

**TAYLOR COUNTY, GEORGIA**

**FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016**

# TAYLOR COUNTY, GEORGIA

## FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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# TAYLOR COUNTY, GEORGIA

## FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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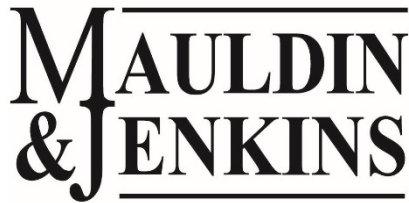
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## INDEPENDENT AUDITOR'S REPORT

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**Board of Commissioners  
of Taylor County, Georgia  
Butler, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Taylor County, Georgia** (the "County") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Taylor County, Georgia's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Taylor County Department of Public Health, which represent 6%, 1%, and 21%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Taylor County Department of Public Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

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

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions for the Taylor County Department of Public Health (on pages 48 and 49) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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. Our opinion on the basic financial statements is not affected by this missing information.

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*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Taylor County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the County.

The combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2016, on our consideration of Taylor County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Taylor County, Georgia's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 27, 2016

## **BASIC FINANCIAL STATEMENTS**

# TAYLOR COUNTY, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2016

| ASSETS   | Primary Government         |                             |              |
|--|----------------------------|-----------------------------|--------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total        |
| Cash and cash equivalents                                    | \$ 7,283,997               | \$ 27,060                   | \$ 7,311,057 |
| Receivables, net of allowances                               |                            |                             |              |
| Taxes receivable   | 467,602                    | -                           | 467,602      |
| Accounts receivable  | 451,463                    | 1,325                       | 452,788      |
| Due from other governments                                   | 124,979                    | -                           | 124,979      |
| Due from component unit                                      | 7,881                      | -                           | 7,881        |
| Inventories  | 8,011                      | -                           | 8,011        |
| Prepaid items  | 168,536                    | -                           | 168,536      |
| Capital assets, nondepreciable                               | 414,369                    | -                           | 414,369      |
| Capital assets, depreciable, net of accumulated depreciation | 12,452,810                 | 737,076                     | 13,189,886   |
| Total assets   | 21,379,648                 | 765,461                     | 22,145,109   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                        |                            |                             |              |
| Pensions   | -                          | -                           | -            |
| Total deferred outflows of resources                         | -                          | -                           | -            |
| <b>LIABILITIES</b>   |                            |                             |              |
| Accounts payable   | 731,638                    | 410                         | 732,048      |
| Accrued liabilities  | 143,696                    | -                           | 143,696      |
| Due to other governments                                     | 27,450                     | -                           | 27,450       |
| Due to primary government                                    | -                          | -                           | -            |
| Capital leases due within one year                           | 125,972                    | -                           | 125,972      |
| Capital leases due in more than one year                     | 53,950                     | -                           | 53,950       |
| Compensated absences due within one year                     | 95,436                     | -                           | 95,436       |
| Compensated absences due in more than one year               | 23,858                     | -                           | 23,858       |
| Landfill postclosure costs due within one year               | 11,000                     | -                           | 11,000       |
| Landfill postclosure costs due in more than one year         | 110,000                    | -                           | 110,000      |
| Net pension liability  | -                          | -                           | -            |
| Total liabilities  | 1,323,000                  | 410                         | 1,323,410    |



| Component Units                   |                          |                          |                      |                       |
|-----------------------------------|--------------------------|--------------------------|----------------------|-----------------------|
| Department<br>of Public<br>Health | Development<br>Authority | Recreation<br>Commission | Airport<br>Authority | Building<br>Authority |
| \$ 383,132                        | \$ 997,342               | \$ 2,655                 | \$ 109,594           | \$ 51,939             |
| -                                 | -                        | -                        | -                    | -                     |
| 28,430                            | -                        | -                        | -                    | 9,491                 |
| -                                 | -                        | -                        | 10,924               | -                     |
| -                                 | -                        | -                        | -                    | -                     |
| -                                 | -                        | -                        | -                    | -                     |
| -                                 | 54,968                   | -                        | 1,181,299            | -                     |
| -                                 | 70,212                   | -                        | 3,335,161            | 1,071,706             |
| <u>411,562</u>                    | <u>1,122,522</u>         | <u>2,655</u>             | <u>4,636,978</u>     | <u>1,133,136</u>      |
| 40,043                            | -                        | -                        | -                    | -                     |
| <u>40,043</u>                     | <u>-</u>                 | <u>-</u>                 | <u>-</u>             | <u>-</u>              |
| 13,816                            | -                        | 682                      | 23,227               | -                     |
| -                                 | -                        | -                        | -                    | -                     |
| -                                 | -                        | -                        | -                    | -                     |
| -                                 | -                        | 7,881                    | -                    | -                     |
| -                                 | -                        | -                        | -                    | -                     |
| -                                 | -                        | -                        | -                    | -                     |
| 10,015                            | -                        | -                        | -                    | -                     |
| 21,064                            | -                        | -                        | -                    | -                     |
| -                                 | -                        | -                        | -                    | -                     |
| -                                 | -                        | -                        | -                    | -                     |
| 272,659                           | -                        | -                        | -                    | -                     |
| <u>317,554</u>                    | <u>-</u>                 | <u>8,563</u>             | <u>23,227</u>        | <u>-</u>              |

(Continued)

# TAYLOR COUNTY, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2016

| DEFERRED INFLOWS OF RESOURCES       | Primary Government         |                             |               |
|-------------------------------------|----------------------------|-----------------------------|---------------|
|                                     | Governmental<br>Activities | Business-type<br>Activities | Total         |
| Pensions                            | \$ -                       | \$ -                        | \$ -          |
| Total deferred inflows of resources | -                          | -                           | -             |
| <b>NET POSITION</b>                 |                            |                             |               |
| Net investment in capital assets    | 12,687,257                 | 737,076                     | 13,424,333    |
| Restricted for:                     |                            |                             |               |
| Judicial                            | 37,870                     | -                           | 37,870        |
| Public safety                       | 206,399                    | -                           | 206,399       |
| Public works                        | 1,979,791                  | -                           | 1,979,791     |
| Capital projects                    | 1,013,539                  | -                           | 1,013,539     |
| Other purposes                      | -                          | -                           | -             |
| Unrestricted                        | 4,131,792                  | 27,975                      | 4,159,767     |
| Total net position                  | \$ 20,056,648              | \$ 765,051                  | \$ 20,821,699 |

| <b>Component Units</b>                     |                                  |                                  |                              |                               |
|--|----------------------------------|----------------------------------|------------------------------|-------------------------------|
| <b>Department<br/>of Public<br/>Health</b> | <b>Development<br/>Authority</b> | <b>Recreation<br/>Commission</b> | <b>Airport<br/>Authority</b> | <b>Building<br/>Authority</b> |
| \$ 34,406                                  | \$ -                             | \$ -                             | \$ -                         | \$ -                          |
| 34,406                                     | -                                | -                                | -                            | -                             |
| -  | 125,180                          | -                                | 4,516,460                    | 1,071,706                     |
| -  | -                                | -                                | -                            | -                             |
| -  | -                                | -                                | -                            | -                             |
| -  | -                                | -                                | -                            | -                             |
| 62,759                                     | -                                | -                                | -                            | -                             |
| 36,886                                     | 997,342                          | (5,908)                          | 97,291                       | 61,430                        |
| <u>\$ 99,645</u>                           | <u>\$ 1,122,522</u>              | <u>\$ (5,908)</u>                | <u>\$ 4,613,751</u>          | <u>\$ 1,133,136</u>           |

# TAYLOR COUNTY, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| <u>Functions/Programs</u>      | <u>Expenses</u> | Program Revenues        |  |  |
|--------------------------------|-----------------|-------------------------|--|--|
|                                |                 | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| <b>Primary government:</b>     |                 |                         |  |  |
| Governmental activities:       |                 |                         |  |  |
| General government             | \$ 1,388,641    | \$ 193,351              | \$ 15,851                                | \$ -                                   |
| Judicial                       | 578,632         | 180,878                 | -  | -                                      |
| Public safety                  | 2,150,075       | 820,068                 | 340,879                                  | 17,479                                 |
| Public works                   | 2,702,096       | 1,080,001               | -  | 360,542                                |
| Health and welfare             | 249,737         | 133,354                 | 95,564                                   | -                                      |
| Culture and recreation         | 79,901          | -                       | -  | -                                      |
| Housing and development        | 398,716         | 990,656                 | -  | -                                      |
| Interest on long-term debt     | 10,200          | -                       | -  | -                                      |
| Total governmental activities  | 7,557,998       | 3,398,308               | 452,294                                  | 378,021                                |
| Business-type activities:      |                 |                         |  |  |
| Water and sewer                | 47,988          | 14,858                  | -  | -                                      |
| Total business-type activities | 47,988          | 14,858                  | -  | -                                      |
| Total primary government       | \$ 7,605,986    | \$ 3,413,166            | \$ 452,294                               | \$ 378,021                             |
| <b>Component units:</b>        |                 |                         |  |  |
| Department of Public Health    | \$ 289,684      | \$ 67,647               | \$ 307,983                               | \$ -                                   |
| Development Authority          | 328,648         | -                       | 564,497                                  | -                                      |
| Recreation Commission          | 153,182         | 53,294                  | 78,800                                   | -                                      |
| Airport Authority              | 116,120         | 13,913                  | 25,484                                   | 572,360                                |
| Building Authority             | 43,786          | 20,269                  | -  | -                                      |
| Total component units          | \$ 931,420      | \$ 155,123              | \$ 976,764                               | \$ 572,360                             |

General revenues:  
     Property taxes  
     Sales taxes  
     Other taxes  
     Unrestricted investment earnings  
     Total general revenues  
     Change in net position  
     Net position, beginning of year  
     Net position (deficit), end of year

