

**UNIFIED GOVERNMENT
OF
GEORGETOWN-QUITMAN COUNTY, GEORGIA
BASIC FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Unified Government of Georgetown-Quitman County Georgia

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Unified Government of Georgetown-Quitman County, Georgia (the "County") as of and for the year ending December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the Quitman County Health Department, which represent 100 percent of the assets and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the Quitman County Health Department in the discretely presented component unit column, is based solely on the report of the other auditors.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

INDEPENDENT AUDITOR'S REPORT
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, based on my 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Unified Government of Georgetown-Quitman County as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year ended December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3.1., the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions- an amendment of GASB No. 27, as well as Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB No. 68, as of January 1, 2015. These standards significantly changed the accounting for the County's net pension liability and related disclosures. My opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. My opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the Net Pension Liability and Related Ratios and the Schedule of Employer Contributions 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

INDEPENDENT AUDITOR'S REPORT

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an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unified Government of Georgetown- Quitman County's basic financial statements. The combining nonmajor fund financial statements, CDBG project cost schedule, and CDBG source and application of funds schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 15, 2016 on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



August 15, 2016

BASIC FINANCIAL STATEMENTS

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Cash and Equivalents	\$ 1,942,282.05	\$ 434,595.98	\$ 2,376,878.03	\$ 50,199.00
Restricted Cash and Equivalents	0.00	133,150.99	133,150.99	0.00
Receivables	1,169,058.64	95,365.70	1,264,424.34	6.00
Intergovernmental Receivables	454,179.53	0.00	454,179.53	10,384.00
Notes Receivable- Current	0.00	58,539.48	58,539.48	0.00
Internal Balances	56,070.97	(56,070.97)	0.00	0.00
Notes Receivable- Noncurrent	0.00	72,177.27	72,177.27	0.00
Capital Assets (Note 1):				
Land and Improvements	32,812.00	328,657.61	361,469.61	0.00
Other Capital Assets- Net of Depreciation	2,564,423.27	9,278,053.53	11,842,476.80	0.00
Total Capital Assets	2,597,235.27	9,606,711.14	12,203,946.41	0.00
Total Assets	6,218,826.46	10,344,469.59	16,563,296.05	60,589.00
DEFERRED OUTFLOWS OF RESOURCES				
Employer Pension Contributions Subsequent to Measurement Date	0.00	4,191.00	4,191.00	0.00
LIABILITIES				
Accounts Payable and Accrued Expenses	55,162.17	32,922.00	88,084.17	8,210.00
Unearned Revenue	301,278.62	0.00	301,278.62	0.00
Customer Deposits	0.00	74,944.00	74,944.00	0.00
Bonds and Notes Payable-Current	25,418.04	104,646.48	130,064.52	0.00
Capital Leases Payable- Current	47,620.29	28,087.36	75,707.65	0.00
Compensated Absences	22,289.88	0.00	22,289.88	686.00
Bonds and Notes Payable- Long Term	388,428.47	2,540,936.42	2,929,364.89	0.00
Capital Leases Payable- Long Term	342,153.42	19,100.96	361,254.38	0.00
Net Pension Obligation	0.00	14,798.00	14,798.00	0.00
Total Liabilities	1,182,350.89	2,815,435.22	3,997,786.11	8,896.00
DEFERRED INFLOWS OF RESOURCES				
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0.00	2,288.00	2,288.00	0.00
NET POSITION				
Net Investment in Capital Assets	1,947,497.05	6,913,939.92	8,861,436.97	0.00
Restricted for:				
Law Library Expenditures	37,354.92	0.00	37,354.92	0.00
DATE	33,710.06	0.00	33,710.06	0.00
Judicial	36,138.97	0.00	36,138.97	0.00
Public Safety- E-911	8,581.92	0.00	8,581.92	0.00
Health Department Special Use	0.00	0.00	0.00	9,587.00
Grant Funds	24,880.38	0.00	24,880.38	0.00
SPLOST- Special Purpose	304,106.26	0.00	304,106.26	0.00
Debt Service	8,090.50	133,150.99	141,241.49	0.00
TSPLOST	429,881.85	0.00	429,881.85	0.00
LMIG	36.87	0.00	36.87	0.00
Unassigned (Deficit)	2,206,196.79	483,846.46	2,690,043.25	42,106.00
Total Net Position	\$ 5,036,475.57	\$ 7,530,937.37	\$ 12,567,412.94	\$ 51,693.00

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Unit
	Charges for Services		Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total		
	Expenses				Governmental Activities	Business-Type Activities			
Primary Government									
Governmental Activities:									
General Government	\$ 827,972.60	\$ 88,790.78	\$ 411,533.04	\$ 0.00	\$ (327,648.78)	\$	\$ (327,648.78)		
Court Administration	264,000.31	132,934.07	0.00	0.00	(131,066.24)		(131,066.24)		
Public Safety	913,628.48	181,778.27	5,000.00	5,265.80	(721,584.41)		(721,584.41)		
Public Works	517,941.69	3,022.19	0.00	0.00	(514,919.50)		(514,919.50)		
Housing and Development	46,771.06	12,737.70	0.00	0.00	(34,033.36)		(34,033.36)		
Health and Welfare	55,968.69	0.00	0.00	0.00	(55,968.69)		(55,968.69)		
Culture and Recreation	20,835.29	5,394.84	0.00	0.00	(15,440.45)		(15,440.45)		
Economic Development	10.00	0.00	0.00	0.00	(10.00)				
Interest on Debt	20,102.92	0.00	0.00	0.00	(20,102.92)		(20,102.92)		
Total Governmental Activities	2,667,231.04	424,657.85	416,533.04	5,265.80	(1,820,774.35)		(1,820,774.35)		
Business-Type Activities:									
Water Authority	680,788.00	472,378.62	0.00	0.00		(208,409.38)	(208,409.38)		
Solid Waste	244,417.93	295,644.62	0.00	0.00		51,226.69	51,226.69		
Building Rental	37,857.08	28,456.50	0.00	0.00		(9,400.58)	(9,400.58)		
Revolving Loan	13.06	3,235.53	0.00	0.00		3,222.47	3,222.47		
Total Business-Type Activities	963,076.07	799,715.27	0.00	0.00	(163,360.80)		(163,360.80)		
Total- Primary Government	\$ 3,630,307.11	\$ 1,224,373.12	\$ 416,533.04	\$ 5,265.80	\$ (1,820,774.35)	\$	\$ (1,984,135.15)		
Component Unit:									
Quitman County Board of Health	\$ 129,913.00	\$ 13,510.00	\$ 121,694.00	\$ 0.00			\$	\$ 5,291.00	
General Revenues:									
Taxes: Local Sales Tax									
Property Taxes for General Purposes									
SPLOST- Roads and Bridges									
TSPLOST									
Other Taxes									
Reimbursement for Damaged Property									
Miscellaneous									
Gain on Sale of Property									
Interest Earnings									
Total General Revenues									
Change in Net Position									
Net Position- Beginning of Year (Restated)									
Net Position- End of Year									

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General Fund	T-SPLOST Fund	LMIG Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 948,731.88	\$ 409,316.75	\$ 246,426.52	\$ 337,806.90	\$ 1,942,282.05
Receivables	1,010,011.23	0.00	0.00	159,047.41	1,169,058.64
Intergovernmental Receivable	419,418.43	20,946.62	0.00	13,814.48	454,179.53
Interfund Receivable	60,502.63	0.00	0.00	18,750.00	79,252.63
TOTAL ASSETS	\$ 2,438,664.17	\$ 430,263.37	\$ 246,426.52	\$ 529,418.79	\$ 3,644,772.85
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 48,709.28	\$ 281.52	\$ 0.00	\$ 6,171.37	\$ 55,162.17
Interfund Payable	22,479.34	100.00	0.00	602.32	23,181.66
Unearned Revenue	36,138.97	0.00	246,389.65	18,750.00	301,278.62
Total Liabilities	107,327.59	381.52	246,389.65	25,523.69	379,622.45
Deferred Inflows of Resources:					
Unavailable Revenue- Property Tax	168,532.18	0.00	0.00	0.00	168,532.18
Unavailable Revenue- FLPG	394,969.04	0.00	0.00	0.00	394,969.04
Total Deferred Inflows of Resources	563,501.22	0.00	0.00	0.00	563,501.22
Fund Balances:					
Restricted: DATE Funds	33,710.06	0.00	0.00	0.00	33,710.06
Probation Funds	36,138.97	0.00	0.00	0.00	36,138.97
Grant Funds	24,880.38	0.00	0.00	0.00	24,880.38
Debt Service	8,090.50	0.00	0.00	0.00	8,090.50
Law Library	0.00	0.00	0.00	37,354.92	37,354.92
E-911	0.00	0.00	0.00	8,581.92	8,581.92
SPLOST Projects	0.00	0.00	0.00	304,106.26	304,106.26
TSPLOST Projects	0.00	429,881.85	0.00	0.00	429,881.85
Development Authority	0.00	0.00	0.00	153,872.00	153,872.00
LMIG Projects	0.00	0.00	36.87	0.00	36.87
Unassigned	1,665,015.45	0.00	0.00	(20.00)	1,664,995.45
Total Fund Balances	1,767,835.36	429,881.85	36.87	503,895.10	2,701,649.18
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,438,664.17	\$ 430,263.37	\$ 246,426.52	\$ 529,418.79	\$ 3,644,772.85

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015

Total Governmental Fund Balances			\$ 2,701,649.18
Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:			
Cost	\$ 4,545,745.50		
Less Accumulated Depreciation	<u>1,948,510.23</u>		
		2,597,235.27	
Property taxes and railroad taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expen- ditures, and therefore are deferred in the funds.			168,532.18
The Forest Land Protection Grants will be collected this year, but were not available soon enough to pay for the current period's expen- ditures, and therefore are deferred in the funds.			394,969.04
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long- term liabilities at year end consisted of:			
Notes Payable	\$ (413,846.51)		
Capital Leases Payable	(389,773.71)		
Compensated Absences	<u>(22,289.88)</u>		
		(825,910.10)	
Net Position of Governmental Activities			\$ <u>5,036,475.57</u>

