

LAURENS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016

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Issued by: Donna Lumley, Finance Officer
under Authority of the Board of Commissioners

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Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Laurens County, Georgia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Laurens County Public Health Center, a major component unit, whose statements reflect assets constituting 6 percent of total assets at June 30, 2016, and revenues constituting 17 percent of total revenues for the year then ended. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Laurens County Public Health Center, is based on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Budgetary Comparison Schedule – General Fund; Budgetary Comparison Schedule – FY 13-18 SPLOST Fund, Budgetary Comparison Schedule – Permanent Fund, Schedule of the Net Pension Liability – ACCG Pension Plan for Laurens County Employees, Schedule of Contributions – ACCG Restated Pension Plan for Laurens County Employees, Schedule of Notes to Required Supplementary Information – ACCG Pension Plan for Laurens County Employees listed in the table of contents 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Laurens County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds, Schedule of Revenues and Expenditures – Budget and Actual – Family Connection, and Schedule of State

Contractual Assistance – Family Connection, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

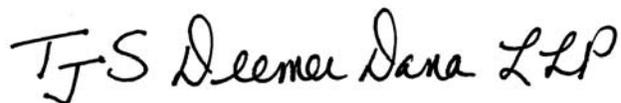
The combining and individual nonmajor fund financial statements, were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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 supplementary information identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2017, on our consideration of Laurens 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 Laurens County, Georgia's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink that reads "TJS Deemer Dana LLP". The signature is written in a cursive, flowing style.

Dublin, Georgia

February 13, 2017

Management's Discussion and Analysis

LAURENS COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Laurens County, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Laurens County for the fiscal year ended June 30, 2016. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

Key financial highlights for FY16 are as follows:

The County's combined net position totaled \$43.9 million. Of this amount, unrestricted net position of \$.97 million may be used to meet the government's ongoing obligations to citizens and creditors.

Combined revenue totaled \$41.2 million of which governmental activities totaled \$40.2 million.

Overall expenses totaled \$38.2 million of which governmental activities totaled \$37.1 million.

Overall the net change in fund balance was a decrease of \$425,495. The net change in the general fund balance was an increase of \$930,332.

As of June 30, 2016, the County's General Fund reported an unassigned fund balance of \$3.7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Laurens County, Georgia's basic financial statements. The County's basic financial statements consist of the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the County's overall financial condition. Changes in the County's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the County's net position changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the County, reporting the County's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental, proprietary, and fiduciary funds. Financial statements for the County's component units are also presented.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note I to the financial statements for more detailed information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire State government (except fiduciary funds) and the County's component units	Activities of the County that are not proprietary or fiduciary	Activities of the County that are operated similar to private business	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows	Statement of fiduciary assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position

Table 2 below presents the County's condensed statement of net position as of June 30, 2016 and 2015.

Table 2: Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business - Type Activities</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets				
Current and other assets	\$ 18,569,471	\$ 19,500,147	\$ 306,797	\$ 189,960
Capital assets	35,298,082	33,436,491	219,318	246,241
Deferred Outflows	511,932	-	-	-
Total Assets	<u>54,379,485</u>	<u>52,936,638</u>	<u>526,115</u>	<u>436,201</u>
Liabilities				
Other liabilities	3,552,788	4,218,041	78,696	2,389
Proportionate share of collective net pension liability	3,192,138	2,143,678	-	-
Long-term liabilities	5,510,000	6,156,123	-	-
Total liabilities	<u>12,254,926</u>	<u>12,517,842</u>	<u>78,696</u>	<u>2,389</u>
Net Position				
Invested in capital assets, net of related debt	29,788,082	25,381,925	219,318	246,241
Restricted	12,941,611	14,298,166	-	-
Unrestricted	739,766	738,705	228,101	187,571
Total net position	<u>\$ 43,469,459</u>	<u>\$ 40,418,796</u>	<u>\$ 447,419</u>	<u>\$ 433,812</u>

The largest component of the County's net position is its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The County uses these capital assets to provide services to the citizens and businesses in the County; consequently, these net position are not available for future spending. Restricted net position represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net position is unrestricted, which can be used to finance government operations.

Condensed Statement of Activities

Table 3 below presents the County's condensed statement of activities for the fiscal years ended June 30, 2016 and 2015. Over time, increases and decreases in net position measure whether the County's financial position is improving or deteriorating.

Table 3: Condensed Statement of Activities

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues				
Program revenues:				
Charges for services	\$ 10,792,688	\$ 10,319,706	\$ 621,695	\$ 601,618
Operating grants & contributions	956,457	656,774	-	-
Capital grants & contributions	1,379,499	1,158,473	385,135	293,142
General revenues:				
Property taxes	10,691,335	8,545,629	-	-
Other taxes	16,060,169	14,786,868	-	70,860
Other revenues	277,814	341,027	279	276
Total Revenues	<u>40,157,962</u>	<u>35,808,477</u>	<u>1,007,109</u>	<u>965,896</u>
Expenses				
General government	11,872,667	11,600,331	-	-
Judicial	3,512,240	3,317,382	-	-
Public safety	14,383,409	13,535,612	-	-
Public works	5,552,369	5,426,625	-	-
Health and welfare	311,440	295,882	-	-
Conservation and natural resources	1,088,403	1,088,257	-	-
Housing & development	274,196	5,184,905	-	-
Interest on long-term debt	194,303	188,339	-	-
Sanitation	-	-	993,502	1,012,647
Total Expenses	<u>37,189,027</u>	<u>40,637,333</u>	<u>993,502</u>	<u>1,012,647</u>
Increase (decrease) in net position before gain (loss) and transfers	2,968,935	(4,828,856)	13,607	(46,751)
Gain (loss) on sale of capital assets	81,728	128,987	-	-
Transfers	-	-	-	-
Change in net position	3,050,663	(4,699,869)	13,607	(46,751)
Beginning net position	40,418,796	46,717,534	433,812	480,563
Restatement of Prior Year Net Position	-	(1,598,869)	-	-
Ending net position	<u>\$ 43,469,459</u>	<u>\$ 40,418,796</u>	<u>\$ 447,419</u>	<u>\$ 433,812</u>

During the fiscal year ending June 30, 2016, the net position of the government activities increased \$3,050,663 or 7.5%. Total revenues for 2016 increased by \$4,349,485 or 12.1%. The increase was mainly due to property taxes and other taxes which had a net increase of \$2,145,706 and \$1,273,301, respectively. Total expenses for 2016 decreased by \$3,448,306 or 8.5%. The main reason for the decrease in expenses in 2016 was due to decreases in housing and development in the amount of \$4,910,709. The decrease in the development housing and development category was due to the County transferring title to land and a building to the Dublin-Laurens County Development Authority in 2015.

