14,348,959	1,914,333	65,268	-	(12,369,358)	-	(12,369,358)	-
Public works	17,300,730	-	757,286	-	(16,543,444)	-	(16,543,444)	-
Health and welfare	1,606,574	46,572	653,294	162,011	(744,697)	-	(744,697)	-
Housing and development	1,784,299	542,160	-	-	(1,242,139)	-	(1,242,139)	-
Culture and recreation	2,560,565	682,989	168,366	16,034	(1,693,176)	-	(1,693,176)	-
Intergovernmental	1,678,106	-	-	-	(1,678,106)	-	(1,678,106)	-
Interest	75,244	-	-	-	(75,244)	-	(75,244)	-
Total governmental activities	47,898,507	5,493,698	1,784,553	178,045	(40,442,211)	-	(40,442,211)	-
Business-type activities								
Landfill services	686,786	431,530	-	-	-	(255,256)	(255,256)	-
Stormwater management	72,806	28,040	-	-	-	(44,766)	(44,766)	-
Total business-type activities	759,592	459,570	-	-	-	(300,022)	(300,022)	-
Total primary government	48,658,099	5,953,268	1,784,553	178,045	(40,442,211)	(300,022)	(40,742,233)	-
COMPONENT UNITS								
Health Department	1,387,773	478,480	645,072	-	-	-	-	(264,221)
Total component units	\$ 1,387,773	\$ 478,480	\$ 645,072	\$ -	-	-	-	(264,221)
GENERAL REVENUES								
Property taxes					13,059,379	-	13,059,379	-
Special local option sales tax					9,878,460	-	9,878,460	-
Local option sales tax					6,920,763	-	6,920,763	-
Insurance premium tax					2,867,613	-	2,867,613	-
Federal payments in lieu of taxes					444,919	-	444,919	-
Other taxes					729,846	-	729,846	-
Franchise fees					372,606	-	372,606	-
Interest					49,575	-	49,575	15,109
Gain (loss) on sale of capital assets					26,042	-	26,042	-
Insurance proceeds					133,154	-	133,154	-
Other					32,849	-	32,849	486,290
Total general revenues					34,515,206	-	34,515,206	501,399
CAPITAL CONTRIBUTION					-	12,821	12,821	-
Change in net position					(5,927,005)	(287,201)	(6,214,206)	237,178
NET POSITION								
Beginning					454,159,272	(3,862,819)	450,296,453	451,211
Prior period adjustment					-	-	-	(51,192)
Beginning, restated					454,159,272	(3,862,819)	450,296,453	400,019
Ending					\$ 448,232,267	\$ (4,150,020)	\$ 444,082,247	\$ 637,197

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

CATOOSA COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Development Authority	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,898,129	\$ 84,662	\$ 13,651,982	-	\$ 19,634,773
Restricted cash	-	-	348,541	-	348,541
Investments	11,578	-	-	-	11,578
Due from other governmental entities	1,818,236	-	-	-	1,818,236
Due from other funds	3,446,271	-	-	523,016	3,969,287
Property taxes receivable	206,048	-	-	-	206,048
Other taxes receivable	3,895	-	842,963	-	846,858
Prepaid expenses	343,345	-	-	-	343,345
Prepaid supplies	42,443	-	-	-	42,443
Land held for resale	-	1,810,764	-	-	1,810,764
	<u>-</u>	<u>1,810,764</u>	<u>-</u>	<u>-</u>	<u>1,810,764</u>
Total assets	<u>\$ 11,769,945</u>	<u>\$ 1,895,426</u>	<u>\$ 14,843,486</u>	<u>\$ 523,016</u>	<u>\$ 29,031,873</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,288,456	\$ 181,057	\$ 740,813	\$ 59,014	\$ 2,269,340
Due to heirs, litigants and others	65,520	-	-	-	65,520
Due to other funds	523,047	2,110,704	23,207	-	2,656,958
	<u>1,877,023</u>	<u>2,291,761</u>	<u>764,020</u>	<u>59,014</u>	<u>4,991,818</u>
Total liabilities	<u>1,877,023</u>	<u>2,291,761</u>	<u>764,020</u>	<u>59,014</u>	<u>4,991,818</u>
Deferred inflows of resources					
Deferred tax revenue	168,801	-	-	-	168,801
Deferred grant revenue	-	-	-	43,806	43,806
	<u>168,801</u>	<u>-</u>	<u>-</u>	<u>43,806</u>	<u>212,607</u>
Total deferred inflows of resources	<u>168,801</u>	<u>-</u>	<u>-</u>	<u>43,806</u>	<u>212,607</u>
Fund balances					
Nonspendable					
Prepaid items	385,788	-	-	-	385,788
Restricted for					
SPLOST projects	-	-	14,079,466	-	14,079,466
Capital projects	-	-	-	3,712	3,712
Public safety	-	-	-	377,112	377,112
Health and welfare	-	-	-	3,190	3,190
Unassigned	9,338,333	(396,335)	-	36,182	8,978,180
	<u>9,724,121</u>	<u>(396,335)</u>	<u>14,079,466</u>	<u>420,196</u>	<u>23,827,448</u>
Total fund balances	<u>9,724,121</u>	<u>(396,335)</u>	<u>14,079,466</u>	<u>420,196</u>	<u>23,827,448</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,769,945</u>	<u>\$ 1,895,426</u>	<u>\$ 14,843,486</u>	<u>\$ 523,016</u>	<u>\$ 29,031,873</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, 2017

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

Fund balances – total governmental funds	\$ 23,827,448
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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.	168,801
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	429,279,406
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Accrued interest is not due and payable in the current period and therefore is not reported in the funds.	(12,197)
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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>(5,031,191)</u>
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	<u>\$ 448,232,267</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, 2017