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General	T-SPLOST	LMIG	Other	Total
	Fund	Fund	Fund	Governmental	Governmental
REVENUES				Funds	Funds
Property Taxes	\$ 1,168,090.66	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,168,090.66
Sales Taxes	160,850.39	215,790.29	0.00	160,235.34	536,876.02
Other Taxes	367,475.51	0.00	0.00	0.00	367,475.51
Licenses and Permits	39,200.20	0.00	0.00	0.00	39,200.20
Intergovernmental	397,799.94	0.00	0.00	0.00	397,799.94
Charges for Services	227,546.79	0.00	0.00	30,903.70	258,450.49
Fees and Fines	113,696.87	0.00	0.00	3,449.48	117,146.35
Rents and Royalties	9,800.00	0.00	0.00	0.00	9,800.00
Reimbursement for Damages Property	863.00	0.00	0.00	0.00	863.00
Contributions from Private Sources	5,265.80	0.00	0.00	0.00	5,265.80
Interest Earnings	605.75	85.61	36.87	74.49	802.72
Total Revenues	<u>2,491,194.91</u>	<u>215,875.90</u>	<u>36.87</u>	<u>194,663.01</u>	<u>2,901,770.69</u>
EXPENDITURES					
Current:					
General Government	785,623.58	0.00	0.00	0.00	785,623.58
Court Administration	263,653.00	0.00	0.00	214.74	263,867.74
Public Safety	789,554.20	0.00	0.00	50,096.89	839,651.09
Public Works	380,479.96	11,574.88	0.00	50,546.61	442,601.45
Housing and Development	46,771.06	0.00	0.00	0.00	46,771.06
Health and Welfare	29,615.50	0.00	0.00	0.00	29,615.50
Economic Development	0.00	0.00	0.00	10.00	10.00
Culture and Recreation	16,272.05	0.00	0.00	0.00	16,272.05
Capital Outlay:					
Public Safety	35,223.37	0.00	0.00	0.00	35,223.37
Public Works	0.00	13,850.00	0.00	0.00	13,850.00
Debt Service:					
Principal	50,873.76	19,459.12	0.00	0.00	70,332.88
Interest	12,278.36	7,824.56	0.00	0.00	20,102.92
Total Expenditures	<u>2,410,344.84</u>	<u>52,708.56</u>	<u>0.00</u>	<u>100,868.24</u>	<u>2,563,921.64</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>80,850.07</u>	<u>163,167.34</u>	<u>36.87</u>	<u>93,794.77</u>	<u>337,849.05</u>
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	(20,251.05)	0.00	0.00	20,251.05	0.00
Proceeds from Property Sales	146,859.77	0.00	0.00	0.00	146,859.77
Miscellaneous	8,413.67	0.00	0.00	0.00	8,413.67
Debt Proceeds	0.00	0.00	0.00	153,882.00	153,882.00
Capital Lease Inception	26,350.00	0.00	0.00	0.00	26,350.00
Total Other Financing Sources (Uses)	<u>161,372.39</u>	<u>0.00</u>	<u>0.00</u>	<u>174,133.05</u>	<u>335,505.44</u>
NET CHANGE IN FUND BALANCES	<u>242,222.46</u>	<u>163,167.34</u>	<u>36.87</u>	<u>267,927.82</u>	<u>673,354.49</u>
FUND BALANCE (DEFICIT)- BEGINNING OF YEAR	<u>1,525,612.90</u>	<u>266,714.51</u>	<u>0.00</u>	<u>235,967.28</u>	<u>2,028,294.69</u>
FUND BALANCE (DEFICIT)- ENDING	<u>\$ 1,767,835.36</u>	<u>\$ 429,881.85</u>	<u>\$ 36.87</u>	<u>\$ 503,895.10</u>	<u>\$ 2,701,649.18</u>

See accompanying notes to the basic financial statements.

**UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Net Changes in Fund Balances- Total Governmental Funds		\$ 673,354.49
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation. expense in the current period.		
Depreciation Expense	\$ (213,680.67)	
Capital Outlay	<u>49,073.37</u>	(164,607.30)
In the statement of activities, only the gain on the sale of property is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.		(2,074.65)
Because some property taxes will not be collected for several months after the County's year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased by this amount this period.		43,320.55
Because the Forest Land Protection Grants will not be collected for several months after the County's year ends, they are not considered "available" revenue and are deferred in the governmental funds. This is the amount that the grants increased this period.		18,733.10
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability.		(26,350.00)
Repayment of capital leases is an expenditure in the governmental funds, but the repay- ment reduces long-term liabilities in the statement of net position. This is the amount of repayments for the period.		56,683.79
Issuance of notes payable is a source of financing in the governmental funds, but in the statement of net position, the note payable is reported as a liability.		(153,882.00)
Repayment of notes payable is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments for the period.		13,649.09
In the statement of activities, compensated absences (vacation pay) does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the amount that compensated absences increased this period.		<u>(9,034.98)</u>
Change in Net Position of Governmental Activities		\$ <u><u>449,792.09</u></u>

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		(BUDGETARY BASIS)	VARIANCE- FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 1,629,044.00	\$ 1,629,044.00	\$ 1,696,416.56	\$ 67,372.56
Licenses and Permits	31,650.00	31,650.00	39,200.20	7,550.20
Fines and Forfeitures	82,100.00	82,100.00	113,696.87	31,596.87
Intergovernmental	392,736.00	403,236.00	397,799.94	(5,436.06)
Charges for Services	215,500.00	283,637.50	227,546.79	(56,090.71)
Interest Earnings	200.00	200.00	605.75	405.75
Rents and Royalties	9,500.00	9,500.00	9,800.00	300.00
Contributions from Private Sources	0.00	0.00	5,265.80	5,265.80
Reimbursement for Damaged Property	0.00	0.00	863.00	863.00
TOTAL REVENUES	2,360,730.00	2,439,367.50	2,491,194.91	51,827.41
EXPENDITURES				
Current:				
General Government	849,473.87	995,365.17	785,623.58	209,741.59
Court Administration	259,124.34	271,983.42	263,653.00	8,330.42
Public Safety	816,951.71	845,666.46	789,554.20	56,112.26
Public Works	379,109.76	381,109.76	380,479.96	629.80
Housing and Development	46,950.20	49,420.20	46,771.06	2,649.14
Culture and Recreation	42,492.00	42,777.00	16,272.05	26,504.95
Health and Welfare	32,116.00	32,116.00	29,615.50	2,500.50
Capital Outlay:				
Public Safety	0.00	35,250.00	35,223.37	26.63
Debt Service:				
Principal	56,865.45	56,865.45	50,873.76	5,991.69
Interest	19,346.67	19,346.67	12,278.36	7,068.31
TOTAL EXPENDITURES	2,502,430.00	2,729,900.13	2,410,344.84	319,555.29
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(141,700.00)	(290,532.63)	80,850.07	371,382.70
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	141,700.00	141,700.00	(20,251.05)	(161,951.05)
Sale of Timber and Equipment	0.00	146,859.77	146,859.77	0.00
Miscellaneous	0.00	1,972.86	8,413.67	6,440.81
Capital Lease Inception	0.00	0.00	26,350.00	26,350.00
Total Other Financing Sources (Uses)	141,700.00	290,532.63	161,372.39	(129,160.24)
NET CHANGE IN FUND BALANCE	(0.00)	0.00	242,222.46	242,222.46
FUND BALANCE - BEGINNING	1,525,612.90	1,525,612.90	1,525,612.90	0.00
FUND BALANCE- ENDING	\$ 1,525,612.90	\$ 1,525,612.90	\$ 1,767,835.36	\$ 242,222.46

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

	Enterprise Funds			
	Water Authority	Solid Waste Authority	Other Enterprise Funds	Total Enterprise Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 136,358.83	\$ 165,034.84	\$ 133,202.31	\$ 434,595.98
Restricted Cash and Equivalents	133,150.99	0.00	0.00	133,150.99
Accounts Receivable- Net	54,441.75	35,214.18	0.00	89,655.93
Other Receivables	0.00	5,287.00	422.77	5,709.77
Notes Receivable- Current	0.00	0.00	58,539.48	58,539.48
Interfund Balances	0.00	264,417.58	3,729.34	268,146.92
Total Current Assets	323,951.57	469,953.60	195,893.90	989,799.07
Noncurrent Assets:				
Notes Receivable- Noncurrent	0.00	0.00	72,177.27	72,177.27
Bond Issue Expense	0.00	0.00	0.00	0.00
Capital Assets:				
Land and Improvements	328,657.61	0.00	0.00	328,657.61
Distribution Systems	11,620,819.59	0.00	0.00	11,620,819.59
Buildings and Equipment	293,064.35	329,500.20	794,642.00	1,417,206.55
Less Accumulated Depreciation	(3,268,597.37)	(214,175.74)	(277,199.50)	(3,759,972.61)
Total Noncurrent Assets	8,973,944.18	115,324.46	589,619.77	9,678,888.41
TOTAL ASSETS	\$ 9,297,895.75	\$ 585,278.06	\$ 785,513.67	\$ 10,668,687.48
DEFERRED OUTFLOWS OF RESOURCES				
Employer Pension Contributions Subsequent to the Measurement Date	4,191.00	0.00	0.00	4,191.00
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 14,596.33	\$ 4,183.88	\$ 107.76	\$ 18,887.97
Accrued Expenses	9,372.38	4,661.65	0.00	14,034.03
Interfund Balances	323,012.63	1,205.26	0.00	324,217.89
Deposits Payable	56,999.00	17,945.00	0.00	74,944.00
Capital Lease Payable	0.00	28,087.36	0.00	28,087.36
Bonds and Notes Payable	104,646.48	0.00	0.00	104,646.48
Total Current Liabilities	508,626.82	56,083.15	107.76	564,817.73
Noncurrent Liabilities:				
Capital Lease Payable	0.00	19,100.96	0.00	19,100.96
Net Pension Liability	14,798.00	0.00	0.00	14,798.00
Bonds and Notes Payable	2,540,936.42	0.00	0.00	2,540,936.42
Total Noncurrent Liabilities	2,555,734.42	19,100.96	0.00	2,574,835.38
TOTAL LIABILITIES	\$ 3,064,361.24	\$ 75,184.11	\$ 107.76	\$ 3,139,653.11
DEFERRED INFLOWS OF RESOURCES				
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,288.00	0.00	0.00	2,288.00
NET POSITION				
Net Investment in Capital Assets	\$ 6,328,361.28	\$ 68,136.14	\$ 517,442.50	\$ 6,913,939.92
Restricted for Debt Service	133,150.99	0.00	0.00	133,150.99
Unrestricted (Deficit)	(226,074.76)	441,957.81	267,963.41	483,846.46
TOTAL NET POSITION	\$ 6,235,437.51	\$ 510,093.95	\$ 785,405.91	\$ 7,530,937.37