Approximately 26.6% of the County's revenues came from property taxes and approximately 40.0% came from other taxes. Approximately 26.9% of the County's revenues came from charges for services and approximately 6.5% came from grants and other revenues. Although a majority of the County's expenses are financed by property taxes and other taxes, the County continues to rely heavily on revenues from charges for services to fund its budget. The County's expenses cover a range of services with 38.7% related to public safety, 14.9% related to public works, 31.9% related to general government activities which includes the tax commissioner and tax assessor, and 9.4% related to judicial activities.

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities for the fiscal year ended June 30, 2016 and 2015.

**Table 4: Program Expenses and Revenues
for Governmental Activities**

Programs	2016		Net Program Expenses (Revenues)(b)
	Program Expenses	Program Revenues	
General government	\$ 11,872,667	\$ 7,077,776	\$ 4,794,891
Judicial	3,512,240	2,467,393	1,044,847
Public safety	14,383,409	1,888,079	12,495,330
Public works	5,552,369	1,461,113	4,091,256
Health and welfare	311,440	234,283	77,157
Conservation and natural resources	1,088,403	-	1,088,403
Housing and development	274,196	-	274,196
Interest on long-term debt	194,303	-	194,303
Totals	<u>\$ 37,189,027</u>	<u>\$ 13,128,644</u>	<u>\$ 24,060,383</u>

Programs	2015		Net Program Expenses (Revenues)(b)
	Program Expenses	Program Revenues	
General government	\$ 11,600,916	\$ 7,043,406	\$ 4,557,510
Judicial	3,317,382	2,340,228	977,154
Public safety	13,535,612	1,742,200	11,793,412
Public works	5,426,625	779,890	4,646,735
Health and welfare	295,882	229,229	66,653
Conservation and natural resources	1,088,257	-	1,088,257
Housing and development	5,184,905	-	5,184,905
Interest on long-term debt	188,339	-	188,339
Totals	<u>\$ 40,637,918</u>	<u>\$ 12,134,953</u>	<u>\$ 28,502,965</u>

(b) Net program expenses are mainly supported by taxes

Program revenues are allocated based on which program collects the revenue. Therefore, judicial program expenses are more adequately covered by charges for services due to the allocation of traffic fines issued by public safety, but collected by Probate Court. Overall, program revenues were not sufficient to cover

program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, mainly taxes.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

As of the close of the fiscal year, the County's governmental funds reported a combined ending fund balance of \$16,799,435 with \$7,349,383 reported as non-spendable, \$5,741,611 reported as restricted, and a \$3,708,441 unassigned fund balance.

The General Fund is the operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,708,441 and total fund balance was \$3,846,658. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 19.0% of total General Fund expenditures, while total fund balance represents 19.7%. The net change in the General Fund's fund balance for the fiscal year ended June 30, 2016 was an increase of \$930,332 or 31.9%. The reason for the increase in the fund balance was mainly due to an increase in property and other taxes.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the County may revise the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; 3) increases in appropriations that become necessary to maintain services. There were no budget amendments during the fiscal year ended June 30, 2016.

The actual operating revenues of the General Fund exceeded the final budgeted amounts by \$880,768. The major factor contributing to the favorable variance was due to an increase in taxes by \$797,120.

The actual operating expenditures of the General Fund did not exceed the final budgeted amounts by \$477,964. The main reason for the favorable variance was due to cost savings in Public Safety which created a favorable variance of \$401,077. Unfortunately, the County did have to transfer out of \$346,208 more than budgeted due to higher health insurance costs than anticipated.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

At June 30, 2016, the County reported \$35,298,082 in capital assets for governmental activities. Major capital asset transactions during the year were the completion of a new health department building as well as several paving and resurfacing projects. Also, equipment was purchased for emergency management, E-911 system, sheriff department as well as public works. Refer to Note III-D to the financial statements for additional information on capital assets.

At June 30, 2016, the County reported no capital lease debt. Refer to Note III-G to the financial statements for additional information on capital leases. During the Fiscal Year Ending June 30, 2013, the County

issued \$10,890,000 in General Obligation Sales Tax Bonds for various economic development projects of the County. As of June 30, 2016, the principal balance on the bonds was \$5,510,000. The County has also entered into an intergovernmental agreement with the Laurens County Public Facilities Authority, a component unit, to finance the installation of an air conditioning system in the courthouse, construction of EMA/EMS building, construction of t-hangers, road construction, and construction of mental health buildings. Refer to Note III-G to the financial statements for additional information on the long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

As with the rest of the State of Georgia, Laurens County's economic climate for FY 2016 has been a very slow recovery. Revenues such as sales tax appear to have leveled off somewhat but are slowly creeping up. Even with the lower levels of taxes, the Special Local Option Sales Tax continues to assist the County in funding much needed capital outlay projects such as resurfacing infrastructure and purchasing needed equipment for public safety and public works. Laurens County has obtained new industries that are beginning to provide jobs. The economic outlook for FY 2017 appears to be stagnant. It is expected that the tax digest will slightly decrease and that sales tax is anticipated to remain stagnant during FY 2017. However, Laurens County is actively working on bringing industry to this area.

The development of the FY 2017 budget was challenging. Although the County has added new industry, their economic impact will not be felt for a couple of more years. Also, the County is still in a slow economic recovery. Also with the new healthcare legislation that took effect in 2014, businesses will continue to be looking to reduce costs which could mean a sluggish economy. The FY 2017 general fund budget represents an increase over the FY 2016 general fund budget. The millage rate and other charges for services were slightly increased for FY 2016.

Difficult choices have been made as the FY 2017 budget was developed, and it represents a balance between available resources and needs. This balance was achieved using the objectives and priorities established by the Board of Commissioners.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions about this report or requests for additional financial information may be addressed to:

Laurens County Finance Department
117 East Jackson Street
P.O. Box 2011
Dublin, Georgia 31040

Telephone: (478) 272-4755

At June 30, 2016, the County reported no capital lease debt. Refer to Note III-G to the financial statements for additional information on capital leases. During the Fiscal Year Ending June 30, 2013, the County issued \$10,890,000 in General Obligation Sales Tax Bonds for various economic development projects of the County. As of June 30, 2016, the principal balance on the bonds was \$5,510,000. The County has also entered into an intergovernmental agreement with the Laurens County Public Facilities Authority, a component unit, to finance the installation of an air conditioning system in the courthouse, construction of EMA/EMS building, construction of t-hangers, road construction, and construction of mental health buildings. Refer to Note III-G to the financial statements for additional information on the long-term debt.