	General Fund	Development Authority	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 23,497,769	\$ -	\$ 9,878,460	\$ -	\$ 33,376,229
Licenses and franchises	435,641	-	-	-	435,641
Charges for services	808,055	-	-	1,111,005	1,919,060
Intergovernmental	1,036,669	-	716,205	633,213	2,386,087
Fines, fees and forfeitures	2,497,288	-	-	255,465	2,752,753
Investment earnings	49,201	374	41,081	-	90,656
Other	838,231	-	-	26,185	864,416
Total revenues	<u>29,162,854</u>	<u>374</u>	<u>10,635,746</u>	<u>2,025,868</u>	<u>41,824,842</u>
EXPENDITURES					
Current					
Judicial	3,871,321	-	-	27,264	3,898,585
General government	4,364,788	-	20,894	-	4,385,682
Public safety	12,052,892	-	11,287	1,249,780	13,313,959
Public works	2,151,151	-	4,501,196	60,377	6,712,724
Health and welfare	1,251,059	-	-	416,178	1,667,237
Housing and development	769,606	899,241	-	-	1,668,847
Culture and recreation	2,004,643	-	106,867	182,079	2,293,589
Intergovernmental	-	-	1,678,106	-	1,678,106
Capital outlay	-	-	971,156	97,409	1,068,565
Debt service					
Principal	47,209	2,096,048	-	-	2,143,257
Interest	14,653	66,688	-	-	81,341
Total expenditures	<u>26,527,322</u>	<u>3,061,977</u>	<u>7,289,506</u>	<u>2,033,087</u>	<u>38,911,892</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,635,532	(3,061,603)	3,346,240	(7,219)	2,912,950
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	17,176	15,562	-	-	32,738
Insurance proceeds	133,154	-	-	-	133,154
Proceeds from long-term debt	-	2,626,212	-	-	2,626,212
Transfers from other funds	-	1,527,429	-	-	1,527,429
Transfers to other funds	(180,141)	-	(1,347,288)	-	(1,527,429)
NET CHANGE IN FUND BALANCES	2,605,721	1,107,600	1,998,952	(7,219)	5,705,054
FUND BALANCES					
Beginning	<u>7,118,400</u>	<u>(1,503,935)</u>	<u>12,080,514</u>	<u>427,415</u>	<u>18,122,394</u>
Ending	<u>\$ 9,724,121</u>	<u>\$ (396,335)</u>	<u>\$ 14,079,466</u>	<u>\$ 420,196</u>	<u>\$ 23,827,448</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, 2017

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

Net change in fund balances – total governmental funds	\$ 5,705,054
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.	1,346,694
Depreciation expense on governmental capital assets are included in the statement of activities.	(12,458,476)
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.	(24,187)
The net effect of various transactions involving capital assets (i.e. sales, trade-ins, and disposals) is to decrease net position.	(6,696)
Certain governmental revenues will not be collected for several months after the fiscal year and are deferred in the governmental funds.	(12,536)
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	6,097
Proceeds from long-term debt are reported as other financing sources in the governmental funds	(2,626,212)
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.	<u>2,143,257</u>
	<u><u>\$ (5,927,005)</u></u>

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	<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>
<u>ASSETS</u>			
CURRENT ASSETS			
Due from other funds	\$ -	\$ 31	\$ 31
Total current assets	-	31	31
CAPITAL ASSETS			
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	1,861,463	30,815	1,892,278
	10,242,243	959,685	11,201,928
Less accumulated depreciation	6,969,557	645,190	7,614,747
Net capital assets	3,272,686	314,495	3,587,181
Total assets	\$ 3,272,686	\$ 314,526	\$ 3,587,212
<u>LIABILITIES AND NET POSITION</u>			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$ 1,865	\$ 139	\$ 2,004
Due to other funds	1,312,360	-	1,312,360
Total current liabilities	1,314,225	139	1,314,364
LONG-TERM LIABILITIES			
Accrued postclosure care costs	6,422,868	-	6,422,868
Total long-term liabilities	6,422,868	-	6,422,868
Total liabilities	7,737,093	139	7,737,232
NET POSITION			
Net investment in capital assets	3,272,686	314,495	3,587,181
Unrestricted	(7,737,093)	(108)	(7,737,201)
	(4,464,407)	314,387	(4,150,020)
Total liabilities and net position	\$ 3,272,686	\$ 314,526	\$ 3,587,212

(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, 2017

	<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>
OPERATING REVENUES			
User fees	\$ 431,530	\$ 28,040	\$ 459,570
Total revenues	<u>431,530</u>	<u>28,040</u>	<u>459,570</u>
OPERATING EXPENSES			
Depreciation	255,138	44,905	300,043
General operating expenses	<u>431,648</u>	<u>27,901</u>	<u>459,549</u>
Total expenses	<u>686,786</u>	<u>72,806</u>	<u>759,592</u>
OPERATING LOSS	(255,256)	(44,766)	(300,022)
CAPITAL CONTRIBUTION	<u>12,821</u>	<u>-</u>	<u>12,821</u>
CHANGE IN NET ASSETS	(242,435)	(44,766)	(287,201)
NET POSITION			
Beginning	<u>(4,221,972)</u>	<u>359,153</u>	<u>(3,862,819)</u>
Ending	<u>\$ (4,464,407)</u>	<u>\$ 314,387</u>	<u>\$ (4,150,020)</u>

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2017

	<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>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from user fees	\$ 431,530	\$ 28,040	\$ 459,570
Payments to suppliers for goods or services	<u>(349,385)</u>	<u>(28,009)</u>	<u>(377,394)</u>
Net cash provided by operating activities	<u>82,145</u>	<u>31</u>	<u>82,176</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(1,991)	-	(1,991)
Loan from other funds	<u>(80,154)</u>	<u>(31)</u>	<u>(80,185)</u>
Net cash used by capital and related financing activities	<u>(82,145)</u>	<u>(31)</u>	<u>(82,176)</u>
NET CHANGE IN CASH	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS			
Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating loss	\$ (255,256)	\$ (44,766)	\$ (300,022)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	255,138	44,905	300,043
Net change in operating liabilities	<u>82,263</u>	<u>(108)</u>	<u>82,155</u>
Net cash provided by operating activities	<u>\$ 82,145</u>	<u>\$ 31</u>	<u>\$ 82,176</u>
SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	\$ (14,812)	\$ -	\$ (14,812)
Capital contribution	<u>12,821</u>	<u>-</u>	<u>12,821</u>
Cash paid for capital assets	<u>\$ (1,991)</u>	<u>\$ -</u>	<u>\$ (1,991)</u>

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2017

**Agency
Funds**

ASSETS

Cash and cash equivalents	\$ 1,483,132
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Total assets	\$ 1,483,132
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LIABILITIES

Due to heirs, litigants, and others	\$ 439,341
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Due to other governmental entities	1,043,791
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Total liabilities	\$ 1,483,132
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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, 2017

	Catoosa County Health Department June 30, 2017
ASSETS	
Cash	\$ 1,662,871
Accounts receivable	511
Due from other governments	157,409
Inventory	25,616
Other capital assets, net of accumulated depreciation	<u>4,289</u>
Total assets	<u><u>\$ 1,850,696</u></u>
DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 287,374</u></u>
LIABILITIES	
Accounts payable	\$ 1,448
Due to other governments	44,162
Long-term liabilities	
Due within one year	3,611
Due in more than one year	<u>1,370,025</u>
Total liabilities	<u><u>\$ 1,419,246</u></u>
DEFERRED INFLOWS OF RESOURCES	<u><u>\$ 81,627</u></u>
NET POSITION	
Net investment in capital assets	4,289
Unrestricted	<u>632,908</u>
Total net position	<u><u>\$ 637,197</u></u>

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
COMPONENT UNIT
YEAR ENDED JUNE 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Total</u>
Catoosa County Health Department				
Health Department operations	<u>1,387,773</u>	<u>478,480</u>	<u>645,072</u>	<u>(264,221)</u>
Total component units	<u>\$ 1,387,773</u>	<u>\$ 478,480</u>	<u>\$ 645,072</u>	<u>(264,221)</u>
GENERAL REVENUES				
				486,186
				104
				<u>15,109</u>
			Total general revenues	<u>501,399</u>
			Change in net position	237,178
NET POSITION				
			Beginning, as previously reported	451,211
			Prior period adjustment	<u>(51,192)</u>
			Beginning, restated	<u>400,019</u>
			Ending	<u>\$ 637,197</u>

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

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(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, 2017

(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, 2017

(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, 2017

(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, 2017

(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, 2017

(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, 2017

(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 informational 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, 2017.