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Enterprise Funds			
	Water Authority	Solid Waste Authority	Other Enterprise Funds	Total Enterprise Funds
OPERATING REVENUES				
Charges for Services	\$ 449,161.32	\$ 294,325.99	\$ 0.00	\$ 743,487.31
Rentals	0.00	0.00	28,456.50	28,456.50
Interest on Revolving Loans	0.00	0.00	3,235.53	3,235.53
Penalties & Other Operating Revenues	23,217.30	1,318.63	0.00	24,535.93
Total Operating Revenues	472,378.62	295,644.62	31,692.03	799,715.27
OPERATING EXPENSES				
Personal Services	112,381.75	126,481.38	8,320.12	247,683.25
Contractual Services	23,926.38	47,085.50	2,978.00	73,989.88
Utilities	58,788.15	963.80	7,692.09	67,444.04
Repairs and Maintenance	69,345.52	14,371.04	1,950.94	85,667.50
Supplies and Other Expenses	54,262.90	27,506.77	13.06	81,782.73
Depreciation	266,836.18	26,525.29	16,415.93	309,777.40
Total Operating Expenses	585,540.88	242,933.78	37,870.14	866,344.80
INCOME (LOSS) FROM OPERATIONS	(113,162.26)	52,710.84	(6,178.11)	(66,629.53)
NON OPERATING REVENUES (EXPENSES)				
Interest Income	187.26	51.17	37.46	275.89
Reimbursement for Damaged Property	10,587.34	0.00	0.00	10,587.34
Interest Expense	(95,247.12)	(1,484.15)	0.00	(96,731.27)
Total Non Operating Income (Expense)	(84,472.52)	(1,432.98)	37.46	(85,868.04)
CHANGE IN NET POSITION	(197,634.78)	51,277.86	(6,140.65)	(152,497.57)
NET POSITION (DEFICIT)- BEGINNING AS RESTATED	6,433,072.29	458,816.09	791,546.56	7,683,434.94
NET POSITION (DEFICIT)- ENDING	\$ 6,235,437.51	\$ 510,093.95	\$ 785,405.91	\$ 7,530,937.37

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Enterprise Funds			
	Water Authority	Solid Waste Authority	Other Enterprise Funds	Total Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 473,104.93	\$ 282,049.68	\$ 28,456.50	\$ 783,611.11
Cash Payments for Personnel Expenses	(116,245.65)	(123,805.51)	(8,820.12)	(248,871.28)
Cash Payments for Goods and Services	(214,573.06)	(92,421.51)	(13,136.29)	(320,130.86)
Internal Activity- Payments (to) from Other Funds	60,689.33	(58,720.29)	(646.64)	1,322.40
Note Receivable Principal Payments Received	0.00	0.00	48,826.11	48,826.11
Note Receivable- Principal Amount of New Loan	0.00	0.00	(40,000.00)	(40,000.00)
Interest Received- Revolving Loan Program	0.00	0.00	2,834.64	2,834.64
Net Cash Provided by Operating Activities	<u>202,975.55</u>	<u>7,102.37</u>	<u>17,514.20</u>	<u>227,592.12</u>
Cash Flows from Noncapital Financing Activities				
None	0.00	0.00	0.00	0.00
Net Cash Provided by Noncapital Financing Activities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(79,041.95)	0.00	(4,992.00)	(84,033.95)
Deposit for Office Furniture	0.00	(5,287.00)	0.00	(5,287.00)
Payment of Long Term Debt Principal	(102,100.64)	(27,424.69)	0.00	(129,525.33)
Reimbursement for Damaged Property	10,587.34	0.00	0.00	10,587.34
Interest Paid	(95,551.72)	(1,484.15)	0.00	(97,035.87)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(266,106.97)</u>	<u>(34,195.84)</u>	<u>(4,992.00)</u>	<u>(305,294.81)</u>
Cash Flows from Investing Activities				
Interest Received	187.26	51.17	37.46	275.89
Net Cash Provided by Investing Activities	<u>187.26</u>	<u>51.17</u>	<u>37.46</u>	<u>275.89</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(62,944.16)	(27,042.30)	12,559.66	(77,426.80)
Cash and Cash Equivalents- Beginning of Year	332,453.98	192,077.14	120,642.65	645,173.77
Cash and Cash Equivalents- End of Year	<u>\$ 269,509.82</u>	<u>\$ 165,034.84</u>	<u>\$ 133,202.31</u>	<u>\$ 567,746.97</u>
 Cash and Cash Equivalents	 \$ 136,358.83	 \$ 165,034.84	 \$ 133,202.31	 \$ 434,595.98
Restricted Cash and Cash Equivalents	133,150.99	0.00	0.00	133,150.99
Cash and Cash Equivalents- End of Year	<u>\$ 269,509.82</u>	<u>\$ 165,034.84</u>	<u>\$ 133,202.31</u>	<u>\$ 567,746.97</u>

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	Enterprise Funds			Total Enterprise Funds
	Water Authority	Solid Waste	Other Enterprise Funds	
Operating Income (Loss)	\$ (113,162.26)	\$ 52,710.84	\$ (6,178.11)	\$ (66,629.53)
Adjustments:				
Depreciation and Amortization	266,836.18	26,525.29	16,415.93	309,777.40
(Increase) Decrease in Assets:				
Accounts Receivable	(3,773.69)	(14,599.94)	0.00	(18,373.63)
Other Current Assets	0.00	0.00	(400.89)	(400.89)
Notes Receivable- Revolving Loan Program	0.00	0.00	8,826.11	8,826.11
Interfund Receivables	7,423.83	(52,526.07)	(646.64)	(45,748.88)
Deferred Outflows of Resources- Pension	(1,151.00)	0.00	0.00	(1,151.00)
Increase (Decrease) in Liabilities:				
Accounts Payable	(8,250.11)	(2,494.40)	(502.20)	(11,246.71)
Accrued Expenses	(2,712.90)	2,675.87	0.00	(37.03)
Customer Deposits	4,500.00	1,005.00	0.00	5,505.00
Interfund Payables	53,265.50	(6,194.22)	0.00	47,071.28
Net Cash Provided by (Used in) Operating Activities	\$ <u>202,975.55</u>	\$ <u>7,102.37</u>	\$ <u>17,514.20</u>	\$ <u>227,592.12</u>

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2015

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,032,223.50
Receivables	<u>481,051.95</u>
TOTAL ASSETS	<u>1,513,275.45</u>
LIABILITIES	
Liabilities:	
Funds Pending Settlement	\$ <u>1,513,275.45</u>
Total Liabilities	<u>1,513,275.45</u>
NET POSITION	\$ <u><u>0.00</u></u>

See accompanying notes to the basic financial statements.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

On April 3, 2007, the government of the City of Georgetown, Georgia and the government of Quitman County, Georgia were unified pursuant to the provisions of Article IX, Section III, Paragraph II(a) of the Constitution of Georgia of 1983, as amended, and an Act establishing the Georgetown-Quitman County Charter and Unification Committee, approved April 7, 2005 (Ga. L. H.B. No. 757, Act 216). The unification resulted in the creation and establishment of a single county-wide government with powers and jurisdiction throughout the territorial limits of Quitman County. The name of the new government is the "Unified Government of Georgetown-Quitman County, Georgia."

Note 1- Summary of Significant Accounting Policies

The financial statements of the Unified Government of Georgetown-Quitman County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

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

1.A. Reporting Entity

The Governmental Accounting Standards Board (the "GASB") defines the reporting entity as (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

The Quitman County Water and Sewer Authority provides water services to the citizens of Quitman County. The Authority is so intertwined with the County that it is, in substance, the same as the County and, therefore, is blended and reported as if it were part of the County. The County appoints a majority of the governing board and the County has guaranteed the Authority's debt. No separate financial statements are issued by the Authority.

The Quitman County Board of Health operates a general health clinic for the benefit of the residents of Quitman County. In addition to the County's financial support, the County appoints a majority of the Board of Health's Board of Directors. The Board's fiscal year ended June 30, 2015. The accompanying financial statements include the financial information for the Board as of and for the year ended June 30, 2015. The Board issues separately audited Component Unit Financial Statements and copies of these statements may be obtained from the Quitman County Board of Health, Main Street, Georgetown, Georgia. The Board of Health is included as a discretely presented component unit.

1.B. Basis of Presentation

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

Government-wide Financial Statements- The government-wide financial statements include a statement of net position and a statement of activities. These statements report financial information for the County as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and County general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the County.

Note 1- Summary of Significant Accounting Policies (Continued)

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

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

For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function generates the revenue. For *grants and contributions*, the determining factor is to which function the revenues are restricted.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

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

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The fiduciary funds are reported by type.

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

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

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

T-SPLOST Fund- The T-SPLOST Fund accounts for T-SPLOST tax revenues which are restricted for road and bridge maintenance and repairs.

LMIG Fund- The LMIG Fund accounts for resources from the LMIG program which are restricted for road and bridge maintenance and improvements.

Proprietary Funds- Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial positions and cash flows. The County has the following major enterprise funds:

Water and Sewer Authority- This fund is used for the operation of the County's water system which renders that service to the residents and businesses located within the County and the sewer system which renders that service to the residents and businesses located within the City of Georgetown.

