

CATOOSA COUNTY, GEORGIA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended September 30, 2018

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

TABLE OF CONTENTS

Page

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

iv-vi

MANAGEMENT'S DISCUSSION AND ANALYSIS

vii-xvii

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

Statement of Net Position

1

Statement of Activities

2

FUND FINANCIAL STATEMENTS

Governmental Funds

Balance Sheet

3

Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position

4

Statement of Revenues, Expenditures and Changes in Fund Balances

5

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of
Activities

6

Proprietary Funds

Statement of Net Position

7

Statement of Revenues, Expenses and Changes in Net Position

8

Statement of Cash Flows

9

Fiduciary Funds

Statement of Fiduciary Assets and Liabilities

10

Component Unit

Statement of Net Position

11

Statement of Activities

12

NOTES TO BASIC FINANCIAL STATEMENTS

13-42

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Schedule of Revenues, Expenditures and Changes in
Fund Balances – Budget and Actual

45-49

Development Authority – Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual

50

Schedule of Proportionate Share of the Net Pension Liability – Health
Department

51

Schedule of Contributions – Health Department

52

Notes to Required Supplementary Information – Health Department

53

TABLE OF CONTENTS

Page

REQUIRED SUPPLEMENTARY INFORMATION

| | |
|--|----|
| Schedule of Proportionate Share of the Net OPEB Liability – State OPEB Fund – Health Department | 54 |
| Schedule of Contributions – State OPEB Fund – Health Department | 55 |
| Schedule of Proportionate Share of the Net OPEB Liability – SEAD OPEB Fund – Health Department | 56 |
| Schedule of Contributions – SEAD OPEB Fund – Health Department | 57 |
| Notes to Required Supplementary Information – OPEB Plans – Health Department | 58 |

OTHER SUPPLEMENTARY INFORMATION

Combining Financial Statements – Nonmajor Governmental Funds

| | |
|--|----|
| Combining Balance Sheet | 61 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 62 |

Agency Funds

| | |
|--|----|
| Combining Statement of Changes in Assets and Liabilities | 64 |
|--|----|

Financial Schedules

| | |
|--|-------|
| Schedule of Changes in Property Taxes Receivable | 66 |
| Schedule of Expenditures of Federal Awards | 67-68 |

INTERNAL CONTROL AND COMPLIANCE SECTION

| | |
|---|-------|
| 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 <i>Government Auditing Standards</i> | 70-71 |
|---|-------|

SPECIAL LOCAL OPTION SALES TAX

| | |
|--|----|
| Independent Auditors' Report on Special 1 Percent Sales and Use Tax | 73 |
| Schedule of Special Purpose Local Option Sales Tax Projects - 2004 Cycle | 74 |
| Schedule of Special Purpose Local Option Sales Tax Projects - 2009 Cycle | 75 |
| Schedule of Special Purpose Local Option Sales Tax Projects - 2014 Cycle | 76 |



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, 2018, 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, 2018, 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 45 – 49, the development authority schedule of revenues, expenditures and changes in fund balances – budget and actual on page 50, the schedule of proportionate share of the net pension liability – health department on page 51, the schedule of contributions – health department on page 52, the notes to the required supplementary information – health department on page 53, the schedule of proportionate share of the net OPEB liability – state OPEB fund – health department on page 54, the schedule of contributions – state OPEB fund – health department on page 55, schedule of proportionate share of the net OPEB liability – SEAD OPEB fund – health department on page 56, schedule of contributions – SEAD OPEB fund – health department on page 57, and the notes to required supplementary information – OPEB plans – health department on page 58 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 combining nonmajor fund financial statements, agency fund financial statements and financial schedules 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 financial schedules 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, 2019, 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 solely 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 the effectiveness of Catoosa County, Georgia's 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, Wickey & Menckem, P.C.

March 27, 2019
Chattanooga, Tennessee

Catoosa County, Georgia
Management's Discussion and Analysis
For the Year Ended September 30, 2018

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 42 of this report.

FINANCIAL HIGHLIGHTS

Catoosa County’s total assets exceeded total liabilities by \$440.0 million (net position). Total net position for governmental activities were \$444.6 million; total net position for business-type activities was a deficit in the amount of \$4.6 million.

CATOOSA COUNTY, GEORGIA
NET POSITION
(\$ in Millions)
Fiscal Years 2018 and 2017

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total Primary Government</u> | |
|--|------------------------------------|-----------------|-------------------------------------|-----------------|---|-----------------|
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| Current and Other Assets | \$ 28.4 | \$ 26.3 | \$ (1.3) | \$ (1.3) | \$ 27.1 | \$ 25.0 |
| Capital Assets | 421.8 | 429.3 | 3.3 | 3.6 | 425.1 | 432.9 |
| Total Assets | 450.2 | 455.6 | 2.0 | 2.3 | 452.2 | 457.9 |
| Long-term Liabilities | 3.8 | 3.1 | 6.6 | 6.4 | 10.4 | 9.5 |
| Other Liabilities | 1.8 | 4.3 | | - | 1.8 | 4.3 |
| Total Liabilities | 5.6 | 7.4 | 6.6 | 6.4 | 12.2 | 13.8 |
| Deferred revenue | - | - | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - | - | - |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 418.8 | 424.9 | 3.3 | 3.6 | 422.1 | 428.5 |
| Assigned | | | - | - | - | - |
| Restricted | 14.3 | 14.5 | - | - | 14.3 | 14.5 |
| Unrestricted | 11.5 | 8.8 | (7.9) | (7.7) | 3.6 | 1.1 |
| Total Net Position | \$ 444.6 | \$ 448.2 | \$ (4.6) | \$ (4.1) | \$ 440.0 | \$ 444.1 |

The Government's financial position declined during Fiscal 2018. Total net position declined by \$4.1 million, with \$3.6 million of the decrease from governmental activities and \$433 thousand business-type activities. The decrease in the assets of \$5.7 million is due to a decrease in capital assets of \$7.7 million partially offset by an increase in current and other assets of \$2.0 million. The decrease in capital assets is the result of depreciation of \$12.8 million partially offset by increases for capital additions of \$5.1 million. The increase in current and other assets is the result of increases of \$2.0 million in cash and cash equivalents, \$35 thousand in prepaid expenses, \$27 thousand in other taxes receivable, \$11 thousand other expenses and \$5 thousand property taxes receivable the receivable partially offset by decreases of \$81 thousand in land held for resale and \$35 thousand in due from other governmental entities. Liabilities decreased \$1.7 with a decrease of \$1.2 million in long-term liabilities due in more than one year and a decrease of \$568 thousand in accounts payable and accrued expenses partially offset by an increase of \$113 thousand in long-term liabilities due within one year. Net capital assets in the amount of \$422.1 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 \$14.3 million are comprised of \$13.9 million for SPLOST, \$414 thousand for Public Safety which includes Confiscated Assets Fund and DATE Fund. The positive balance in unrestricted net assets of \$3.6 million is composed of a positive balance of \$11.5 million in governmental activities, mainly the General Fund reserve balance, and a negative of \$7.9 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 \$6.6 million and a liability of \$1.3 million for the construction of the landfill gas to energy project.

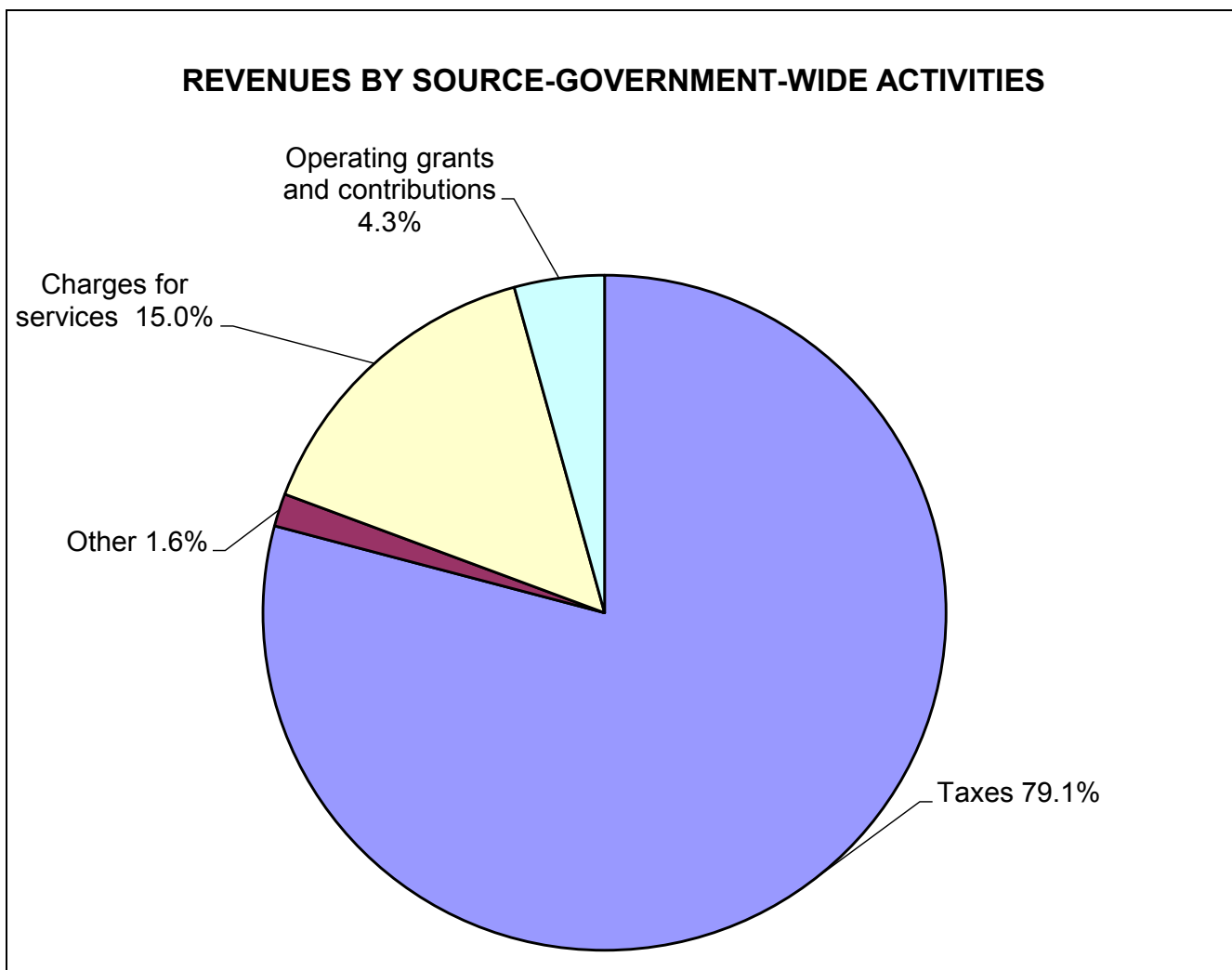
CHANGES IN NET POSITION

(\$ in Millions)