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

**Net (Expenses) Revenues and  
Changes in Net Position**

| Primary Government         |                             |                       | Component Units                   |                          |                          |                      |                       |
|----------------------------|-----------------------------|-----------------------|-----------------------------------|--------------------------|--------------------------|----------------------|-----------------------|
| Governmental<br>Activities | Business-type<br>Activities | Total                 | Department<br>of Public<br>Health | Development<br>Authority | Recreation<br>Commission | Airport<br>Authority | Building<br>Authority |
| \$ (1,179,439)             | \$ -                        | \$ (1,179,439)        | \$ -                              | \$ -                     | \$ -                     | \$ -                 | \$ -                  |
| (397,754)                  | -                           | (397,754)             | -                                 | -                        | -                        | -                    | -                     |
| (971,649)                  | -                           | (971,649)             | -                                 | -                        | -                        | -                    | -                     |
| (1,261,553)                | -                           | (1,261,553)           | -                                 | -                        | -                        | -                    | -                     |
| (20,819)                   | -                           | (20,819)              | -                                 | -                        | -                        | -                    | -                     |
| (79,901)                   | -                           | (79,901)              | -                                 | -                        | -                        | -                    | -                     |
| 591,940                    | -                           | 591,940               | -                                 | -                        | -                        | -                    | -                     |
| (10,200)                   | -                           | (10,200)              | -                                 | -                        | -                        | -                    | -                     |
| <u>(3,329,375)</u>         | <u>-</u>                    | <u>(3,329,375)</u>    | <u>-</u>                          | <u>-</u>                 | <u>-</u>                 | <u>-</u>             | <u>-</u>              |
| -                          | (33,130)                    | (33,130)              | -                                 | -                        | -                        | -                    | -                     |
| -                          | (33,130)                    | (33,130)              | -                                 | -                        | -                        | -                    | -                     |
| <u>\$ (3,329,375)</u>      | <u>\$ (33,130)</u>          | <u>\$ (3,362,505)</u> | <u>\$ -</u>                       | <u>\$ -</u>              | <u>\$ -</u>              | <u>\$ -</u>          | <u>\$ -</u>           |
| \$ -                       | \$ -                        | \$ -                  | \$ 85,946                         | \$ -                     | \$ -                     | \$ -                 | \$ -                  |
| -                          | -                           | -                     | -                                 | 235,849                  | -                        | -                    | -                     |
| -                          | -                           | -                     | -                                 | -                        | (21,088)                 | -                    | -                     |
| -                          | -                           | -                     | -                                 | -                        | -                        | 495,637              | -                     |
| -                          | -                           | -                     | -                                 | -                        | -                        | -                    | (23,517)              |
| <u>\$ -</u>                | <u>\$ -</u>                 | <u>\$ -</u>           | <u>\$ 85,946</u>                  | <u>\$ 235,849</u>        | <u>\$ (21,088)</u>       | <u>\$ 495,637</u>    | <u>\$ (23,517)</u>    |
| 1,921,084                  | -                           | 1,921,084             | -                                 | -                        | -                        | -                    | -                     |
| 2,414,087                  | -                           | 2,414,087             | -                                 | -                        | -                        | -                    | -                     |
| 623,471                    | -                           | 623,471               | -                                 | -                        | -                        | -                    | -                     |
| 1,548                      | -                           | 1,548                 | 113                               | -                        | -                        | -                    | -                     |
| <u>4,960,190</u>           | <u>-</u>                    | <u>4,960,190</u>      | <u>113</u>                        | <u>-</u>                 | <u>-</u>                 | <u>-</u>             | <u>-</u>              |
| 1,630,815                  | (33,130)                    | 1,597,685             | 86,059                            | 235,849                  | (21,088)                 | 495,637              | (23,517)              |
| 18,425,833                 | 798,181                     | 19,224,014            | 13,586                            | 886,673                  | 15,180                   | 4,118,114            | 1,156,653             |
| <u>\$ 20,056,648</u>       | <u>\$ 765,051</u>           | <u>\$ 20,821,699</u>  | <u>\$ 99,645</u>                  | <u>\$ 1,122,522</u>      | <u>\$ (5,908)</u>        | <u>\$ 4,613,751</u>  | <u>\$ 1,133,136</u>   |

# TAYLOR COUNTY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2016

|  | General<br>Fund     | Solid<br>Waste<br>Surcharge<br>Fund | T-SPLOST<br>Fund  | Capital<br>Projects<br>2005 SPLOST<br>Fund |
|--|---------------------|-------------------------------------|-------------------|--|
| <b>ASSETS</b>  |                     |                                     |                   |  |
| Cash and cash equivalents  | \$ 3,573,391        | \$ 1,042,035                        | 812,389           | \$ -                                       |
| Taxes receivable   | 329,242             | -                                   | 49,811            | -  |
| Accounts receivable  | 368,574             | 78,214                              | 4,675             | -  |
| Due from other governments   | 109,675             | -                                   | -                 | -  |
| Due from other funds   | 4,300               | 1,600                               | -                 | -  |
| Due from component units   | 7,881               | -                                   | -                 | -  |
| Inventories  | 8,011               | -                                   | -                 | -  |
| Prepaid items  | 162,036             | 6,500                               | -                 | -  |
|  | <u>\$ 4,563,110</u> | <u>\$ 1,128,349</u>                 | <u>\$ 866,875</u> | <u>\$ -</u>                                |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> |                     |                                     |                   |  |
| <b>LIABILITIES</b>   |                     |                                     |                   |  |
| Accounts payable   | \$ 69,262           | \$ 3,834                            | \$ 1,099          | \$ -                                       |
| Accrued liabilities  | 143,696             | -                                   | -                 | -  |
| Due to other governments   | -                   | -                                   | -                 | -  |
| Due to other funds   | 1,600               | -                                   | 4,000             | -  |
|  | <u>214,558</u>      | <u>3,834</u>                        | <u>5,099</u>      | <u>-</u>                                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                 |                     |                                     |                   |  |
| Unavailable revenue - property taxes                                 | 124,410             | -                                   | -                 | -  |
|  | <u>124,410</u>      | <u>-</u>                            | <u>-</u>          | <u>-</u>                                   |
| <b>FUND BALANCES</b>   |                     |                                     |                   |  |
| Fund balances:   |                     |                                     |                   |  |
| Nonspendable for:  |                     |                                     |                   |  |
| Inventory  | 8,011               | -                                   | -                 | -  |
| Prepaid items  | 162,036             | 6,500                               | -                 | -  |
| Restricted for:  |                     |                                     |                   |  |
| Judicial   | -                   | -                                   | -                 | -  |
| Public safety  | -                   | -                                   | -                 | -  |
| Public works   | -                   | 1,118,015                           | 861,776           | -  |
| Capital projects   | -                   | -                                   | -                 | -  |
| Committed for:   |                     |                                     |                   |  |
| Public safety  | -                   | -                                   | -                 | -  |
| Unassigned   | 4,054,095           | -                                   | -                 | -  |
|  | <u>4,224,142</u>    | <u>1,124,515</u>                    | <u>861,776</u>    | <u>-</u>                                   |
| Total fund balances (deficit)  | <u>4,224,142</u>    | <u>1,124,515</u>                    | <u>861,776</u>    | <u>-</u>                                   |
| Total liabilities, deferred inflows of resources, and fund balances  | <u>\$ 4,563,110</u> | <u>\$ 1,128,349</u>                 | <u>\$ 866,875</u> | <u>\$ -</u>                                |

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.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net position of governmental activities.

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

| Capital<br>Projects<br>2011 SPLOST<br>Fund | Capital<br>Projects<br>CDBG<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------------------------|--------------------------------|--------------------------------|
| \$ 1,586,854                               | \$ 33                               | \$ 269,295                     | \$ 7,283,997                   |
| 88,549                                     | -                                   | -                              | 467,602                        |
| -  | -                                   | -                              | 451,463                        |
| -  | 10,785                              | 4,519                          | 124,979                        |
| -  | -                                   | -                              | 5,900                          |
| -  | -                                   | -                              | 7,881                          |
| -  | -                                   | -                              | 8,011                          |
| -  | -                                   | -                              | 168,536                        |
| <u>\$ 1,675,403</u>                        | <u>\$ 10,818</u>                    | <u>\$ 273,814</u>              | <u>\$ 8,518,369</u>            |

|                |               |              |                |
|----------------|---------------|--------------|----------------|
| \$ 634,414     | \$ 16,615     | \$ 6,414     | \$ 731,638     |
| -              | -             | -            | 143,696        |
| 27,450         | -             | -            | 27,450         |
| -              | 300           | -            | 5,900          |
| <u>661,864</u> | <u>16,915</u> | <u>6,414</u> | <u>908,684</u> |
| -              | -             | -            | 124,410        |
| -              | -             | -            | 124,410        |

|                     |                  |                   |                  |
|---------------------|------------------|-------------------|------------------|
| -                   | -                | -                 | 8,011            |
| -                   | -                | -                 | 168,536          |
| -                   | -                | 37,870            | 37,870           |
| -                   | -                | 206,399           | 206,399          |
| -                   | -                | -                 | 1,979,791        |
| 1,013,539           | -                | -                 | 1,013,539        |
| -                   | -                | 23,131            | 23,131           |
| -                   | (6,097)          | -                 | 4,047,998        |
| <u>1,013,539</u>    | <u>(6,097)</u>   | <u>267,400</u>    | <u>7,485,275</u> |
| <u>\$ 1,675,403</u> | <u>\$ 10,818</u> | <u>\$ 273,814</u> |                  |

12,867,179  
124,410  
(420,216)  
\$ 20,056,648

**TAYLOR COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | <u>General<br/>Fund</u> | <u>Solid<br/>Waste<br/>Surcharge<br/>Fund</u> | <u>T-SPLOST<br/>Fund</u> | <u>Capital<br/>Projects<br/>2005 SPLOST<br/>Fund</u> |
|---|-------------------------|---|--------------------------|--|
| <b>Revenues</b>   |                         |   |                          |  |
| Property taxes  | \$ 1,928,053            | \$ -  | \$ -                     | \$ -   |
| Sales tax   | 670,103                 | -   | 581,437                  | -  |
| Other taxes   | 623,471                 | -   | -                        | -  |
| Licenses and permits  | 998,135                 | -   | -                        | -  |
| Intergovernmental   | 690,297                 | 21,467  | -                        | -  |
| Fines and forfeitures   | 214,413                 | -   | -                        | -  |
| Charges for services  | 1,241,694               | 637,566                                       | -                        | -  |
| Investment income   | 1,467                   | 58  | 91                       | 130  |
| Miscellaneous   | 143,504                 | 39,408  | -                        | -  |
| Total revenues  | <u>6,511,137</u>        | <u>698,499</u>                                | <u>581,528</u>           | <u>130</u>   |
| <b>Expenditures</b>   |                         |   |                          |  |
| Current:  |                         |   |                          |  |
| General government  | 1,602,809               | 42,715  | -                        | -  |
| Judicial  | 440,737                 | 85,463  | -                        | -  |
| Public safety   | 2,068,166               | 35,442  | -                        | -  |
| Public works  | 1,417,012               | 36,137  | -                        | -  |
| Health and welfare  | 232,130                 | -   | -                        | -  |
| Culture and recreation  | 69,833                  | -   | -                        | -  |
| Housing and development   | 388,881                 | 981   | -                        | -  |
| Intergovernmental   | -                       | -   | -                        | -  |
| Capital outlay  | -                       | -   | 545,696                  | 195,235  |
| Debt service:   |                         |   |                          |  |
| Principal   | 29,817                  | 132,957                                       | 11,166                   | -  |
| Interest  | 1,484                   | 6,929   | 1,584                    | -  |
| Total expenditures  | <u>6,250,869</u>        | <u>340,624</u>                                | <u>558,446</u>           | <u>195,235</u>                                       |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>260,268</u>          | <u>357,875</u>                                | <u>23,082</u>            | <u>(195,105)</u>                                     |
| <b>Other financing sources (uses):</b>                          |                         |   |                          |  |
| Capital leases  | 121,676                 | -   | -                        | -  |
| Transfers in  | 444,906                 | 67,271  | -                        | -  |
| Transfers out   | -                       | (200,000)                                     | (112,000)                | -  |
| Total other financing<br>sources (uses)                         | <u>566,582</u>          | <u>(132,729)</u>                              | <u>(112,000)</u>         | <u>-</u>   |
| Net change in fund balances                                     | 826,850                 | 225,146                                       | (88,918)                 | (195,105)  |
| <b>Fund balance (deficit),<br/>beginning of year</b>            | <u>3,397,292</u>        | <u>899,369</u>                                | <u>950,694</u>           | <u>195,105</u>                                       |
| <b>Fund balance (deficit),<br/>end of year</b>                  | <u>\$ 4,224,142</u>     | <u>\$ 1,124,515</u>                           | <u>\$ 861,776</u>        | <u>\$ -</u>  |