Basic Financial Statements

LAURENS COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2016

Exhibit 1

	Primary Government			
	Governmental	Business - type	Total	Component Units
	Activities	Activity		
Assets				
Cash and cash equivalents	\$ 11,098,733	\$ 232,158	\$ 11,330,891	5,268,027
Certificates of deposit	154,515	-	154,515	-
Receivables, net of allowances for uncollectible:				
Taxes	305,135	-	305,135	-
Accounts	1,538,580	61,256	1,599,836	317,830
Other	387	-	387	5,318
Due from other governments	1,496,165	-	1,496,165	940,444
Prepaid expenditures	149,383	-	149,383	8,627
Due from component units	5,239,956	-	5,239,956	-
Internal balances	(13,383)	13,383	-	-
Due from primary government	-	-	-	586,892
Capital assets:				
Land and other non-depreciable assets	2,932,648	105,934	3,038,582	1,478,774
Other capital assets, net of depreciation	32,365,434	113,384	32,478,818	11,060,740
Restricted cash and certificates of deposit	-	-	-	4,157,062
Restricted asset - real estate	-	-	-	6,976,260
Note receivable	-	-	-	2,633,429
Total assets	55,267,553	526,115	55,793,668	33,433,403
Deferred Outflows of Resources	511,932	-	511,932	729,542
Total assets and deferred outflows of resources	55,779,485	526,115	56,305,600	34,162,945
Liabilities				
Accounts payable	1,855,482	78,696	1,934,178	166,868
Bank overdraft	-	-	-	-
Accrued expenses	271,591	-	271,591	33,000
Due to others	5,664	-	5,664	292,856
Accrued interest payable	55,100	-	55,100	-
Post employment benefits payable	52,681	-	52,681	-
Premium on bonds payable	306,866	-	306,866	-
Compensated absences payable - current	468,995	-	468,995	74,993
Due to component unit	586,892	-	586,892	-
Due to primary government	-	-	-	5,239,956
Unearned revenue	4,617	-	4,617	-
Long-term obligations:				
Due within one year	1,875,000	-	1,875,000	461,725
Proportionate share of collective net pension liability	3,192,138	-	3,192,138	5,194,054
Due in more than one year	3,635,000	-	3,635,000	11,017,365
Total liabilities	12,310,026	78,696	12,388,722	22,480,817
Deferred Inflows of Resources	-	-	-	492,690
Net Position				
Net investment in capital assets	29,788,082	219,318	30,007,400	9,766,578
Restricted for:				
Special programs	5,741,611	-	5,741,611	-
Economic development	7,200,000	-	7,200,000	4,551,748
Contributions Conference Center	-	-	-	46,666
Post closure care costs	-	-	-	4,029,108
Prior year program income fund	-	-	-	1,198,991
Unrestricted	739,766	228,101	967,867	(8,403,653)
Total net position	\$ 43,469,459	\$ 447,419	\$ 43,916,878	11,189,438

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Services	Contributions	Contributions	Primary Government			
					Charges for	Operating Grants and	Capital Grants and	
					Activities	Activity		
Primary Government								
Governmental Activities:								
General government	\$ 11,872,667	\$ 6,898,181	\$ 115,869	\$ 63,726	\$ (4,794,891)	\$ -	\$ (4,794,891)	\$ -
Judicial	3,512,240	2,401,915	65,478	-	(1,044,847)	-	(1,044,847)	-
Public safety	14,383,409	1,347,252	540,827	-	(12,495,330)	-	(12,495,330)	-
Public works	5,552,369	145,340	-	1,315,773	(4,091,256)	-	(4,091,256)	-
Health and welfare	311,440	-	234,283	-	(77,157)	-	(77,157)	-
Conservation of natural resources	1,088,403	-	-	-	(1,088,403)	-	(1,088,403)	-
Housing and development	274,196	-	-	-	(274,196)	-	(274,196)	-
Interest on long-term debt	194,303	-	-	-	(194,303)	-	(194,303)	-
Total governmental activities	<u>37,189,027</u>	<u>10,792,688</u>	<u>956,457</u>	<u>1,379,499</u>	<u>(24,060,383)</u>	<u>-</u>	<u>(24,060,383)</u>	<u>-</u>
Business - type Activity -								
Sanitation Fund	993,502	621,695	-	385,135	-	13,328	13,328	-
Total primary government	<u>38,182,529</u>	<u>11,414,383</u>	<u>956,457</u>	<u>1,764,634</u>	<u>(24,060,383)</u>	<u>13,328</u>	<u>(24,047,055)</u>	<u>-</u>
Component Units								
Laurens County Solid Waste Management Authority	1,484,713	1,709,196	-	-	-	-	-	224,483
Laurens County Public Facilities Authority	37,379	-	41,000	-	-	-	-	3,621
Dublin-Laurens County Development Authority	1,926,393	379,266	425,870	-	-	-	-	(1,121,257)
Laurens County Public Health Center	8,147,565	1,730,461	6,107,221	-	-	-	-	(309,883)
Total component units	<u>\$ 11,596,050</u>	<u>\$ 3,818,923</u>	<u>\$ 6,574,091</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,203,036)</u>
General revenues:								
Property taxes					10,691,335	-	10,691,335	-
Sales and other taxes					16,060,169	-	16,060,169	-
Intra/inter agency					-	-	-	977,435
Unrestricted investment earnings					17,569	279	17,848	56,438
Bond revenue					-	-	-	116,655
Intergovernmental					63,174	-	63,174	-
Other local funds					-	-	-	219,167
Miscellaneous					197,071	-	197,071	93,741
Gain on disposal of capital assets					81,728	-	81,728	87,488
Total general revenues					<u>27,111,046</u>	<u>279</u>	<u>27,111,325</u>	<u>1,550,924</u>
Change in net position					3,050,663	13,607	3,064,270	347,888
Net position - beginning					40,418,796	433,812	40,852,608	10,841,550
Net position - ending					<u>\$ 43,469,459</u>	<u>\$ 447,419</u>	<u>\$ 43,916,878</u>	<u>11,189,438</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 3