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, 2017

(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, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources (continued)

As of September 30, 2017, the County did not have any deferred outflows of resources and had deferred inflows of resources from deferred property taxes of \$168,801 and deferred grant revenue of \$43,806.

(2) CASH AND INVESTMENTS

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

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 AAAf 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, 2017, the Georgia Fund 1 weighted average maturity was 13 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 \$11,578 in Georgia Fund 1 as of September 30, 2017.

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, 2017

(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, 2017, 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	\$ <u>1,909,845</u>	\$ <u>19,818,230</u>	\$ <u>-</u>	\$ <u>21,728,075</u>	\$ <u>21,466,446</u>

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount</u>
Investments				
Georgia Fund 1	\$ <u>-</u>	\$ <u>11,578</u>	\$ <u>-</u>	\$ <u>11,578</u>

The deposits of the County are included in the following classifications at September 30, 2017.

Cash and cash equivalents	\$ 19,634,773
Restricted cash	348,541
Cash and cash equivalents - agency funds	<u>1,483,132</u>
	<u>\$ 21,466,446</u>

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(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, 2017, payables from agency funds to other funds were \$231,853, 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, 2017, consist of the following:

Amounts receivable to the general fund from the following funds:

Major governmental fund	
Development Authority	\$ 2,110,704
SPLOST capital projects	\$ 23,207
Major enterprise funds	
Solid waste	\$ 1,312,360

Amounts payable from the general fund to the following funds:

Nonmajor governmental funds	
Confiscated assets	\$ 21,372
Emergency 911	\$ 5,772
Multiple grant	\$ 46,488
JCSA	\$ 64,784
State grant for library	\$ 8,685
DATE program	\$ 359,020
Capital projects	\$ 16,895
Nonmajor enterprise funds	
Public works	\$ 31

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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

In addition, the general fund advanced the Development Authority \$2,110,704, for the purpose of land development, and other expenses for industrial revenue projects.

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.

The Jump/2A Project is an agreement between the Development Authority, the City of Ringgold, and Larry Armour, the developer for intersection improvement and site development. The estimated cost of the project is \$1.9M with each entity to fund 1/3 of the cost. The current balance of \$76,349 represents progress payments.

The purpose of transfers are to allocate revenues from the fund that collects them to the fund that expends the resources based on budgetary operations of the County.

Transfers for the 2017 year were as follows:

Transfer from SPLOST (major fund) to development authority (major fund)	\$ 1,347,288
Transfer from general fund (major fund) to development authority (major fund)	\$ 180,141

(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.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(4) FAIR VALUE MEASUREMENTS (continued)

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;

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, 2017. 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>\$ 1,810,764</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 1,810,764
Other investments				
Georgia Fund 1				<u>11,578</u>
				<u>\$ 1,822,342</u>

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(5) CAPITAL ASSETS

Governmental activities

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

	Beginning	Additions	Dispositions and Reclassifications	Ending
Nondepreciable capital assets				
Land	\$ 4,377,221	\$ -	\$ -	\$ 4,377,221
Construction in progress	418,981	190,097	(382,444)	226,634
Nondepreciable capital assets	\$ 4,796,202	\$ 190,097	\$ (382,444)	\$ 4,603,855
	Beginning	Additions	Dispositions and Reclassifications	Ending
Depreciable capital assets				
Land improvements	\$ 6,762,684	\$ 87,605	\$ 292,438	\$ 7,142,727
Infrastructure	758,962,943	-	-	758,962,943
Buildings	33,397,727	-	-	33,397,727
Equipment, vehicles, furniture and fixtures	19,758,922	1,068,992	(717,559)	20,110,355
	818,882,276	1,156,597	(425,121)	819,613,752
Less accumulated depreciation				
Land improvements	1,492,557	346,653	-	1,839,210
Infrastructure	356,832,115	10,355,666	-	367,187,781
Buildings	8,398,082	508,659	-	8,906,741
Equipment, vehicles, furniture and fixtures	16,557,840	1,247,498	(800,869)	17,004,469
	383,280,594	12,458,476	(800,869)	394,938,201
Depreciable capital assets, net	\$ 435,601,682	\$ (11,301,879)	\$ 375,748	\$ 424,675,551

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(5) CAPITAL ASSETS (continued)

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

General government	\$ 176,801
Judicial	108,397
Public safety	1,071,611
Public works	10,593,374
Health and welfare	110,348
Culture and recreation	282,494
Housing and development	115,451
	<u>\$ 12,458,476</u>

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>
Nondepreciable capital assets				
Land	<u>\$ 1,769,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,769,137</u>
Depreciable capital assets				
Land improvements	\$ 7,500,048	\$ -	\$ -	\$ 7,500,048
Buildings	40,465	-	-	40,465
Equipment and vehicles	<u>1,877,465</u>	<u>14,813</u>	<u>-</u>	<u>1,892,278</u>
	<u>9,417,978</u>	<u>14,813</u>	<u>-</u>	<u>9,432,791</u>
Less accumulated depreciation				
Land improvements	6,307,251	115,795	-	6,423,046
Buildings	40,465	-	-	40,465
Equipment and vehicles	<u>966,988</u>	<u>184,248</u>	<u>-</u>	<u>1,151,236</u>
	<u>7,314,704</u>	<u>300,043</u>	<u>-</u>	<u>7,614,747</u>
Depreciable capital assets, net	<u>\$ 2,103,274</u>	<u>\$ (285,230)</u>	<u>\$ -</u>	<u>\$ 1,818,044</u>

Depreciation expense for the business-type activities totaled \$300,043.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(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>
Depreciable capital assets				
Machinery and equipment	\$ 21,200	\$ -	\$ -	\$ 21,200
	<u>21,200</u>	<u>-</u>	<u>-</u>	<u>21,200</u>
Less accumulated depreciation				
Machinery and equipment	13,882	3,029	-	16,911
	<u>13,882</u>	<u>3,029</u>	<u>-</u>	<u>16,911</u>
Depreciable capital assets, net	<u>\$ 7,318</u>	<u>\$ (3,029)</u>	<u>\$ -</u>	<u>\$ 4,289</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 2017 in the amount of \$3,500,000. The proceeds of the TAN were used to fund current operations. Interest at 1.49% was due at maturity. The TAN was due and paid on December 31, 2017.