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



| <b>Capital<br/>Projects<br/>2011 SPLOST<br/>Fund</b> | <b>Capital<br/>Projects<br/>CDBG<br/>Fund</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|---|---|---|
| \$ -   | \$ -  | \$ -                                    | \$ 1,928,053                            |
| 1,162,547  | -   | -                                       | 2,414,087                               |
| -  | -   | -                                       | 623,471                                 |
| -  | -   | -                                       | 998,135                                 |
| -  | 45,423  | 17,479                                  | 774,666                                 |
| -  | -   | 155,356                                 | 369,769                                 |
| -  | -   | 21,245                                  | 1,900,505                               |
| 169  | -   | 23                                      | 1,938                                   |
| 2,246  | -   | -                                       | 185,158                                 |
| <u>1,164,962</u>                                     | <u>45,423</u>                                 | <u>194,103</u>                          | <u>9,195,782</u>                        |
| -  | -   | -                                       | 1,645,524                               |
| -  | -   | 43,506                                  | 569,706                                 |
| -  | -   | 143,448                                 | 2,247,056                               |
| -  | -   | -                                       | 1,453,149                               |
| -  | -   | -                                       | 232,130                                 |
| -  | -   | -                                       | 69,833                                  |
| -  | -   | -                                       | 389,862                                 |
| 360,388  | -   | -                                       | 360,388                                 |
| 1,457,402  | 45,495  | -                                       | 2,243,828                               |
| 16,025   | -   | -                                       | 189,965                                 |
| 203  | -   | -                                       | 10,200                                  |
| <u>1,834,018</u>                                     | <u>45,495</u>                                 | <u>186,954</u>                          | <u>9,411,641</u>                        |
| <u>(669,056)</u>                                     | <u>(72)</u>                                   | <u>7,149</u>                            | <u>(215,859)</u>                        |
| -  | -   | -                                       | 121,676                                 |
| -  | -   | -                                       | 512,177                                 |
| <u>(116,177)</u>                                     | <u>-</u>                                      | <u>(84,000)</u>                         | <u>(512,177)</u>                        |
| <u>(116,177)</u>                                     | <u>-</u>                                      | <u>(84,000)</u>                         | <u>121,676</u>                          |
| (785,233)  | (72)  | (76,851)                                | (94,183)                                |
| <u>1,798,772</u>                                     | <u>(6,025)</u>                                | <u>344,251</u>                          | <u>7,579,458</u>                        |
| <u>\$ 1,013,539</u>                                  | <u>\$ (6,097)</u>                             | <u>\$ 267,400</u>                       | <u>\$ 7,485,275</u>                     |

**TAYLOR COUNTY, GEORGIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

---

Amounts reported for governmental activities in the statement of activities are different because:

|  |                     |
|--|---------------------|
| Net change in fund balances - total governmental funds   | \$ (94,183)         |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.   | 1,673,951           |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   | (6,969)             |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 78,194              |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.  | <u>(20,178)</u>     |
| Changes in net position - governmental activities  | <u>\$ 1,630,815</u> |

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

# TAYLOR COUNTY, GEORGIA

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

#### BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|                            | Budget       |              | Actual       | Variance With<br>Final Budget |
|----------------------------|--------------|--------------|--------------|-------------------------------|
|                            | Original     | Final        |              |                               |
| <b>Revenues:</b>           |              |              |              |                               |
| Property taxes             | \$ 2,208,134 | \$ 2,208,134 | \$ 1,928,053 | \$ (280,081)                  |
| Sales tax                  | 400,000      | 675,000      | 670,103      | (4,897)                       |
| Other taxes                | 525,500      | 483,500      | 623,471      | 139,971                       |
| Licenses and permits       | 167,026      | 860,149      | 998,135      | 137,986                       |
| Intergovernmental          | 405,000      | 517,000      | 690,297      | 173,297                       |
| Fines and forfeitures      | 152,000      | 152,000      | 214,413      | 62,413                        |
| Charges for services       | 1,076,321    | 959,321      | 1,241,694    | 282,373                       |
| Investment income          | 2,000        | 2,000        | 1,467        | (533)                         |
| Miscellaneous              | 66,264       | 131,664      | 143,504      | 11,840                        |
| Total revenues             | 5,002,245    | 5,988,768    | 6,511,137    | 522,369                       |
| <b>Expenditures:</b>       |              |              |              |                               |
| <b>Current:</b>            |              |              |              |                               |
| <b>General government:</b> |              |              |              |                               |
| Governing body             | 426,409      | 426,409      | 338,286      | 88,123                        |
| General administration     | 141,250      | 141,250      | 107,018      | 34,232                        |
| Tax commissioner           | 158,291      | 158,291      | 148,188      | 10,103                        |
| Tax assessor               | 113,537      | 120,000      | 118,874      | 1,126                         |
| Registrar                  | 81,317       | 81,317       | 74,984       | 6,333                         |
| Records management         | 2,000        | 2,000        | 20           | 1,980                         |
| Buildings and plant        | 164,512      | 820,000      | 814,313      | 5,687                         |
| Board of equalization      | 2,885        | 2,885        | 1,126        | 1,759                         |
| Total general government   | 1,090,201    | 1,752,152    | 1,602,809    | 149,343                       |
| <b>Judicial:</b>           |              |              |              |                               |
| Superior court             | 261,494      | 261,494      | 255,519      | 5,975                         |
| Probate court              | 163,926      | 171,000      | 170,536      | 464                           |
| Public defender            | 15,568       | 15,568       | 14,682       | 886                           |
| Total judicial             | 440,988      | 448,062      | 440,737      | 7,325                         |
| <b>Public safety:</b>      |              |              |              |                               |
| Sheriff                    | 703,946      | 725,000      | 724,070      | 930                           |
| Jail                       | 521,266      | 555,000      | 553,830      | 1,170                         |
| Ambulances                 | 386,574      | 680,618      | 650,968      | 29,650                        |
| Emergency management       | 18,534       | 18,534       | 17,680       | 854                           |
| Fire                       | 72,488       | 83,000       | 82,956       | 44                            |
| Coroner                    | 15,009       | 15,009       | 10,055       | 4,954                         |
| Emergency communication    | 28,607       | 28,607       | 28,607       | -                             |
| Total public safety        | 1,746,424    | 2,105,768    | 2,068,166    | 37,602                        |
| <b>Public works:</b>       |              |              |              |                               |
| Roads and bridges          | 1,270,748    | 1,308,500    | 1,200,300    | 108,200                       |
| Garage                     | 28,765       | 28,765       | 13,855       | 14,910                        |
| Landfill                   | 208,531      | 208,531      | 202,857      | 5,674                         |
| Total public works         | 1,508,044    | 1,545,796    | 1,417,012    | 128,784                       |

(Continued)

# TAYLOR COUNTY, GEORGIA

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

#### BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

|  | Budget       |              | Actual       | Variance with<br>Final Budget |
|--|--------------|--------------|--------------|-------------------------------|
|  | Original     | Final        |              |                               |
| <b>Expenditures (continued):</b>                             |              |              |              |                               |
| <b>Current (continued):</b>                                  |              |              |              |                               |
| <b>Health and welfare:</b>                                   |              |              |              |                               |
| Health department  | \$ 152,480   | \$ 152,480   | \$ 147,876   | \$ 4,604                      |
| Family and children services                                 | 48,336       | 48,336       | 41,867       | 6,469                         |
| Mental retardation   | 10,616       | 10,616       | 10,616       | -                             |
| Council on aging   | 29,148       | 29,500       | 29,426       | 74                            |
| Neighborhood service center                                  | 3,000        | 3,000        | 2,345        | 655                           |
| Total health and welfare                                     | 243,580      | 243,932      | 232,130      | 11,802                        |
| <b>Culture and recreation:</b>                               |              |              |              |                               |
| Parks  | 46,974       | 46,974       | 46,054       | 920                           |
| Libraries  | 23,779       | 23,779       | 23,779       | -                             |
| Total culture and recreation                                 | 70,753       | 70,753       | 69,833       | 920                           |
| <b>Housing and development:</b>                              |              |              |              |                               |
| County agent   | 48,411       | 48,411       | 48,135       | 276                           |
| Planning and zoning  | 88,137       | 88,137       | 63,075       | 25,062                        |
| Transit  | 219,734      | 219,734      | 200,744      | 18,990                        |
| Airport  | 10,000       | 20,000       | 20,000       | -                             |
| Forestry   | 23,180       | 23,180       | 23,180       | -                             |
| Soil conservation  | 33,793       | 33,793       | 33,222       | 571                           |
| Industrial development authority                             | -            | 550          | 525          | 25                            |
| Total housing and development                                | 423,255      | 433,805      | 388,881      | 44,924                        |
| <b>Debt service</b>  |              |              |              |                               |
| Principal  | -            | 30,000       | 29,817       | 183                           |
| Interest   | -            | 1,500        | 1,484        | 16                            |
| Total debt service   | -            | 31,500       | 31,301       | 199                           |
| Total expenditures   | 5,523,245    | 6,631,768    | 6,250,869    | 380,899                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (521,000)    | (643,000)    | 260,268      | 903,268                       |
| <b>Other financing sources:</b>                              |              |              |              |                               |
| Capital leases   | -            | 122,000      | 121,676      | (324)                         |
| Transfers in   | 521,000      | 521,000      | 444,906      | (76,094)                      |
| Total other financing sources                                | 521,000      | 643,000      | 566,582      | (76,418)                      |
| Net change in fund balance                                   | -            | -            | 826,850      | 826,850                       |
| <b>Fund balance, beginning of year</b>                       | 3,397,292    | 3,397,292    | 3,397,292    | -                             |
| <b>Fund balance, end of year</b>                             | \$ 3,397,292 | \$ 3,397,292 | \$ 4,224,142 | \$ 826,850                    |