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	FY 13 - 18			Other	Total
	General	SPLOST	Permanent	Governmental Funds	Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,243,756	\$ 4,475,225	\$ 2,018,099	\$ 1,263,798	\$ 11,000,878
Certificates of Deposit	-	-	-	154,515	154,515
Receivables, net of allowances for uncollectibles:					
Taxes	305,135	-	-	-	305,135
Accounts	1,077,258	158,633	-	125,839	1,361,730
Component unit	54,061	-	5,185,895	-	5,239,956
Due from other governments	555,828	734,744	-	205,593	1,496,165
Due from other funds	398,216	-	-	3,408	401,624
Accrued interest receivable	-	-	-	386	386
Prepaid expenditures	138,217	8,426	-	2,740	149,383
Total Assets	\$ 5,772,471	\$ 5,377,028	\$ 7,203,994	\$ 1,756,279	\$ 20,109,772
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	415,530	722,020	\$ -	203,678	\$ 1,341,228
Bank overdraft	-	-	-	-	-
Accrued expenses	221,744	-	-	49,847	271,591
Due to others	-	-	-	5,664	5,664
Due to other funds	255,857	115,877	3,994	278,827	654,555
Unearned revenues	-	-	-	4,617	4,617
Total Liabilities	893,131	837,897	3,994	542,633	2,277,655
Deferred Inflows of Resources -					
Unavailable revenues	1,032,682	-	-	-	1,032,682
Fund Balances:					
Nonspendable for :					
Prepaid expenditures	138,217	8,426	-	2,740	149,383
Economic development	-	-	7,200,000	-	7,200,000
Restricted for:					
Special programs	-	4,530,705	-	1,210,906	5,741,611
Unassigned	3,708,441	-	-	-	3,708,441
Total Fund Balances	3,846,658	4,539,131	7,200,000	1,213,646	16,799,435
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,772,471	\$ 5,377,028	\$ 7,203,994	\$ 1,756,279	\$ 20,109,772

LAURENS COUNTY, GEORGIA

EXHIBIT 4

RECONCILIATION OF NET POSITION –GOVERNMENTAL FUNDS IN THE STATEMENT OF NET POSITION
TO TOTAL FUND BALANCE – GOVERNMENTAL FUNDS ON THE BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2016

Fund balance - total governmental funds	\$ 16,799,435
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.	35,298,082
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,032,682
Post employment benefits used in governmental activities are not financial resources and therefore are not reported in the funds.	(52,681)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Advances from component units	(586,892)
Net pension liability	(3,192,138)
Net deferred inflows(outflows) - pension expense	511,932
Bonds payable	(5,510,000)
Interest on bonds payable	(55,100)
Premium on bonds payable	(306,866)
Compensated absences	<u>(468,995)</u>
Net position of governmental activities	<u>\$ 43,469,459</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	FY 13 - 18			Other	Total
	General	SPLOST	Permanent	Governmental Funds	Governmental Funds
Revenues:					
Taxes	\$ 16,823,480	\$ 8,864,655	\$ -	\$ 915,521	\$ 26,603,656
Licenses and permits	61,390	-	-	-	61,390
Charges for services	2,856,388	-	-	1,009,219	3,865,607
Fines and forfeitures	2,139,910	-	-	265,145	2,405,055
Grant revenues	327,666	8,550	-	1,987,297	2,323,513
Contribution revenues	55,817	-	-	7,357	63,174
Interest income	6,817	5,086	6,996	3,720	22,619
Other revenues	151,015	71,092	-	703	222,810
Total Revenues	<u>22,422,483</u>	<u>8,949,383</u>	<u>6,996</u>	<u>4,188,962</u>	<u>35,567,824</u>
Expenditures:					
Current:					
General government	3,659,524	-	-	361,435	4,020,959
Judicial	2,642,105	-	-	93,023	2,735,128
Public safety	9,679,498	-	-	1,591,452	11,270,950
Public works	1,880,898	842,025	-	756,343	3,479,266
Health and welfare	169,770	-	-	-	169,770
Conservation and natural resources	1,088,403	-	-	-	1,088,403
Housing and development	224,196	50,000	-	-	274,196
Debt Service:					
Principal payments	122,674	1,835,000	-	-	1,957,674
Interest payments	26,613	248,975	-	-	275,588
Intergovernmental payments	-	2,858,171	-	-	2,858,171
Capital outlay	-	5,287,407	-	841,739	6,129,146
Total Expenditures	<u>19,493,681</u>	<u>11,121,578</u>	<u>-</u>	<u>3,643,992</u>	<u>34,259,251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	<u>2,928,802</u>	<u>(2,172,195)</u>	<u>6,996</u>	<u>544,970</u>	<u>1,308,573</u>
Other Financing Sources (Uses):					
Transfers in	11,996	805,243	-	276,398	1,093,637
Transfers out	(2,104,278)	-	(6,996)	(810,243)	(2,921,517)
Proceeds from sale of capital assets	93,812	-	-	-	93,812
Total other financing sources (uses)	<u>(1,998,470)</u>	<u>805,243</u>	<u>(6,996)</u>	<u>(533,845)</u>	<u>(1,734,068)</u>
Net Change in Fund Balances	930,332	(1,366,952)	-	11,125	(425,495)
Fund balances - beginning	<u>2,916,326</u>	<u>5,906,083</u>	<u>7,200,000</u>	<u>1,202,521</u>	<u>17,224,930</u>
Fund balances - ending	<u>\$ 3,846,658</u>	<u>\$ 4,539,131</u>	<u>\$ 7,200,000</u>	<u>\$ 1,213,646</u>	<u>\$ 16,799,435</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 6

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

Net change in fund balances - Total Governmental Funds	\$ (425,495)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position as follows:	
Capital outlay and infrastructure, net of non-capitalized items	6,108,879
Depreciation expenses on governmental capital assets are included in the governmental activities column in the Statement of Net Position but are not shown in the governmental funds.	(4,237,288)
In the Statement of Activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets disposed of.	(10,000)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the Statement of Net Position:	
Bonds payable	1,835,000
Advance from component units	122,674
Revenues in the statement of activities that do not provide financial resources are not reported as revenues in the funds. The amount of unavailable revenues recognized as revenue in the statement of activities changed as follows:	
Property taxes	147,848
Emergency Medical Services Ambulance Fees	(32,708)
Grant revenues	(21,542)
Net pension liability is not available during the current period and therefore is not reported in the funds	
End of Year	(3,192,138)
Beginning of Year	2,143,678
Contributions made after pension measurement date are reported in deferred outflows.	
End of Year	511,932
Beginning of Year	-
Amortization on premium on bonds payable are reported in the government-wide statement of activities, but but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	136,970
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 -	
Accrued interest payable	(55,100)
Compensated absences	17,953
Change in Net Position of Governmental Activities	<u>\$ 3,050,663</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 7