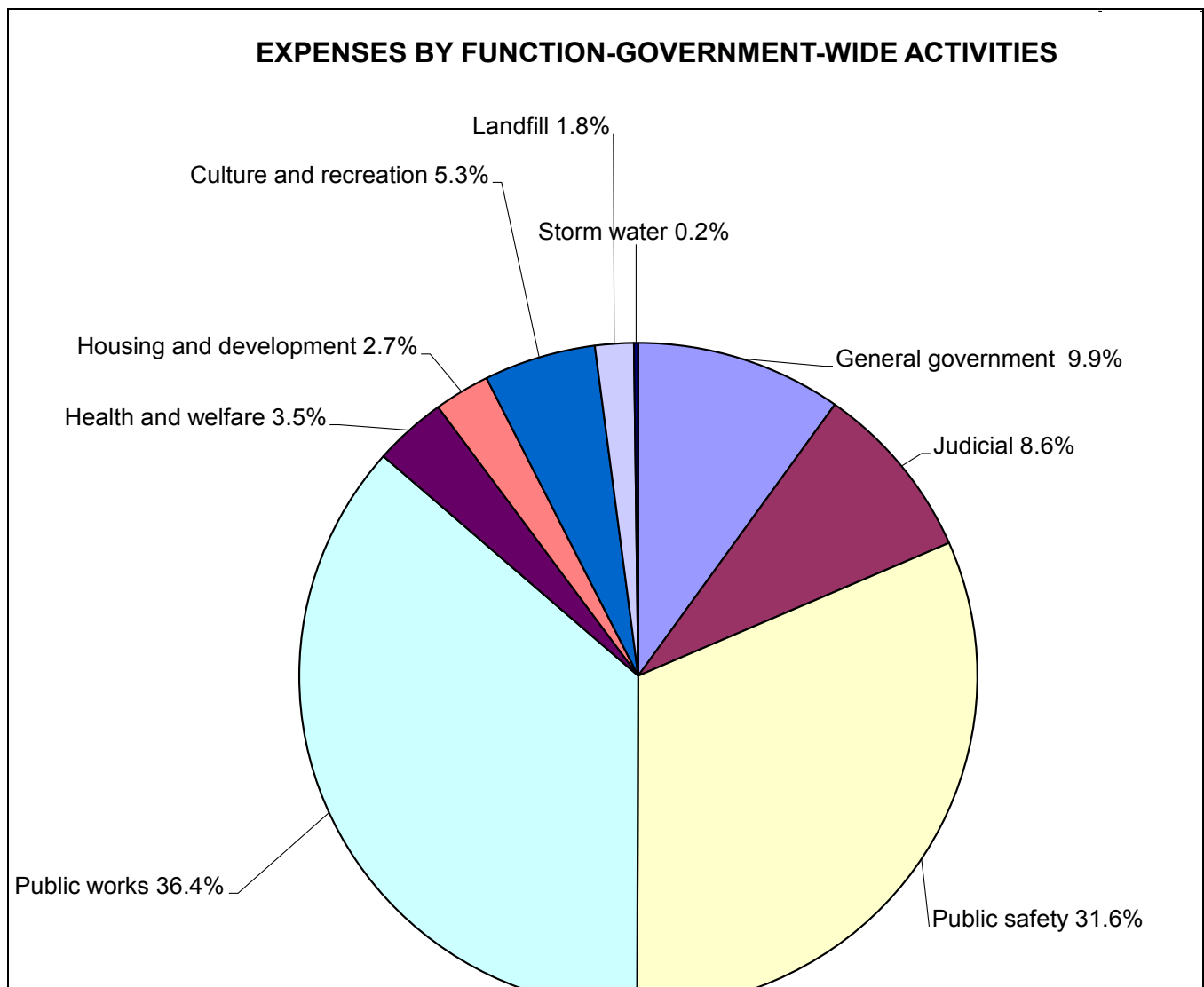
Fiscal Years 2018 and 2017

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Primary Government</u> | |
|---|------------------------------------|-----------------|-------------------------------------|-----------------|-------------------------------|-----------------|
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 6.3 | \$ 5.5 | \$ 0.4 | \$ 0.5 | \$ 6.7 | \$ 6.0 |
| Operating grants and contributions | 1.9 | 1.8 | - | - | 1.9 | 1.8 |
| Capital grants and contributions | - | 0.2 | - | - | - | 0.2 |
| General revenues: | | | | | | |
| Property taxes | 13.4 | 13.1 | - | - | 13.4 | 13.1 |
| Special local option sales tax | 10.4 | 9.9 | - | - | 10.4 | 9.9 |
| Local option sales tax | 7.3 | 6.9 | - | - | 7.3 | 6.9 |
| Insurance premium tax | 3.0 | 2.9 | - | - | 3.0 | 2.9 |
| Federal payments in lieu of taxes | 0.4 | 0.4 | - | - | 0.4 | 0.4 |
| Other taxes | 0.8 | 0.7 | - | - | 0.8 | 0.7 |
| Franchise fees | 0.4 | 0.4 | - | - | 0.4 | 0.4 |
| Gain (loss) on sale of capital assets | 0.1 | - | - | - | 0.1 | - |
| Other | 0.2 | 0.2 | - | - | 0.2 | 0.2 |
| Total revenues | <u>44.2</u> | <u>42.0</u> | <u>0.4</u> | <u>0.5</u> | <u>44.6</u> | <u>42.5</u> |
| Expenses: | | | | | | |
| General government | 4.8 | 4.5 | - | - | 4.8 | 4.5 |
| Judicial | 4.2 | 4.0 | - | - | 4.2 | 4.0 |
| Public safety | 15.4 | 14.3 | - | - | 15.4 | 14.3 |
| Public works | 17.7 | 19.0 | - | - | 17.7 | 19.0 |
| Health and welfare | 1.7 | 1.6 | - | - | 1.7 | 1.6 |
| Housing and development | 1.3 | 1.8 | - | - | 1.3 | 1.8 |
| Culture and recreation | 2.6 | 2.6 | - | - | 2.6 | 2.6 |
| Interest on long term debt | - | 0.1 | - | - | - | 0.1 |
| Landfill | - | - | 0.9 | 0.7 | 0.9 | 0.7 |
| Storm water | - | - | 0.1 | 0.1 | 0.1 | 0.1 |
| Total expenses | <u>47.7</u> | <u>47.9</u> | <u>1.0</u> | <u>0.8</u> | <u>48.7</u> | <u>48.7</u> |
| Change in net position before transfers | (3.5) | (5.9) | (0.6) | (0.3) | (4.1) | (6.2) |
| Transfers | <u>(0.1)</u> | | <u>0.1</u> | | | |
| Change in net position | (3.6) | (5.9) | (0.5) | (0.3) | (4.1) | (6.2) |
| Beginning net position | 448.2 | 454.1 | (4.1) | (3.8) | 444.1 | 450.3 |
| Ending net position | <u>\$ 444.6</u> | <u>\$ 448.2</u> | <u>\$ (4.6)</u> | <u>\$ (4.1)</u> | <u>\$ 440.0</u> | <u>\$ 444.1</u> |

Total government-wide revenues for 2018 were \$44.6 million, an increase of \$2.1 million from \$42.5 million in 2017. The increase was the result of increases of \$832 thousand in charges for services, \$488 thousand special local option sales tax, \$342 thousand local option sales tax, \$338 thousand in property taxes, \$173 thousand insurance premium tax, \$59 thousand interest proceeds, \$54 thousand gain on sale of capital assets, \$19 thousand federal payments in lieu of taxes and \$18 thousand other. The increases were partially offset by decreases of \$152 thousand capital grants and contributions, \$29 thousand other taxes and \$12 thousand franchise fees. The revenues are distributed by the following sources: \$35.7 million in taxes, \$6.7 million in charges for services, \$1.9 million in operating grants and contributions, \$254 thousand other and \$26 thousand capital grants. Of this amount \$44.2 million was in governmental activities and \$445 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 2018, with zero net change from \$48.7 million for 2017. The net change of zero was the result of increases of \$1.0 million in public safety, \$304 general government, \$178 thousand landfill, \$175 thousand judicial, \$79 thousand health and welfare, \$52 thousand stormwater management and \$23 thousand culture and recreation. The increases were offset by decreases of \$1.3 million public works, \$503 thousand housing and development and \$39 thousand interest. Of the total expenses, \$47.7 million were for governmental activities and \$1.0 million 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 \$44.2 million, an increase of \$2.4 million from \$41.8 million in 2017. The increase was the result of an increases in the General Fund of \$1.5 million, SPLOST Capital Projects \$584 thousand, Other Governmental Funds \$183 thousand and Development Authority \$145 thousand. The increase in the General Fund was due to increases in taxes \$861 thousand, fines, fees and forfeitures \$651 thousand, investment earnings \$59 thousand and other \$35 thousand; partially offset by decreases of \$111 thousand in intergovernmental, \$21 thousand charges for services and \$9 thousand licenses and franchises. SPLOST Capital Projects increased due to increases in taxes \$488 thousand, investment earnings \$82 thousand and intergovernmental \$14 thousand. Other Governmental Funds due to increases in fines, fees and forfeitures \$87 thousand, charges for services \$57 thousand and intergovernmental \$39 thousand. Development Authority due to an increase in other / floor amount due on Pilot Incentive Agreement \$145 thousand.

Expenditures in the governmental funds were \$41.5 million, an increase of \$2.6 million from \$38.9 million in 2017. The increase was the result of increases in SPLOST Capital Projects of \$2.8 million General Fund \$808 thousand and Other Governmental Funds \$290 thousand; partially offset by decreases in the Development Authority of \$1.3 million. The increase in SPLOST Capital Projects was due to increases in capital outlay \$3.8 million, intergovernmental \$694 thousand, general government \$198 thousand and public safety \$27 thousand; partially offset by decreases in public works \$1.9 million and culture and recreation of \$48 thousand. General Fund increased due to increases in public safety \$729 thousand, judicial \$149 thousand, general government \$96 thousand and culture and recreation \$49 thousand; partially offset by decreases in health and welfare \$127 thousand, debt service \$62 thousand, housing and development \$21 thousand and public works \$5 thousand. Other Governmental Funds due to increases in public safety \$267 thousand, capital outlay \$43 thousand, judicial \$26 thousand, health and welfare \$13 thousand and culture and recreation \$2 thousand; partially offset by decreases in public works of \$60 thousand and housing and development \$1 thousand. The decrease in the Development Authority was due to decreases in debt service \$780 thousand and housing and development \$491 thousand.

Other financing sources and uses were unfavorable, a use of funds of \$33 thousand, a reduction of \$2.5 million from a source of funds of \$2.8 million in 2017. The major difference was prior year Other Financing Sources included proceeds from long-term debt in the amount of \$2.6 million.

As the County completed the year, its governmental funds reported a combined fund balance of \$26.4 million an increase of \$2.6 million from \$23.8 million in 2017. The General Fund, which is the chief operating fund of the County increased \$2.8 million, Development Authority increased \$37 thousand

SPLOST Capital Projects Fund decreased \$202 thousand 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 \$445 thousand, a decrease of \$15 thousand from \$460 thousand in 2017. The decrease was due to a decrease in fees.

Operating expenses in business-type activities were \$990 thousand, an increase of \$230 thousand from \$760 thousand in 2017. The increase is due primarily to an increase of \$147 thousand in equipment repairs due to required maintenance to the landfill to gas generator, \$33 thousand increase in EPD's estimated post closure care cost and \$50 thousand increase in user-labor.

The proprietary funds reported an operating loss of \$546 thousand less transfers from other funds of \$113 thousand resulted in a reduction in net position of \$433 thousand for the period ended 2018.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues and other financing sources exceeded budgeted revenues and other financing sources \$1.7 million. The excess of actual revenues and other financing sources over budget revenues and other financing sources was: property taxes \$326 thousand, other taxes \$530 thousand, fines, fees and forfeitures \$487 thousand, charges for current services \$126 thousand, investment earnings \$87 thousand, intergovernmental \$41 thousand, other revenue \$40 thousand, other \$9 thousand, licenses and franchises \$5 thousand and other financing sources \$2 thousand

Budgeted expenditures and other financing use exceeded actual expenditures and other financing uses \$1.1 million. The excess of budgeted expenditures over actual expenditures were primarily due to the following expenditure categories where budgeted exceeded actual: general government \$329 thousand, public works \$260 thousand, judicial \$218 thousand, public safety \$119 thousand, culture and recreation \$89 thousand, housing and development \$39 thousand, health and welfare \$24 thousand and other financing uses \$62 thousand. The favorable variances were fairly distributed over all functions as the effort continues to control expenditures.

General fund operations for 2018 resulted in a fund balance of \$12.5 million, an increase of \$2.8 million from \$9.7 million in 2017. The \$2.8 million increase is the result of the excess of revenues and other financing sources over expenditures and other financing uses.

CAPITAL ASSETS ACTIVITY

Investment in capital assets, net of accumulated depreciation, of the primary government decreased \$7,729,948. Beginning balance was \$432,866,587, plus current year additions of \$5,042,553, less current year depreciation of \$12,772,501 resulted in an ending balance of \$425,136,639. The CIP additions in the amount of \$699 thousand includes expenditures for the renovations of Fire Station # 3 \$670 thousand, backup battery system for 911 Center \$16 thousand and \$13 thousand on the Sheriff's Firing Range. Site improvements in the amount of \$470 thousand includes \$328 thousand for the renovation of Fort Oglethorpe Gymnasium and \$142 thousand to carpet the Colonnade. Infrastructure in the amount of \$605 thousand involved the construction of six culverts and related storm water projects. The vehicle purchases in the amount of \$392 thousand includes eleven vehicles for the Sheriff's Departments. The equipment purchases in the amount of \$3.0 million includes portable radios, commercial washers and dryers, five firetrucks, six command vehicles and other items for Fire and Rescue \$2.6 million, portable radios and backup battery system for 911 \$123 thousand, large capacity brush chipper, hydra-tail trailer and other items of road equipment for Public Works \$123 thousand, portable radios, tasers, camera system, commercial washer and other items for Sheriff's Department \$92 thousand, thirteen computers for Tax Commissioner \$16 thousand, ballfield groomer for Recreation \$12 thousand, color printer for Library \$11 thousand, portable radios for Emergency Management \$10 thousand, zero-turn mower for Public Buildings \$9 thousand. Dispositions in the amount of \$1.8 million included vehicles in the amount of \$1.0 million and equipment in the amount of \$820 thousand all was fully depreciated with 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 26 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, 2018, is as follows:

| | Beginning Balance | Additions | Depreciation | Dispositions /Reclass | Ending Balance |
|--|------------------------------|---------------------|----------------------|----------------------------------|---------------------------|
| Land | \$ 6,146,358 | \$ - | \$ - | \$ - | \$ 6,146,358 |
| CIP | 226,634 | 698,565 | | (48,472) | 876,727 |
| Land Improvements | 6,380,519 | 470,439 | 480,289 | - | 6,370,669 |
| Infrastructure | 391,775,162 | 605,427 | 10,366,564 | - | 382,014,025 |
| Buildings | 24,490,986 | - | 508,658 | | 23,982,328 |
| Equipment, vehicles, furniture & fixtures | 3,846,928 | 3,268,122 | 1,416,990 | 48,472 | 5,746,532 |
| | <u>\$ 432,866,587</u> | <u>\$ 5,042,553</u> | <u>\$ 12,772,501</u> | <u>\$ -</u> | <u>\$ 425,136,639</u> |

THE GOVERNMENT'S DEBT

The bonds payable of the Catoosa County Development Authority consists of tax-exempt revenue bond Series 2014A \$501,800 and taxable revenue bond Series 2014B \$778,800. 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 \$45,841 payable on or before October 21, 2019, both notes were with no interest. The post closure obligations are \$1,849,476 for Site #1 and \$4,689,004 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 paid time off (PTO) leave. Additional information on the county's debt can be found in Note (6) on pages 29 to 31 of this report.