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

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(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:

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	\$ 1,003,600
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>1,557,600</u>
	<u><u>\$ 2,561,200</u></u>

Maturities of bonds payable are as follows:

	<u>Gross Payments</u>	<u>Imputed Interest</u>	<u>Net Present Value</u>
For the year ending September 30, 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><u>\$ 2,621,788</u></u>	<u><u>\$ 60,588</u></u>	<u><u>\$ 2,561,200</u></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.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(7) LONG-TERM DEBT (continued)

Governmental activities (continued)

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.

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

Note payable to Financial Corporation of North Georgia, LLC, original borrowings of \$1,704,923, payable on or before November, 15, 2019 with no interest due.	\$ 1,704,923
Note payable to Financial Corporation of North Georgia, LLC, original borrowings of \$921,289, payable on or before October 21, 2019 with no interest due.	<u>105,841</u>
	<u><u>\$ 1,810,764</u></u>

Maturities of notes payable are as follows:

	<u>Gross Payments</u>	<u>Imputed Interest</u>	<u>Net Present Value</u>
For the year ending September 30, 2018	\$ -	\$ -	\$ -
2019	-	-	-
2020	<u>1,810,764</u>	<u>-</u>	<u>1,810,764</u>
	<u><u>\$ 1,810,764</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,810,764</u></u>

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(7) LONG-TERM DEBT (continued)

Governmental activities (continued)

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

	<u>Beginning Balance</u>	<u>Adjustments and Additions</u>	<u>Adjustments and Retirements</u>	<u>Ending Balance</u>
Capital lease obligations	\$ 47,209	\$ -	\$ (47,209)	\$ -
Bonds payable	3,841,800	-	(1,280,600)	2,561,200
Notes payable	-	2,626,212	(815,448)	1,810,764
Compensated absences	<u>635,040</u>	<u>24,187</u>	<u>-</u>	<u>659,227</u>
	<u>\$ 4,524,049</u>	<u>\$ 2,650,399</u>	<u>\$ (2,143,257)</u>	<u>\$ 5,031,191</u>

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

Due within one year

Bonds payable	\$ 1,280,600
Compensated absences	<u>659,227</u>

1,939,827

Due in more than one year

3,091,364

\$ 5,031,191

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 \$6,422,868. The entire balance of this liability is considered long-term based on communication from the Georgia Environmental Protection Division. See Note 13 for further discussion.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(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	\$ 6,422,868	\$ -	\$ -	\$ 6,422,868

Presentation of long-term debt of business-type activities in the government-wide statement of net position presents the entire liability as long-term.

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	\$ 47,732	\$ 12,655	\$ (24,277)	\$ 36,110
Net pension liability	1,259,701	77,825	-	1,337,526
	<u>\$ 1,307,433</u>	<u>\$ 90,480</u>	<u>\$ (24,277)</u>	<u>\$ 1,373,636</u>

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(7) LONG-TERM DEBT (continued)
Component unit (continued)

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

Compensated absences	\$ 36,110
Due in more than one year	
Net pension liability	<u>1,337,526</u>
	<u>\$ 1,373,636</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, 2017, there were approximately 243 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, 2017, forfeitures were \$3,347. For the year ended September 30, 2017, employer and employee contributions were \$613,835 and \$263,072, respectively. Employer contributions have been charged to expense. At September 30, 2017, the County had a liability of approximately \$125,000 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, 2017

(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. 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, 2017, 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, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 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, 2016. At June 30, 2016, the Employer's proportion was 0.0282755%, which was a decrease of 0.002818% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Health Department recognized pension expense of \$53,254. At June 30, 2017, 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	\$ -	\$ 3,089
Changes of assumptions	11,329	-
Net difference between projected and actual earnings on pension plan investments	135,989	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	78,538
Employer contributions subsequent to the measurement date	140,056	-
	<u>\$ 287,374</u>	<u>\$ 81,627</u>

Health Department contributions subsequent to the measurement date of \$140,056 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
SEPTEMBER 30, 2017

(9) EMPLOYEE RETIREMENT PLANS (continued)

Catoosa County Health Department (continued)

Other 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, 2018	\$ (48,209)
2019	(4,868)
2020	73,318
2021	45,450
2022	-
Thereafter	-

The total pension liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2015 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	\$ 1,812,596	\$ 1,337,526	\$ 932,672

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(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, 2017, the Development Authority had an outstanding conduit debt obligation with Shaw Industries for \$17,000,000 for Series 2014B Taxable Industries Revenue Bonds and \$56,400,000 for Series 2017 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 \$9,684,481. As of September 30, 2017, the remaining balance on these commitments totaled \$1,420,548.

(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 \$106,869 per year for 17 years. A liability of \$1,816,773 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 \$200,265 per year for 23 years. A liability of \$4,606,095 represents 100% of the estimated postclosure care costs for Site 2.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(13) LANDFILL CLOSURE AND POSTCLOSURE CARE COST (continued)

The above estimates are based on what it would cost to perform postclosure care in 2017. 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. As directed by the Georgia Environmental Protection Division, the costs associated with the landfill postclosure are no longer being discounted and will continue to be based on the above mentioned years of postclosure care. The federal regulations governing postclosure financial assurance, which Georgia has adopted by reference, does not allow for the reduction in years.

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. The County paid \$9,019 for deductibles for the year ended September 30, 2017. There were no deductibles for which the County was responsible for the fiscal years ended September 30, 2016 and 2015.

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.

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.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(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 \$659,227, 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 \$36,110 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, 2017, the Solid Waste Management Authority has a net position deficit in the amount of \$4,464,407, resulting primarily from the liability for landfill postclosure care costs.

As discussed in Note 13, the Authority has a liability of approximately \$6.4 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, 2017, the Catoosa County Development Authority has a fund balance deficit in the amount of \$396,335. 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 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.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(16) DEFICIT FUND EQUITY (continued)

At September 30, 2017, the Emergency 911 Fund has a fund balance deficit in the amount of \$29,333 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 (RC) and is required to pay annual dues thereto. During the year ended September 30, 2017, the County paid approximately \$52,000 in such dues. Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC 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 RC.

Separate financial statements may be obtained from –

Northwest Georgia Regional Commission
P. O. Box 1798
Rome, Georgia 30162-1793

(18) TAX ABATEMENTS

During the year ended September 30, 2017, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires state and local governments to disclose tax abatement agreements entered into by other governments that reduce the reporting government's tax revenues. Catoosa County enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to Catoosa County.