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 16,026,360	\$ 16,026,360	\$ 16,823,480	\$ 797,120
Licenses and permits	49,750	49,750	61,390	11,640
Grant revenues	274,255	274,255	327,666	53,411
Intergovernmental Contributions	-	-	55,817	55,817
Charges for services	2,637,500	2,637,500	2,856,388	218,888
Fines and forfeitures	2,417,950	2,417,950	2,139,910	(278,040)
Interest income	4,750	4,750	6,817	2,067
Miscellaneous revenues	<u>131,150</u>	<u>131,150</u>	<u>151,015</u>	<u>19,865</u>
Total Revenues	<u>21,541,715</u>	<u>21,541,715</u>	<u>22,422,483</u>	<u>880,768</u>
Expenditures:				
General government	3,503,490	3,503,490	3,659,524	(156,034)
Judicial	2,703,245	2,703,245	2,642,105	61,140
Public safety	10,080,575	10,080,575	9,679,498	401,077
Public works	2,004,885	2,004,885	1,880,898	123,987
Health and welfare	172,295	172,295	169,770	2,525
Conservation of natural resources	1,088,300	1,088,300	1,088,403	(103)
Housing and development	228,765	228,765	224,196	4,569
Debt service	<u>190,090</u>	<u>190,090</u>	<u>149,287</u>	<u>40,803</u>
Total Expenditures	<u>19,971,645</u>	<u>19,971,645</u>	<u>19,493,681</u>	<u>477,964</u>
Excess of Revenues Over Expenditures	<u>1,570,070</u>	<u>1,570,070</u>	<u>2,928,802</u>	<u>1,358,732</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	180,000	180,000	93,812	(86,188)
Transfers in	8,000	8,000	11,996	3,996
Transfers out	<u>(1,758,070)</u>	<u>(1,758,070)</u>	<u>(2,104,278)</u>	<u>(346,208)</u>
Total Other Financing Sources (Uses)	<u>(1,570,070)</u>	<u>(1,570,070)</u>	<u>(1,998,470)</u>	<u>(428,400)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	-	930,332	930,332
Fund Balance, Beginning	<u>2,916,326</u>	<u>2,916,326</u>	<u>2,916,326</u>	-
Fund Balance, Ending	<u>\$ 2,916,326</u>	<u>\$ 2,916,326</u>	<u>\$ 3,846,658</u>	<u>\$ 930,332</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 8

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Enterprise Fund-Other Sanitation Fund	Internal Service Funds
	<u> </u>	<u> </u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 232,158	\$ 97,855
Accounts receivable, net of allowance for uncollectibles	61,256	176,850
Due from other funds	<u>13,383</u>	<u>239,549</u>
Total current assets	<u>306,797</u>	<u>514,254</u>
Noncurrent Assets:		
Capital assets:		
Nondepreciable assets	105,934	-
Depreciable assets, net of depreciation	<u>113,384</u>	<u>-</u>
Total capital assets, net	<u>219,318</u>	<u>-</u>
Total Assets	<u>526,115</u>	<u>514,254</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	<u>78,696</u>	<u>514,254</u>
Due to primary government	-	-
Due to other funds	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>78,696</u>	<u>514,254</u>
NET POSITION		
Net investment in capital assets	219,318	-
Unrestricted	<u>228,101</u>	<u>-</u>
Total Net Position	<u>\$ 447,419</u>	<u>\$ -</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 9

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

	<u>Enterprise Fund-Other Sanitation Fund</u>	<u>Internal Service Funds</u>
Operating Revenues:		
Insurance premiums	\$ -	\$ 2,668,003
Refuse collection charges	612,338	-
Other income	9,357	-
Total operating revenues	<u>621,695</u>	<u>2,668,003</u>
Operating Expenses:		
Other professional services	915,225	-
Depreciation expense	26,923	-
Other Expenses	51,354	-
Reinsurance premiums	-	195,545
Employee insurance claims	-	4,300,374
Total operating expenses	<u>993,502</u>	<u>4,495,919</u>
Operating Loss	<u>(371,807)</u>	<u>(1,827,916)</u>
Non-operating Revenues:		
Interest income	279	36
Insurance premium tax	385,135	-
Gain on sale of capital assets	-	-
Total non-operating revenues	<u>385,414</u>	<u>36</u>
Loss Before Transfers	<u>13,607</u>	<u>(1,827,880)</u>
Transfers -		
Transfers in	-	1,827,880
Change in Net Position	13,607	-
Total Net Position, Beginning	<u>433,812</u>	<u>-</u>
Total Net Position, Ending	<u>\$ 447,419</u>	<u>\$ -</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 10

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

	<u>Enterprise Fund-Other Sanitation Fund</u>	<u>Enterprise Fund-Other Internal Service Funds</u>
Cash Flows from Operating Activities:		
Receipts from employees	\$ -	\$ 933,799
Receipts from customers and others	606,829	-
Receipts from primary government	-	1,590,800
Payments to others	(915,227)	-
Payments to suppliers	101,904	-
Payments to insurance companies	-	(4,296,723)
Net cash used in operating activities	<u>(206,494)</u>	<u>(1,772,124)</u>
Cash Flows from Non-Capital and Related Financing Activities:		
Insurance premium tax	385,135	-
Transfers from the primary government	-	1,827,880
Net cash provided by non-capital and related financing activities	<u>385,135</u>	<u>1,827,880</u>
Cash Flows from Capital and Related Financing Activities -		
Proceeds from sales of capital assets	-	-
Net cash provided by capital and related financing activities	-	-
Cash Flows from Investing Activities -		
Interest income	279	36
Net decrease in cash and cash equivalents	178,920	55,792
Balances - beginning of year	<u>53,238</u>	<u>42,063</u>
Balances - end of year	<u>\$ 232,158</u>	<u>\$ 97,855</u>
Reconciliation of operating loss to net cash used in Operating Activities:		
Operating loss	\$ (371,807)	\$ (1,827,916)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	26,923	-
Net change in assets and liabilities attributable to operations:		
Accounts receivable	(14,866)	(120,949)
Prepaid expenses	76,949	-
Due to primary government	-	-
Accounts payable	76,307	320,143
Due to other funds	-	(143,402)
Net cash used in operating activities	<u>\$ (206,494)</u>	<u>\$ (1,772,124)</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 11

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

	<u>Agency Funds</u>
Assets:	
Cash	\$ 1,491,334
Due from others	<u>-</u>
Total Assets	<u>\$ 1,491,334</u>
Liabilities:	
Due to other governments	\$ 1,199,317
Funds held in escrow	28,207
Other liabilities	<u>263,810</u>
Total Liabilities	<u>\$ 1,491,334</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 12