A summary of activity in long-term debt of the primary government for the year ended September 30, 2018, is as follows:

| | Beginning Balance | Additions | Retirements | Ending Balance |
|--|------------------------------|-------------------|-----------------------|---------------------------|
| Capital lease obligations | \$ - | \$ - | \$ - | \$ - |
| Bonds payable | 2,561,200 | - | (1,280,600) | 1,280,600 |
| Notes payable | 1,810,764 | - | (60,000) | 1,750,764 |
| Landfill closure / Postclosure obligation | 6,422,868 | 115,612 | - | 6,538,480 |
| Compensated absences | 659,227 | 112,740 | - | 771,967 |
| | <u>\$ 11,454,059</u> | <u>\$ 228,352</u> | <u>\$ (1,340,600)</u> | <u>\$ 10,341,811</u> |

STATUS OF THE CATOOSA COUNTY ECONOMY

Retail sales taxes for the fiscal year 2018 were up \$342 thousand, or 4.9% compared to fiscal year 2017. The net digest for real, personal, mobile home, timber and equipment is up \$62.0 million, or 3.7% for 2018 over 2017.

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, 2018

| | Primary Government | | | |
|---|----------------------------|-----------------------------|-----------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total | Component Unit |
| ASSETS | | | | |
| Cash and cash equivalents | | | | |
| Available | \$ 17,710,305 | \$ - | \$ 17,710,305 | \$ 1,973,669 |
| Restricted for specific use | 1,295,683 | - | 1,295,683 | - |
| Certificates of deposit | | | | |
| Restricted for specific use | 3,000,000 | - | 3,000,000 | - |
| Investments | 12,832 | - | 12,832 | - |
| Due from other funds | 1,314,194 | (1,314,194) | - | - |
| Due from other governmental entities | 1,783,691 | - | 1,783,691 | 79,227 |
| Property taxes receivable | 211,195 | - | 211,195 | - |
| Other taxes receivable | 873,909 | - | 873,909 | - |
| Accounts receivable | - | - | - | 237 |
| Prepaid expenses | 354,247 | - | 354,247 | - |
| Prepaid supplies | 77,185 | - | 77,185 | 34,685 |
| Land held for resale | 1,750,764 | - | 1,750,764 | - |
| Land and other nondepreciable assets | 5,253,948 | 1,769,137 | 7,023,085 | - |
| Other capital assets, net | 416,595,552 | 1,518,002 | 418,113,554 | 7,459 |
| | | | | |
| Total assets | <u>\$ 450,233,505</u> | <u>\$ 1,972,945</u> | <u>\$ 452,206,450</u> | <u>\$ 2,095,277</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Related to pension benefits | \$ - | \$ - | \$ - | \$ 143,594 |
| Related to other post-employment benefits | - | - | - | 123,208 |
| | | | | |
| Total deferred outflows of resources | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 266,802</u> |
| LIABILITIES | | | | |
| Accounts payable and accrued expenses | \$ 1,698,180 | \$ 17,471 | \$ 1,715,651 | \$ 1,051 |
| Due to heirs, litigants and others | 69,986 | - | 69,986 | - |
| Due to other governments | - | - | - | 40,495 |
| Long-term liabilities | | | | |
| Due within one year | 2,052,567 | - | 2,052,567 | 4,272 |
| Due in more than one year | 1,750,764 | 6,538,480 | 8,289,244 | 1,853,824 |
| | | | | |
| Total liabilities | <u>\$ 5,571,497</u> | <u>\$ 6,555,951</u> | <u>\$ 12,127,448</u> | <u>\$ 1,899,642</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred revenue | \$ 28,528 | \$ - | \$ 28,528 | \$ - |
| Related to pension benefits | - | - | - | 155,052 |
| Related to other post-employment benefits | - | - | - | 209,740 |
| | | | | |
| Total deferred inflows of resources | <u>\$ 28,528</u> | <u>\$ -</u> | <u>\$ 28,528</u> | <u>\$ 364,792</u> |
| NET POSITION | | | | |
| Net investment in capital assets | \$ 418,818,136 | \$ 3,287,139 | \$ 422,105,275 | \$ 7,459 |
| Restricted for | | | | |
| Capital projects | 13,881,202 | - | 13,881,202 | - |
| Public safety | 413,966 | - | 413,966 | - |
| Health and welfare | 3,191 | - | 3,191 | - |
| Unrestricted | 11,516,985 | (7,870,145) | 3,646,840 | 90,186 |
| | | | | |
| Total net position | <u>\$ 444,633,480</u> | <u>\$ (4,583,006)</u> | <u>\$ 440,050,474</u> | <u>\$ 97,645</u> |

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018

| 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 Unit |
| | | | | | Governmental Activities | Business-Type Activities | Total | |
| PRIMARY GOVERNMENT | | | | | | | | |
| Governmental activities | | | | | | | | |
| Judicial | \$ 4,180,734 | \$ 1,731,086 | \$ 172,373 | \$ - | \$ (2,277,275) | \$ - | \$ (2,277,275) | \$ - |
| General government | 4,842,151 | 973,562 | 3,050 | - | (3,865,539) | - | (3,865,539) | - |
| Public safety | 15,447,564 | 2,382,573 | 39,925 | - | (13,025,066) | - | (13,025,066) | - |
| Public works | 17,686,722 | - | 853,037 | - | (16,833,685) | - | (16,833,685) | - |
| Health and welfare | 1,685,437 | 37,760 | 692,169 | - | (955,508) | - | (955,508) | - |
| Housing and development | 1,281,471 | 563,189 | - | - | (718,282) | - | (718,282) | - |
| Culture and recreation | 2,583,621 | 637,685 | 168,617 | 25,999 | (1,751,320) | - | (1,751,320) | - |
| Interest | 36,063 | - | - | - | (36,063) | - | (36,063) | - |
| Total governmental activities | 47,743,763 | 6,325,855 | 1,929,171 | 25,999 | (39,462,738) | - | (39,462,738) | - |
| Business-type activities | | | | | | | | |
| Landfill services | 865,502 | 364,542 | - | - | - | (500,960) | (500,960) | - |
| Stormwater management | 124,960 | 80,064 | - | - | - | (44,896) | (44,896) | - |
| Total business-type activities | 990,462 | 444,606 | - | - | - | (545,856) | (545,856) | - |
| Total primary government | 48,734,225 | 6,770,461 | 1,929,171 | 25,999 | (39,462,738) | (545,856) | (40,008,594) | - |
| COMPONENT UNITS | | | | | | | | |
| Health Department | 1,253,594 | 480,850 | 804,282 | - | - | - | - | 31,538 |
| Total component units | \$ 1,253,594 | \$ 480,850 | \$ 804,282 | \$ - | - | - | - | 31,538 |
| GENERAL REVENUES | | | | | | | | |
| Property taxes | | | | | 13,397,443 | - | 13,397,443 | - |
| Special local option sales tax | | | | | 10,366,525 | - | 10,366,525 | - |
| Local option sales tax | | | | | 7,262,796 | - | 7,262,796 | - |
| Insurance premium tax | | | | | 3,031,877 | - | 3,031,877 | - |
| Federal payments in lieu of taxes | | | | | 425,773 | - | 425,773 | - |
| Other taxes | | | | | 759,171 | - | 759,171 | - |
| Franchise fees | | | | | 360,125 | - | 360,125 | - |
| Interest | | | | | 108,673 | - | 108,673 | 18,116 |
| Gain (loss) on sale of capital assets | | | | | 80,055 | - | 80,055 | - |
| Other | | | | | 184,382 | - | 184,382 | 486,186 |
| Total general revenues | | | | | 35,976,820 | - | 35,976,820 | 504,302 |
| TRANSFERS | | | | | (112,869) | 112,869 | - | - |
| Change in net position | | | | | (3,598,787) | (432,987) | (4,031,774) | 535,840 |
| NET POSITION | | | | | | | | |
| Beginning | | | | | 448,232,267 | (4,150,019) | 444,082,248 | 637,197 |
| Prior period adjustment | | | | | - | - | - | (1,075,392) |
| Beginning, restated | | | | | 448,232,267 | (4,150,019) | 444,082,248 | (438,195) |
| Ending | | | | | \$ 444,633,480 | \$ (4,583,006) | \$ 440,050,474 | \$ 97,645 |

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

CATOOSA COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

| | General Fund | Development Authority | SPLOST Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|--------------------------|-------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 4,472,137 | \$ 84,746 | \$ 13,153,422 | \$ - | \$ 17,710,305 |
| Certificates of deposit | 3,000,000 | - | - | - | 3,000,000 |
| Restricted cash | 1,225,000 | - | 70,683 | - | 1,295,683 |
| Investments | 12,832 | - | - | - | 12,832 |
| Due from other governmental entities | 1,783,691 | - | - | - | 1,783,691 |
| Due from other funds | 3,303,490 | - | - | 573,735 | 3,877,225 |
| Property taxes receivable | 211,195 | - | - | - | 211,195 |
| Other taxes receivable | 5,207 | - | 868,702 | - | 873,909 |
| Prepaid expenses | 354,247 | - | - | - | 354,247 |
| Prepaid supplies | 77,126 | - | - | 59 | 77,185 |
| Land held for resale | - | 1,750,764 | - | - | 1,750,764 |
| | <u>-</u> | <u>1,750,764</u> | <u>-</u> | <u>-</u> | <u>1,750,764</u> |
| Total assets | <u>\$ 14,444,925</u> | <u>\$ 1,835,510</u> | <u>\$ 14,092,807</u> | <u>\$ 573,794</u> | <u>\$ 30,947,036</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 1,138,362 | \$ 205,878 | \$ 215,317 | \$ 132,524 | \$ 1,692,081 |
| Due to heirs, litigants and others | 69,986 | - | - | - | 69,986 |
| Due to other funds | 573,766 | 1,989,265 | - | - | 2,563,031 |
| | <u>1,782,114</u> | <u>2,195,143</u> | <u>215,317</u> | <u>132,524</u> | <u>4,325,098</u> |
| Total liabilities | <u>1,782,114</u> | <u>2,195,143</u> | <u>215,317</u> | <u>132,524</u> | <u>4,325,098</u> |
| Deferred inflows of resources | | | | | |
| Deferred tax revenue | 145,182 | - | - | - | 145,182 |
| Deferred grant revenue | - | - | - | 28,528 | 28,528 |
| | <u>145,182</u> | <u>-</u> | <u>-</u> | <u>28,528</u> | <u>173,710</u> |
| Total deferred inflows of resources | <u>145,182</u> | <u>-</u> | <u>-</u> | <u>28,528</u> | <u>173,710</u> |
| Fund balances | | | | | |
| Nonspendable | | | | | |
| Prepaid items | 431,373 | - | - | - | 431,373 |
| Restricted for | | | | | |
| SPLOST projects | - | - | 13,877,490 | - | 13,877,490 |
| Capital projects | - | - | - | 3,712 | 3,712 |
| Public safety | - | - | - | 413,966 | 413,966 |
| Health and welfare | - | - | - | 3,191 | 3,191 |
| Unassigned | 12,086,256 | (359,633) | - | (8,127) | 11,718,496 |
| | <u>12,517,629</u> | <u>(359,633)</u> | <u>13,877,490</u> | <u>412,742</u> | <u>26,448,228</u> |
| Total fund balances | <u>12,517,629</u> | <u>(359,633)</u> | <u>13,877,490</u> | <u>412,742</u> | <u>26,448,228</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 14,444,925</u> | <u>\$ 1,835,510</u> | <u>\$ 14,092,807</u> | <u>\$ 573,794</u> | <u>\$ 30,947,036</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, 2018