Note 1- Summary of Significant Accounting Policies (Continued)

Solid Waste Fund- This fund is used for the operation of the County's solid waste collection and disposal activities which provides service to the residents and businesses located within the County.

Fiduciary Funds- Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund or a nonexpendable trust fund is used. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent. The County uses the following fiduciary funds:

Agency Funds- The County uses agency funds to account for the activities of the Tax Commissioner, Tax Assessor, Sheriff, Clerk of Superior Court, Probate Office, and Magistrate Court.

1.C. Measurement Focus

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

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

Like the government-wide financial statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1.D. Basis of Accounting

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

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

Revenues- Non-exchange Transactions- Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place and on the modified accrual basis when the taxable sale takes place and revenue is considered available (i.e., collected within 60 days after year end).

Note 1- Summary of Significant Accounting Policies (Continued)

Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

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

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

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period are reported as unavailable revenue (i.e., they are measurable but not available) rather than as revenue. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as unearned revenue.

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

1.E. Assets, Liabilities and Fund Equity

Cash, Cash Equivalents, and Investments

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

Investments are stated at fair value.

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

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

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Association (NCUA) insured amounts must be secured by 110% of an equivalent amount of State or U.S. obligations.

Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Receivables

Intergovernmental receivables represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance for uncollectibles is deemed necessary for these receivables.

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

Note 1- Summary of Significant Accounting Policies (Continued)

Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the County schools and the State of Georgia. The County levied property taxes on October 20, 2014 on property values assessed on January 1, 2014. Tax payments were due on December 20, 2015. Property taxes become a lien on the property on September 1 of the year following levy.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the government-wide statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

Restricted Assets

Certain resources set aside for the repayment of notes and revenue bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable note agreements and bond covenants.

Capital Assets

General capital assets are those assets with a useful life of more than two years not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these amounts in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of one thousand dollars for vehicles and equipment. Improvements (i.e., betterments) to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	15 years	15 years
Buildings and Plant	40 to 80 years	40 to 80 years
Vehicles and Equipment	7 to 25 years	5 to 10 years

Note 1- Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources

Deferred outflows of resources are reported in the statement of net position. Deferred outflows of resources are defined as a consumption of net position by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets.

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Deferred Inflows of Resources

Deferred inflows of resources are reported in the government-wide and fund financial statements. Deferred inflows of resources are defined as an acquisition of net position/fund balance by the government that is applicable to a future reporting period. Deferred inflows of resources decrease net position/fund balance, similar to liabilities.

Fund Equity

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

Fund Balance- Generally, fund balance represents the difference between the current assets and current liabilities. Fund balance is reported in governmental funds in the fund financial statements under the following five categories:

- 1) **Nonspendable Fund Balance-** Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Examples include inventories and prepaid items.
- 2) **Restricted Fund Balance-** Consists of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- 3) **Committed Fund Balance-** Consists of amounts that are subject to a purpose constraint imposed by formal action or resolution of the Board, which is the highest level of decision-making authority, before the end of the fiscal year and that require the same level of formal action to remove or modify the constraint.
- 4) **Assigned Fund Balance-** Consists of amounts that are intended to be used by the Board for specific purposes. The Board authorizes the County Manager to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available fund balance in any particular fund. Assigned fund balance requires the same level of authority to remove the restraint.
- 5) **Unassigned Fund Balance-** Includes all spendable amounts not contained in the other classifications. This portion of the total fund balance in the General Fund is available to finance operating expenditures.

Note 1- Summary of Significant Accounting Policies (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the Board to consider restricted amounts to have been reduced first. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the Board that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

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

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for water and solid waste, interest received on the notes issued under the revolving loan program, and rental payments received under the building rental fund. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity. All other activity is considered non-operating.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

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

Transfers between governmental and business-type activities on the government-wide statement of activities are reported after general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are also eliminated.

Estimates

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Unified Government of Georgetown-Quitman County Retirement Plan (the "Plan") and additions/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported in the Plan. For this purpose, benefit payments (including refunds of employee contributions, if applicable) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2- Stewardship, Compliance and Accountability

2.A. Budgetary Information- The County adopts an annual operating budget for the General Fund and all special revenue funds. A project length budget is adopted for the SPLOST Fund, the LMIG Grant Funds, and other capital grants. The budget resolution of the General Fund reflects the total of each function's appropriation.

The general fund budget was adopted on a basis consistent with generally accepted accounting principles. All unexpended annual appropriations lapse at year-end.

Note 2- Stewardship, Compliance and Accountability (Continued)

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the function level. The County Commission may amend the budget by motion during the fiscal year. The amounts reported as the final budgeted amounts represent the budget which was approved by the Commission on May 12, 2015.

2.B. Excess of Expenses over Revenues- Enterprise Funds

The expenses of the Water Authority enterprise fund exceeded its revenues by \$197,634.78. The shortage was covered by funds on hand at December 31, 2014 and advances from the General Fund and the Solid Waste Fund.

The expenses of the DFACS Building Rental Fund exceeded its revenues by \$9,379.20. The shortage was covered by funds on hand at December 31, 2014.

2.C. Revenue Bond and Debt Covenants

The Quitman County Water and Sewer Authority Series 2014 Refunding Revenue Bond (Series 2014 Bond) through Ameris Bank contains a maintenance of rates covenant which requires net revenues to be 1.1 times the annual amount to be paid on the bond in the then current year. Net revenue for 2015 was \$164,448.52 and 1.1 times the annual amount to be paid on the bond was \$217,417.60. As the requirement has not been met, the Authority is required to undertake a revenue sufficiency analysis and to adjust the rates of the system to provide for the shortfall. To the date of this report, the Authority is not in compliance.

3. Detailed Notes on All Funds

3.A. Deposits and Investments

Deposits-

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be returned or the County will not be able to recover collateral securities in the possession of an outside party. The County does not have a deposit policy for custodial credit risk. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities equal to 110% of the deposited funds. As of December 31, 2015, \$931,811.87 of the County's bank balance of \$3,579,349.27 was exposed to custodial credit risk as it was uninsured and uncollateralized.

Investments-

The County had no investments at December 31, 2015.

3.B. Receivables

Receivables at December 31, 2015, consisted of taxes, interest, grants, accounts (billings for user charges), and expense reimbursements.

3. Detailed Notes on All Funds (Continued)

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

The receivables between the various funds are for the most part expenses paid by one fund for the other fund.

3.C. Property Taxes

The County assessed a 32.013 mill property tax for the 2014 year. The General Fund millage rate was 15.920. These taxes are billed and collected by the County. Taxes for the 2014 year were levied on October 20, 2015 and were due by December 20, 2015. The receivable on the financial statements represents year 2014 and earlier tax payments due as of December 31, 2015 and recognized as revenue on the government-wide financial statements. Receivables in the amount of \$154,817.17 which had not been collected within 60 days after December 31, 2015 are reflected as deferred revenue on the fund financial statements. The lien date for unpaid taxes is September 1 of the year following levy.

Also reflected as deferred revenue on the fund financial statements is \$3,079.67 in property tax receivables of the City of Georgetown from prior years which has yet to be collected.

3.D. Capital Assets

Capital asset activity for the year ended December 31, 2015 is as follows:

	<u>12/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2015</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 26,794.00	\$ 6,018.00	\$ 0.00	\$ 32,812.00
Total Capital Assets not Being Depreciated	<u>26,794.00</u>	<u>6,018.00</u>	<u>0.00</u>	<u>32,812.00</u>
Other Capital Assets:				
Buildings	2,634,628.09	0.00	0.00	2,634,628.09
Vehicles, Equipment & Land Improvements	<u>1,988,840.46</u>	<u>43,055.37</u>	<u>153,590.42</u>	<u>1,878,305.41</u>
Total Other Capital Assets	<u>4,623,468.55</u>	<u>43,055.37</u>	<u>153,590.42</u>	<u>4,512,933.50</u>
Accumulated Depreciation:				
Buildings	799,831.65	61,016.27	0.00	860,847.92
Vehicles, Equipment & Land Improvements	<u>1,086,513.68</u>	<u>152,664.40</u>	<u>151,515.77</u>	<u>1,087,662.31</u>
Total Accumulated Depreciation	<u>1,886,345.33</u>	<u>213,680.67</u>	<u>151,515.77</u>	<u>1,948,510.23</u>
Total Other Capital Assets- Net	<u>2,737,123.22</u>	<u>(170,625.30)</u>	<u>2,074.65</u>	<u>2,564,423.27</u>
Governmental Activities Capital Assets- Net	\$ <u>2,763,917.22</u>	\$ <u>(164,607.30)</u>	\$ <u>2,074.65</u>	\$ <u>2,597,235.27</u>

Governmental Activities Depreciation Expense:

General Government	\$ 39,542.68
Public Safety	71,963.98
Public Works	71,257.58
Health and Welfare	26,353.19
Culture and Recreation	<u>4,563.24</u>