COMBINING UNITS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Component Units				Total
	Solid Waste Management Authority	Public Facilities Authority	Development Authority	Public Health Center	
Assets					
Cash and cash equivalents	1,322,786	119,379	247,850	3,578,012	5,268,027
Receivables, net of allowances for uncollectible:					
Accounts	184,024	-	17,500	116,306	317,830
Due from other governments	-	-	-	940,444	940,444
Accrued interest receivable	5,318	-	-	-	5,318
Prepaid expenditures	8,627	-	-	-	8,627
Due from primary governments	-	586,892	-	-	586,892
Capital assets:					
Land and other non-depreciable assets	288,824	-	1,189,950	-	1,478,774
Other capital assets, net of depreciation	2,178,213	-	8,592,686	289,841	11,060,740
Restricted cash and certificates of deposit	4,029,108	-	127,954	-	4,157,062
Restricted asset - real estate	-	-	6,976,260	-	6,976,260
Note receivable	-	-	2,633,429	-	2,633,429
Total assets	<u>8,016,900</u>	<u>706,271</u>	<u>19,785,629</u>	<u>4,924,603</u>	<u>33,433,403</u>
Deferred Outflows of Resources	-	-	-	729,542	729,542
Total assets and deferred outflows of resources	<u>8,016,900</u>	<u>706,271</u>	<u>19,785,629</u>	<u>5,654,145</u>	<u>34,162,945</u>
Liabilities					
Accounts payable	35,884	-	3,055	127,929	166,868
Accrued expenses	24,359	8,641	-	-	33,000
Due to others	-	-	-	292,856	292,856
Compensated absences payable - current	12,074	-	-	62,919	74,993
Due to primary government	54,061	-	5,185,895	-	5,239,956
Long-term obligations:					
Due within one year	184,617	174,000	103,108	-	461,725
Proportionate share of collective net pension liability	-	-	-	5,194,054	5,194,054
Due in more than one year	7,729,819	668,000	2,367,870	251,676	11,017,365
Total liabilities	<u>8,040,814</u>	<u>850,641</u>	<u>7,659,928</u>	<u>5,929,434</u>	<u>22,480,817</u>
Deferred Inflows of Resources	-	-	-	492,690	492,690
Net Position					
Net investment in capital assets	2,165,079	-	7,311,658	289,841	9,766,578
Restricted for:					
Economic development	-	-	4,551,748	-	4,551,748
Contributions Conference Center	-	-	46,666	-	46,666
Post closure care costs	4,029,108	-	-	-	4,029,108
Prior year program income fund	-	-	-	1,198,991	1,198,991
Unrestricted	(6,218,101)	(144,370)	215,629	(2,256,811)	(8,403,653)
Total net position	<u>(23,914)</u>	<u>(144,370)</u>	<u>12,125,701</u>	<u>(767,979)</u>	<u>11,189,438</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA

EXHIBIT 13

COMBINING UNITS
COMBINING STATEMENT OF ACTIVITIES
FIDUCIARY FUNDS
JUNE 30, 2016

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Solid Waste Management Authority	Public Facilities Authority	Development Authority	Public Health Center	Total
Primary Government									
Component Units									
Governmental Activities									
Laurens County Solid Waste Management Authority	\$ 1,484,713	\$ 1,709,196	\$ -	\$ -	\$ 224,483	\$ -	\$ -	\$ -	\$ 224,483
Laurens County Public Facilities Authority	37,379	-	41,000	-	-	3,621	-	-	3,621
Dublin-Laurens County Development Authority	1,926,393	379,266	425,870	-	-	-	(1,121,257)	-	(1,121,257)
Laurens County Public Health Center	8,147,565	1,730,461	6,107,221	-	-	-	-	(309,883)	(309,883)
Total component units	<u>11,596,050</u>	<u>3,818,923</u>	<u>6,574,091</u>	<u>-</u>	<u>224,483</u>	<u>3,621</u>	<u>(1,121,257)</u>	<u>(309,883)</u>	<u>(1,203,036)</u>
General revenues:									
Intra/inter agency								977,435	977,435
Unrestricted investment earnings					27,041	26,885	2,512	-	56,438
Bond revenue							116,655	-	116,655
Other local funds								219,167	219,167
Miscellaneous							84,795	8,946	93,741
Gain on disposal of capital assets					87,488				87,488
Total General Revenues and Transfers					<u>114,529</u>	<u>26,885</u>	<u>203,962</u>	<u>1,205,548</u>	<u>1,550,924</u>
Changes in net position					339,012	30,506	(917,295)	895,665	347,888
Net Position - beginning					<u>(362,926)</u>	<u>(174,876)</u>	<u>13,042,996</u>	<u>(1,663,644)</u>	<u>10,841,550</u>
Net Position - ending					<u>\$ (23,914)</u>	<u>\$ (144,370)</u>	<u>\$ 12,125,701</u>	<u>\$ (767,979)</u>	<u>\$ 11,189,438</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Laurens County, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to Government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the County are described below.

A. Reporting Entity

The County is a local municipality governed by an elected five-member board of commissioners. As required by generally accepted accounting principles, these financial statements present the Government and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. The component unit column in the government-wide financial statements (see note below for description) includes the financial data of the County's discretely presented component units. Each discretely presented component unit is reported in a separate column to emphasize it is legally separate from the County.

Component Units and Related Entities

Blended Component Units:

Alternative Dispute Resolution Program – The Alternative Dispute Resolution Program was created under the provisions of O.C.G.A. Section 15-23-1. The Alternative Dispute Resolution Program was established for the resolution of disputes in any method other than litigation. Under the provisions of this code each county must create a board consisting of the Chief Judge of the Superior Court of the circuit in which the county is located, the Senior Judge of the State Court, the Judge of the Probate Court, the Chief Magistrate, the Clerk of the Superior Court, and one practicing attorney appointed by other members of the board. The board has the power to provide for the collection of charges in each civil action or case filed in the superior, state, probate and magistrate courts; to manage, control and direct funding for the program and the expenditures made there from; to distribute the funding coming into the program in such a manner and subject to such terms and limitations as the board, in its discretion, shall determine will best meet the purpose of this code; to contract for the investment, pooling and expenditure of funds; to adopt such rules and regulations as may be necessary to manage the program; to exercise all other powers necessary for proper administration of the funding mechanism provided for in the code. A separate set of financial statements is not issued. This program is reported as a blended special revenue fund.

Discretely Presented Component Units:

Laurens County Public Facilities Authority - The Laurens County Public Facilities Authority was created by the Georgia General Assembly to serve as a building financing vehicle for the various governmental entities of the County. It is governed by a board comprised of two of the Government's elected officials with the remaining portion of the board appointed by the Government's elected council. The Authority's operations were audited in conjunction with the County audit and are shown in the government-wide financial statements. However, a separate set of financial statements is not issued.