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

| | |
|--|---------------|
| Fund balances – total governmental funds | \$ 26,448,228 |
|--|---------------|

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. | 145,182 |
|--|---------|

| | |
|---|-------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 421,849,500 |
|---|-------------|

| | |
|---|---------|
| Accrued interest is not due and payable in the current period and therefore is not reported in the funds. | (6,099) |
|---|---------|

| | |
|--|--------------------|
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | <u>(3,803,331)</u> |
|--|--------------------|

| | |
|--|-----------------------|
| | <u>\$ 444,633,480</u> |
|--|-----------------------|

(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, 2018

| | General Fund | Development Authority | SPLOST Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|-------------------------|----------------------------------|--|---|---|
| REVENUES | | | | | |
| Taxes | \$ 24,358,421 | \$ - | \$ 10,366,525 | \$ - | \$ 34,724,946 |
| Licenses and franchises | 426,450 | - | - | - | 426,450 |
| Charges for services | 787,057 | - | - | 1,167,540 | 1,954,597 |
| Intergovernmental | 925,519 | - | 729,982 | 672,352 | 2,327,853 |
| Fines, fees and forfeitures | 3,148,427 | - | - | 341,956 | 3,490,383 |
| Investment earnings | 108,588 | 85 | 123,055 | - | 231,728 |
| Other | 873,534 | 145,161 | - | 26,758 | 1,045,453 |
| Total revenues | <u>30,627,996</u> | <u>145,246</u> | <u>11,219,562</u> | <u>2,208,606</u> | <u>44,201,410</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Judicial | 4,020,690 | - | - | 52,629 | 4,073,319 |
| General government | 4,461,178 | - | 218,688 | - | 4,679,866 |
| Public safety | 12,781,941 | - | 38,484 | 1,516,484 | 14,336,909 |
| Public works | 2,145,969 | - | 2,609,298 | - | 4,755,267 |
| Health and welfare | 1,123,643 | - | - | 428,652 | 1,552,295 |
| Housing and development | 748,799 | 407,810 | - | 775 | 1,157,384 |
| Culture and recreation | 2,053,161 | - | 59,071 | 184,167 | 2,296,399 |
| Intergovernmental | - | - | 2,372,445 | - | 2,372,445 |
| Capital outlay | - | - | 4,800,791 | 140,382 | 4,941,173 |
| Debt service | | | | | |
| Principal | - | 1,340,600 | - | - | 1,340,600 |
| Interest | - | 42,161 | - | - | 42,161 |
| Total expenditures | <u>27,335,381</u> | <u>1,790,571</u> | <u>10,098,777</u> | <u>2,323,089</u> | <u>41,547,818</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 3,292,615 | (1,645,325) | 1,120,785 | (114,483) | 2,653,592 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of assets | 80,055 | - | - | - | 80,055 |
| Transfers from other funds | - | 1,682,027 | - | 107,028 | 1,789,055 |
| Transfers to other funds | <u>(579,163)</u> | <u>-</u> | <u>(1,322,761)</u> | <u>-</u> | <u>(1,901,924)</u> |
| NET CHANGE IN FUND BALANCES | 2,793,507 | 36,702 | (201,976) | (7,455) | 2,620,778 |
| FUND BALANCES | | | | | |
| Beginning | <u>9,724,122</u> | <u>(396,335)</u> | <u>14,079,466</u> | <u>420,197</u> | <u>23,827,450</u> |
| Ending | <u>\$ 12,517,629</u> | <u>\$ (359,633)</u> | <u>\$ 13,877,490</u> | <u>\$ 412,742</u> | <u>\$ 26,448,228</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, 2018

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

| | |
|--|-----------------------|
| Net change in fund balances – total governmental funds | \$ 2,620,778 |
| 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. | 5,042,553 |
| Depreciation expense on governmental capital assets are included in the statement of activities. | (12,472,459) |
| 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. | (112,740) |
| Certain governmental revenues will not be collected for several months after the fiscal year and are deferred in the governmental funds. | (23,619) |
| 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 | 6,100 |
| 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>1,340,600</u> |
| | <u>\$ (3,598,787)</u> |

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

| | <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 | 7,224,694 | 690,095 | 7,914,789 |
| Net capital assets | 3,017,549 | 269,590 | 3,287,139 |
| Total assets | \$ 3,017,549 | \$ 269,621 | \$ 3,287,170 |
| <u>LIABILITIES AND NET POSITION</u> | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 17,342 | \$ 129 | \$ 17,471 |
| Due to other funds | 1,314,225 | - | 1,314,225 |
| Total current liabilities | 1,331,567 | 129 | 1,331,696 |
| LONG-TERM LIABILITIES | | | |
| Accrued postclosure care costs | 6,538,480 | - | 6,538,480 |
| Total long-term liabilities | 6,538,480 | - | 6,538,480 |
| Total liabilities | 7,870,047 | 129 | 7,870,176 |
| NET POSITION | | | |
| Net investment in capital assets | 3,017,549 | 269,590 | 3,287,139 |
| Unrestricted | (7,870,047) | (98) | (7,870,145) |
| | (4,852,498) | 269,492 | (4,583,006) |
| Total liabilities and net position | \$ 3,017,549 | \$ 269,621 | \$ 3,287,170 |

(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, 2018

| | <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 | \$ 364,542 | \$ 80,064 | \$ 444,606 |
| Total revenues | <u>364,542</u> | <u>80,064</u> | <u>444,606</u> |
| OPERATING EXPENSES | | | |
| Depreciation | 255,138 | 44,905 | 300,043 |
| General operating expenses | <u>610,364</u> | <u>80,055</u> | <u>690,419</u> |
| Total expenses | <u>865,502</u> | <u>124,960</u> | <u>990,462</u> |
| OPERATING LOSS | (500,960) | (44,896) | (545,856) |
| TRANSFERS | | | |
| Transfers from other funds | <u>112,869</u> | <u>-</u> | <u>112,869</u> |
| CHANGE IN NET ASSETS | (388,091) | (44,896) | (432,987) |
| NET POSITION | | | |
| Beginning | <u>(4,464,407)</u> | <u>314,388</u> | <u>(4,150,019)</u> |
| Ending | <u>\$ (4,852,498)</u> | <u>\$ 269,492</u> | <u>\$ (4,583,006)</u> |

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2018

| | <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 | \$ 364,542 | \$ 80,064 | \$ 444,606 |
| Payments to suppliers for goods or services | (479,275) | (80,064) | (559,339) |
| Net cash used by operating activities | (114,733) | - | (114,733) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Loan from other funds | 1,864 | - | 1,864 |
| Net cash provided by capital and related financing activities | 1,864 | - | 1,864 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | |
| Transfers in | 112,869 | - | 112,869 |
| Net cash provided by non-capital financing activities | 112,869 | - | 112,869 |
| NET CHANGE IN CASH | - | - | - |
| CASH AND CASH EQUIVALENTS | | | |
| Beginning | - | - | - |
| Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES | | | |
| Operating loss | \$ (500,960) | \$ (44,896) | \$ (545,856) |
| Adjustments to reconcile operating loss to net cash used by operating activities | | | |
| Depreciation | 255,138 | 44,905 | 300,043 |
| Net change in operating liabilities | 131,089 | (9) | 131,080 |
| Net cash used by operating activities | <u>\$ (114,733)</u> | <u>\$ -</u> | <u>\$ (114,733)</u> |

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2018

**Agency
Funds**

ASSETS

| | |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 1,306,005 |
|---------------------------|--------------|

| | |
|--------------|--------------|
| Total assets | \$ 1,306,005 |
|--------------|--------------|

LIABILITIES

| | |
|-------------------------------------|------------|
| Due to heirs, litigants, and others | \$ 405,133 |
|-------------------------------------|------------|

| | |
|------------------------------------|---------|
| Due to other governmental entities | 900,872 |
|------------------------------------|---------|

| | |
|-------------------|--------------|
| Total liabilities | \$ 1,306,005 |
|-------------------|--------------|

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF NET POSITION
COMPONENT UNIT
SEPTEMBER 30, 2018

| | Catoosa County Health Department June 30, 2018 |
|---|---|
| ASSETS | |
| Cash | \$ 1,973,669 |
| Accounts receivable | 237 |
| Due from other governments | 79,227 |
| Inventory | 34,685 |
| Other capital assets, net of accumulated depreciation | <u>7,459</u> |
| Total assets | <u>\$ 2,095,277</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Related to pension benefits | \$ 143,594 |
| Related to other post-employment benefits | <u>123,208</u> |
| | <u><u>\$ 266,802</u></u> |
| LIABILITIES | |
| Accounts payable | \$ 1,051 |
| Due to other governments | 40,495 |
| Long-term liabilities | |
| Due within one year | 4,272 |
| Due in more than one year | <u>1,853,824</u> |
| Total liabilities | <u>\$ 1,899,642</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Related to pension benefits | \$ 155,052 |
| Related to other post-employment benefits | <u>209,740</u> |
| | <u><u>\$ 364,792</u></u> |
| NET POSITION | |
| Net investment in capital assets | 7,459 |
| Unrestricted | <u>90,186</u> |
| Total net position | <u>\$ 97,645</u> |

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

CATOOSA COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
COMPONENT UNIT
YEAR ENDED JUNE 30, 2018

| <u>Functions/Programs</u> | <u>Program Revenues</u> | | | Net (Expense) |
|---|-------------------------|--------------------------------|---|--|
| | <u>Expenses</u> | <u>Charges for Service</u> | <u>Operating Grants and Contributions</u> | Revenue and Changes in Net Position |
| Catoosa County Health Department | | | | |
| Health Department operations | \$ 1,253,594 | \$ 480,850 | \$ 804,282 | \$ 31,538 |
| Total component units | \$ 1,253,594 | \$ 480,850 | \$ 804,282 | 31,538 |
| GENERAL REVENUES | | | | |
| | | | | 486,186 |
| | | | | 18,116 |
| | | | Total general revenues | 504,302 |
| | | | Change in net position | 535,840 |
| NET POSITION | | | | |
| | | | Beginning, as previously reported | 637,197 |
| | | | Prior period adjustment | (1,075,392) |
| | | | Beginning, restated | (438,195) |
| | | | Ending | \$ 97,645 |

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

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(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 accordance with current guidance, the development authority is presented as a blended component unit 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 the Authority's 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, 2018

(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, 2018

(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, 2018

(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, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

The County maintains the following funds:

General fund (major 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 and major fund), 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 (major 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 and major fund), 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, 2018

(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, 2018

(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, 2018.

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, 2018

(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, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources (continued)

As of September 30, 2018, the County did not have any deferred outflows of resources and had deferred inflows of resources from deferred property taxes of \$145,182 and deferred grant revenue of \$28,528.

(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, 2018, the Georgia Fund 1 weighted average maturity was 163 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 \$12,832 in Georgia Fund 1 as of September 30, 2018.

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, 2018

(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, 2018, is categorized by custodial credit risk:

| | <u>Category 1</u> | <u>Category 2</u> | <u>Category 3</u> | <u>Bank Balance</u> | <u>Carrying Amount</u> |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------------|----------------------------|
| Cash and cash equivalents | | | | | |
| Deposits with financial institutions | \$ 1,951,110 | \$ 18,573,752 | \$ - | \$ 20,524,862 | \$ 20,311,993 |

| | <u>Category 1</u> | <u>Category 2</u> | <u>Category 3</u> | <u>Carrying Amount</u> |
|----------------|-------------------|-------------------|-------------------|----------------------------|
| Investments | | | | |
| Georgia Fund 1 | \$ - | \$ 12,832 | \$ - | \$ 12,832 |

The deposits of the County are included in the following classifications at September 30, 2018.

| | |
|--|----------------------|
| Cash and cash equivalents | \$ 17,710,305 |
| Restricted cash | 1,295,683 |
| Cash and cash equivalents - agency funds | <u>1,306,005</u> |
| | <u>\$ 20,311,993</u> |

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(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 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, 2018, payables from agency funds to other funds were \$245,200, 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, 2018, consist of the following:

Amounts receivable to the general fund from the following funds:

| | |
|-------------------------|--------------|
| Major governmental fund | |
| Development Authority | \$ 1,989,265 |
| Major enterprise funds | |
| Solid waste | \$ 1,314,225 |

Amounts payable from the general fund to the following funds:

| | |
|-----------------------------|------------|
| Nonmajor governmental funds | |
| Confiscated assets | \$ 54,321 |
| Multiple grant | \$ 39,791 |
| JCSA | \$ 82,472 |
| State grant for library | \$ 20,198 |
| DATE program | \$ 359,586 |
| Capital projects | \$ 17,367 |
| Nonmajor enterprise funds | |
| Public works | \$ 31 |

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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

In addition, the general fund advanced the Development Authority \$2,134,427, 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.