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

**TAYLOR COUNTY, GEORGIA**  
**SOLID WASTE SURCHARGE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | Budget            |                   | Actual              | Variance With<br>Final Budget |
|---|-------------------|-------------------|---------------------|-------------------------------|
|   | Original          | Final             |                     |                               |
| <b>Revenues:</b>                        |                   |                   |                     |                               |
| Intergovernmental                       | \$ 25,000         | \$ 25,000         | \$ 21,467           | \$ (3,533)                    |
| Charges for services                    | 662,450           | 662,450           | 637,566             | (24,884)                      |
| Investment income                       | 50                | 50                | 58                  | 8                             |
| Miscellaneous income                    | 39,500            | 39,500            | 39,408              | (92)                          |
| Total revenues                          | <u>727,000</u>    | <u>727,000</u>    | <u>698,499</u>      | <u>(28,501)</u>               |
| <b>Expenditures:</b>                    |                   |                   |                     |                               |
| <b>Current:</b>                         |                   |                   |                     |                               |
| General government                      | 73,000            | 73,000            | 42,715              | 30,285                        |
| Judicial                                | 95,000            | 95,000            | 85,463              | 9,537                         |
| Public safety                           | 134,350           | 134,350           | 35,442              | 98,908                        |
| Public works                            | 137,450           | 137,450           | 36,137              | 101,313                       |
| Housing and development                 | 1,200             | 1,200             | 981                 | 219                           |
| <b>Debt service:</b>                    |                   |                   |                     |                               |
| Principal                               | 148,000           | 148,000           | 132,957             | 15,043                        |
| Interest                                | 11,000            | 11,000            | 6,929               | 4,071                         |
| Total expenditures                      | <u>600,000</u>    | <u>600,000</u>    | <u>340,624</u>      | <u>259,376</u>                |
| Excess of revenues over<br>expenditures | <u>127,000</u>    | <u>127,000</u>    | <u>357,875</u>      | <u>230,875</u>                |
| <b>Other financing sources (uses):</b>  |                   |                   |                     |                               |
| Transfers in                            | 73,000            | 73,000            | 67,271              | (5,729)                       |
| Transfers out                           | (200,000)         | (200,000)         | (200,000)           | -                             |
| Total other financing sources (uses)    | <u>(127,000)</u>  | <u>(127,000)</u>  | <u>(132,729)</u>    | <u>(5,729)</u>                |
| Net change in fund balance              | -                 | -                 | 225,146             | 225,146                       |
| <b>Fund balance, beginning of year</b>  | <u>899,369</u>    | <u>899,369</u>    | <u>899,369</u>      | <u>-</u>                      |
| <b>Fund balance, end of year</b>        | <u>\$ 899,369</u> | <u>\$ 899,369</u> | <u>\$ 1,124,515</u> | <u>\$ 225,146</u>             |

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

# TAYLOR COUNTY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2016

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|  | <u>Major<br/>Enterprise Fund<br/>Water and<br/>Sewer Fund</u> |
|--|---|
| <b>ASSETS</b>  |   |
| Current assets:  |   |
| Cash   | \$ 27,060   |
| Accounts receivable, net of allowance                        | <u>1,325</u>  |
| Total current assets   | <u>28,385</u>   |
| Capital assets:  |   |
| Capital assets, depreciable, net of accumulated depreciation | <u>737,076</u>  |
| Total assets   | <u>765,461</u>  |
| <b>LIABILITIES</b>   |   |
| Current liabilities:   |   |
| Accounts payable   | <u>410</u>  |
| <b>NET POSITION</b>  |   |
| Investment in capital assets                                 | 737,076   |
| Unrestricted   | <u>27,975</u>   |
| Total net position   | <u><u>\$ 765,051</u></u>                                      |

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

**TAYLOR COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | <b>Major<br/>Enterprise Fund</b> |
|--|----------------------------------|
|  | <b>Water and<br/>Sewer Fund</b>  |
| <b>Operating revenues:</b>             |                                  |
| Charges for services:                  |                                  |
| Water and sewer sales                  | \$ 14,858                        |
| Total operating revenues               | 14,858                           |
| <b>Operating expenses:</b>             |                                  |
| Contract services                      | 4,241                            |
| Repairs and maintenance                | 10,613                           |
| Utilities                              | 6,275                            |
| Dues and supplies                      | 965                              |
| Depreciation                           | 25,894                           |
| Total operating expenses               | 47,988                           |
| Change in net position                 | (33,130)                         |
| <b>Net position, beginning of year</b> | 798,181                          |
| <b>Net position, end of year</b>       | \$ 765,051                       |

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

# TAYLOR COUNTY, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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|   | <u>Major<br/>Enterprise Fund<br/>Water and<br/>Sewer Fund</u> |
|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |   |
| Receipts from customers   | \$ 14,488   |
| Payments to suppliers and service providers                                       | <u>(22,546)</u>   |
| Net cash used in operating activities   | <u>(8,058)</u>  |
| Net decrease in cash and cash equivalents   | (8,058)   |
| <b>Cash and cash equivalents:</b>   |   |
| Beginning of year   | <u>35,118</u>   |
| End of year   | <u>\$ 27,060</u>  |
| <b>Reconciliation of operating loss to net cash used in operating activities:</b> |   |
| Operating loss  | \$ (33,130)   |
| Adjustments to reconcile operating loss to net cash used in operating activities: |   |
| Depreciation  | 25,894  |
| Increase in accounts receivable   | (370)   |
| Decrease in accounts payable  | <u>(452)</u>  |
| Net cash used in operating activities   | <u>\$ (8,058)</u>   |

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



# TAYLOR COUNTY, GEORGIA

## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES FIDUCIARY FUNDS JUNE 30, 2016

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|                           | <u>Agency<br/>Funds</u> |
|---------------------------|-------------------------|
| <b>ASSETS</b>             |                         |
| Cash and cash equivalents | \$ 320,010              |
| Taxes receivable          | <u>635,015</u>          |
| Total assets              | <u>\$ 955,025</u>       |
| <b>LIABILITIES</b>        |                         |
| Due to others             | \$ 320,010              |
| Uncollected taxes         | <u>635,015</u>          |
| Total liabilities         | <u>\$ 955,025</u>       |

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

**TAYLOR COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Taylor County, Georgia (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

**A. Reporting Entity**

The County is governed by an elected five-member Board of Commissioners. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Taylor County, Georgia (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61, the financial statements of the component units are discretely presented in the financial statements.

The Taylor County Airport Authority was established as a legally separate entity in 1994 and given the power to acquire, construct, equip, maintain, operate, own, and improve airports and landing fields for the use of aircraft and related buildings and equipment. The five members of the Airport Authority are appointed by the Board of Commissioners.

The Taylor County Recreation Commission was established as a legally separate entity in 1946. The Commission is governed by a six-member board composed of two members from the County and two from the City of Reynolds and the City of Butler. The County approves the budget of the Commission, and carries out its day-to-day operations.

The Taylor County Building Authority was established as a legally separate entity in 1995 and is responsible for the operations of the Taylor County Multi-Purpose Facility. The five members of the Building Authority are appointed by the Board of Commissioners.

The Taylor County Department of Public Health is governed by a seven-member board, of which four members are appointed by the governing authority of the County. The County approves the required local match portion of the budget requested by the Health Department which is administered by the appointed Board of the Health Department. The Health Department's financial statements have been presented separately and can be obtained by writing to the Taylor County Department of Public Health, P. O. Box 158, Butler, Georgia 31006.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. Reporting Entity (Continued)

The Taylor County Development Authority was established as a legally separate entity in 1984. The seven members of the Development Authority are appointed by the Board of Commissioners.

The Taylor County Development Authority, the Taylor County Airport Authority, the Taylor County Recreation Commission and the Taylor County Building Authority are audited along with the primary government financial statements in accordance with Governmental Accounting Standards Board Statement No. 14. However, separate financial statements are not prepared.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. The agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the County's financial activity.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Solid Waste Surcharge Fund** is a special revenue fund used to account for the funds received from the use of the S.R. 137 landfill in accordance with the Official Code of Georgia (OCGA) Section 12-8-39.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The ***T-SPLOST*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by Transportation Special Purpose Local Option Sales Tax proceeds.

The ***SPLOST 2005 Fund*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by 2005 Special Purpose Local Option Sales Tax proceeds.

The ***SPLOST 2011 Fund*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by 2011 Special Purpose Local Option Sales Tax proceeds.

The ***CDBG Fund*** is a capital projects fund used to account for the operations of the Community Development Block Grant program.

The County reports the following major proprietary fund:

The ***Water and Sewer Fund*** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***Capital Projects Fund*** accounts for revenue sources that are to be used for the acquisition and construction of major capital facilities.

The ***Agency Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. These include the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

#### D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund and each special revenue fund. Project length budgets are adopted for the capital projects fund. All annual appropriations lapse at fiscal year-end.

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

#### E. Deposits and Investments

For purposes of the statement of cash flows, the Water and Sewer Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments are reported at fair value. At June 30, 2016, the County has no investments.

#### F. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

#### H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB Statement No. 34, the County has elected not to include infrastructure acquired or constructed prior to July 1, 2003.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets of the primary government and component units are depreciated using the straight-line method over the following useful lives:

| <u>Asset Category</u>      | <u>Years</u> |
|----------------------------|--------------|
| Land improvements          | 15-20        |
| Buildings and improvements | 15-40        |
| Machinery and equipment    | 5-10         |
| Infrastructure             | 20-50        |
| Water system               | 40           |

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### J. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amount when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

#### K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### L. Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and No. 65, *Items Previously Reported as Assets and Liabilities*, have established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Department of Public Health had pension related deferred outflows that required reporting in this category and are described further in Note 10.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### L. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of these items, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Additionally, the Department of Public Health had pension related deferred inflows that required reporting in this category and are described further in Note 10.

#### M. 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 assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Fund Equity (Continued)

##### *Fund Balance (Continued)*

- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

**Net Position** – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. 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 assets are available.