For the fiscal year ended September 30, 2017, Catoosa County abated property taxes due to the County that were levied on Aug 31, 2016 and due on December 20, 2016 totaling \$134,878. Included in that amount abated, the following are individual tax abatement agreements that each exceeded 10.00% percent of the total amount abated:

- A 15% property tax abatement to a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to \$73,150.
- A 15% property tax abatement to a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to \$45,637.
- A 20% property tax abatement to a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to \$16,091.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

(19) PRIOR PERIOD ADJUSTMENT

For the Catoosa County Health Department, in the previous fiscal year, employer contributions subsequent to the measurement date were incorrectly recorded. This resulted in a \$51,192 overstatement of the prior year's pension expense as reported on the government wide statement of activities.

(20) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2018, 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, 2017

	Budget			Variance with Final Budget
	Original	Final	Actual	
TAXES				
Property taxes				
Real property	\$ 10,842,392	\$ 10,776,500	\$ 10,941,987	\$ 165,487
Motor vehicle	825,712	825,626	825,627	1
MV title ad valorem tax	960,725	960,725	972,908	12,183
Alternatiave ad valorem	-	-	21,618	21,618
Mobile home ad valorem	58,995	63,060	63,061	1
Railroad ad valorem	-	-	3,716	3,716
Heavy duty equipment	24,059	7,868	7,868	-
Timber	1,808	397	397	-
Penalties and interest	235,000	234,732	234,733	1
	<u>12,948,691</u>	<u>12,868,908</u>	<u>13,071,915</u>	<u>203,007</u>
Other taxes				
Intangible recording	200,000	200,000	308,105	108,105
Malt beverage	315,000	276,948	276,949	1
Local option sales tax	6,717,721	6,717,721	6,920,763	203,042
Insurance premium tax	2,694,931	2,867,613	2,867,613	-
Financial institutions	75,000	52,424	52,424	-
	<u>10,002,652</u>	<u>10,114,706</u>	<u>10,425,854</u>	<u>311,148</u>
	<u>22,951,343</u>	<u>22,983,614</u>	<u>23,497,769</u>	<u>514,155</u>
LICENSES AND FRANCHISES				
Malt beverage licenses	30,000	30,000	30,320	320
Business licenses	43,000	32,715	32,715	-
Cable television franchises	375,000	372,606	372,606	-
	<u>448,000</u>	<u>435,321</u>	<u>435,641</u>	<u>320</u>
CHARGES FOR CURRENT SERVICES				
Recreation fees	170,000	163,883	180,428	16,545
Concession income	72,200	72,200	118,182	45,982
Zoning fees	62,000	62,000	68,100	6,100
Inspection fees	287,000	287,000	441,345	154,345
	<u>591,200</u>	<u>585,083</u>	<u>808,055</u>	<u>222,972</u>
INTERGOVERNMENTAL				
Real estate transfer tax	<u>50,000</u>	<u>50,000</u>	<u>92,368</u>	<u>42,368</u>
	<u>50,000</u>	<u>50,000</u>	<u>92,368</u>	<u>42,368</u>

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance with Final Budget
	Original	Final	Actual	
OTHER REVENUE				
Federal financial assistance				
Transportation grants	\$ 275,165	\$ 238,305	\$ 238,305	\$ -
Transportation grants - capital	79,536	79,536	162,011	82,475
Federal payments in lieu of taxes	450,000	444,918	444,919	1
Salary reimbursement	73,000	67,067	99,066	31,999
	<u>877,701</u>	<u>829,826</u>	<u>944,301</u>	<u>114,475</u>
	<u>927,701</u>	<u>879,826</u>	<u>1,036,669</u>	<u>156,843</u>
FINES, FEES AND FORFEITURES				
Magistrate Court	130,000	130,000	133,029	3,029
Juvenile Court	3,000	3,000	4,762	1,762
Clerk of Courts	575,000	468,134	478,694	10,560
Probate Judge	400,000	200,365	200,366	1
State Court	500,000	500,000	545,949	45,949
Tax Commissioner	926,000	926,000	944,844	18,844
Sheriff	171,600	164,150	189,644	25,494
	<u>2,705,600</u>	<u>2,391,649</u>	<u>2,497,288</u>	<u>105,639</u>
INVESTMENT EARNINGS				
Interest	<u>10,000</u>	<u>10,000</u>	<u>49,201</u>	<u>39,201</u>
OTHER				
Animal control fees	29,500	12,845	27,030	14,185
Theater admissions	125,200	125,370	149,563	24,193
Passenger fares	60,000	46,572	46,572	-
Building rentals	207,650	199,445	208,777	9,332
Election fees	-	-	5,259	5,259
Prisoner reimbursements	98,000	97,972	107,497	9,525
Library fees	24,000	24,000	25,811	1,811
Donations	450	3,109	41,273	38,164
Fire service contract	206,281	223,692	223,692	-
Other income	<u>2,500</u>	<u>2,500</u>	<u>2,757</u>	<u>257</u>
	<u>753,581</u>	<u>735,505</u>	<u>838,231</u>	<u>102,726</u>
	<u>28,387,425</u>	<u>28,020,998</u>	<u>29,162,854</u>	<u>1,141,856</u>

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES				
Judicial				
Magistrate Court	\$ 606,529	\$ 606,529	\$ 588,140	\$ 18,389
Superior Court	318,123	314,317	262,648	51,669
Juvenile Court	520,866	527,248	527,242	6
Clerk of Court	780,896	787,126	767,110	20,016
State Court	225,268	225,268	224,916	352
State Court Solicitor	200,800	200,800	174,593	26,207
Probate Judge	386,283	388,827	371,307	17,520
Public Defender	333,050	333,050	320,717	12,333
District Attorney	638,808	638,808	634,648	4,160
Total judicial	4,010,623	4,021,973	3,871,321	150,652
General Government				
Board of Commissioners	282,035	282,945	268,499	14,446
County manager	230,916	233,762	207,841	25,921
County attorney	150,000	150,000	149,189	811
Finance	225,584	215,589	202,144	13,445
Finance administration	126,981	128,632	127,068	1,564
Purchasing	55,603	52,161	48,903	3,258
Information systems	113,915	116,137	116,135	2
Tax Commissioner	957,017	972,063	972,053	10
Tax Assessor	615,614	621,111	531,192	89,919
Elections	311,364	313,621	286,594	27,027
Malt Beverage Board	2,650	1,005	1,005	-
Public buildings	1,082,654	1,077,487	967,662	109,825
Projects administration	64,010	64,796	60,910	3,886
Other agencies	101,000	101,000	86,143	14,857
Risk management	705,000	185,363	185,362	1
Geographic information system	42,050	18,947	18,946	1
Human resources	134,615	135,146	135,142	4
Total general government	5,201,008	4,669,765	4,364,788	304,977
Public Safety				
Sheriff	4,171,598	4,211,469	4,112,786	98,683
Traffic control	360,240	364,184	357,847	6,337
Jail operations	3,538,589	3,569,034	3,464,441	104,593
Coroner	74,957	74,957	74,479	478
Animal control	329,816	332,791	298,991	33,800
Emergency management	66,027	35,666	35,661	5
Ambulance service	150,000	150,000	150,000	-
Fire service	3,668,711	3,801,279	3,558,687	242,592
Total public safety	12,359,938	12,539,380	12,052,892	486,488