Other projects of the Development Authority total \$100,577 and represent progress payments. In addition, the general fund owes the Development Authority \$145,160 for other income to be received after year-end.

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 2018 year were as follows:

| | |
|--|--------------|
| Transfer from SPLOST (major fund) to development authority (major fund) | \$ 1,322,761 |
| Transfer from general fund (major fund) to development authority (major fund) | \$ 359,266 |
| Transfer from general fund (major fund) to emergency 911 (nonmajor fund) | \$ 107,028 |
| Transfer from general fund (major fund) to solid waste (major enterprise fund) | \$ 112,869 |

(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, 2018

(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, 2018. 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>\$ 1,750,764</u> | <u>\$ -</u> | <u>\$ -</u> | \$ 1,750,764 |
| Other investments | | | | |
| Georgia Fund 1 | | | | <u>12,832</u> |
| | | | | <u>\$ 1,763,596</u> |

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(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 | 226,634 | 698,565 | (48,472) | 876,727 |
| Nondepreciable capital assets | \$ 4,603,855 | \$ 698,565 | \$ (48,472) | \$ 5,253,948 |
| | | | | |
| | Beginning | Additions | Dispositions and Reclassifications | Ending |
| Depreciable capital assets | | | | |
| Land improvements | \$ 7,142,727 | \$ 470,439 | \$ - | \$ 7,613,166 |
| Infrastructure | 758,962,943 | 605,427 | - | 759,568,370 |
| Buildings | 33,397,727 | - | - | 33,397,727 |
| Equipment, vehicles, furniture and fixtures | 20,110,355 | 3,268,122 | (1,783,557) | 21,594,920 |
| | 819,613,752 | 4,343,988 | (1,783,557) | 822,174,183 |
| Less accumulated depreciation | | | | |
| Land improvements | 1,839,210 | 364,495 | - | 2,203,705 |
| Infrastructure | 367,187,781 | 10,366,564 | - | 377,554,345 |
| Buildings | 8,906,741 | 508,658 | - | 9,415,399 |
| Equipment, vehicles, furniture and fixtures | 17,004,469 | 1,232,742 | (1,832,029) | 16,405,182 |
| | 394,938,201 | 12,472,459 | (1,832,029) | 405,578,631 |
| Depreciable capital assets, net | \$ 424,675,551 | \$ (8,128,471) | \$ 48,472 | \$ 416,595,552 |

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(5) CAPITAL ASSETS (continued)

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

| | |
|-------------------------|----------------------|
| General government | \$ 190,839 |
| Judicial | 109,110 |
| Public safety | 1,055,534 |
| Public works | 10,559,011 |
| Health and welfare | 133,142 |
| Culture and recreation | 300,733 |
| Housing and development | 124,090 |
| | <u>\$ 12,472,459</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>1,892,278</u> | <u>-</u> | <u>-</u> | <u>1,892,278</u> |
| | <u>9,432,791</u> | <u>-</u> | <u>-</u> | <u>9,432,791</u> |
| Less accumulated depreciation | | | | |
| Land improvements | 6,423,046 | 115,794 | - | 6,538,840 |
| Buildings | 40,465 | - | - | 40,465 |
| Equipment and vehicles | <u>1,151,235</u> | <u>184,249</u> | <u>-</u> | <u>1,335,484</u> |
| | <u>7,614,746</u> | <u>300,043</u> | <u>-</u> | <u>7,914,789</u> |
| Depreciable capital assets, net | <u>\$ 1,818,045</u> | <u>\$ (300,043)</u> | <u>\$ -</u> | <u>\$ 1,518,002</u> |

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

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(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 | \$ 6,850 | \$ - | \$ 28,050 |
| | <u>21,200</u> | <u>6,850</u> | <u>-</u> | <u>28,050</u> |
| Less accumulated depreciation | | | | |
| Machinery and equipment | 16,911 | 3,680 | - | 20,591 |
| | <u>16,911</u> | <u>3,680</u> | <u>-</u> | <u>20,591</u> |
| Depreciable capital assets, net | <u>\$ 4,289</u> | <u>\$ 3,170</u> | <u>\$ -</u> | <u>\$ 7,459</u> |

Depreciation expense for the component unit totaled \$3,680.

(6) 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 | \$ 501,800 |
| 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>778,800</u> |
| | <u>\$ 1,280,600</u> |

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(6) LONG-TERM DEBT (continued)

Governmental activities (continued)

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, 2019 | \$ 1,298,797 | \$ 18,197 | \$ 1,280,600 |

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

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

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

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>45,841</u> |
| | <u>\$ 1,750,764</u> |

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(6) LONG-TERM DEBT (continued)

Governmental activities (continued)

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, 2019 | \$ - | \$ - | \$ - |
| 2020 | <u>1,750,764</u> | <u>-</u> | <u>1,750,764</u> |
| | <u><u>\$ 1,750,764</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,750,764</u></u> |

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> |
|----------------------|------------------------------|--|--|----------------------------|
| Bonds payable | \$ 2,561,200 | \$ - | \$ (1,280,600) | \$ 1,280,600 |
| Notes payable | 1,810,764 | - | (60,000) | 1,750,764 |
| Compensated absences | <u>659,227</u> | <u>112,740</u> | <u>-</u> | <u>771,967</u> |
| | <u><u>\$ 5,031,191</u></u> | <u><u>\$ 112,740</u></u> | <u><u>\$ (1,340,600)</u></u> | <u><u>\$ 3,803,331</u></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>771,967</u> |

2,052,567

Due in more than one year

1,750,764

\$ 3,803,331

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

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(6) LONG-TERM DEBT (continued)

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 \$6,538,480. 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.

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 | \$ 115,612 | \$ - | \$ 6,538,480 |

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 13, 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> |
|-----------------------|------------------------------|--|--|---------------------------|
| Compensated absences | \$ 36,110 | \$ 10,246 | \$ (3,636) | \$ 42,720 |
| Net pension liability | 1,337,526 | - | (402,850) | 934,676 |
| Net OPEB liability | - | 880,700 | - | 880,700 |
| | <u>\$ 1,373,636</u> | <u>\$ 890,946</u> | <u>\$ (406,486)</u> | <u>\$ 1,858,096</u> |

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

| | |
|---------------------------|---------------------|
| Due within one year | |
| Compensated absences | \$ 4,272 |
| Due in more than one year | |
| Compensated absences | 38,448 |
| Net pension liability | 934,676 |
| Net OPEB liability | 880,700 |
| | <u>\$ 1,858,096</u> |

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(7) 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.

(8) 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, 2018, there were approximately 255 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, 2018, forfeitures were \$3,723. For the year ended September 30, 2017, employer and employee contributions were \$680,899 and \$291,813, respectively. Employer contributions have been charged to expense. At September 30, 2018, the County had a liability of approximately \$100,000 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 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/financials. 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, 2018, 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, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017 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, 2017. At June 30, 2017, the Employer's proportion was 0.023014%, which was a decrease of 0.005261% from its proportion measured as of June 30, 2016.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(8) EMPLOYEE RETIREMENT PLANS (continued)

Catoosa County Health Department (continued)

For the year ended June 30, 2018, the Health Department recognized pension expense of \$(38,458). At June 30, 2018, the Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 10,242 | \$ 7 |
| Changes of assumptions | 2,128 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 2,327 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | - | 152,718 |
| Employer contributions related to specific liabilities of individual employers | (15,967) | |
| Employer contributions subsequent to the measurement date | <u>147,191</u> | <u>-</u> |
| | <u>\$ 143,594</u> | <u>\$ 155,052</u> |

Health Department contributions subsequent to the measurement date of \$147,191 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, 2018.

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, 2019 | \$ (112,453) |
| 2020 | (14,222) |
| 2021 | 10,493 |
| 2022 | (26,500) |
| 2023 | - |
| Thereafter | - |

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(8) EMPLOYEE RETIREMENT PLANS (continued)

Catoosa County Health Department (continued)

The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.75% |
| Salary increases | 3.25-7.00%, 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 | \$ 1,319,248 | \$ 934,676 | \$ 606,623 |

(9) OTHER POSTEMPLOYMENT BENEFITS

Catoosa County Health Department

State OPEB Plan

Employees of State organizations as defined in §45-18-25 of the Official Code of Georgia Annotated (O.C.G.A.) are provided OPEB through the State OPEB Fund – a cost sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (Board). Title 45 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the Board. Complete OPEB disclosures are in the Health Department's separately issued financial statements. Summarized information related to the plan is indicated below.

As established by the Board, the State OPEB Fund is substantially funded on a pay-as-you go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the State OPEB Fund from the Health Department were \$107,357 for the year ended June 30, 2018. Active employees are not required to contribute to the State OPEB fund.

At June 30, 2018, the Health Department reported a liability of \$923,052 for its proportionate share of the net OPEB liability. The net OPEB liability was measured at June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was based on actuarial valuation as of June 30, 2016. An expected total OPEB liability as of June 30, 2017 was determined using standard roll-forward techniques. The Health Department's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2017. At June 30, 2017, the Health Department's proportion was 0.022656%, which was a decrease of 0.003792% from its proportion measured as of June 30, 2016.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(9) OTHER POSTEMPLOYMENT BENEFITS (continued)

Catoosa County Health Department (continued)

For the year ended June 30, 2018, the Health Department recognized OPEB expense of \$(2,837). At June 30, 2018, the Health Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | - | 66,849 |
| Net difference between projected and actual earnings on OPEB plan investments | 3,954 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | - | 136,420 |
| Employer contributions subsequent to the measurement date | <u>107,357</u> | <u>-</u> |
| | <u>\$ 111,311</u> | <u>\$ 203,269</u> |

Health Department contributions subsequent to the measurement date of \$107,357 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | |
|-----------------------------------|-------------|
| For the year ending June 30, 2019 | \$ (60,238) |
| 2020 | (60,238) |
| 2021 | (60,238) |
| 2022 | (18,601) |
| 2023 | - |
| Thereafter | - |

The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions and other inputs, applies to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017:

| | |
|-----------------------------------|--|
| Inflation | 2.75% |
| Salary increases | 3.25-7.00%, including inflation |
| Long-term expected rate of return | 3.88%, compounded annually, net of investment expense, including inflation |

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(9) OTHER POSTEMPLOYMENT BENEFITS (continued)

Catoosa County Health Department (continued)

The following presents the Health Department's proportionate share of the net OPEB liability calculated using the discount rate of 3.60%, as well as what the Health Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1%-point lower (2.60%) or 1%-point higher (4.60%) than the current discount rate:

| | 1% Decrease (2.60%) | Current Discount Rate (3.60%) | 1% Increase (4.60%) |
|--|------------------------------------|--|------------------------------------|
| Employer's proportionate share of the net OPEB liability | \$ 1,103,844 | \$ 923,052 | \$ 778,739 |

SEAD OPEB Plan

SEAD-OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employee's Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a cost-sharing multiple-employer defined benefit other postemployment benefit plan as defined in Governmental Accounting Standards (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than OPEB Plans. The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments. Complete OPEB disclosures are in the Health Department's separately issued financial statements. Summarized information related to the plan is indicated below.

At June 30, 2018, the Health Department reported a liability of \$(42,352) for its proportionate share of the net OPEB liability. The net OPEB liability was measured at June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was based on actuarial valuation as of June 30, 2016. An expected total OPEB liability as of June 30, 2017 was determined using standard roll-forward techniques. The Health Department's proportion of the net OPEB liability was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2017. At June 30, 2017, the Health Department's proportion was 0.016295%, which was a decrease of 0.009097% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Health Department recognized OPEB expense of \$2,035. At June 30, 2018, the Health Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(9) OTHER POSTEMPLOYMENT BENEFITS (continued)

Catoosa County Health Department (continued)

SEAD OPEB Plan (continued)

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on OPEB plan investments | - | 6,471 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 11,897 | - |
| Employer contributions subsequent to the measurement date | <u>-</u> | <u>-</u> |
| | <u>\$ 11,897</u> | <u>\$ 6,471</u> |

There are no contributions subsequent to the measurement date of the Health Department reported as deferred outflows of resources that will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | |
|-----------------------------------|----------|
| For the year ending June 30, 2019 | \$ 4,331 |
| 2020 | 4,330 |
| 2021 | (1,618) |
| 2022 | (1,617) |
| 2023 | - |
| Thereafter | - |

The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.75% |
| Salary increases | 3.25-7.00%, including inflation |
| Investment rate of return | 7.5%, net of OPEB investment expense, including inflation |

The following presents the Health Department's proportionate share of the net OPEB liability calculated using the discount rate of 7.50%, as well as what the Health Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1%-point lower (6.50%) or 1%-point higher (8.50%) than the current discount rate:

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(9) OTHER POSTEMPLOYMENT BENEFITS (continued)
Catoosa County Health Department (continued)

| | 1% Decrease (6.5%) | Current Discount Rate (7.5%) | 1% Increase (8.5%) |
|--|--------------------------|---------------------------------------|--------------------------|
| Employer's proportionate share of the net OPEB liability | \$ (23,181) | \$ (42,352) | \$ (58,065) |

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov/financials.