Total Governmental Activities Depreciation Expense \$ 213,680.67

3. Detailed Notes on All Funds (Continued)

	12/31/2014	Increases	Decreases	12/31/2015
Business-Type Activities:				
Water Authority				
Capital Assets not Being Depreciated:				
Land	\$ 328,657.61	\$ 0.00	\$ 0.00	\$ 328,657.61
Other Capital Assets:				
Buildings and Plant	11,618,677.91	59,496.95	0.00	11,678,174.86
Vehicles and Equipment	224,511.12	19,545.00	8,347.04	235,709.08
Total Other Capital Assets	11,843,189.03	79,041.95	8,347.04	11,913,883.94
Accumulated Depreciation:				
Buildings and Plant	2,795,042.91	259,653.79	0.00	3,054,696.70
Vehicles and Equipment	215,065.32	7,182.39	8,347.04	213,900.67
Total Accumulated Depreciation	3,010,108.23	266,836.18	8,347.04	3,268,597.37
Total Other Capital Assets- Net	8,833,080.80	(187,794.23)	0.00	8,645,286.57
Water Authority Capital Assets- Net	9,161,738.41	(187,794.23)	0.00	8,973,944.18
Solid Waste				
Other Capital Assets:				
Buildings	14,373.73	0.00	0.00	14,373.73
Vehicles and Equipment	315,126.47	0.00	0.00	315,126.47
Total Other Capital Assets	329,500.20	0.00	0.00	329,500.20
Accumulated Depreciation:				
Buildings	8,264.94	718.69	0.00	8,983.63
Vehicles and Equipment	179,385.51	25,806.60	0.00	205,192.11
Total Accumulated Depreciation	187,650.45	26,525.29	0.00	214,175.74
Total Other Capital Assets- Net	141,849.75	(26,525.29)	0.00	115,324.46
Solid Waste Capital Assets- Net	141,849.75	(26,525.29)	0.00	115,324.46
Building Rental				
Other Capital Assets:				
Buildings	789,650.00	4,992.00	0.00	794,642.00
Total Other Capital Assets	789,650.00	4,992.00	0.00	794,642.00
Accumulated Depreciation:				
Buildings	260,783.57	16,415.93	0.00	277,199.50
Total Accumulated Depreciation	260,783.57	16,415.93	0.00	277,199.50
Total Other Capital Assets- Net	528,866.43	(11,423.93)	0.00	517,442.50
Building Rental Capital Assets- Net	528,866.43	(11,423.93)	0.00	517,442.50
Business-Type Activities Capital Assets- Net	\$ 9,832,454.59	\$ (225,743.45)	\$ 0.00	\$ 9,606,711.14

Business-Type Activities Depreciation Expense:

Water Authority	\$ 266,836.18
Solid Waste	26,525.29
Building Rental	16,415.93

Total Business-Type Activities Depreciation Expense \$ 309,777.40

3. Detailed Notes on All Funds (Continued)

3.E. Interfund Balances and Transfers

Interfund balances at December 31, 2015, consisted of the following amounts and represent reimbursable expenses or cash advances. These remaining balances resulted from the time lag between the dates that (1) reimbursable expenses occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

FUND:	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General Fund:		
Due from Solid Waste	\$ 1,205.26	\$
Due from Water Authority	58,595.05	
Due from T-SPLOST	100.00	
Due from/to Nonmajor Governmental Funds	602.32	18,750.00
Due to Nonmajor Enterprise Funds		3,729.34
Water Authority:		
Due to General Fund		58,595.05
Due to Solid Waste		264,417.58
Solid Waste:		
Due to General Fund		1,205.26
Due from Water Authority	264,417.58	
T-SPLOST:		
Due to General Fund		100.00
Nonmajor Governmental Funds:		
Due from/to General Fund	18,750.00	602.32
Nonmajor Enterprise Funds:		
Due from General Fund	3,729.34	
Totals	\$ 347,399.55	\$ 347,399.55

The General Fund made a transfer of \$20,251.05 to the non-major E-911 Fund during the period to help defray the costs of operation.

3.F. Compensated Absences

Permanent career employees working full or part-time earn annual leave at the rate from 5 to 15 days per year. Any unused days may be carried over with a maximum accumulation of 120 hours. Upon termination, employees are paid for any accrued annual personal leave. The amount of accrued leave carried forward is recorded as a liability in the government-wide statements.

3.G. Debt

Lease Commitments- Capital Leases

The Solid Waste Fund entered into a capital lease in August 2012 for the acquisition of a garbage truck at a cost of \$136,114.00.

The T-SPLOST Fund entered into a capital lease in January 2014 for the acquisition of two motor graders at a cost of \$297,804.00.

The General Fund entered into a capital lease in June 2014 for the acquisition of computer equipment for the tax commissioner's office in the amount of \$19,558.00.

The General Fund and the T-SPLOST Fund entered into a capital lease in January 2014 for the acquisition of vehicles for the sheriff department and the road department in the amount of \$140,066.79.

Note 3- Detailed Notes on All Funds (Continued)

The General Fund entered into a capital lease in February 2015 for the purchase of a sheriff's vehicle in the amount of \$26,350.00.

The expense resulting from the amortization of assets recorded under capital leases is included with depreciation expense.

Future debt service payments to maturity for capital leases are as follows:

Year(s)	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		
	Principal	Interest	Total	Principal	Interest	Total
12/31/2016	\$ 47,620.19	\$ 8,533.74	\$ 56,153.93	\$ 28,087.36	\$ 821.45	\$ 28,908.81
12/31/2017	49,845.60	7,927.03	57,772.63	19,100.96	171.59	19,272.55
12/31/2018	39,020.84	6,739.84	45,760.68	0.00	0.00	0.00
12/31/2019	253,287.08	526.41	253,813.49	0.00	0.00	0.00
	<u>\$ 389,773.71</u>	<u>\$ 23,727.02</u>	<u>\$ 413,500.73</u>	<u>\$ 47,188.32</u>	<u>\$ 993.04</u>	<u>\$ 48,181.36</u>

Notes Payable-

U.S.D.A. Notes Payable-

The County borrowed funds from the U.S.D.A. in August 2010 which, along with grant funds received from the U.S.D.A., was used to purchase video/audio equipment for the sheriff's patrol cars. The original amount of the loan was \$9,600.00. Payments of \$2,157.00 annually began August 12, 2011. The loan carries interest at the rate of 4%. Interest in the amount of \$87.17 was paid on this loan in 2015 and recorded as expense. The note was paid in full in 2015.

The County borrowed funds from the U.S.D.A. throughout 2012 for the purchase and renovation of a building to house the EMS service. The total approved loan was \$303,000.00 and the County had drawn \$294,949.00 through December 31, 2012. An additional draw was made in January 2013 of \$8,051.00. Payments of \$1,797.00 per month began April 5, 2012. The loan carries interest at the rate of 3.75%. Interest in the amount of \$9,984.74 was paid on this loan in 2015 and recorded as expense. The outstanding balance at December 31, 2015 was \$259,964.51.

The County was selected as a recipient of a OneGeorgia equity loan award in the amount of \$153,882.00. These funds were loaned to the County who then loaned the funds to D & J Plastics to assist with its business expansion. The funds were loaned to D & J Plastics under the same terms as the County's loan with OneGeorgia Authority. The loan carries an interest rate of 3% and \$1,485.90 is payable monthly for 120 months beginning January 1, 2016. The outstanding balance at December 31, 2015 was \$153,882.00.

Revenue Bonds Payable-

On April 30, 2014, the Quitman Water and Sewerage Authority (the "Authority") issued Series 2014 Refunding Revenue Bond through Ameris Bank in the amount of \$2,820,000.00. After issuance expenses, the net proceeds of \$2,758,104.85 were used to pay in full the Georgia Environmental Facilities loan, the Series 2000 Revenue Bonds, the Series 2005A Revenue Bonds, and the 2005B Revenue Bonds as noted above. The bond has an interest rate of 3.58% through April 1, 2029, at which time it will increase to 4.25%. Monthly payments of \$16,471.03 began May 1, 2015 and will continue until April 1, 2029. The monthly payment will increase to \$16,743.89 beginning May 1, 2029 and will continue until paid in full. Payment of this bond is secured by a lien on the Net Revenues of the water and sewerage system of the Quitman Water and Sewerage Authority. Should the Net Revenues of the system be insufficient to pay the amounts required, the Authority has entered into an intergovernmental contract with the Unified Government of Georgetown-Quitman County whereby the Unified Government will pay such amounts as may be required to provide Gross Revenues to the Authority sufficient to pay any unpaid Operating Expenses of the system together with payments of the principal and interest on the Series 2014 bond. This obligation by the Unified Government constitutes a general obligation for which the full faith, credit, and taxing power of the Unified Government is pledged. Interest in the amount of \$95,551.72 was paid on the bond in 2015 and recorded as expense. The remaining principal balance as of December 31, 2015 was \$2,645,582.90.

Note 3- Detailed Notes on All Funds (Continued)

Future debt service payments to maturity for notes payable are as follows:

Year(s)	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		
	Principal	Interest	Total	Principal	Interest	Total
12/31/2016	25,418.05	13,976.75	39,394.80	0.00	0.00	0.00
12/31/2017	26,284.17	13,110.63	39,394.80	0.00	0.00	0.00
12/31/2018	27,180.13	12,214.67	39,394.80	0.00	0.00	0.00
12/31/2019	28,107.07	11,287.73	39,394.80	0.00	0.00	0.00
12/31/2020	29,066.01	10,328.79	39,394.80	0.00	0.00	0.00
12/31/2021-2025	160,914.76	36,059.24	196,974.00	0.00	0.00	0.00
12/31/2026-2030	94,325.44	13,494.56	107,820.00	0.00	0.00	0.00
12/31/2031	22,550.88	490.48	23,041.36	0.00	0.00	0.00
	<u>\$ 413,846.51</u>	<u>\$ 110,962.85</u>	<u>\$ 524,809.36</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Future debt service payments to maturity for bonds payable are as follows:

Year(s)	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		
	Principal	Interest	Total	Principal	Interest	Total
12/31/2016	0.00	0.00	0.00	104,646.48	93,005.88	197,652.36
12/31/2017	0.00	0.00	0.00	108,454.91	89,197.45	197,652.36
12/31/2018	0.00	0.00	0.00	112,401.95	85,250.41	197,652.36
12/31/2019	0.00	0.00	0.00	116,492.63	81,159.73	197,652.36
12/31/2020	0.00	0.00	0.00	120,732.19	76,920.17	197,652.36
12/31/2021-2025	0.00	0.00	0.00	672,855.24	315,406.56	988,261.80
12/31/2026-2030	0.00	0.00	0.00	801,426.21	192,292.79	993,719.00
12/31/2031-2034	0.00	0.00	0.00	608,573.29	44,046.43	652,619.72
	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 2,645,582.90</u>	<u>\$ 977,279.42</u>	<u>\$ 3,622,862.32</u>

Changes in Long-Term Debt- Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2015:

DESCRIPTION	BALANCE 12/31/2014	ADDITIONS	RETIRE- MENTS	BALANCE 12/31/2015	DUE WITHIN ONE YEAR
Governmental Funds:					
USDA Rural Development (Sheriff Video)	\$ 2,069.83	\$ 0.00	\$ 2,069.83	\$ 0.00	\$ 0.00
USDA Rural Development (EMS Building)	271,543.77	0.00	11,579.26	259,964.51	12,020.49
OneGeorgia Authority	0.00	153,882.00	0.00	153,882.00	13,397.55
Compensated Absences	13,254.90	47,758.23	38,723.25	22,289.88	22,289.88
Capital Leases Obligations Payable	420,107.50	26,350.00	56,683.79	389,773.71	47,620.29
TOTALS	<u>\$ 706,976.00</u>	<u>\$ 227,990.23</u>	<u>\$ 109,056.13</u>	<u>\$ 825,910.10</u>	<u>\$ 95,328.21</u>
Enterprise Funds:					
Capital Lease Obligations Payable	\$ 74,613.01	\$ 0.00	\$ 27,424.69	\$ 47,188.32	\$ 28,087.36
Net Pension Obligation	21,630.00	18,837.00	25,669.00	14,798.00	0.00
Ameris Bank Revenue Bond (Water Authority)	2,747,683.54	0.00	102,100.64	2,645,582.90	104,646.48
TOTALS	<u>\$ 2,843,926.55</u>	<u>\$ 18,837.00</u>	<u>\$ 155,194.33</u>	<u>\$ 2,707,569.22</u>	<u>\$ 132,733.84</u>

Compensated absences have primarily been liquidated by the General Fund in the past.