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance with Final Budget
	Original	Final	Actual	
Public Works				
Roads and bridges	\$ 2,272,116	\$ 2,289,939	\$ 2,074,910	\$ 215,029
Public works administration	78,854	79,660	76,241	3,419
Total public works	2,350,970	2,369,599	2,151,151	218,448
Health and Welfare				
Public health	507,286	510,972	510,972	-
Public welfare	45,500	45,500	33,650	11,850
Public transportation	682,173	706,444	706,437	7
Total health and welfare	1,234,959	1,262,916	1,251,059	11,857
Housing and Development				
Planning and zoning	334,879	338,829	309,536	29,293
Economic development	165,010	167,114	160,074	7,040
Agriculture Extension Service	110,166	111,476	101,305	10,171
Building inspection	233,753	237,122	198,691	38,431
Total housing and development	843,808	854,541	769,606	84,935
Culture and Recreation				
Libraries	519,423	519,423	519,423	-
General recreation	460,884	485,410	485,396	14
Jack Mattox Recreation Park	247,557	248,651	248,643	8
Boynton Stephens Park	15,000	15,127	15,126	1
RYSA Poplar Springs Ball Field	35,000	38,849	38,848	1
McConnell Park	16,464	14,377	11,050	3,327
Lynhurst canoe launch	1,000	1,000	-	1,000
County recreation programs	15,000	15,000	15,000	-
Elsie Holmes Nature Park	16,104	13,773	9,401	4,372
Adult Literacy Center	135,074	135,597	123,404	12,193
Senior Center	89,476	89,476	69,790	19,686
Amphitheater	5,000	5,000	4,693	307
Colonnade/Civic Center	494,738	497,138	463,869	33,269
Total culture and recreation	2,050,720	2,078,821	2,004,643	74,178
Debt Service				
Principal	47,209	47,209	47,209	-
Interest	13,976	14,653	14,653	-
Total debt service	61,185	61,862	61,862	-
Total expenditures	28,113,211	27,858,857	26,527,322	1,331,535

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2017

	Budget			Variance with Final Budget
	Original	Final	Actual	
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 274,214</u>	<u>\$ 162,141</u>	<u>\$ 2,635,532</u>	<u>\$ 2,473,391</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	8,000	8,000	17,176	9,176
Insurance proceeds	10,000	10,000	133,154	123,154
Transfers to other funds	<u>(292,214)</u>	<u>(180,141)</u>	<u>(180,141)</u>	<u>-</u>
	<u>(274,214)</u>	<u>(162,141)</u>	<u>(29,811)</u>	<u>132,330</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	2,605,721	2,605,721
FUND BALANCES				
Beginning	<u>7,118,400</u>	<u>7,118,400</u>	<u>7,118,400</u>	<u>-</u>
Ending	<u>\$ 7,118,400</u>	<u>\$ 7,118,400</u>	<u>\$ 9,724,121</u>	<u>\$ 2,605,721</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.

**CATOOSA COUNTY, GEORGIA
DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2017**

	Budget			Variance with Final Budget
	Original	Final	Actual	
INVESTMENT EARNINGS				
Interest	\$ -	\$ -	\$ 374	\$ 374
EXPENDITURES				
Housing and Development				
Economic development	-	-	899,241	(899,241)
Debt Service				
Principal	1,280,600	-	2,096,048	(2,096,048)
Interest	66,589	-	66,688	(66,688)
Total debt service	1,347,189	-	2,162,736	(2,162,736)
Total expenditures	1,347,189	-	3,061,977	(3,061,977)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,347,189)	-	(3,061,603)	(3,061,603)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,347,189	-	1,527,429	1,527,429
Proceeds from long-term debt	-	-	2,626,212	2,626,212
Proceeds from sale of land	-	-	15,562	15,562
	1,347,189	-	4,169,203	4,169,203
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	1,107,600	1,107,600
FUND BALANCES				
Beginning	(1,503,935)	(1,503,935)	(1,503,935)	-
Ending	\$ (1,503,935)	\$ (1,503,935)	\$ (396,335)	\$ 1,107,600

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
CATOOSA COUNTY HEALTH DEPARTMENT (COMPONENT UNIT)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.0282750%	0.0310930%	0.0320400%
Proportionate share of the net pension liability	\$ 1,337,526	\$ 1,259,701	\$ 1,201,698
Covered-employee payroll	\$ 624,912	\$ 701,744	\$ 771,628
Proportionate share of the net pension liability as a % of its covered-employee payroll	214.03%	179.51%	155.74%
Plan fiduciary net position as a % of the total pension liability	72.34%	76.20%	77.99%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CATOOSA COUNTY, GEORGIA
CATOOSA COUNTY HEALTH DEPARTMENT (COMPONENT UNIT)
SCHEDULE OF CONTRIBUTIONS
YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 140,056	\$ 162,517	\$ 156,113
Contribution in relation to the contractually required contribution	<u>140,056</u>	<u>162,517</u>	<u>156,113</u>
Contribution deficiency (excess)	-	-	-
Covered-employee payroll	624,912	701,744	771,628
Contributions as a % of covered-employee payroll	22.41%	23.16%	20.23%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CATOOSA COUNTY, GEORGIA
CATOOSA COUNTY HEALTH DEPARTMENT (COMPONENT UNIT)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

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

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contributions rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2017 reported in that schedule:

Valuation date	June 30, 2015
Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Inflation rate	3.00%
Salary increases	5.45%-9.25%
Investment rate of return	7.5%, net of pension plan investment expenses, including inflation