(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, 2018, the Development Authority had an outstanding conduit debt obligation with Shaw Industries for \$14,544,711 for Series 2014B Taxable Industries Revenue Bonds. The original amount of the 2017B Taxable Industries Revenue Bonds was \$17,000,000. During the year ended September 30, 2018, the net reduction in principal due to equipment additions and removals was \$2,455,289. Shaw also had \$56,400,000 for Series 2018 Taxable Industries Revenue Bonds outstanding at September 30, 2018.

(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 \$718,925. As of September 30, 2018, the remaining balance on these commitments totaled \$71,893.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(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 \$108,793 per year for 17 years. A liability of \$1,849,476 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 \$203,870 per year for 23 years. A liability of \$4,689,004 represents 100% of the estimated postclosure care costs for Site 2.

The above estimates are based on what it would cost to perform postclosure care in 2018. 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 \$9,405 and \$9,019 for deductibles for the years ended September 30, 2018 and 2017, respectively. There were no deductibles for which the County was responsible for the fiscal year ended September 30, 2016.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, Catoosa County became a member of the Association of County Commissioners of Georgia Workers' Compensation Self Insurance Fund. The effective date of membership was January 1, 1989. The liability of the fund to the employees of any employer (Catoosa County) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

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

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(14) RISK FINANCING ACTIVITIES (continued)

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries and demanding compensation thereto, although such suits, other proceedings, allegations or demands may be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

(15) COMPENSATED ABSENCES

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

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

An estimated liability, in the amount of \$771,967, 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 \$42,720 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, 2018, the Solid Waste Management Authority has a net position deficit in the amount of \$4,852,498, resulting primarily from the liability for landfill postclosure care costs.

As discussed in Note 13, the Authority has a liability of approximately \$6.5 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, 2018, the Catoosa County Development Authority has a fund balance deficit in the amount of \$359,633. This deficit is a result of amounts due to the general fund at year end. The Catoosa County Development Authority entered into an agreement with Mr. Armour, the developer to provide site development incentives in the form of site prep on the remaining 19.88 acres next to Costco. The deficit is the result of the general fund having advanced the funds for the site prep. In return, Mr. Armour committed

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(16) DEFICIT FUND EQUITY (continued)

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

At September 30, 2018, the Emergency 911 Fund has a fund balance deficit in the amount of \$90,976 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, 2018, 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, 2018, 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, 2018, Catoosa County abated property taxes due to the County that were levied on Aug 31, 2017 and due on December 20, 2017 totaling \$192,807. 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 \$139,046.
- A 15% property tax abatement to a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to \$40,170.
- A 20% property tax abatement to a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to \$13,591.

CATOOSA COUNTY, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(19) PRIOR PERIOD ADJUSTMENT

Catoosa County Health Department

During fiscal year 2018, the Health Department adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. The implementation of GASB 75 resulted in a change in reporting from the previous year. GASB 75 requires cost-sharing employers to record a liability and an expense of full accrual financial statements equal to the proportionate share of the net OPEB liability and expense for the cost-sharing. Beginning net position was adjusted \$(1,075,392).

(20) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2019, 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, 2018

| | Budget | | | Variance with Final Budget |
|-------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| TAXES | | | | |
| Property taxes | | | | |
| Real property | \$ 10,987,381 | \$ 10,998,916 | \$ 11,120,051 | \$ 121,135 |
| Motor vehicle | 825,712 | 733,068 | 825,406 | 92,338 |
| MV title ad valorem tax | 960,725 | 1,075,372 | 1,181,233 | 105,861 |
| Mobile home ad valorem | 61,567 | 61,567 | 63,474 | 1,907 |
| Railroad ad valorem | - | - | 5,007 | 5,007 |
| Heavy duty equipment | 40,896 | 7,358 | 7,358 | - |
| Timber | 951 | 951 | 1,167 | 216 |
| Penalties and interest | 235,000 | 217,365 | 217,366 | 1 |
| | <u>13,112,232</u> | <u>13,094,597</u> | <u>13,421,062</u> | <u>326,465</u> |
| Other taxes | | | | |
| Intangible recording | 275,000 | 275,000 | 319,894 | 44,894 |
| Malt beverage | 270,000 | 270,000 | 270,109 | 109 |
| Local option sales tax | 6,748,000 | 6,780,510 | 7,262,796 | 482,286 |
| Insurance premium tax | 2,867,613 | 3,031,877 | 3,031,877 | - |
| Financial institutions | 50,000 | 50,000 | 52,683 | 2,683 |
| | <u>10,210,613</u> | <u>10,407,387</u> | <u>10,937,359</u> | <u>529,972</u> |
| | <u>23,322,845</u> | <u>23,501,984</u> | <u>24,358,421</u> | <u>856,437</u> |
| LICENSES AND FRANCHISES | | | | |
| Malt beverage licenses | 30,000 | 30,000 | 33,700 | 3,700 |
| Business licenses | 43,000 | 30,725 | 31,625 | 900 |
| Other licenses | - | 500 | 1,000 | 500 |
| Cable television franchises | 375,000 | 360,125 | 360,125 | - |
| | <u>448,000</u> | <u>421,350</u> | <u>426,450</u> | <u>5,100</u> |
| CHARGES FOR CURRENT SERVICES | | | | |
| Recreation fees | 199,000 | 134,618 | 134,620 | 2 |
| Concession income | 103,500 | 120,843 | 120,873 | 30 |
| Zoning fees | 55,000 | 67,275 | 87,200 | 19,925 |
| Inspection fees | 318,000 | 338,680 | 444,364 | 105,684 |
| | <u>675,500</u> | <u>661,416</u> | <u>787,057</u> | <u>125,641</u> |
| INTERGOVERNMENTAL | | | | |
| Real estate transfer tax | <u>75,000</u> | <u>75,000</u> | <u>116,485</u> | <u>41,485</u> |
| | <u>75,000</u> | <u>75,000</u> | <u>116,485</u> | <u>41,485</u> |

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2018

| | Budget | | | Variance with Final Budget |
|------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| OTHER REVENUE | | | | |
| Federal financial assistance | | | | |
| Transportation grants | \$ 275,165 | \$ 263,517 | \$ 263,517 | \$ - |
| Federal payments in lieu of taxes | 440,000 | 425,773 | 425,773 | - |
| Salary reimbursement | 80,000 | 80,000 | 119,744 | 39,744 |
| | <u>795,165</u> | <u>769,290</u> | <u>809,034</u> | <u>39,744</u> |
| | <u>870,165</u> | <u>844,290</u> | <u>925,519</u> | <u>81,229</u> |
| FINES, FEES AND FORFEITURES | | | | |
| Magistrate Court | 130,000 | 130,000 | 142,570 | 12,570 |
| Juvenile Court | 3,000 | 3,000 | 3,684 | 684 |
| Clerk of Courts | 500,000 | 433,178 | 433,179 | 1 |
| Probate Judge | 215,000 | 187,817 | 187,819 | 2 |
| State Court | 600,000 | 600,000 | 963,834 | 363,834 |
| Tax Commissioner | 933,000 | 933,000 | 973,562 | 40,562 |
| Sheriff | 374,000 | 374,000 | 443,779 | 69,779 |
| | <u>2,755,000</u> | <u>2,660,995</u> | <u>3,148,427</u> | <u>487,432</u> |
| INVESTMENT EARNINGS | | | | |
| Interest | <u>22,000</u> | <u>22,000</u> | <u>108,588</u> | <u>86,588</u> |
| OTHER | | | | |
| Animal control fees | 23,500 | 26,409 | 26,441 | 32 |
| Theater admissions | 130,000 | 118,840 | 118,840 | - |
| Amphitheater | 3,085 | - | - | - |
| Passenger fares | 50,000 | 37,760 | 37,760 | - |
| Building rentals | 213,500 | 230,765 | 237,731 | 6,966 |
| Election fees | 25,306 | 17,479 | 17,488 | 9 |
| Prisoner reimbursements | 96,000 | 121,280 | 121,328 | 48 |
| Library fees | 24,000 | 24,000 | 25,520 | 1,520 |
| Donations | 100 | 3,050 | 3,050 | - |
| Fire service contract | 223,692 | 281,529 | 281,529 | - |
| Other income | 10,500 | 3,646 | 3,847 | 201 |
| | <u>799,683</u> | <u>864,758</u> | <u>873,534</u> | <u>8,776</u> |
| | <u>28,893,193</u> | <u>28,976,793</u> | <u>30,627,996</u> | <u>1,651,203</u> |

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2018

| | Budget | | | Variance with Final Budget |
|-------------------------------|------------|------------|------------|----------------------------------|
| | Original | Final | Actual | |
| EXPENDITURES | | | | |
| Judicial | | | | |
| Magistrate Court | \$ 600,905 | \$ 634,981 | \$ 620,075 | \$ 14,906 |
| Superior Court | 316,914 | 316,914 | 285,231 | 31,683 |
| Juvenile Court | 535,454 | 543,868 | 543,857 | 11 |
| Clerk of Court | 869,362 | 876,445 | 833,889 | 42,556 |
| State Court | 252,352 | 252,987 | 210,963 | 42,024 |
| State Court Solicitor | 201,310 | 201,310 | 191,752 | 9,558 |
| Probate Judge | 389,560 | 392,177 | 381,246 | 10,931 |
| Public Defender | 342,976 | 342,976 | 318,692 | 24,284 |
| District Attorney | 677,324 | 677,324 | 634,985 | 42,339 |
| Total judicial | 4,186,157 | 4,238,982 | 4,020,690 | 218,292 |
| General Government | | | | |
| Board of Commissioners | 290,869 | 298,806 | 298,374 | 432 |
| County manager | 232,874 | 233,471 | 211,884 | 21,587 |
| County attorney | 150,000 | 180,979 | 180,978 | 1 |
| Finance | 209,975 | 232,635 | 231,391 | 1,244 |
| Finance administration | 131,250 | 132,949 | 131,100 | 1,849 |
| Purchasing | 52,828 | 53,502 | 51,488 | 2,014 |
| Information systems | 114,600 | 114,600 | 70,801 | 43,799 |
| Tax Commissioner | 965,576 | 1,001,087 | 1,001,077 | 10 |
| Tax Assessor | 616,185 | 621,399 | 549,510 | 71,889 |
| Elections | 333,117 | 333,971 | 265,702 | 68,269 |
| Malt Beverage Board | 1,650 | 1,650 | 1,051 | 599 |
| Public buildings | 1,090,766 | 1,094,274 | 1,052,702 | 41,572 |
| Projects administration | 62,134 | 62,942 | 62,702 | 240 |
| Other agencies | 101,000 | 101,000 | 78,430 | 22,570 |
| Risk management | 314,749 | 132,608 | 102,864 | 29,744 |
| Geographic information system | 42,050 | 42,050 | 20,013 | 22,037 |
| Human resources | 150,831 | 152,495 | 151,111 | 1,384 |
| Total general government | 4,860,454 | 4,790,418 | 4,461,178 | 329,240 |
| Public Safety | | | | |
| Sheriff | 4,464,755 | 4,508,857 | 4,490,222 | 18,635 |
| Traffic control | 384,107 | 388,506 | 371,338 | 17,168 |
| Jail operations | 3,737,615 | 3,768,700 | 3,742,383 | 26,317 |
| Coroner | 76,865 | 84,865 | 75,236 | 9,629 |
| Animal control | 326,833 | 329,126 | 303,400 | 25,726 |
| Emergency management | 72,629 | 72,629 | 50,840 | 21,789 |
| Ambulance service | 150,000 | 169,765 | 169,765 | - |
| Fire service | 3,846,231 | 3,578,784 | 3,578,757 | 27 |
| Total public safety | 13,059,035 | 12,901,232 | 12,781,941 | 119,291 |