Note 3- Detailed Notes on All Funds (Continued)

Short-Term Debt

The General Fund line of credit with Farmers State Bank expired in December 2014 and was not renewed. No short-term debt activity occurred in 2015.

3.H. Retirement Plans

The County has no retirement plan for its employees but the following pensions are in effect which are not under the control of the County:

1. Probate Judge Retirement Fund- The Probate Judge is covered under a pension plan which requires that set amounts from marriage licenses and fines and forfeitures be remitted to the plan prior to the payment of any costs or other claims.
2. Clerk of Superior Court Retirement Fund- The Clerk of Superior Court is covered under a pension plan which requires that set amounts from fees and fines and forfeitures be remitted to the plan prior to the payment of any costs or other claims.
3. Sheriff's Retirement Fund- The sheriff and sheriff's deputies are covered under separate pension plans which require that set sums from fines and forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans prior to payment of any costs or other claims.
4. Tax Commissioner- The Tax Commissioner participates in a state sponsored plan. All contributions are made voluntarily by the Tax Commissioner.

3.I. Pensions- Quitman County Water and Sewer Authority

Plan Description- The Quitman County Water and Sewer Authority, for the benefit of the former City of Georgetown employees, has a defined benefit pension plan (The Unified Government of Georgetown-Quitman County Retirement Plan) covering all former City of Georgetown full-time employees. This plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the Authority are commingled with contributions made by other members of GMEBS for investment purposes. The Authority does not own any of the securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to the Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Benefits Provided- As provided by State law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by the Authority, the Plan provides pension benefits and death and disability benefits for Plan members and beneficiaries. All former employees of the City of Georgetown, excluding elected officials, who work thirty hours or more per week, are eligible to participate. Benefits vest after five years of service. A participant who retires at age 65 with five years of service is entitled to benefits of 1.5% of final average earnings in excess of covered compensation. A participant may elect early retirement at age 55 provided he or she has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Ten years of service is required for nonservice related disability benefits. Disability benefits are paid out at 20% of an employee's current salary. Death benefits are calculated using an actuarial reserve.

At July 1, 2015, the date of the most recent actuarial valuation, there were 5 participants consisting of the following:

Retirees and Beneficiaries Currently Receiving Benefits	4
Active Employees- Vested	<u>1</u>
Total	<u>5</u>

Contributions- The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For fiscal year 2015, the actuarially determined contribution rate was 15.39% of covered payroll.

For the year ended December 31, 2015, the Authority's recommended and actual contribution was \$4,191 which was actuarially determined and is expected to finance the cost of benefits earned by employees during the year, with an

Note 3- Detailed Notes on All Funds (Continued)

additional amount to finance any unfunded accrued liability. The amount of employer contributions recognized in the actuarial report dated July 1, 2015 and recognized as an expense in the government-wide statement of activity was \$3,040.

Net Pension Liability- The Authority's net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015.

Actuarial Assumptions- The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increases	3.75%-8.75%
Investment Rate of Return*	7.75%

*Net of pension plan investment expense

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. The rates of mortality for the period after disability retirement are according to sex-distinct RP-2000 Disabled Retiree Mortality Table.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2015 are summarized in the following table:

	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	50.00%	5.95%
International Equity	15.00%	6.45%
Fixed Income	25.00%	1.55%
Real Estate	10.00%	3.75%
Cash	0.00%	0.00%
Total	100.00%	

*Includes assumed rate of inflation of 2.50%

Discount Rate- The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from the Authority will be made at the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 3- Detailed Notes on All Funds (Continued)

Changes in Net Pension Liability-

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at March 31, 2014	\$ 165,862	\$ 144,232	\$ 21,630
Changes for the Year:			
Service Cost	1,141	0	1,141
Interest	12,610	0	12,610
Changes of Assumptions			
Difference Between Expected and Actual Experience	3,292	0	3,292
Contributions- Employer	0	7,584	(7,584)
Contributions- Employee	0	0	0
Net Investment Income	0	14,021	(14,021)
Benefit Payments, Including Refunds of Employee Contributions	(6,292)	(6,292)	0
Administrative Expense		(1,794)	1,794
Other	(4,064)	0	(4,064)
Net Changes	6,687	13,519	(6,832)
Balances at March 31, 2015	\$ 172,549	\$ 157,751	\$ 14,798

Sensitivity of the Net Pension Liability to Changes in the Discount Rate- The following table presents the Authority's net pension liability calculated using the discount rate of 7.75%, as well as what the Authority's net pension liability would be if calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
Plan's Net Pension Liability	\$ 30,012	\$ 14,798	\$ 1,453

Pension Plan Fiduciary Net Position- Detailed information about the pension plan's fiduciary net position is available in the separately issued Unified Government of Georgetown-Quitman County Retirement Plan financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions- For the year ended December 31, 2015, the Authority recognized pension expense of \$3,040. At December 31, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Earnings on Pension Plan Investments	\$ 0	\$ 2,288
Employer Contributions Subsequent to the Measurement Date	4,191	0
Total	\$ 4,191	\$ 2,288

Note 3- Detailed Notes on All Funds (Continued)

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

Year Ended September 30:	Deferred Inflow of Resources
2016	\$ 572
2017	572
2018	572
2019	572
2020	0
Thereafter	0

Note 4- Other Notes

4.A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other local governments in the state as part of the Association County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency and the ACCG Group Self-Insurance Workers Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are 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.

There has been no reduction in insurance coverage from coverage in the prior year and settled claims have not exceeded commercial coverage in any of the past three years.

4.B. Contingent Liabilities

Litigation: As of August 15, 2016, the County was party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the County.

Grant Funds: The County has received grants from various agencies. These funds are subject to audit by agents of the awarding authority, the purpose of which is to ensure compliance with conditions precedent to the granting of the funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

4.C. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the eight county south west Georgia area, is a member of the River Valley Regional Commission and is required to pay annual dues thereto. During the year ended December 31, 2015, the County paid \$2,385.50 in such dues.

Note 4- Other Notes (Continued)

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:

River Valley Regional Commission
P.O. Box 1908
Columbus, Georgia 31902-1908

Under OCGA 46-5-138 of Georgia law, the counties of Clay, Quitman, Randolph and Stewart created the Lower Chattahoochee Regional E-911 Authority in 2006. Each county is required to contribute a prorated share of the total operating expenses (over and above E-911 revenues) for the E-911 call center based on the most recent census data for each county. The authority membership includes two appointed members from each county. These eight members appoint a ninth member who is a resident of any of the four counties.

The authority began operation on October 1, 2006. Separate financial statements can be obtained from:

Lower Chattahoochee Regional E-911 Authority
P.O. Box 112
Ft. Gaines, GA 39851

On April 11, 2012 the Governor signed into law House Bill 604 which created the Lower Chattahoochee Regional Transportation Authority consisting of Stewart, Randolph and Quitman counties. The Authority is authorized to acquire, construct, equip, maintain and operate transportation facilities; provide transportation services; and acquire, equip and maintain equipment and materials necessary to maintain all modes of transportation. Each county is required to contribute a prorated share of the total operating expenses (over and above Transit revenues) based on the most recent census data for each county. The Authority membership includes two appointed members from each county and these six members appoint a seventh member who is a resident of any of the three counties. Separate financial statements may be obtained from:

Lower Chattahoochee Regional Transit Authority
P.O. Box 1908
Columbus, GA 31902

4.D. Significant Grants

In December 2013, the County received \$128,117.86 in Local Maintenance and Improvement Grant (LMIG) funds from the Georgia DOT and in December 2014, the County received \$118,271.79 in LMIG Grant funds. These funds have not yet been obligated to a specific project.

In September 2015, the County was notified that it had been awarded a \$328,407.00 Community Development Block Grant from the Georgia Department of Community Affairs for street improvements and drainage facilities. The grant requires a \$50,988.00 match from the County in cash and in-kind services. No activity occurred in 2015 other than the establishment of a checking account. The grant period is from 9/11/2015 to 9/11/2017. So far in 2016, some engineering work has been completed, but no construction has begun.

4.E. Landfill Closure and Postclosure Care Costs

The County stopped accepting solid waste at its landfill. State and federal laws and regulations require the County to perform certain maintenance and monitoring operations at the landfill site for a minimum of five years after official closure. The County has completed this period and is awaiting final inspection. Because of future changes in technology, laws, and/or regulations, additional costs may be incurred. Any additional future expenditures will be reflected in the General Fund.

4.F. Related Party Transactions

In October 2015, the Solid Waste Authority paid \$5,287.00 for an order of office furniture to EBM Office Solutions, LLC, which is owned by county commissioner Danny Blackmon. The sale of the furniture was rescinded by the board of the Solid Waste Authority. The funds were reimbursed to the Authority in 2016, and are reflected as a receivable on the Solid Waste Authority's statement of net position at December 31, 2015.