OTHER SUPPLEMENTARY INFORMATION

**COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

CATOOSA COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2017

	Special Revenue								Total	
	Confiscated Assets	Emergency 911	Multiple Grant	JCSA	State Grant for Library	DATE Program	Salary Reimburse- ment US Treasury	Total	Capital Projects Grant Fund	Total Nonmajor Governmental Funds
ASSETS										
Due from other funds	\$ 21,372	\$ 5,772	\$ 46,488	\$ 64,784	\$ 8,685	\$ 359,020	\$ -	\$ 506,121	\$ 16,895	\$ 523,016
Total assets	<u>\$ 21,372</u>	<u>\$ 5,772</u>	<u>\$ 46,488</u>	<u>\$ 64,784</u>	<u>\$ 8,685</u>	<u>\$ 359,020</u>	<u>\$ -</u>	<u>\$ 506,121</u>	<u>\$ 16,895</u>	<u>\$ 523,016</u>
LIABILITIES										
Accounts payable	\$ 3,280	\$ 35,105	\$ 12,675	\$ 2,797	\$ 5,157	\$ -	\$ -	\$ 59,014	\$ -	\$ 59,014
Total liabilities	<u>\$ 3,280</u>	<u>\$ 35,105</u>	<u>\$ 12,675</u>	<u>\$ 2,797</u>	<u>\$ 5,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,014</u>	<u>\$ -</u>	<u>\$ 59,014</u>
DEFERRED INFLOWS OF RESOURCES										
Deferred revenue	\$ -	\$ -	\$ 30,623	\$ -	\$ -	\$ -	\$ -	\$ 30,623	\$ 13,183	\$ 43,806
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,623</u>	<u>\$ 13,183</u>	<u>\$ 43,806</u>
FUND BALANCES										
Restricted	\$ 18,092	\$ -	\$ 3,190	\$ -	\$ -	\$ 359,020	\$ -	\$ 380,302	\$ 3,712	\$ 384,014
Unassigned	<u>-</u>	<u>(29,333)</u>	<u>-</u>	<u>61,987</u>	<u>3,528</u>	<u>-</u>	<u>-</u>	<u>36,182</u>	<u>-</u>	<u>36,182</u>
Total fund balances	<u>\$ 18,092</u>	<u>\$ (29,333)</u>	<u>\$ 3,190</u>	<u>\$ 61,987</u>	<u>\$ 3,528</u>	<u>\$ 359,020</u>	<u>\$ -</u>	<u>\$ 416,484</u>	<u>\$ 3,712</u>	<u>\$ 420,196</u>

CATOOSA COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue									
	Confiscated Assets	Emergency 911	Multiple Grant	JCSA	State Grant for Library	DATE Program	Salary Reimbursement United States Treasury	Total	Capital Projects Grant Fund	Total Nonmajor Governmental Funds
REVENUES										
Charges for services	\$ -	\$ 1,111,005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,111,005	\$ -	\$ 1,111,005
Intergovernmental	-	-	388,804	-	176,599	-	6,740	572,143	61,070	633,213
Fines, fees and forfeitures	23,430	-	-	134,160	-	97,875	-	255,465	-	255,465
Other	-	-	26,185	-	-	-	-	26,185	-	26,185
Total revenues	23,430	1,111,005	414,989	134,160	176,599	97,875	6,740	1,964,798	61,070	2,025,868
EXPENDITURES										
Current										
Judicial	-	-	-	-	-	-	-	-	27,264	27,264
Public safety	20,915	1,105,023	-	59,967	-	32,697	6,740	1,225,342	24,438	1,249,780
Public works	-	-	-	-	-	-	-	-	60,377	60,377
Health and welfare	-	-	416,178	-	-	-	-	416,178	-	416,178
Culture and recreation	-	-	-	-	178,511	-	-	178,511	3,568	182,079
Capital outlay	43,157	33,412	-	8,475	6,565	-	-	91,609	5,800	97,409
Total expenditures	64,072	1,138,435	416,178	68,442	185,076	32,697	6,740	1,911,640	121,447	2,033,087
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES										
	(40,642)	(27,430)	(1,189)	65,718	(8,477)	65,178	-	53,158	(60,377)	(7,219)
FUND BALANCES										
Beginning	58,734	(1,903)	4,379	(3,731)	12,005	293,842	-	363,326	64,089	427,415
Ending	\$ 18,092	\$ (29,333)	\$ 3,190	\$ 61,987	\$ 3,528	\$ 359,020	\$ -	\$ 416,484	\$ 3,712	\$ 420,196

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, 2017

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash and cash equivalents				
Tax Commissioner	\$ 991,461	\$ 53,357,673	\$ 53,305,343	\$ 1,043,791
Clerk of Superior Court	1,562,057	2,660,061	3,912,417	309,701
Magistrate Court	3,898	264,025	255,700	12,223
Probate Judge	6,746	312,884	316,630	3,000
State Court	89,973	849,425	873,894	65,504
Sheriff	<u>58,306</u>	<u>532,091</u>	<u>541,484</u>	<u>48,913</u>
Total assets	<u>\$ 2,712,441</u>	<u>\$ 57,976,159</u>	<u>\$ 59,205,468</u>	<u>\$ 1,483,132</u>
LIABILITIES				
Due to other funds				
Tax Commissioner	\$ -	\$ 13,209,623	\$ 13,209,623	\$ -
Clerk of Superior Court	-	921,432	921,432	-
Magistrate Court	-	135,126	135,126	-
Probate Judge	-	244,629	244,629	-
State Court	-	648,583	648,583	-
Sheriff	<u>-</u>	<u>79,369</u>	<u>79,369</u>	<u>-</u>
	<u>-</u>	<u>15,238,762</u>	<u>15,238,762</u>	<u>-</u>
Unrestricted Due to other governments				
Tax Commissioner	<u>991,461</u>	<u>40,148,050</u>	<u>40,095,720</u>	<u>1,043,791</u>
	<u>991,461</u>	<u>40,148,050</u>	<u>40,095,720</u>	<u>1,043,791</u>
Due to heirs, litigants and others				
Clerk of Superior Court	1,562,057	1,738,629	2,990,985	309,701
Magistrate Court	3,898	128,899	120,574	12,223
Probate Judge	6,746	68,255	72,001	3,000
State Court	89,973	200,842	225,311	65,504
Sheriff	<u>58,306</u>	<u>452,722</u>	<u>462,115</u>	<u>48,913</u>
	<u>1,720,980</u>	<u>2,589,347</u>	<u>3,870,986</u>	<u>439,341</u>
Total liabilities	<u>\$ 2,712,441</u>	<u>\$ 57,976,159</u>	<u>\$ 59,205,468</u>	<u>\$ 1,483,132</u>

FINANCIAL SCHEDULES

CATOOSA COUNTY, GEORGIA
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
YEAR ENDED SEPTEMBER 30, 2017

	<u>Levy Year</u>				<u>Prior to</u>	
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>	<u>Total</u>
TAXES RECEIVABLE						
Beginning	\$ -	\$ 182,771	\$ 38,676	\$ 2,990	\$ 2,244	\$ 226,681
TAX LEVY	10,938,729	-	-	-	-	10,938,729
ADJUSTMENTS						
Releases, net of pickups	(5,608)	(3,377)	(2,060)	142	(1,996)	(12,899)
COLLECTIONS	<u>(10,775,221)</u>	<u>(134,935)</u>	<u>(33,704)</u>	<u>(2,632)</u>	<u>29</u>	<u>(10,946,463)</u>
TAXES RECEIVABLE						
Ending	<u>\$ 157,900</u>	<u>\$ 44,459</u>	<u>\$ 2,912</u>	<u>\$ 500</u>	<u>\$ 277</u>	<u>\$ 206,048</u>