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2018

| | Budget | | | Variance with Final Budget |
|--------------------------------|-----------------|--------------|---------------|---|
| | Original | Final | Actual | |
| Public Works | | | | |
| Roads and bridges | \$ 2,308,955 | \$ 2,325,200 | \$ 2,075,772 | \$ 249,428 |
| Public works administration | 80,076 | 80,891 | 70,197 | 10,694 |
| Total public works | 2,389,031 | 2,406,091 | 2,145,969 | 260,122 |
| Health and Welfare | | | | |
| Public health | 511,686 | 511,686 | 510,984 | 702 |
| Public welfare | 45,500 | 45,500 | 43,650 | 1,850 |
| Public transportation | 586,022 | 590,086 | 569,009 | 21,077 |
| Total health and welfare | 1,143,208 | 1,147,272 | 1,123,643 | 23,629 |
| Housing and Development | | | | |
| Planning and zoning | 328,895 | 311,080 | 299,943 | 11,137 |
| Economic development | 169,484 | 162,218 | 162,206 | 12 |
| Agriculture Extension Service | 119,861 | 120,754 | 109,289 | 11,465 |
| Building inspection | 234,830 | 193,393 | 177,361 | 16,032 |
| Total housing and development | 853,070 | 787,445 | 748,799 | 38,646 |
| Culture and Recreation | | | | |
| Libraries | 519,423 | 519,423 | 519,424 | (1) |
| General recreation | 502,526 | 541,064 | 541,052 | 12 |
| Jack Mattox Recreation Park | 261,922 | 234,635 | 234,615 | 20 |
| Boynton Stephens Park | 15,000 | 15,000 | 15,000 | - |
| RYSA Poplar Springs Ball Field | 42,500 | 43,774 | 43,774 | - |
| McConnell Park | 15,420 | 15,420 | 11,877 | 3,543 |
| Lynhurst canoe launch | 1,000 | 1,000 | - | 1,000 |
| County recreation programs | 15,000 | 15,000 | 15,000 | - |
| Elsie Holmes Nature Park | 14,660 | 14,660 | 9,646 | 5,014 |
| Adult Literacy Center | 132,722 | 133,259 | 116,822 | 16,437 |
| Senior Center | 90,028 | 90,028 | 79,992 | 10,036 |
| Amphitheater | 8,085 | 8,085 | 6,665 | 1,420 |
| Colonnade/Civic Center | 508,717 | 511,185 | 459,294 | 51,891 |
| Total culture and recreation | 2,127,003 | 2,142,533 | 2,053,161 | 89,372 |
| Total expenditures | 28,617,958 | 28,413,973 | 27,335,381 | 1,078,592 |

CATOOSA COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2018

| | Budget | | | Variance with Final Budget |
|--|---------------------|---------------------|----------------------|---|
| | Original | Final | Actual | |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>\$ 275,235</u> | <u>\$ 562,820</u> | <u>\$ 3,292,615</u> | <u>\$ 2,729,795</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of assets | 18,000 | 78,000 | 80,055 | 2,055 |
| Insurance proceeds | 17,000 | - | - | - |
| Transfers to other funds | <u>(310,235)</u> | <u>(640,820)</u> | <u>(579,163)</u> | <u>61,657</u> |
| | <u>(275,235)</u> | <u>(562,820)</u> | <u>(499,108)</u> | <u>63,712</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | - | - | 2,793,507 | 2,793,507 |
| FUND BALANCES | | | | |
| Beginning | <u>9,724,122</u> | <u>9,724,122</u> | <u>9,724,122</u> | <u>-</u> |
| Ending | <u>\$ 9,724,122</u> | <u>\$ 9,724,122</u> | <u>\$ 12,517,629</u> | <u>\$ 2,793,507</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, 2018**

| | Budget | | | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | Actual | |
| REVENUE | | | | |
| Other | \$ - | \$ 108,465 | \$ 145,161 | \$ 36,696 |
| Interest | - | 84 | 85 | 1 |
| Total revenue | - | 108,549 | 145,246 | 36,697 |
| EXPENDITURES | | | | |
| Housing and Development | | | | |
| Economic development | - | - | 407,810 | (407,810) |
| Debt Service | | | | |
| Principal | 1,280,600 | 1,748,414 | 1,340,600 | 407,814 |
| Interest | 42,393 | 42,161 | 42,161 | - |
| Total debt service | 1,322,993 | 1,790,575 | 1,382,761 | 407,814 |
| Total expenditures | 1,322,993 | 1,790,575 | 1,790,571 | 4 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,322,993) | (1,682,026) | (1,645,325) | 36,701 |
| OTHER FINANCING SOURCES | | | | |
| Transfers from other funds | 1,322,993 | 1,682,026 | 1,682,027 | 1 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES | - | - | 36,702 | 36,702 |
| FUND BALANCES | | | | |
| Beginning | (396,335) | (396,335) | (396,335) | - |
| Ending | <u>\$ (396,335)</u> | <u>\$ (396,335)</u> | <u>\$ (359,633)</u> | <u>\$ 36,702</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
CATOOSA COUNTY HEALTH DEPARTMENT (COMPONENT UNIT)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2018

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|--------------|--------------|--------------|
| Proportion of the net pension liability | 0.0230140% | 0.0282750% | 0.0310930% | 0.0320400% |
| Proportionate share of the net pension liability | \$ 934,676 | \$ 1,337,526 | \$ 1,259,701 | \$ 1,201,698 |
| Covered-employee payroll | \$ 653,665 | \$ 624,912 | \$ 701,744 | \$ 771,628 |
| Proportionate share of the net pension liability as a % of its covered-employee payroll | 142.99% | 214.03% | 179.51% | 155.74% |
| Plan fiduciary net position as a % of the total pension liability | 76.33% | 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, 2018

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|----------------|----------------|----------------|----------------|
| Contractually required contributions | \$ 147,191 | \$ 140,056 | \$ 162,517 | \$ 156,113 |
| Contribution in relation to the contractually required contribution | <u>147,191</u> | <u>140,056</u> | <u>162,517</u> | <u>156,113</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 653,665 | \$ 624,912 | \$ 701,744 | \$ 771,628 |
| Contributions as a % of covered-employee payroll | 22.52% | 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, 2018

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, 2016 |
| Actuarial cost method | Entry Age |
| Amortization method | Level dollar, closed |
| Remaining amortization period | 22.6 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 |

CATOOSA COUNTY, GEORGIA
CATOOSA COUNTY HEALTH DEPARTMENT (COMPONENT UNIT)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE OPEB FUND
YEAR ENDED JUNE 30, 2018

| | <u>2018</u> |
|---|-------------|
| Proportion of the OPEB liability | 0.0226560% |
| Proportionate share of the net OPEB liability | \$ 923,052 |
| Covered-employee payroll | \$ 653,665 |
| Proportionate share of the net OPEB liability as a % of its covered-employee payroll | 141.21% |
| Plan fiduciary net position as a % of the total OPEB liability | 17.34% |

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 - STATE OPEB FUND
YEAR ENDED JUNE 30, 2018

| | <u>2018</u> |
|--|----------------|
| Contractually required contributions | \$ 112,874 |
| Contribution in relation to the contractually required contribution | <u>112,874</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Covered-employee payroll | \$ 653,665 |
| Contributions as a % of covered-employee payroll | 17.27% |

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 PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SEAD OPEB FUND
YEAR ENDED JUNE 30, 2018

| | <u>2018</u> |
|---|-------------|
| Proportion of the OPEB liability | 0.0162950% |
| Proportionate share of the net OPEB liability | \$ (42,352) |
| Covered-employee payroll | \$ 237,292 |
| Proportionate share of the net OPEB liability as a % of its covered-employee payroll | -17.85% |
| Plan fiduciary net position as a % of the total OPEB liability | 130.17% |

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 - SAED OPEB FUND
YEAR ENDED JUNE 30, 2018

| | <u>2018</u> |
|--|-------------|
| Contractually required contributions | \$ - |
| Contribution in relation to the contractually required contribution | <u>-</u> |
| Contribution deficiency (excess) | <u>\$ -</u> |
| Covered-employee payroll | \$ 237,292 |
| Contributions as a % of covered-employee payroll | 0.00% |

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 SUPPLEMENTAY INFORMATION
OPEB FUNDS
JUNE 30, 2018

(1) STATE OPEB FUND

Changes of benefit terms: In June 30, 2010 actuarial valuation, there was a change of benefit terms to require Medicare-eligible recipients to enroll in a Medicare Advantage plan to receive the State subsidy.

Changes in assumptions: In the revised June 30, 2017 actuarial valuation, there was a change relating to employee allocation. Employees were previously allocated based on their Retirement System membership, and currently employees are allocated based on their current employer payroll location.

In the June 30, 2015 actuarial valuation, decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

In the June 30, 2012 actuarial valuation, a data audit was performed and data collection procedures and assumptions were changed.

(2) SEAD OPEB PLAN

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primarily among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

OTHER SUPPLEMENTARY INFORMATION

**COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

CATOOSA COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2018

| | 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 | \$ 54,321 | \$ - | \$ 39,791 | \$ 82,472 | \$ 20,198 | \$ 359,586 | \$ - | \$ 556,368 | \$ 17,367 | \$ 573,735 |
| Other | - | - | - | - | - | 59 | - | 59 | - | 59 |
| Total assets | <u>\$ 54,321</u> | <u>\$ -</u> | <u>\$ 39,791</u> | <u>\$ 82,472</u> | <u>\$ 20,198</u> | <u>\$ 359,645</u> | <u>\$ -</u> | <u>\$ 556,427</u> | <u>\$ 17,367</u> | <u>\$ 573,794</u> |
| LIABILITIES | | | | | | | | | | |
| Accounts payable | <u>\$ -</u> | <u>\$ 90,976</u> | <u>\$ 21,005</u> | <u>\$ 3,151</u> | <u>\$ 16,670</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 131,802</u> | <u>\$ 722</u> | <u>\$ 132,524</u> |
| Total liabilities | <u>\$ -</u> | <u>\$ 90,976</u> | <u>\$ 21,005</u> | <u>\$ 3,151</u> | <u>\$ 16,670</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 131,802</u> | <u>\$ 722</u> | <u>\$ 132,524</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | |
| Deferred revenue | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,595</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,595</u> | <u>\$ 12,933</u> | <u>\$ 28,528</u> |
| Total deferred inflows of resources | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,595</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,595</u> | <u>\$ 12,933</u> | <u>\$ 28,528</u> |
| FUND BALANCES | | | | | | | | | | |
| Restricted | \$ 54,321 | \$ - | \$ 3,191 | \$ - | \$ - | \$ 359,645 | \$ - | \$ 417,157 | \$ 3,712 | \$ 420,869 |
| Unassigned | - | (90,976) | - | 79,321 | 3,528 | - | - | (8,127) | - | (8,127) |
| Total fund balances | <u>\$ 54,321</u> | <u>\$ (90,976)</u> | <u>\$ 3,191</u> | <u>\$ 79,321</u> | <u>\$ 3,528</u> | <u>\$ 359,645</u> | <u>\$ -</u> | <u>\$ 409,030</u> | <u>\$ 3,712</u> | <u>\$ 412,742</u> |

CATOOSA COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2018

| | 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 | \$ - | \$ 1,167,540 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,167,540 | \$ - | \$ 1,167,540 |
| Intergovernmental | - | - | 401,894 | - | 176,850 | - | 3,757 | 582,501 | 89,851 | 672,352 |
| Fines, fees and forfeitures | 103,821 | - | - | 155,049 | - | 83,086 | - | 341,956 | - | 341,956 |
| Other | - | - | 26,758 | - | - | - | - | 26,758 | - | 26,758 |
| | <u>-</u> | <u>-</u> | <u>26,758</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,758</u> | <u>-</u> | <u>26,758</u> |
| Total revenues | <u>103,821</u> | <u>1,167,540</u> | <u>428,652</u> | <u>155,049</u> | <u>176,850</u> | <u>83,086</u> | <u>3,757</u> | <u>2,118,755</u> | <u>89,851</u> | <u>2,208,606</u> |
| EXPENDITURES | | | | | | | | | | |
| Current | | | | | | | | | | |
| Judicial | - | - | - | - | - | - | - | - | 52,629 | 52,629 |
| Public safety | 39,225 | 1,246,531 | - | 125,830 | - | 82,461 | 3,757 | 1,497,804 | 18,680 | 1,516,484 |
| Health and welfare | - | - | 428,652 | - | - | - | - | 428,652 | - | 428,652 |
| Housing and development | - | - | - | - | - | - | - | - | 775 | 775 |
| Culture and recreation | - | - | - | - | 176,850 | - | - | 176,850 | 7,317 | 184,167 |
| Capital outlay | 28,367 | 89,680 | - | 11,885 | - | - | - | 129,932 | 10,450 | 140,382 |
| | <u>28,367</u> | <u>89,680</u> | <u>-</u> | <u>11,885</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>129,932</u> | <u>10,450</u> | <u>140,382</u> |
| Total expenditures | <u>67,592</u> | <u>1,336,211</u> | <u>428,652</u> | <u>137,715</u> | <u>176,850</u> | <u>82,461</u> | <u>3,757</u> | <u>2,233,238</u> | <u>89,851</u> | <u>2,323,089</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 36,229 | (168,671) | - | 17,334 | - | 625 | - | (114,483) | - | (114,483) |
| OTHER FINANCING SOURCES | | | | | | | | | | |
| Transfer from other funds | - | 107,028 | - | - | - | - | - | 107,028 | - | 107,028 |
| | <u>-</u> | <u>107,028</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>107,028</u> | <u>-</u> | <u>107,028</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES | 36,229 | (61,643) | - | 17,334 | - | 625 | - | (7,455) | - | (7,455) |
| FUND BALANCES | | | | | | | | | | |
| Beginning | 18,092 | (29,333) | 3,191 | 61,987 | 3,528 | 359,020 | - | 416,485 | 3,712 | 420,197 |
| | <u>18,092</u> | <u>(29,333)</u> | <u>3,191</u> | <u>61,987</u> | <u>3,528</u> | <u>359,020</u> | <u>-</u> | <u>416,485</u> | <u>3,712</u> | <u>420,197</u> |
| Ending | \$ 54,321 | \$ (90,976) | \$ 3,191 | \$ 79,321 | \$ 3,528 | \$ 359,645 | \$ - | \$ 409,030 | \$ 3,712 | \$ 412,742 |
| | <u>\$ 54,321</u> | <u>\$ (90,976)</u> | <u>\$ 3,191</u> | <u>\$ 79,321</u> | <u>\$ 3,528</u> | <u>\$ 359,645</u> | <u>\$ -</u> | <u>\$ 409,030</u> | <u>\$ 3,712</u> | <u>\$ 412,742</u> |