#### N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

#### A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$420,216 difference are as follows:

|   |                     |
|---|---------------------|
| Capital leases payable  | \$ (179,922)        |
| Landfill postclosure costs  | (121,000)           |
| Compensated absences  | <u>(119,294)</u>    |
| Net adjustment to reduce <i>fund balance - total governmental funds</i><br>to arrive at <i>net position - governmental activities</i> | <u>\$ (420,216)</u> |

#### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,673,951 difference are as follows:

|   |                     |
|---|---------------------|
| Capital outlay  | \$ 2,348,240        |
| Depreciation expense  | <u>(674,289)</u>    |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i> | <u>\$ 1,673,951</u> |

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

#### B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.” The details of this \$78,194 difference are as follows:

|   |                  |
|---|------------------|
| Debt incurred:  |                  |
| Capital leases  | \$ (121,676)     |
| Principal repayments:   |                  |
| Capital leases  | 189,965          |
| Landfill postclosure costs  | <u>9,905</u>     |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i> | <u>\$ 78,194</u> |

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$20,178 difference are as follows:

|   |                    |
|---|--------------------|
| Compensated absences  | <u>\$ (20,178)</u> |
| Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i> | <u>\$ (20,178)</u> |

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. LEGAL COMPLIANCE - BUDGETS

Taylor County, Georgia follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. Prior to May 1, the Department Heads submit to the County Manager proposed operating budgets for the fiscal year commencing the following July 1, for the General Fund and each special revenue fund. The operating budget includes proposed expenditures and the means of financing them. The proposed budgets are then submitted to the Board of Commissioners by the County Manager for study.
2. Public hearings are conducted at the courthouse to obtain taxpayer comments.
3. The budget is legally adopted by the Board of Commissioners.
4. Any revisions of the budget must be approved by the Board of Commissioners.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and each special revenue fund.
6. Budgets for the General Fund and each special revenue fund were adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Budgeted amounts are as originally adopted on June 17, 2015 or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations.

### NOTE 4. DEPOSITS AND INVESTMENTS

**Credit Risk.** State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County had no investments as of June 30, 2016.

**Interest Rate Risk.** The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. 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. As of June 30, 2016, all of the County's bank balances were properly insured and collateralized as defined by GASB pronouncements and the State of Georgia.

### NOTE 5. RECEIVABLES

Property taxes attach as an enforceable lien on property as of February 16, 2016. Taxes were levied on November, 30, 2015, and payable on or before February 15, 2016. The County bills and collects its own property taxes. Property taxes levied for 2015 are recorded as receivables, net of estimated uncollectibles.

The net receivables collected during the year ended June 30, 2016 and expected to be collected by August 31, 2016, are recognized as revenues in the year ended June 30, 2016. Net receivables estimated to be collectible subsequent to August 31, 2016, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

Receivables consisted of the following at June 30, 2016:

|                            | <u>General</u>    | <u>Solid Waste<br/>Surcharge</u> | <u>T-SPLOST</u>  | <u>2011<br/>SPLOST</u> |
|----------------------------|-------------------|----------------------------------|------------------|------------------------|
| Receivables:               |                   |                                  |                  |                        |
| Taxes                      | \$ 370,712        | \$ -                             | \$ 49,811        | \$ 88,549              |
| Accounts                   | 368,574           | 78,214                           | 4,675            | -                      |
| Due from other governments | 109,675           | -                                | -                | -                      |
| Gross receivables          | <u>848,961</u>    | <u>78,214</u>                    | <u>54,486</u>    | <u>88,549</u>          |
| Less allowance             | 41,470            | -                                | -                | -                      |
| Net total receivables      | <u>\$ 807,491</u> | <u>\$ 78,214</u>                 | <u>\$ 54,486</u> | <u>\$ 88,549</u>       |

|                            | <u>CDBG<br/>Fund</u> | <u>Water and<br/>Sewer Fund</u> | <u>Other<br/>Gov'tal Funds</u> | <u>Total</u>        |
|----------------------------|----------------------|---------------------------------|--------------------------------|---------------------|
| Receivables:               |                      |                                 |                                |                     |
| Taxes                      | \$ -                 | \$ -                            | \$ -                           | \$ 509,072          |
| Accounts                   | -                    | 1,716                           | -                              | 453,179             |
| Due from other governments | 10,785               | -                               | 4,519                          | 124,979             |
| Gross receivables          | <u>10,785</u>        | <u>1,716</u>                    | <u>4,519</u>                   | <u>1,087,230</u>    |
| Less allowance             | -                    | 391                             | -                              | 41,861              |
| Net total receivables      | <u>\$ 10,785</u>     | <u>\$ 1,325</u>                 | <u>\$ 4,519</u>                | <u>\$ 1,045,369</u> |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, is as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|---------------------|------------------|---------------------------|
| <b>Governmental activities:</b>              |                              |                     |                  |                           |
| Capital assets, not being depreciated:       |                              |                     |                  |                           |
| Land   | \$ 368,946                   | \$ 45,423           | \$ -             | \$ 414,369                |
| Total  | <u>368,946</u>               | <u>45,423</u>       | <u>-</u>         | <u>414,369</u>            |
| Capital assets, being depreciated:           |                              |                     |                  |                           |
| Land improvements                            | 94,295                       | -                   | -                | 94,295                    |
| Buildings and improvements                   | 7,618,331                    | 658,102             | -                | 8,276,433                 |
| Machinery and equipment                      | 5,158,692                    | 734,114             | -                | 5,892,806                 |
| Infrastructure                               | 4,865,224                    | 910,601             | -                | 5,775,825                 |
| Total  | <u>17,736,542</u>            | <u>2,302,817</u>    | <u>-</u>         | <u>20,039,359</u>         |
| Less accumulated depreciation for:           |                              |                     |                  |                           |
| Land improvements                            | 87,616                       | 2,750               | -                | 90,366                    |
| Buildings and improvements                   | 2,310,868                    | 214,216             | -                | 2,525,084                 |
| Machinery and equipment                      | 4,030,608                    | 353,640             | -                | 4,384,248                 |
| Infrastructure                               | 483,168                      | 103,683             | -                | 586,851                   |
| Total  | <u>6,912,260</u>             | <u>674,289</u>      | <u>-</u>         | <u>7,586,549</u>          |
| Total capital assets, being depreciated, net | <u>10,824,282</u>            | <u>1,628,528</u>    | <u>-</u>         | <u>12,452,810</u>         |
| Governmental activities capital assets, net  | <u>\$ 11,193,228</u>         | <u>\$ 1,673,951</u> | <u>\$ -</u>      | <u>\$ 12,867,179</u>      |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

|  | Beginning<br>Balance | Increases   | Decreases | Ending<br>Balance |
|--|----------------------|-------------|-----------|-------------------|
| <b>Business-type activities:</b>             |                      |             |           |                   |
| Capital assets, being depreciated:           |                      |             |           |                   |
| Buildings and improvements                   | \$ 7,800             | \$ -        | \$ -      | \$ 7,800          |
| Water system                                 | 1,002,766            | -           | -         | 1,002,766         |
| Total  | 1,010,566            | -           | -         | 1,010,566         |
| Less accumulated depreciation for:           |                      |             |           |                   |
| Buildings and improvements                   | 3,726                | 520         | -         | 4,246             |
| Water system                                 | 243,870              | 25,374      | -         | 269,244           |
| Total  | 247,596              | 25,894      | -         | 273,490           |
| Total capital assets, being depreciated, net | 762,970              | (25,894)    | -         | 737,076           |
| Business-type activities capital assets, net | \$ 762,970           | \$ (25,894) | \$ -      | \$ 737,076        |

Depreciation expense was charged to functions/programs of the County as follows:

|   |            |
|---|------------|
| Governmental activities                             |            |
| General government                                  | \$ 72,009  |
| Judicial  | 4,935      |
| Public safety                                       | 281,142    |
| Public works  | 282,236    |
| Health and welfare                                  | 20,907     |
| Culture and recreation                              | 5,623      |
| Housing and development                             | 7,437      |
| Total depreciation expense-governmental activities  | \$ 674,289 |
| Business-type activities:                           |            |
| Water and sewer                                     | \$ 25,894  |
| Total depreciation expense-business-type activities | \$ 25,894  |



## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Taylor County Development Authority for the fiscal year ended June 30, 2016, is as follows:

|  | Beginning<br>Balance | Increases          | Decreases         | Ending<br>Balance |
|--|----------------------|--------------------|-------------------|-------------------|
| Capital assets, not being depreciated:       |                      |                    |                   |                   |
| Land   | \$ 114,891           | \$ -               | \$ 59,923         | \$ 54,968         |
| Capital assets, being depreciated:           |                      |                    |                   |                   |
| Equipment                                    | 3,700                | 3,189              | -                 | 6,889             |
| Building                                     | 755,321              | -                  | 689,789           | 65,532            |
| Total  | <u>759,021</u>       | <u>3,189</u>       | <u>689,789</u>    | <u>72,421</u>     |
| Less accumulated depreciation for:           |                      |                    |                   |                   |
| Building                                     | <u>318,354</u>       | <u>18,422</u>      | <u>334,567</u>    | <u>2,209</u>      |
| Total capital assets, being depreciated, net | <u>440,667</u>       | <u>(15,233)</u>    | <u>355,222</u>    | <u>70,212</u>     |
| Capital assets, net                          | <u>\$ 555,558</u>    | <u>\$ (15,233)</u> | <u>\$ 415,145</u> | <u>\$ 125,180</u> |

Capital asset activity for the Taylor County Airport Authority for the fiscal year ended June 30, 2016, is as follows:

|  | Beginning<br>Balance | Increases         | Decreases         | Ending<br>Balance   |
|--|----------------------|-------------------|-------------------|---------------------|
| Capital assets, not being depreciated:       |                      |                   |                   |                     |
| Land   | \$ 1,162,652         | \$ 18,647         | \$ -              | \$ 1,181,299        |
| Construction in progress                     | 439,928              | -                 | 439,928           | -                   |
| Total  | <u>1,602,580</u>     | <u>18,647</u>     | <u>439,928</u>    | <u>1,181,299</u>    |
| Capital assets, being depreciated:           |                      |                   |                   |                     |
| Equipment                                    | 7,209                | -                 | -                 | 7,209               |
| Buildings                                    | 215,307              | 185,229           | -                 | 400,536             |
| Infrastructure                               | 2,546,775            | 838,536           | -                 | 3,385,311           |
| Total  | <u>2,769,291</u>     | <u>1,023,765</u>  | <u>-</u>          | <u>3,793,056</u>    |
| Less accumulated depreciation for:           |                      |                   |                   |                     |
| Equipment                                    | 7,209                | -                 | -                 | 7,209               |
| Buildings                                    | -                    | 14,354            | -                 | 14,354              |
| Infrastructure                               | <u>371,194</u>       | <u>65,138</u>     | <u>-</u>          | <u>436,332</u>      |
|  | <u>378,403</u>       | <u>79,492</u>     | <u>-</u>          | <u>457,895</u>      |
| Total capital assets, being depreciated, net | <u>2,390,888</u>     | <u>944,273</u>    | <u>-</u>          | <u>3,335,161</u>    |
| Capital assets, net                          | <u>\$ 3,993,468</u>  | <u>\$ 962,920</u> | <u>\$ 439,928</u> | <u>\$ 4,516,460</u> |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Taylor County Building Authority for the fiscal year ended June 30, 2016, is as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|--------------------|------------------|---------------------------|
| Capital assets, being depreciated:           |                              |                    |                  |                           |
| Building                                     | \$ 1,558,339                 | \$ -               | \$ -             | \$ 1,558,339              |
| Less accumulated depreciation for:           |                              |                    |                  |                           |
| Building                                     | 446,675                      | 39,958             | -                | 486,633                   |
| Total capital assets, being depreciated, net | <u>1,111,664</u>             | <u>(39,958)</u>    | <u>-</u>         | <u>1,071,706</u>          |
| Capital assets, net                          | <u>\$ 1,111,664</u>          | <u>\$ (39,958)</u> | <u>\$ -</u>      | <u>\$ 1,071,706</u>       |

### NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the primary government for the fiscal year ended June 30, 2016:

|                                 | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---------------------------------|------------------------------|-------------------|-------------------|---------------------------|--------------------------------|
| <b>Governmental activities:</b> |                              |                   |                   |                           |                                |
| Capital leases                  | \$ 248,211                   | \$ 121,676        | \$ 189,965        | \$ 179,922                | \$ 125,972                     |
| Landfill postclosure            | 130,905                      | -                 | 9,905             | 121,000                   | 11,000                         |
| Compensated absences            | 99,116                       | 80,119            | 59,941            | 119,294                   | 95,436                         |
| Totals                          | <u>\$ 478,232</u>            | <u>\$ 201,795</u> | <u>\$ 259,811</u> | <u>\$ 420,216</u>         | <u>\$ 232,408</u>              |

For governmental activities, compensated absences are ordinarily liquidated by the General Fund, while landfill postclosure costs are liquidated by the Solid Waste Surcharge Fund.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

**Capital Leases.** The County has entered into lease agreements as lessee for financing the acquisition of vehicles. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. The expense resulting from the amortization of assets recorded under capital leases is included with depreciation expense.

The following is an analysis of leased assets under capital leases as of June 30, 2016:

|                                | <b>Governmental<br/>Activities</b> |
|--------------------------------|------------------------------------|
| Equipment                      | \$ 890,273                         |
| Less: Accumulated depreciation | (429,933)                          |
|                                | \$ 460,340                         |

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2016:

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| Fiscal Year Ending June 30,                    |                                    |
| 2017   | \$ 128,795                         |
| 2018   | 41,735                             |
| 2019   | 12,900                             |
| Total minimum lease payments                   | 183,430                            |
| Less amount representing interest              | (3,508)                            |
| Present value of future minimum lease payments | \$ 179,922                         |

**Conduit Debt Obligations – Development Authority.** During the past two (2) fiscal years, the Development Authority has issued seven (7) separate revenue bonds to acquire capital projects consisting of equipment which will be used in solar energy facilities. The issuances total \$765,000,000. The acquired equipment will be leased to a third party. The Development Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from other funds:

|                       | Due From        |                 |               | Total           |
|-----------------------|-----------------|-----------------|---------------|-----------------|
|                       | General Fund    | T-SPLOST Fund   | CDBG Fund     |                 |
| <b>Due To</b>         |                 |                 |               |                 |
| General Fund          | \$ -            | \$ 4,000        | \$ 300        | \$ 4,300        |
| Solid Waste Surcharge | 1,600           | -               | -             | 1,600           |
| Total                 | <u>\$ 1,600</u> | <u>\$ 4,000</u> | <u>\$ 300</u> | <u>\$ 5,900</u> |

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occurred, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

|                            | Transfer To       |                       | Total             |
|----------------------------|-------------------|-----------------------|-------------------|
|                            | General Fund      | Solid Waste Surcharge |                   |
| <b>Transfer From</b>       |                   |                       |                   |
| Solid Waste Surcharge      | \$ 200,000        | \$ -                  | \$ 200,000        |
| T-SPLOST Fund              | 112,000           | -                     | 112,000           |
| SPLOST 2011 Fund           | 48,906            | 67,271                | 116,177           |
| Nonmajor Governmental Fund | 84,000            | -                     | 84,000            |
| Total                      | <u>\$ 444,906</u> | <u>67,271</u>         | <u>\$ 512,177</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that the statute or budget requires to expend them, and (2) use of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

#### A. Plan Description

The Taylor County, Georgia Retirement Plan is a defined contribution plan which was established and may be amended by the County to provide benefits at retirement to general employees of the County. The plan is administered by Nationwide Life Insurance Company. Plan members are not required to contribute to this plan. Taylor County is required to contribute 5% of annual covered payroll. Plan provisions and contribution requirements are established and may be amended by the Taylor County Board of Commissioners. Total contributions made to the plan by Taylor County, Georgia during the fiscal year ended June 30, 2016 were \$86,632.

#### B. Significant Accounting Policies

**Basis of Accounting:** The Taylor County, Georgia Retirement Plan financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due.

**Methods Used to Value Investments:** Plan investments are reported at fair value. Short-term investments are purchased at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

### NOTE 10. DEFINED BENEFIT PENSION PLAN – COMPONENT UNIT

#### Health Department

**Plan Description.** The employees of the Taylor County Department of Public Health (“Department”) participate in the Employees’ Retirement System (ERS), a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at [www.ers.ga.gov](http://www.ers.ga.gov).

**Benefits Provided.** The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees’ Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. DEFINED BENEFIT PENSION PLAN – COMPONENT UNIT (CONTINUED)

#### Health Department (Continued)

**Benefits Provided (Continued).** Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

**Contributions.** Member contributions under the Old Plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for Old and New Plan members and 21.69% for GSEPS members. The Department's contributions to ERS totaled \$38,055 for the year ended June 30, 2016. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

**Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions.** At June 30, 2016, the Department reported a liability for its proportionate share of the net pension liability in the amount of \$272,659. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll forward techniques. The Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015, the Employer's proportion was .006730%, which was an increase of .000071% from its proportion measured as of June 30, 2014.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. DEFINED BENEFIT PENSION PLAN – COMPONENT UNIT (CONTINUED)

#### Health Department (Continued)

For the year ended June 30, 2016, the Department recognized pension expense of \$33,793 as of June 30, 2016, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|---|---|--|
| Differences between expected and actual expenses  | \$ -  | \$ (2,179)                                   |
| Changes in proportion and differences between Department contributions and proportionate share of contributions | \$ 1,988                                      | \$ (12,554)                                  |
| Net difference between projected and actual earnings on pension plan investments                                | -   | (19,673)                                     |
| Department contributions subsequent to the measurement date   | 38,055  | -  |
| Total   | \$ 40,043                                     | \$ (34,406)                                  |

Department contributions subsequent to the measurement date of \$38,055 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year ended June 30:</b> |             |
|----------------------------|-------------|
| 2017                       | \$ (21,450) |
| 2018                       | (8,832)     |
| 2019                       | (8,769)     |
| 2020                       | 6,633       |
|                            | \$ (32,418) |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. DEFINED BENEFIT PENSION PLAN – COMPONENT UNIT (CONTINUED)

#### Health Department (Continued)

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

|                           |  |
|---------------------------|--|
| Inflation                 | 3.00%  |
| Salary increase           | 5.45 – 9.25%, including inflation                                  |
| Investment rate of return | 7.50%, net of pension plan investment expense, including inflation |

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the periods July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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 target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset class                             | Target<br>allocation | Long-term<br>expected real<br>rate of return* |
|---|----------------------|---|
| Fixed income                            | 30.00%               | 3.00%   |
| Domestic large equities                 | 39.70                | 6.50  |
| Domestic mid equities                   | 3.70                 | 10.00   |
| Domestic small equities                 | 1.60                 | 13.00   |
| International developed market equities | 18.90                | 6.50  |
| International emerging market equities  | 6.10                 | 11.00   |
| Total                                   | 100.00%              |   |

\* Rates shown are net of the 3.00% assumed rate of inflation



**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10. DEFINED BENEFIT PENSION PLAN – COMPONENT UNIT (CONTINUED)**

**Health Department (Continued)**

**Discount Rate.** The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at the current contribution rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Department’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the Department’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Department’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

|  | 1%<br>Decrease<br>(6.50%) | Current<br>discount rate<br>(7.50%) | 1%<br>Increase<br>(8.50%) |
|--|---------------------------|-------------------------------------|---------------------------|
| Department's proportionate share<br>of the net pension liability | \$ 386,504                | \$ 272,659                          | \$ 175,602                |

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued ERS financial report which is publicly available at [www.ers.ga.gov](http://www.ers.ga.gov).

**NOTE 11. LANDFILL POSTCLOSURE COSTS**

Effective July 16, 1990, the Taylor County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately \$121,000 over the remaining 11-year period. These costs are based on what it would cost to perform all postclosure care in 2016. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases commercial insurance to cover property and liability and professional liability claims.

The County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool; to cooperate with the pool's agents and attorneys; to follow loss reduction procedures established by the fund; and to report as promptly as possible, 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 pool's 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 fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

### NOTE 13. JOINT VENTURE

#### **River Valley Regional Commission**

Under Georgia law, the County, in conjunction with other cities and counties in the 16-county west central Georgia area, is a member of the River Valley Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2016, the County paid \$5,481 in such dues. Membership in an 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, 228 West Lamar Street, Americus, Georgia 31709.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 13. JOINT VENTURE (CONTINUED)

#### **Middle Flint Regional E-911 Authority**

The Middle Flint Regional E-911 Authority (the "E-911 Authority") is comprised of eight board members: two appointed by the County and the remaining six appointed by the other representative counties. The County allocated to the E-911 Authority \$28,607 during the year to assist with general operating expenses. The County's governing body does not approve the budget nor does it have any oversight of the day-to-day operations of the E-911 Authority. The E-911 Authority was established to provide emergency communications services to Dooly, Macon, Marion, Schley, Sumter, Taylor and Webster counties. Separate financial statements may be obtained from: Middle Flint Regional E-911 Authority, 222 Hayes Avenue, Ellaville, Georgia 31806.