4.G. Special Purpose Local Option Tax

The County has a Special Purpose Local Option Tax issue outstanding as of December 31, 2015. A summary of the receipts and expenditures for the year ended December 31, 2015 of this issue follows:

	Original Estimated	Current Estimated	Prior Periods	Current Period	Total
SPLOST Tax Revenue	\$ 1,800,000.00	1,800,000.00	326,826.05	160,235.34	487,061.39
Interest Earned	0.00	0.00	13.55	60.81	74.36
Total Revenues	<u>\$ 1,800,000.00</u>	<u>\$ 1,800,000.00</u>	<u>\$ 326,839.60</u>	<u>\$ 160,296.15</u>	<u>\$ 487,135.75</u>
Expenditures-					
Roads and Bridges	<u>\$ 1,800,000.00</u>	<u>\$ 1,800,000.00</u>	<u>\$ 149,794.39</u>	<u>\$ 50,526.61</u>	<u>\$ 200,321.00</u>

4.H. Restatement of Beginning Net Position Due to Pension Changes

The Quitman County Water and Sewer Authority implemented Government Accounting Standards Board Statements 68 and 71 for the year ended December 31, 2015. This statement changed the accounting treatment for pensions. The Authority is required to report a net pension liability or asset on the Statement of Net Position to report the underfunded (liability) or overfunded (asset) amount related to its pension plan. The Authority is also required to report deferred inflows of resources and deferred outflows of resources resulting from differences between expected and actual experience, changes in assumptions, the net difference between projected and actual earnings on plan investments, and employer contributions subsequent to the measurement date on the Statement of Net Position. The following changes have been made to restate the December 31, 2014 ending balances of the Quitman County Water and Sewer Authority to comply with the new requirements. Beginning Unrestricted Net Position has been decreased \$17,680.00. Beginning Net Pension Liability has been increased \$21,630.00. Deferred Outflows of Resources- Employer Contributions Subsequent to the Measurement Date has been increased to \$7,584.00. Deferred Inflows of Resources has been increased to \$3,634.00.

REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2015

Total Pension Liability	FY15
Service Cost	\$ 1,141
Interest	12,610
Differences Between Expected and Actual Experience	3,292
Changes of Assumptions	(4,064)
Benefit Payments, Including Refunds of Employee Contributions	(6,292)
Net Change in Total Pension Liability	\$ 6,687
Total Pension Liability- Beginning	165,862
Total Pension Liability- Ending	\$ <u>172,549</u>
 Plan Fiduciary Net Position	
Contributions- Employer	\$ 7,584
Net Investment Income	14,021
Benefit Payments, including Refunds of Employee Contributions	(6,292)
Administrative Expense	(1,794)
Net Change in Plan Fiduciary Net Position	\$ 13,519
Plan Net Position- Beginning	144,232
Plan Net Position- Ending	\$ <u>157,751</u>
 Net Pension Liability (Asset)- Ending	\$ <u>14,798</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.42%
 Covered Employee Payroll	\$ 30,684
 Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	48.23%

**UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	FY15
Actuarially Determined Contribution	\$ 4,191
Contributions in Relation to Actuarially Determined Contribution	<u>4,191</u>
Contribution Deficiency (Excess)	\$ <u>0</u>
Covered Employee Payroll	\$ 18,184
Contribution as a Percentage of Covered Employee Payroll	23.05%

Notes to Schedule

Actuarially determined contribution rates are calculated as of July 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ended December 31, 2016.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Period	Closed Level Dollar
Remaining Amortization Period	Net Effective Period of 27 Years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation	3.25%
Salary Increases	3.75%-8%, Including Inflation
Investment Rate of Return	7.75%, Net of Pension Plan Investment Expense, Including Inflation

SUPPLEMENTARY INFORMATION

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Law Library	E-911	DCA Welcome Center	Development Authority	2015 CDBG	SPLOST	
ASSETS							
Cash and Cash Equivalents	\$ 37,354.92	\$ 3,416.51	\$ 0.00	\$ 90.00	\$ 80.00	\$ 296,865.47	\$ 337,806.90
Intergovernmental Receivable	0.00	0.00	0.00	0.00	0.00	13,814.48	13,814.48
Other Receivables	0.00	5,165.41	0.00	153,882.00	0.00	0.00	159,047.41
Interfund Receivable	0.00	0.00	18,750.00	0.00	0.00	0.00	18,750.00
TOTAL ASSETS	\$ 37,354.92	\$ 8,581.92	\$ 18,750.00	\$ 153,972.00	\$ 80.00	\$ 310,679.95	\$ 529,418.79
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6,171.37	\$ 6,171.37
Intergovernmental Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interfund Payable	0.00	0.00	0.00	100.00	100.00	402.32	602.32
Unearned Revenue	0.00	0.00	18,750.00	0.00	0.00	0.00	18,750.00
Total Liabilities	0.00	0.00	18,750.00	100.00	100.00	6,573.69	25,523.69
Fund Balances:							
Restricted:							
Law Library	37,354.92	0.00	0.00	0.00	0.00	0.00	37,354.92
E-911	0.00	8,581.92	0.00	0.00	0.00	0.00	8,581.92
TSPLOST	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development Authority	0.00	0.00	0.00	153,872.00	0.00		153,872.00
SPLOST Projects	0.00	0.00	0.00	0.00	0.00	304,106.26	304,106.26
Assigned	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unassigned	0.00	0.00	0.00	0.00	(20.00)	0.00	(20.00)
Total Fund Balances	37,354.92	8,581.92	0.00	153,872.00	(20.00)	304,106.26	503,895.10
TOTAL LIABILITIES AND FUND BALANCES	\$ 37,354.92	\$ 8,581.92	\$ 18,750.00	\$ 153,972.00	\$ 80.00	\$ 310,679.95	\$ 529,418.79

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds						Capital Projects Fund	Total Nonmajor Governmental Funds
	Law Library	E-911	DCA Welcome Center	Development Authority	2015 CDBG	SPLOST		
REVENUES								
Intergovernmental	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00
Taxes	0.00	0.00	0.00	0.00	0.00	160,235.34	160,235.34	160,235.34
Charges for Services	0.00	30,903.70	0.00	0.00	0.00	0.00	0.00	30,903.70
Fees and Fines	3,449.48	0.00	0.00	0.00	0.00	0.00	0.00	3,449.48
Interest Earnings	12.63	1.05	0.00	0.00	0.00	60.81	60.81	74.49
Total Revenues	3,462.11	30,904.75	0.00	0.00	0.00	160,296.15	160,296.15	194,663.01
EXPENDITURES								
Current:								
Court Administration	214.74	0.00	0.00	0.00	0.00	0.00	0.00	214.74
Health and Welfare	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Works	0.00	0.00	0.00	0.00	20.00	50,526.61	50,526.61	50,546.61
Public Safety	0.00	50,096.89	0.00	0.00	0.00	0.00	0.00	50,096.89
Economic Development	0.00	0.00	0.00	10.00	0.00	0.00	0.00	10.00
Housing and Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenditures	214.74	50,096.89	0.00	10.00	20.00	50,526.61	50,526.61	100,868.24
EXCESS REVENUES OVER EXPENDITURES	3,247.37	(19,192.14)	0.00	(10.00)	(20.00)	109,769.54	109,769.54	93,794.77
OTHER FINANCING SOURCES								
Debt Proceeds	0.00	0.00	0.00	153,882.00	0.00	0.00	0.00	153,882.00
Transfers In (Out)	0.00	20,251.05	0.00	0.00	0.00	0.00	0.00	20,251.05
Total Other Financing Sources	0.00	20,251.05	0.00	153,882.00	0.00	0.00	0.00	174,133.05
NET CHANGE IN FUND BALANCE	3,247.37	1,058.91	0.00	153,872.00	(20.00)	109,769.54	109,769.54	267,927.82
FUND BALANCES- BEGINNING	34,107.55	7,523.01	0.00	0.00	0.00	194,336.72	194,336.72	235,967.28
FUND BALANCES- ENDING	\$ 37,354.92	\$ 8,581.92	\$ 0.00	\$ 153,872.00	\$ (20.00)	\$ 304,106.26	\$ 304,106.26	\$ 503,895.10

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2015

	Enterprise Funds		
	Revolving	DFACS	Total
	Loan Fund	Building	Nonmajor
	Activities	Rental	Enterprise Funds
ASSETS			
Cash and Equivalents	\$ 55,078.29	\$ 78,124.02	\$ 133,202.31
Other Receivables	422.77	0.00	422.77
Interfund Receivable	0.00	3,729.34	3,729.34
Notes Receivable- Current	58,539.48	0.00	58,539.48
Notes Receivable- Noncurrent	72,177.27	0.00	72,177.27
Capital Assets:			
Buildings and Equipment	0.00	794,642.00	794,642.00
Accumulated Depreciation	0.00	(277,199.50)	(277,199.50)
Total Capital Assets	0.00	517,442.50	517,442.50
Total Assets	\$ 186,217.81	\$ 599,295.86	\$ 785,513.67
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 0.00	\$ 107.76	\$ 107.76
Interfund Payable	0.00	0.00	0.00
Total Liabilities	\$ 0.00	\$ 107.76	\$ 107.76
NET POSITION			
Net Investment in Capital Assets	\$ 0.00	\$ 517,442.50	\$ 517,442.50
Unrestricted (Deficit)	186,217.81	81,745.60	267,963.41
Total Net Position	\$ 186,217.81	\$ 599,188.10	\$ 785,405.91