LAURENS COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Laurens County Solid Waste Management Authority - The Solid Waste Management Authority (SWMA) is responsible for maintaining the County's landfill. It serves all citizens of the County and is governed by a board comprised of three of the Government's elected officials with the remaining portion of the board appointed by the Government's elected council. The rates for user charges and bond issuance authorizations are approved by the Government's council and the legal liability for the Authority's debt remains with the Government. A separate set of financial statements has been issued. The Laurens County Solid Waste Management Authority is presented as a proprietary fund. The component unit maintains a June 30 fiscal year, and the financial statements as of and for the year ended June 30, 2016 are included in the reporting entity's 2016 financial statements. During the year ended June 30, 2016, the primary source of income for the Authority was user fees in the amount of \$1,709,196. At June 30, 2016, the liability to the County from the Authority was \$54,061.

Complete financial statements can be obtained at the entity's administrative office.

Laurens County Solid Waste Management Authority
Courthouse Square
P.O. Box 2011
Dublin, GA 31040

Laurens County Public Health Center - The Public Health Center is primarily responsible for providing basic medical care to the indigent citizens within Laurens County. The County Board of Commissioners appoints a majority of the governing body of the component unit. The Center's major assets consist of capital assets. The County Commissioners have the authority to remove appointed members of the governing board at will and the power to exercise a legal claim to the Center's assets upon termination of existence. The component unit maintains a June 30 fiscal year and the financial statements as of and for the year ended June 30, 2016 are included in the reporting entity's 2016 financial statements. During the year ended June 30, 2016, the primary source of income for the Center was grant income in the amount of \$6,107,221 received from the Georgia Department of Human Resources. At June 30, 2016, the liability to the County from the Center was \$-0-.

Complete financial statements can be obtained at the entity's administrative office.

Laurens County Public Health Center
2121-B Bellevue Road
Dublin, GA 31021

Dublin-Laurens County Development Authority - The Dublin-Laurens County Development Authority was formed to promote the economic and industrial development in the Dublin-Laurens County, Georgia area. The County Board of Commissioners appoints a majority of the governing body of the component unit. The Authority's major assets consist of capital assets. The County Commissioners have the authority to remove appointed members of the governing board at will and the power to exercise a legal claim to the Center's assets upon termination of existence.

During the year ended June 30, 2016, the County awarded operating grants to the Authority in the amount of \$110,000.

Complete financial statements can be obtained at the entity's administrative office.

Dublin-Laurens County Development Authority
1200 Bellevue Avenue
Dublin, GA 31021

Related Organizations - The County Commissioners appoint a majority of the board members of the Department of Family and Children Services and the Laurens County Library. In 2016, the County appropriated operating grants to these agencies of \$9,000 and \$378,455, respectively.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants 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 are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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 fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 will be collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and other revenues to be available if they are collected within 180 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, franchise taxes, licenses and interest 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *General Fund* is the general operating fund of Laurens County, Georgia. It is used to account for all financial resources of the general Government, except those required to be accounted for in another fund.

The *FY 13 – 18 SPLOST Fund* accounts for the special purpose local option sales tax proceeds collected for the acquisition or construction of major capital projects and payment of County debt.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

The *Permanent Fund* accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's economic development programs.

Additionally, the County reports the following fund types:

The *Enterprise Fund – The Sanitation Fund*, accounts for the activities of the County's sanitation operations.

The *Internal Service Funds* account for the financing of goods or services provided by one department or division to other departments or agencies of the Government on a cost-reimbursement basis. The self-funded Employee Insurance Fund is accounted for as an Internal Service Fund.

The *Agency Funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Government holds for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government – wide financial statements. Exceptions to the general rule are interfund services provided and used are eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenue for the various functions concerned.

Governmental activities have been consolidated in the government-wide financial statements. Total governmental funds have been combined with internal service balances and general capital assets and long term liabilities. The effect of interfund activity has been removed from the government-wide financial statements. Due to/from other funds have been eliminated as well as transfers between funds. The net operating loss from internal service funds has been charged to the functional expense categories based on employee insurance claims submitted by department.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 County's internal service funds are employee payroll deductions and the County's matching contributions for employee health insurance. The principal operating revenue of the Sanitation Enterprise Fund are charges for sales and services.

Operating expenses for the internal service funds include the cost of employee health insurance and claims. Operating expenses for the Sanitation Enterprise Fund include the cost of sales 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 Government's policy to use restricted resources first, then unrestricted resources as they are needed.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

D. Assets, Liabilities and Net Position or Equity

1. **Deposits and Investments** - Cash includes amounts in both interest-bearing and non-interest-bearing demand deposits. State statutes authorize the Government to invest in obligations of the U.S. Treasury, obligations of the State of Georgia or any other states, obligations fully insured or guaranteed by the United States government or governmental agency, Local Government Investment Pool, commercial paper, corporate bonds, obligation of other political subdivisions of the State of Georgia and repurchase agreements. Any bank deposit in excess of the total FDIC insured amount must be secured by an equivalent amount of State or U.S. obligations.

Investments are recorded at cost or amortized cost plus accrued interest, which approximates market value. The reported value of the Local Government Investment Pool is the same as the fair value of the pool shares. For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

2. **Receivables and Payables** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The current portion of these interfund receivables and payables are classified as "due from other funds" or "due to other funds" in the governmental funds. All other outstanding balances between funds are reported as "interfund receivables/payables." Any residual balances are reported in the government-wide financial statements as "internal balances." Non-current portions of long-term interfund loans receivable/payable are reported as "advances to other funds" or "advances from other funds". Advances receivable in the Governmental funds are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 22 percent of outstanding property taxes at June 30, 2016.

Property taxes are levied as of January 1 on property values assessed as of the same date. The County's property taxes are levied on the assessed values of all real and personal property including mobile homes and motor vehicles located in the County. The tax levy is usually billed on August 1.

The County bills and collects its own property taxes and also those for the School Board and the State. Only the County's tax levy is recognized as revenue when levied and uncollected taxes are recorded as deferred in the general fund.

3. **Prepaid Items** - For prepaid expenditures in the government-wide and fund financial statements, the County reports the expenditures during the benefiting period.
4. **Restricted Assets** – Certain assets, which include cash of the Laurens County Solid Waste Management Authority, are classified as restricted assets because their use is completely restricted to the payment of post-closure costs when the landfill is closed.
5. **Capital Assets** – Capital assets, which include property, plant equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. GASB statement 37 prohibits the capitalization of interest on assets constructed for use in governmental activities.