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, 2018

| | <u>Beginning</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending</u> |
|---------------------------------------|---------------------|----------------------|----------------------|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | | | | |
| Tax Commissioner | \$ 1,043,791 | \$ 53,632,764 | \$ 53,775,683 | \$ 900,872 |
| Clerk of Superior Court | 309,701 | 2,045,938 | 2,080,031 | 275,608 |
| Magistrate Court | 12,223 | 266,285 | 273,530 | 4,978 |
| Probate Judge | 3,000 | 286,244 | 286,244 | 3,000 |
| State Court | 65,504 | 1,406,207 | 1,402,517 | 69,194 |
| Sheriff | 48,913 | 630,597 | 627,157 | 52,353 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 1,483,132</u> | <u>\$ 58,268,035</u> | <u>\$ 58,445,162</u> | <u>\$ 1,306,005</u> |
| LIABILITIES | | | | |
| Due to other funds | | | | |
| Tax Commissioner | \$ - | \$ 13,519,647 | \$ 13,519,647 | \$ - |
| Clerk of Superior Court | - | 941,578 | 941,578 | - |
| Magistrate Court | - | 144,384 | 144,384 | - |
| Probate Judge | - | 286,244 | 286,244 | - |
| State Court | - | 1,135,107 | 1,135,107 | - |
| Sheriff | - | 106,918 | 106,918 | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | - | 16,133,878 | 16,133,878 | - |
| Unrestricted Due to other governments | | | | |
| Tax Commissioner | 1,043,791 | 40,113,117 | 40,256,036 | 900,872 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 1,043,791 | 40,113,117 | 40,256,036 | 900,872 |
| Due to heirs, litigants and others | | | | |
| Clerk of Superior Court | 309,701 | 1,104,360 | 1,138,453 | 275,608 |
| Magistrate Court | 12,223 | 121,901 | 129,146 | 4,978 |
| Probate Judge | 3,000 | - | - | 3,000 |
| State Court | 65,504 | 271,100 | 267,410 | 69,194 |
| Sheriff | 48,913 | 523,679 | 520,239 | 52,353 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 439,341 | 2,021,040 | 2,055,248 | 405,133 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>\$ 1,483,132</u> | <u>\$ 58,268,035</u> | <u>\$ 58,445,162</u> | <u>\$ 1,306,005</u> |

FINANCIAL SCHEDULES

CATOOSA COUNTY, GEORGIA
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
YEAR ENDED SEPTEMBER 30, 2018

| | <u>Levy Year</u> | | | | | <u>Prior to</u> | |
|--------------------------|---------------------|------------------|-----------------|----------------|---------------|---------------------|--|
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2014</u> | <u>Total</u> | |
| TAXES RECEIVABLE | | | | | | | |
| Beginning | \$ - | \$ 157,900 | \$ 44,459 | \$ 2,912 | \$ 777 | \$ 206,048 | |
| TAX LEVY | 11,085,451 | - | - | - | - | 11,085,451 | |
| ADJUSTMENTS | | | | | | | |
| Releases, net of pickups | 10,847 | (51) | 55 | 26 | (153) | 10,724 | |
| COLLECTIONS | <u>(10,936,487)</u> | <u>(111,319)</u> | <u>(40,813)</u> | <u>(2,124)</u> | <u>(285)</u> | <u>(11,091,028)</u> | |
| TAXES RECEIVABLE | | | | | | | |
| Ending | <u>\$ 159,811</u> | <u>\$ 46,530</u> | <u>\$ 3,701</u> | <u>\$ 814</u> | <u>\$ 339</u> | <u>\$ 211,195</u> | |

CATOOSA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2018

| 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 | | \$ - | \$ 1,108 | \$ 1,108 | \$ - |
| Substance Abuse and Mental Health Services | 93.959 | 44100-026-0000014883 | (9,532) | - | 1,448 | (8,084) |
| Substance Abuse and Mental Health Services | 93.959 | 44100-906-0000089599 | 40,347 | 40,347 | - | - |
| Substance Abuse and Mental Health Services | 93.959 | 44100-906-0000086869 | 42,532 | 42,532 | - | - |
| | 93.959 | 44100-906-0000089599 | - | 139,911 | 176,151 | 36,240 |
| | 93.959 | 44100-906-00000100151 | - | 131,628 | 174,813 | 43,185 |
| | | | <u>73,347</u> | <u>355,526</u> | <u>353,520</u> | <u>71,341</u> |
| Substance Abuse and Mental Health Services | 93.243 | 44100-906-0000029200 | (490) | - | 490 | - |
| | | | <u>(490)</u> | <u>-</u> | <u>490</u> | <u>-</u> |
| Total Health and Human Services | | | <u>72,857</u> | <u>355,526</u> | <u>354,010</u> | <u>71,341</u> |
| U.S. Department of Transportation | | | | | | |
| Pass-through from Georgia Department of Transportation | | | | | | |
| Mass Transportation Assistance | 20.507 | TT006343 | 62,753 | 254,223 | 191,470 | - |
| Mass Transportation Assistance | 20.507 | TT005915 | 60,545 | 60,545 | - | - |
| Mass Transportation Assistance | 20.507 | TT006234 | - | - | 72,047 | 72,047 |
| | | | <u>123,298</u> | <u>314,768</u> | <u>263,517</u> | <u>72,047</u> |
| Pass-through from Transit Alliance Group | | | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | | - | 3,438 | 10,365 | 6,927 |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | | <u>7,650</u> | <u>35,045</u> | <u>27,395</u> | <u>-</u> |
| | | | <u>7,650</u> | <u>38,483</u> | <u>37,760</u> | <u>6,927</u> |
| Total Department of Transportation | | | <u>130,948</u> | <u>353,251</u> | <u>301,277</u> | <u>78,974</u> |
| U.S. Department of Homeland Security | | | | | | |
| Pass-through from Georgia Emergency Management Agency | | | | | | |
| Hazardous Mitigation Assistance | | | | | | |
| Multi-Jurisdictional Plan | 97.047 | PDMC-PL-2014-4 | 18,332 | 22,174 | 3,842 | - |
| Byrne Justice Assistance Grant | 16.738 | 2009-SU-B9-0003 | - | 2,600 | 2,600 | - |
| Emergency Management Performance Grants | 97.042 | OEM16-023S01 | - | 10,888 | 10,888 | - |
| Total Department of Homeland Security | | | <u>18,332</u> | <u>35,662</u> | <u>17,330</u> | <u>-</u> |

CATOOSA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2018

| Grantor/Pass-Through | Federal | Contract or | Beginning | Cash | | Ending |
|--|----------------|----------------------|-------------------|-------------------|---------------------|-------------------|
| Grantor/Program Title | CFDA | Pass-Through | Accrued | Receipts | | Accrued |
| | Number | Number | (Deferred) | (Refunds) | Expenditures | (Deferred) |
| U.S. Department of Justice | | | | | | |
| Pass-through from Georgia Justice Coordinating Council | | | | | | |
| VOCA | 16.575 | C14-8-109-C16-8-1001 | 14,676 | 14,698 | 22 | - |
| VOCA | 16.575 | C16-8-207-C15-8-374 | - | 39,150 | 52,607 | 13,457 |
| | | | <u>14,676</u> | <u>53,848</u> | <u>52,629</u> | <u>13,457</u> |
| Total U.S. Department of Justice | | | | | | |
| | | | <u>14,676</u> | <u>53,848</u> | <u>52,629</u> | <u>13,457</u> |
| Total Federal Awards | | | <u>\$ 236,813</u> | <u>\$ 798,287</u> | <u>\$ 725,246</u> | <u>\$ 163,772</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.

INTERNAL CONTROL AND COMPLIANCE SECTION



**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, 2018, 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, 2019. 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed 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, 2019
Chattanooga, Tennessee

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, 2018, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 27, 2019. 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, 2018, (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, 2018, 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, 2019
Chattanooga, Tennessee

CATOOSA COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROJECTS 2004 CYCLE
YEAR ENDED SEPTEMBER 30, 2018

| 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 | 462,177 | 2,448,303 | 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% | 983,104 |
| Stormwater projects | 2,000,000 | - | 2,000,000 | 2,292,419 | - | 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>\$ 43,045,345</u> | <u>\$ 462,177</u> | <u>\$ 43,507,522</u> | | <u>\$ 1,615,570</u> |

Reconciliation of current year expenditures

SPLOST 2004 expenditures per financial statements
Less debt service principal

\$ 462,177

-

\$ 462,177

CATOOSA COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROJECTS 2009 CYCLE
YEAR ENDED SEPTEMBER 30, 2018

| 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 | \$ 7,112,000 | \$ - | \$ 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 | 200,868 | 2,260,366 | 90% | 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 | 12,432,570 | - | 12,432,570 | 79% | - |
| Recreation | 2,000,000 | - | 2,000,000 | 1,279,599 | 327,770 | 1,607,369 | 80% | - |
| Public safety equipment | 5,509,000 | - | 5,509,000 | 3,097,441 | 1,226,085 | 4,323,526 | 78% | - |
| 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 | 239,715 | 20,337 | 260,052 | 52% | - |
| Economic development | 2,000,000 | - | 2,000,000 | 1,657,974 | - | 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>30,071</u> | <u>642,602</u> | 86% | <u>10,000</u> |
| | <u>\$ 53,100,000</u> | <u>\$ -</u> | <u>\$ 53,100,000</u> | <u>\$ 42,562,056</u> | <u>\$ 1,805,131</u> | <u>\$ 44,367,187</u> | | <u>\$ 2,180,825</u> |

Reconciliation of current year expenditures

SPLOST 2009 expenditures per financial statements
Less debt service principal

\$ 1,805,131
-
\$ 1,805,131

CATOOSA COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROJECTS 2014 CYCLE
YEAR ENDED SEPTEMBER 30, 2018

| 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 | \$ 2,418,625 | \$ 1,791,009 | \$ 4,209,634 | 59% | \$ 2,349 |
| Ringgold sewer, water and capital outlay projects | 2,500,000 | - | 2,500,000 | 1,246,396 | 186,296 | 1,432,692 | 57% | 376 |
| Catoosa Utility District water projects | 2,300,000 | - | 2,300,000 | 1,147,508 | 395,139 | 1,542,647 | 67% | 78 |
| Catoosa County sewer projects | 12,400,000 | - | 12,400,000 | 4,840,212 | 902,061 | 5,742,273 | 46% | 447,666 |
| Recreation | 2,263,101 | - | 2,263,101 | 949,192 | 316,349 | 1,265,541 | 56% | - |
| Public safety equipment and buildings | 9,222,399 | - | 9,222,399 | 1,704,973 | 2,414,819 | 4,119,792 | 45% | - |
| Roads and bridges | 9,000,000 | - | 9,000,000 | 5,032,823 | 854,267 | 5,887,090 | 65% | 2,502,387 |
| Equipment and vehicles | 2,164,500 | - | 2,164,500 | 819,096 | 122,565 | 941,661 | 44% | - |
| Public buildings and grounds | 800,000 | - | 800,000 | 244,141 | 142,669 | 386,810 | 48% | 26,758 |
| Courthouse renovation | 2,200,000 | - | 2,200,000 | 779,702 | 218,688 | 998,390 | 45% | - |
| Stormwater projects | 3,000,000 | - | 3,000,000 | 695,474 | 795,293 | 1,490,767 | 50% | - |
| Economic development | 6,700,000 | - | 6,700,000 | 3,162,435 | 1,015,075 | 4,177,510 | 62% | 151,181 |
| 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>\$ 23,045,372</u> | <u>\$ 9,154,230</u> | <u>\$ 32,199,602</u> | | <u>\$ 3,130,795</u> |

Reconciliation of current year expenditures

SPLOST 2014 expenditures per financial statements
Less debt service principal

\$ 9,154,230

-

\$ 9,154,230