### NOTE 14. COMMITMENTS AND CONTINGENCIES

#### **Litigation**

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

#### **Grant Contingencies**

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

#### **Construction Contractual Commitments**

In addition to the liabilities enumerated in the Statement of Net Position, at June 30, 2016. The County has contractual commitments on uncompleted engineering and construction contracts of approximately \$22,399.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TAYLOR COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**TAYLOR COUNTY DEPARTMENT OF PUBLIC HEALTH**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**EMPLOYEES RETIREMENT SYSTEM OF GEORGIA**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| Department's proportion of the net pension liability   | 0.006730 %  | 0.006659 %  |
| Department's proportionate share of the net pension liability  | \$ 272,659  | \$ 249,754  |
| Department's covered-employee payroll  | \$ 156,884  | \$ 154,280  |
| Department's proportionate share of the net pension liability as a percentage of its covered payroll | 173.80 %    | 161.88 %    |
| Plan fiduciary net position as a percentage of the total pension liability                           | 76.20 %     | 77.99 %     |

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

**TAYLOR COUNTY, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**TAYLOR COUNTY DEPARTMENT OF PUBLIC HEALTH**  
**SCHEDULE OF CONTRIBUTIONS**  
**EMPLOYEES RETIREMENT SYSTEM OF GEORGIA**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|  | <u>2016</u>   | <u>2015</u>   |
|--|---------------|---------------|
| Contractually required contribution                                  | \$ 38,055     | \$ 33,793     |
| Contributions in relation to the contractually required contribution | <u>38,055</u> | <u>33,793</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   |
| Department's covered-employee payroll                                | \$ 153,694    | \$ 156,884    |
| Contributions as a percentage of covered-employee payroll            | 24.76 %       | 21.54 %       |

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

## NONMAJOR GOVERNMENTAL FUNDS

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### Special Revenue Funds

**Jail Fund** – To account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

**Law Library Fund** – To account for costs of operating and maintaining the Taylor County Law Library. Financing is provided from a \$2 charge added to and collected on all costs in civil and criminal cases.

**Special Purpose Drug Fund** – To account for monies deemed as forfeited property by courts to Taylor County from cases related to illegal drug activity and the disbursement of these funds for drug prevention activities.

**Drug Education Fund** – To account for fines collected as required by state law for drug abuse treatment and educational purposes.

**Inmate Fund** – To account for revenues from telephone commissions at the Sheriff's Office and the disbursement of these funds for items to benefit the inmates.

**TAYLOR COUNTY, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

|  | <u>Special Revenue</u> |                                 |  |                                    |                        |
|--|------------------------|---------------------------------|--|------------------------------------|------------------------|
|  | <u>Jail<br/>Fund</u>   | <u>Law<br/>Library<br/>Fund</u> | <u>Special<br/>Purpose Drug<br/>Fund</u> | <u>Drug<br/>Education<br/>Fund</u> | <u>Inmate<br/>Fund</u> |
| <b>ASSETS</b>                          |                        |                                 |  |                                    |                        |
| Cash                                   | \$ 147,014             | \$ 37,870                       | \$ 16,924                                | \$ 37,942                          | \$ 29,545              |
| Due from other governments             | 4,210                  | -                               | -  | 309                                | -                      |
| Total assets                           | <u>\$ 151,224</u>      | <u>\$ 37,870</u>                | <u>\$ 16,924</u>                         | <u>\$ 38,251</u>                   | <u>\$ 29,545</u>       |
| <b>LIABILITIES</b>                     |                        |                                 |  |                                    |                        |
| Accounts payable                       | \$ -                   | \$ -                            | \$ -                                     | \$ -                               | \$ 6,414               |
| Total liabilities                      | <u>-</u>               | <u>-</u>                        | <u>-</u>                                 | <u>-</u>                           | <u>6,414</u>           |
| <b>FUND BALANCES</b>                   |                        |                                 |  |                                    |                        |
| Restricted for:                        |                        |                                 |  |                                    |                        |
| Judicial                               | -                      | 37,870                          | -  | -                                  | -                      |
| Public safety                          | 151,224                | -                               | 16,924                                   | 38,251                             | -                      |
| Committed for:                         |                        |                                 |  |                                    |                        |
| Public safety                          | -                      | -                               | -  | -                                  | 23,131                 |
| Total fund balances                    | <u>151,224</u>         | <u>37,870</u>                   | <u>16,924</u>                            | <u>38,251</u>                      | <u>23,131</u>          |
| Total liabilities and<br>fund balances | <u>\$ 151,224</u>      | <u>\$ 37,870</u>                | <u>\$ 16,924</u>                         | <u>\$ 38,251</u>                   | <u>\$ 29,545</u>       |



---

**Totals**

\$ 269,295  
4,519

\$ 273,814

\$ 6,414

6,414

37,870  
206,399

23,131

267,400

\$ 273,814

**TAYLOR COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

|   | <u>Special Revenue</u> |                                 |  |                                    |                        |
|---|------------------------|---------------------------------|--|------------------------------------|------------------------|
|   | <u>Jail<br/>Fund</u>   | <u>Law<br/>Library<br/>Fund</u> | <u>Special<br/>Purpose Drug<br/>Fund</u> | <u>Drug<br/>Education<br/>Fund</u> | <u>Inmate<br/>Fund</u> |
| <b>Revenues:</b>  |                        |                                 |  |                                    |                        |
| Fines and forfeitures   | \$ 45,724              | \$ 9,866                        | \$ 90,976                                | \$ 8,790                           | \$ -                   |
| Intergovernmental   | 17,479                 | -                               | -  | -                                  | -                      |
| Charges for services  | -                      | -                               | -  | -                                  | 21,245                 |
| Investment income   | 20                     | -                               | -  | 3                                  | -                      |
| Total revenues  | <u>63,223</u>          | <u>9,866</u>                    | <u>90,976</u>                            | <u>8,793</u>                       | <u>21,245</u>          |
| <b>Expenditures:</b>  |                        |                                 |  |                                    |                        |
| Current:  |                        |                                 |  |                                    |                        |
| Judicial  | -                      | 43,506                          | -  | -                                  | -                      |
| Public safety   | 24,495                 | -                               | 100,327                                  | 3,559                              | 15,067                 |
| Total expenditures  | <u>24,495</u>          | <u>43,506</u>                   | <u>100,327</u>                           | <u>3,559</u>                       | <u>15,067</u>          |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>38,728</u>          | <u>(33,640)</u>                 | <u>(9,351)</u>                           | <u>5,234</u>                       | <u>6,178</u>           |
| <b>Other financing uses:</b>                                    |                        |                                 |  |                                    |                        |
| Transfers out   | <u>(84,000)</u>        | -                               | -  | -                                  | -                      |
| Total other financing uses                                      | <u>(84,000)</u>        | -                               | -  | -                                  | -                      |
| Net change in fund balances                                     | (45,272)               | (33,640)                        | (9,351)                                  | 5,234                              | 6,178                  |
| <b>Fund balances,<br/>beginning of year</b>                     | <u>196,496</u>         | <u>71,510</u>                   | <u>26,275</u>                            | <u>33,017</u>                      | <u>16,953</u>          |
| <b>Fund balances, end of year</b>                               | <u>\$ 151,224</u>      | <u>\$ 37,870</u>                | <u>\$ 16,924</u>                         | <u>\$ 38,251</u>                   | <u>\$ 23,131</u>       |

---

**Totals**

\$ 155,356  
17,479  
21,245  
23  
194,103

43,506  
143,448  
186,954

7,149

(84,000)

(84,000)

(76,851)

344,251

\$ 267,400

# TAYLOR COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2005 ISSUE FOR THE YEAR ENDED JUNE 30, 2016

| Project Description<br>Per SPLOST Referendum              | Estimated Cost      |                     | Expenditures        |                   |                     |
|---|---------------------|---------------------|---------------------|-------------------|---------------------|
|   | Original            | Current             | Prior Years         | Current Year      | Total               |
| Construction of County Jail                               | \$ 2,785,600        | \$ 2,785,600        | \$ 1,826,569        | \$ -              | \$ 1,826,569        |
| Construction of Recreational<br>Facilities                | 285,600             | 285,600             | 185,202             | -                 | 185,202             |
| Construction and Repair of<br>Roads, Streets, and Bridges | 3,428,800           | 3,428,800           | 2,811,341           | 195,235           | 3,006,576           |
| City of Butler  | 849,600             | 849,600             | 553,154             | -                 | 553,154             |
| City of Reynolds  | 650,400             | 650,400             | 417,377             | -                 | 417,377             |
|   | <u>\$ 8,000,000</u> | <u>\$ 8,000,000</u> | <u>\$ 5,793,643</u> | <u>\$ 195,235</u> | <u>\$ 5,988,878</u> |

## TAYLOR COUNTY, GEORGIA

### SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2011 ISSUE FOR THE YEAR ENDED JUNE 30, 2016

| Project Description<br>Per SPLOST Referendum              | Estimated Cost      |                     | Expenditures        |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | Original            | Current             | Prior Years         | Current Year        | Total               |
| Construction of County<br>Courthouse                      | \$ 500,000          | \$ 500,000          | \$ 224,575          | \$ 1,500            | \$ 226,075          |
| Construction of Recreational<br>Facilities                | 150,000             | 150,000             | 9,829               | 7,045               | 16,874              |
| Construction of Public Safety<br>Facilities               | 100,000             | 100,000             | 25,188              | 8,913               | 34,101              |
| Construction of County<br>Communication Equipment         | 100,000             | 100,000             | 4,437               | 7,315               | 11,752              |
| Construction of Fire Protection<br>And Rescue Facilities  | 650,000             | 650,000             | 140,371             | 12,663              | 153,034             |
| Construction and Repair of<br>Roads, Streets, and Bridges | 4,020,000           | 4,020,000           | 1,841               | 1,436,194           | 1,438,035           |
| City of Butler  | 1,360,000           | 1,360,000           | 543,236             | 197,632             | 740,868             |
| City of Reynolds  | 1,120,000           | 1,120,000           | 447,374             | 162,756             | 610,130             |
|   | <u>\$ 8,000,000</u> | <u>\$ 8,000,000</u> | <u>\$ 1,396,851</u> | <u>\$ 1,834,018</u> | <u>\$ 3,230,869</u> |

## AGENCY FUNDS

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**Tax Commissioner** – To account for the collection and payment to Taylor County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Taylor County and other taxing units.