INTERNAL CONTROL AND COMPLIANCE SECTION

CATOOSA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Pass-Through Number	Beginning Accrued (Deferred)	Cash Receipts (Refunds)	Expenditures	Ending Accrued (Deferred)
U.S. Department of Health and Human Services						
Pass-through from Georgia Department of Behavioral Health and Developmental Disabilities						
Substance Abuse and Mental Health Services	93.959	44100-026-0000014883	\$ 32,282	\$ 51,376	\$ 9,562	\$ (9,532)
Substance Abuse and Mental Health Services	93.959	44100-906-0000089599	-	120,667	161,014	40,347
Substance Abuse and Mental Health Services	93.959	44100-906-0000086869	-	123,860	166,392	42,532
Substance Abuse and Mental Health Services	93.243	44100-906-0000029200	36,617	40,856	3,749	(490)
			68,899	336,759	340,717	72,857
Substance Abuse and Mental Health Services	93.243	441-93-11110293-01	(1,465)	-	1,465	-
Total Health and Human Services			67,434	336,759	342,182	72,857
U.S. Department of Transportation						
Pass-through from Georgia Department of Transportation						
Mass Transportation Assistance	20.507	TT006343	-	-	62,753	62,753
Mass Transportation Assistance	20.507	TT005915	62,078	177,085	175,552	60,545
FTA 5311 Capital Assistance	20.509	TT005573	-	72,005	72,005	-
FTA 5311 Capital Assistance	20.509	TT005915	-	72,005	72,005	-
			62,078	321,095	382,315	123,298
Pass-through from Transit Alliance Group						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	16-0024	3,930	39,677	35,747	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		-	3,175	10,825	7,650
			3,930	42,852	46,572	7,650
Total Department of Transportation			66,008	363,947	428,887	130,948
U.S. Department of Homeland Security						
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
Byrne Justice Assistance Grant	16.738	2009-SU-B9-0003	-	1,625	1,625	-
Emergency Management Performance Grants	97.042	OEM16-023S01	-	19,183	19,183	-
	98.042	OEM146023S02	-	500	500	-
Total Department of Homeland Security			23,332	26,308	21,308	18,332

CATOOSA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Pass-Through Number	Beginning Accrued (Deferred)	Cash Receipts (Refunds)	Expenditures	Ending Accrued (Deferred)
U.S. Department of Justice						
Pass-through from Georgia Justice Coordinating Council						
VOCA	16.575	C14-8-109-C16-8-1001	-	14,155	28,831	14,676
Total Federal Awards			<u>\$ 156,774</u>	<u>\$ 741,169</u>	<u>\$ 821,208</u>	<u>\$ 236,813</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Catoosa County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Catoosa County, Georgia has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**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 unit, each major fund, and the aggregate remaining fund information of Catoosa County, Georgia as of and for the year ended September 30, 2017, 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 27, 2018. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 27, 2018
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, 2017. 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, 2017.

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 27, 2018
Chattanooga, Tennessee

CATOOSA COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2017

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.

No instances of noncompliance material to the financial statements were 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 #93.959 Substance and Mental Abuse Services

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

None

Prior Year Findings Corrected

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. This was corrected for the year ended September 30, 2017.

**CATOOSA COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2017**

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, 2017, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 27, 2018. 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, 2017, (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, 2017, 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 27, 2018
Chattanooga, Tennessee

CATOOSA COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROJECTS 2004 CYCLE
YEAR ENDED SEPTEMBER 30, 2017

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	17,078,141	-	17,078,141	100%	739,300
Stormwater projects	2,000,000	-	2,000,000	1,998,628	293,791	2,292,419	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>\$ 42,751,554</u>	<u>\$ 293,791</u>	<u>\$ 43,045,345</u>		<u>\$ 1,371,766</u>

Reconciliation of current year expenditures

SPLOST 2004 expenditures per financial statements
Less debt service principal

\$ 293,791

-

\$ 293,791

CATOOSA COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROJECTS 2009 CYCLE
YEAR ENDED SEPTEMBER 30, 2017

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	2,059,498	-	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	12,254,852	177,718	12,432,570	79%	-
Recreation	2,000,000	-	2,000,000	1,215,596	64,003	1,279,599	64%	-
Public safety equipment	5,509,000	-	5,509,000	2,950,794	146,647	3,097,441	56%	-
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	872,957	-	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	192,156	47,559	239,715	48%	-
Economic development	2,000,000	-	2,000,000	1,645,373	12,601	1,657,974	83%	-
GIS department	400,000	-	400,000	104,930	-	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>\$ 42,113,528</u>	<u>\$ 448,528</u>	<u>\$ 42,562,056</u>		<u>\$ 2,180,825</u>

Reconciliation of current year expenditures

SPLOST 2009 expenditures per financial statements
Less debt service principal

\$ 448,528
-
\$ 448,528

CATOOSA COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROJECTS 2014 CYCLE
YEAR ENDED SEPTEMBER 30, 2017

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	\$ 1,518,943	\$ 899,682	\$ 2,418,625	34%	\$ 1,496
Ringgold sewer, water and capital outlay projects	2,500,000	-	2,500,000	841,827	404,569	1,246,396	50%	307
Catoosa Utility District water projects	2,300,000	-	2,300,000	773,653	373,855	1,147,508	50%	63
Catoosa County sewer projects	12,400,000	-	12,400,000	2,493,708	2,346,504	4,840,212	39%	447,666
Recreation	2,263,101	-	2,263,101	637,035	312,157	949,192	42%	-
Public safety equipment and buildings	9,222,399	-	9,222,399	1,399,878	305,095	1,704,973	18%	-
Roads and bridges	9,000,000	-	9,000,000	3,439,346	1,593,477	5,032,823	56%	1,772,404
Equipment and vehicles	2,164,500	-	2,164,500	358,208	460,888	819,096	38%	-
Public buildings and grounds	800,000	-	800,000	235,848	8,293	244,141	31%	26,758
Courthouse renovation	2,200,000	-	2,200,000	692,096	87,606	779,702	35%	-
Stormwater projects	3,000,000	-	3,000,000	628,096	67,218	695,314	23%	-
Economic development	6,700,000	-	6,700,000	2,127,304	1,035,131	3,162,435	47%	45,364
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>\$ 15,150,737</u>	<u>\$ 7,894,475</u>	<u>\$ 23,045,212</u>		<u>\$ 2,294,058</u>

Reconciliation of current year expenditures
SPLOST 2014 expenditures per financial statements
Less debt service principal

\$ 7,894,475

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