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Enterprise Funds		
	Revolving Loan Fund Activities	DFACS Building Rental	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Interest on Revolving Loans	\$ 3,235.53	\$ 0.00	\$ 3,235.53
Rentals	0.00	28,456.50	28,456.50
Total Operating Revenues	3,235.53	28,456.50	31,692.03
OPERATING EXPENSES			
Personal Services	0.00	8,820.12	8,820.12
Purchased/Contracted Services	0.00	2,978.00	2,978.00
Utilities	0.00	7,692.09	7,692.09
Repairs and Maintenance	0.00	1,950.94	1,950.94
Supplies and Other Expenses	13.06	0.00	13.06
Depreciation	0.00	16,415.93	16,415.93
Total Operating Expenses	13.06	37,857.08	37,870.14
INCOME FROM OPERATIONS	3,222.47	(9,400.58)	(6,178.11)
NON OPERATING REVENUES (EXPENSES)			
Interest Income	16.08	21.38	37.46
Total Non Operating Revenues (Expenses)	16.08	21.38	37.46
CHANGE IN NET POSITION	3,238.55	(9,379.20)	(6,140.65)
NET POSITION- BEGINNING	182,979.26	608,567.30	791,546.56
NET POSITION- ENDING	\$ 186,217.81	\$ 599,188.10	\$ 785,405.91

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Enterprise Funds		
	Revolving	DFACS	Total
	Loan Fund	Building	Nonmajor
	Activities	Rental	Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 0.00	\$ 28,456.50	\$ 28,456.50
Cash Payments for Personnel Expenses	0.00	(8,820.12)	(8,820.12)
Cash Payments for Goods and Services	(13.06)	(13,123.23)	(13,136.29)
Internal Activity- Payments (to) from Other Funds	0.00	(646.64)	(646.64)
Revolving Loan Principal Payments Received	48,826.11	0.00	48,826.11
Revolving Loan- Principal Amount of New Loans	(40,000.00)	0.00	(40,000.00)
Revolving Loan Interest Payments Received	2,834.64	0.00	2,834.64
Net Cash Provided by Operating Activities	11,647.69	5,866.51	17,514.20
Cash Flows from Noncapital Financing Activities			
None	0.00	0.00	0.00
Net Cash Provided by Noncapital Financing Activities	0.00	0.00	0.00
Cash Flows from Capital & Related Financing Activities			
Purchase of Equipment	0.00	(4,992.00)	(4,992.00)
Net Cash Provided (Used) by Capital and Related Financing Activities	0.00	(4,992.00)	(4,992.00)
Cash Flows from Investing Activities			
Interest Received	16.08	21.38	37.46
Net Cash Provided by Investing Activities	16.08	21.38	37.46
Net Increase in Cash and Cash Equivalents	11,663.77	895.89	12,559.66
Cash and Cash Equivalents- Beginning of Year	43,414.52	77,228.13	120,642.65
Cash and Cash Equivalents- End of Year	\$ 55,078.29	\$ 78,124.02	\$ 133,202.31

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Enterprise Funds		
	Revolving	DFACS	Total
	Loan Fund	Building	Nonmajor
	Activities	Rental	Enterprise Funds
Reconciliation of Operating Income to Net Cash			
Provided by Operating Activities			
Operating Income	\$ 3,222.47	\$ (9,400.58)	\$ (6,178.11)
Adjustments:			
Depreciation	0.00	16,415.93	16,415.93
(Increase) Decrease in Assets:			
Accrued Interest on Revolving Loan	(400.89)	0.00	(400.89)
Notes Receivable- Revolving Loan Program	8,826.11	0.00	8,826.11
Interfund Receivables	0.00	(646.64)	(646.64)
Increase (Decrease) in Liabilities:			
Accounts Payable	0.00	(502.20)	(502.20)
Net Cash Provided by Operating Activities	\$ <u>11,647.69</u>	\$ <u>5,866.51</u>	\$ <u>17,514.20</u>

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2015

	Agency Funds						
	Tax Commission	Tax Assessor	Clerk of Superior Court	Probate Office	Magistrate Office	Sheriff Office	Total
ASSETS							
Cash and Cash Equivalents	\$ 989,512.95	799.75	11,283.98	1,472.11	0.38	29,154.33	\$ 1,032,223.50
Receivables	481,051.95	0.00	0.00	0.00	0.00	0.00	481,051.95
TOTAL ASSETS	1,470,564.90	799.75	11,283.98	1,472.11	0.38	29,154.33	1,513,275.45
LIABILITIES							
Liabilities:							
Funds Pending Settlement	1,470,564.90	799.75	11,283.98	1,472.11	0.38	29,154.33	1,513,275.45
Total Liabilities	1,470,564.90	799.75	11,283.98	1,472.11	0.38	29,154.33	1,513,275.45
NET POSITION	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Unified Government of Georgetown-Quitman County
 Community Development Block Grant
 Project Cost Schedule
 Grant 15p-x-118-3-5757
 Year Ended December 31, 2015

Project Activity	Activity Number	Latest Approved Budget	Accumulated Expenditures		Accumulated Expenditures		Grand Total Expenditures To Date	Questioned Costs
			CDBG Funds	To Date	CDBG Funds	To Date		
Acquisition of Property	P-001-01	\$ 10,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00
Contingencies	C-022-00	26,533.00	0.00	0.00	0.00	0.00	0.00	0.00
Engineering- Flood & Drainage	T-03K-00	6,840.00	0.00	0.00	0.00	0.00	0.00	0.00
Flood & Drainage Facilities	P-03K-02	265,330.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration	A-21A-00	19,704.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS		\$ 328,407.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00

Unified Government of Georgetown-Quitman County
Community Development Block Grant
Source and Application of Funds Schedule
Grant 15p-x-118-3-5757
Year Ended December 31, 2015

Total Program Funds Allocated to Recipient	\$ <u>328,407.00</u>
Funds Drawn Down in Prior Years	\$ 0.00
Funds Drawn Down in Current Year	<u>0.00</u>
Total Funds Drawn Down and Received by Recipient	\$ <u>0.00</u>
Funds Disbursed in Prior Years	\$ 0.00
Funds Disbursed in Current Year	<u>20.00</u>
Total Funds Disbursed by Recipient	\$ <u>20.00</u>
Total Program Funds Held by Recipient	\$ <u>(20.00)</u>

OTHER INFORMATION

DONALD M. HARTZOG CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT
POST OFFICE BOX 986
EUFULA, ALABAMA 36072-0986

MEMBER:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
ALABAMA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
DONALD M. HARTZOG, CPA

1656 SOUTH EUFAULA AVENUE
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**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
Unified Government of Georgetown- Quitman County Georgia

I 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 the Unified Government of Georgetown-Quitman County, Georgia (the "County"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued my report thereon dated August 15, 2016. My report includes a reference to other auditors who audited the financial statements of the Quitman County Board of Health as described in my report on the County's financial statements. This report includes my consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, I do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and

corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses that I consider to be significant deficiencies: Findings 2015-1 and 2015-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Unified Government of Georgetown-Quitman County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Unified Government of Georgetown-Quitman County's Response to Findings

The County's responses to the findings identified in my audit are described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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.

I noted certain matters that I reported to management of the County in a separate letter dated August 15, 2016.

 CPA, LLC

August 15, 2016

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2015

FINDING 2015-1

I noted the following deficiencies in internal control design which could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

1. Absence of appropriate segregation of duties consistent with appropriate control objectives.

Recommendations:

1. The cost of providing for adequate segregation of duties would probably exceed the expected benefit to the County. However, I feel it is necessary to report this deficiency to management.

Management agrees with the above finding and has addressed the finding in the corrective action plan on pages 49 through 50.

FINDING 2015-2

I noted the following deficiencies in the operation of internal control which could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

1. Evidence of failure to perform tasks that are a part of internal control.

Recommendations:

1. The County should require a responsible individual to review transactions, monthly reconciliations, and financial reports for obvious errors.
2. Bank reconciliations should be prepared monthly and reviewed for items which have not cleared within a reasonable amount of time.
3. Other matters will be addressed in a separate letter to management.

Management agrees with the above finding and has addressed the finding in the corrective action plan on pages 49 through 50.

The Unified Government of Georgetown-Quitman County, Georgia

25 Old School Road
Post Office Box 114 Georgetown, Georgia 39854
PHONE (229) 334-0903 FAX (229) 334-2151

Richard Morris, Chairman
David Kinsey, Vice Chairman
Willie H. Bussey, Jr., Commissioner
Carvel Lewis, Commissioner
Danny Blackmon, Commissioner

Jason Weeks, County Manager
Carolyn Wilson, County Clerk

August 15, 2016

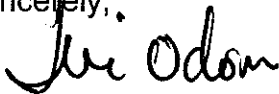
State of Georgia
Department of Audits and Accounts
Att: Mr. Edward Blaha
254 Washington Street, S.W.
Suite 1-156
Atlanta, Georgia 30334-8400

Dear Mr. Blaha:

Attached you will find the corrective action plan for the Unified Government of Georgetown-Quitman County based on the December 31, 2015 audit.

Should you need any additional information, please let us know.

Sincerely,



Teri Odom
Chief Financial Officer
Unified Government of Georgetown- Quitman County

Unified Government of Georgetown-Quitman County
Corrective Action Plan
Audit Period: Year Ended December 31, 2015

The findings from the December 31, 2015 Schedule of Findings and Responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Also addressed are the compliance issues discussed in Notes 2 and 3 of the Notes to the Financial Statements included in the December 31, 2015 audit.

Finding 2015-01

We concur with this finding. Mitigating controls have been implemented to the extent possible to segregate duties. We do not have the financial resources to hire enough personnel to segregate duties to eliminate this finding.

Finding 2015-02

We concur with this finding. The unified government has hired a financial officer who has implemented improved controls for the general government. Problems still exist in some of the other County offices which we intend to address through more effective oversight, monitoring, and training.

Note 2 to Financial Statements

2.B. Excess Expenses over Revenues- Enterprise Funds: Rates will be more closely analyzed for the Water Authority. Excluding depreciation, the Water Authority had a positive cash flow.

2.C. Revenue Bond Covenants: The Commission will address this issue with the board of the Quitman County Water and Sewerage Authority.

Note 3 to Financial Statements

3.A. Shortfall was due to a temporary condition which existed at the end of the year when the bank which holds the majority of the County's accounts was purchased by another financial institution. This has since been corrected.

Contact Person:
Teri Odom
Financial Officer
Unified Government of Georgetown- Quitman County
P.O. Box 114
Georgetown, GA 39854
(229) 334-0903