**Clerk of Superior Court** – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Probate Court** – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Magistrate Court** – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Sheriff** – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

# TAYLOR COUNTY, GEORGIA

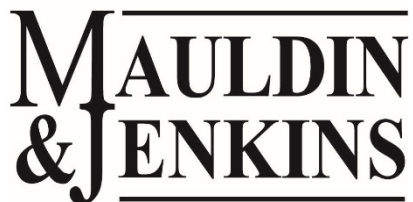
## COMBINING BALANCE SHEET AGENCY FUNDS JUNE 30, 2016

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| <u>ASSETS</u>      | <u>Tax<br/>Commissioner</u> | <u>Clerk of<br/>Superior<br/>Court</u> | <u>Probate<br/>Court</u> | <u>Magistrate<br/>Court</u> | <u>Sheriff</u>  | <u>Total</u>      |
|--------------------|-----------------------------|--|--------------------------|-----------------------------|-----------------|-------------------|
| Cash               | \$ 193,578                  | \$ 106,813                             | \$ 6,079                 | \$ 9,471                    | \$ 4,069        | \$ 320,010        |
| Taxes receivable   | <u>635,015</u>              | <u>-</u>                               | <u>-</u>                 | <u>-</u>                    | <u>-</u>        | <u>635,015</u>    |
| Total assets       | <u>\$ 828,593</u>           | <u>\$ 106,813</u>                      | <u>\$ 6,079</u>          | <u>\$ 9,471</u>             | <u>\$ 4,069</u> | <u>\$ 955,025</u> |
| <br>               |                             |  |                          |                             |                 |                   |
| <u>LIABILITIES</u> |                             |  |                          |                             |                 |                   |
| Due to others      | \$ 193,578                  | \$ 106,813                             | \$ 6,079                 | \$ 9,471                    | \$ 4,069        | \$ 320,010        |
| Uncollected taxes  | <u>635,015</u>              | <u>-</u>                               | <u>-</u>                 | <u>-</u>                    | <u>-</u>        | <u>635,015</u>    |
| Total liabilities  | <u>\$ 828,593</u>           | <u>\$ 106,813</u>                      | <u>\$ 6,079</u>          | <u>\$ 9,471</u>             | <u>\$ 4,069</u> | <u>\$ 955,025</u> |

## **COMPLIANCE SECTION**





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

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**Board of Commissioners  
of Taylor County, Georgia  
Butler, Georgia**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Taylor County, Georgia (the "County"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 27, 2016,. Our report includes a reference to other auditors who audited the financial statements of the Taylor County Department of Public Health, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-003 to be material weaknesses.

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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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016-002 to be a significant deficiency.

### **Compliance and Other Matters**

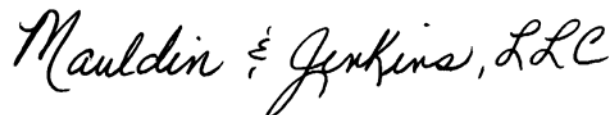
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Taylor County, Georgia's Responses to Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

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



Macon, Georgia  
December 27, 2016



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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**Board of Commissioners  
of Taylor County, Georgia  
Butler, Georgia**

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

We have audited Taylor County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2016. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

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

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

### ***Opinion on the Major Federal Program***

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

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### **Report on Internal Control Over Compliance**

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

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

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

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

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 27, 2016

# TAYLOR COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2016

| Federal Grantor/Pass-Through<br>Grantor/Program Title             | Federal<br>CFDA<br>Number | Contract or Project<br>Number | Total<br>Expenditures |
|---|---------------------------|-------------------------------|-----------------------|
| <b>U.S. Department of Housing and Urban Development</b>           |                           |                               |                       |
| Passed through Georgia Department of Community Affairs            |                           |                               |                       |
| CDBG - State-Administered CDBG Cluster                            |                           |                               |                       |
| Community Development Block Grant                                 | 14.228                    | 15p-y-133-1-5755              | \$ 45,423             |
| <b>Total U.S. Department of Housing and<br/>Urban Development</b> |                           |                               | 45,423                |
| <b>U.S. Department of Justice</b>                                 |                           |                               |                       |
| Edward Byrne Memorial Justice Assistance                          | 16.804                    | 2012-DS-BX-0110               | 29,957                |
| Edward Byrne Memorial Justice Assistance                          | 16.804                    | 2014-DJ-BX-0808               | 17,480                |
| <b>Total U.S. Department of Justice</b>                           |                           |                               | 47,437                |
| <b>U.S. Department of Homeland Security</b>                       |                           |                               |                       |
| Passed through Georgia Emergency Management Agency                |                           |                               |                       |
| Performance Partnership Agreement                                 | 97.042                    | OEM13-135S01                  | 21,467                |
| Performance Partnership Agreement                                 | 97.042                    | OEM13-135E02                  | 5,000                 |
| Disaster Grants - Public Assistance                               | 97.036                    | FEMA-4259-DR-GA               | 223,656               |
| <b>Total U.S. Department of Homeland Security</b>                 |                           |                               | 250,123               |
| <b>U.S. Department of Transportation</b>                          |                           |                               |                       |
| Passed through Georgia Department of Transportation               |                           |                               |                       |
| Section 5311 Operating Assistance                                 | 20.509                    | T003528                       | 95,564                |
| Airport Improvement Program                                       | 20.106                    | T003799                       | 542,236               |
| <b>Total U.S. Department of Transportation</b>                    |                           |                               | 637,800               |
| <b>Total Expenditures of Federal Awards</b>                       |                           |                               | \$ 980,783            |

# TAYLOR COUNTY, GEORGIA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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### **NOTE 1. BASIS OF PRESENTATION**

The schedule of expenditures of federal awards includes the federal grant activity of Taylor County, Georgia and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

### **NOTE 2. DE MINIMIS INDIRECT COST RATE**

Taylor County, Georgia elected not to use the ten percent de minimis indirect cost rate.

### **NOTE 3. NON-CASH AWARDS**

The County did not receive non-cash federal awards during the year ended June 30, 2016.

# TAYLOR COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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### SECTION I SUMMARY OF AUDIT RESULTS

#### **Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
Material weaknesses identified?  Yes  No

Significant deficiencies identified not considered  
to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

#### **Federal Awards**

Internal Control over major programs:  
Material weaknesses identified?  Yes  No

Significant deficiencies identified not considered  
to be material weaknesses?  Yes  None Reported

Type of auditor's report issued on compliance for  
major programs Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with the Uniform  
Guidance?  Yes  No

Identification of major program:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 20.106             | Airport Improvement Program               |

Dollar threshold used to distinguish between  
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

# TAYLOR COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

#### **2016-001. Revenue/Receivables Cycle**

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the receivable and revenue accounts during the year ended June 30, 2016.

Context/Cause: During our testing of revenues and receivables, audit adjustments were required to correct various account balances. These adjustments were due to the inclusion of receivables that should not have been recorded at year-end and additional receivables that should have been recorded.

Effect: Audit adjustments to increase revenues in the amount of \$30,595, increase accounts receivable in the amount of \$21,303, and decrease deferred tax revenue in the amount of \$6,969 were required to be recorded in the General Fund as of June 30, 2016. An audit adjustment to increase accounts receivable and revenue in the amount of \$10,785 was required to be recorded in the CDBG Fund as of June 30, 2016. Audit adjustments to increase accounts receivable in the amount of \$457, increase allowance for doubtful accounts in the amount of \$87, and increase revenue in the amount of \$370 were required to be recorded in the Water and Sewer Fund as of June 30, 2016. An audit adjustment to increase revenue and capital outlay in the amount of \$17,480 was required to be recorded in the Jail Fund as of June 30, 2016. An audit adjustment to decrease accounts receivable and revenue in the amount of \$504,018 was required to be recorded for the Airport Authority as of June 30, 2016. Finally, an audit adjustment to decrease revenue and fund balance in the amount of \$4,100 was required to be recorded for the Development Authority as of June 30, 2016.

Recommendation: We recommend the County record the necessary adjustments to reflect the accounts receivable balances at the conclusion of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur. We will take appropriate measures to ensure all receivables are appropriately recorded at year-end.

#### **2016-002. Segregation of Duties**

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County.

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.



# TAYLOR COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

#### 2016-002. Segregation of Duties (Continued)

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures. This was noted in the following offices/departments:

- Finance – The same individual is involved with accounts payable, cash disbursements, and general ledger maintenance. Also, the same individual is involved with payroll, personnel records, and general ledger maintenance.
- Water – The same individual is involved with billing, collection, posting to the general ledger, and maintenance of accounts receivable.
- Clerk of Court – The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process.
- Probate/Magistrate Court – The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process. Also, the same individual is involved with preparing the checks and approving the amounts to be paid.
- Sheriff's Office - The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process.
- Tax Commissioner – The same individual is involved in with opening the mail and recording the receipts. The same individual is involved with the receipting process and the bank reconciliation process. Also, the same individual is involved with the billing and collection function.
- Development Authority - The same individual is involved with opening the mail, receipting, deposit slip preparation, and the bank reconciliation process.

Effect: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Recommendation: The duties of recording, distribution, and reconciliation of accounts should be segregated among employees.

Views of Responsible Officials and Planned Corrective Action: We concur. The offices are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

# TAYLOR COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

#### **2016-003. Capital Assets**

Criteria: Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including capital assets.

Condition: The County did not appropriately record all capital asset transactions in the Airport Authority and Development Authority (both component units) during the year ended June 30, 2016.

Context/Cause: See above condition.

Effect: Audit adjustments to decrease capital assets in the amount of \$749,712, decrease accumulated depreciation in the amount of \$316,145, increase expenditures (loss on sale of asset) in the amount of \$415,145, and increase depreciation expense in the amount of \$18,422 was required to be recorded in the Development Authority as of June 30, 2016. An audit adjustment to increase depreciation expense and accumulated depreciation in the amount of \$79,493 was required to be recorded in the Airport Authority as of June 30, 2016.

Recommendation: We recommend the County record all capital asset transactions appropriately as they occur during the year.

Views of Responsible Officials and Planned Corrective Action: We concur. We will record all capital asset transactions appropriately as they occur during the year.

**TAYLOR COUNTY, GEORGIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not applicable.

**TAYLOR COUNTY, GEORGIA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**2015-001. Revenue/Receivables Cycle**

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the receivable and revenue accounts during the year ended June 30, 2015. Additionally, the County did not properly reverse all entries made during the prior year involving the receivable and revenue accounts during the year ended June 30, 2015.

Auditee Response/Status: Unresolved. See current year finding number 2016-001.

**2015-002. Segregation of Duties**

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County.

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Auditee Response/Status: Unresolved. See current year finding number 2016-002.

# TAYLOR COUNTY, GEORGIA

## MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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### 2016-001. Revenue/Receivables Cycle

**Name of the Contact Person Responsible for the Corrective Action Plan:** Lenda Taunton, County Manager.

**Corrective Action Plan:** The finance department will take appropriate measures to ensure all receivables are appropriately recorded at year-end.

**Anticipated Completion Date:** Future fiscal years.

### 2016-002. Segregation of Duties

**Name of the Contact Person Responsible for the Corrective Action Plan:** Lenda Taunton, County Manager.

**Corrective Action Plan:** The offices are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

**Anticipated Completion Date:** Future fiscal years.

### 2016-003. Capital Assets

**Name of the Contact Person Responsible for the Corrective Action Plan:** Lenda Taunton, County Manager.

**Corrective Action Plan:** The finance department will record all capital asset transactions appropriately as they occur during the year.

**Anticipated Completion Date:** Future fiscal years.