LAURENS COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

However, interest from debt not considered to be general long-term debt may be included as part of the cost of assets constructed for business-type activities. The total interest expense incurred by the County during the current fiscal year was \$139,203. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with public building construction projects.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40
Furniture and fixtures	10
Machinery and equipment	5
Vehicles	5
Infrastructure	10-30

6. **Deferred Outflows/Inflows of Resources** – In addition to assets, the statement of financial 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 a future period(s) and so will not be recognized as an outflow of resources until then. The County has a deferred charge in pension expense that is represented on this financial statement line item. This deferred charge represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next fiscal year.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports unavailable revenues from property taxes on this financial statement line item. This item only arises under the modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

7. **Compensated Absences** - It is the Government'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 Government does not have a policy to pay any amounts when employees separate from service with the Government. 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 the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.
8. **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 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 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.

9. **Fund Equity/Net Position** - 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."

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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 the 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 Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

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 resolution, the County Commissioners can authorize a designee to assign fund balance.

Unassigned – Fund balances are reported as unassigned 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.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The County does not have a formal minimum fund balance policy; however, the Board of Commissioners address various targeted reserve positions and the Finance Department calculates targets and actual and reports the results to the Board of Commissioners on an annual basis.

Net Position

Net position represents the difference between assets and liabilities.

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction or improvement of the assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted.

Restricted net position – This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position.”

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

Net Investments in Capital Assets

The “net investment in capital assets” reported on the government-wide statement of net position as of June 30, 2016, are as follows:

<u>Net investment in capital assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Cost of capital assets	\$ 96,174,684	\$ 1,216,449
Less accumulated depreciation	<u>(60,876,602)</u>	<u>(997,131)</u>
Book value	35,298,082	219,318
Less capital related debt	<u>(5,510,000)</u>	<u>-</u>
Net investments in capital assets	<u>\$ 29,788,082</u>	<u>\$ 219,318</u>

10. **Pensions** – For purposes of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association of County Commissioners of Georgia (ACCG) Restated Pension Plan for Laurens County Employees (Plan) and additions to/from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
11. **Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The annual budget is the financial plan for the operation of Laurens County, Georgia for the ensuing annual period. The budget process provides for a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the Government. Laurens County budgets are adopted on a basis generally consistent with GAAP; except that encumbrances are treated as budgeted expenditures in the year the commitment to purchase is incurred. Annual appropriated budgets are adopted for the general fund, the capital projects funds and the special revenue funds. All unencumbered appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

The Laurens County budget process begins in April with the department and agency heads submitting their departmental budgets. The County’s finance department formulates and remits the budget to the budget committee, which is made up of all members of the Laurens County Commission. The County Administrator and Finance Director conduct budget hearings with all departments and agencies with any unresolved differences being presented to the Board of Commissioners. After review by the Commissioners, a final budget is approved when the budget resolution is adopted.

The County Finance Director is delegated the authority to transfer sums within departments. No increase in the departmental budget for the County may be made without the approval of the Board of Commissioners and amendment to the budget. Mid-year budget amendments are presented, where necessary, for adoption by the Commissioners. The general fund is subject to budgetary control on a department basis. The County did not amend the budget during the year ended June 30, 2016.

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

Unencumbered appropriations in the annual operating budget lapse at fiscal year end while encumbered appropriations are paid from reserved fund balances. When the County's expenditures reach the authorization provided by the operating budget, the Board of Commissioners approves supplemental appropriations.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is utilized in the Governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services are yet to be received. There were no outstanding encumbrances as of June 30, 2016.

B. Budget/GAAP Reconciliation

Prior year encumbrances expended in the current year are not included in the current budget. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund (Exhibit 7) has been prepared on the basis described above.

The schedule below reconciles the fund's Excess Revenues and Other Sources Over (Under) Expenditures - GAAP Basis with amounts presented on the Budget Basis.

Excess of Revenues and Other Financial Sources Over Expenditures and Other Financing Uses:	
Budget Basis	\$ 930,332
Add - New encumbrances - current year	-
Deduct - Prior year encumbrances expended	-
Generally Accepted Accounting Principles (GAAP) Basis	<u>\$ 930,332</u>

No budgets were adopted for the Sheriff Commissary, Law Library, Alternative Dispute Resolution, or the Judicial Services Funds during the fiscal year ended June 30, 2016.

C. Deficit Fund Balance

The TSPLOST Capital Fund had a deficit fund balance in the amount of \$82,732 as of June 30, 2016. The deficit fund balance will be liquidated from TSPLOST proceeds.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Government’s deposits may not be returned to it. Neither the Government nor its components units, have a deposit policy for custodial credit risk. As of June 30, 2016, none of the Government’s bank balance was exposed to custodial credit risk, as these deposits were fully insured and collateralized.

State Statues require collateral pledged in the amount of 110% of deposits. Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below:

Under the *dedicated method*, a depository shall secure the deposits of each of its public depositors separately.

Under *the pooled method*, a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1.

Investments - As of June 30, 2016, the County had invested \$1,354,142 into the local Government investment pool or “Georgia Fund 1”. The pool was created by OCGA 36-83-8, is a stable net asset value investment pool and is currently rated AA+ by Standard and Poor’s. It is managed by the Office of the State Treasurer. “Georgia Fund 1” operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

Net asset value is calculated daily and reported to the rating agency weekly to ensure stability. “Georgia Fund 1” is the combined state general fund and local government investment pool. The pool’s primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value).

Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant’s shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 deposits are not guaranteed or insured by any bank, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any State agency.

As of June 30, 2016, the County did not have a formal investment policy. Additional disclosures with regards to deposits and investments can be located in the *Summary of Significant Accounting Policies* under the *Assets, Liabilities and Equity* section.

B. Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of fair market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be declared and reported on a return for tax purposes by May 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, the Board of Tax Assessors of Laurens County makes all assessments.

Upon completion of all assessments and tax returns, the information is turned over to the Laurens County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. If not, the commissioner may require an across the board percentage adjustment to all real property. The County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes must be paid by the birth date of the owner of the vehicle. Property taxes are usually levied on August 1, of each year. Real and personal property taxes are due by December 1 and considered delinquent by December 2. Property taxes are attached as an enforceable lien on the day the taxes become delinquent.

The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available (collected within 60 days of year-end) as net current assets.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

In the accompanying financial statements, the portion of the property tax levy for the tax year 2016 collected during the current year has been recognized as revenue.

Property taxes receivable at June 30, 2016, is composed of the following:

Year of Levy:	
2015	222,984
2014	65,899
2013	33,195
2012	15,658
2011	1,699
2010	40,415
2009	3,288
Prior to 2009	<u>5,664</u>
Total	388,802
Less - allowance for uncollectible	<u>83,667</u>
Net receivable	<u>\$ 305,135</u>

C. Accounts Receivable

Receivables at June 30, 2016 for the County's individual major funds and non-major governmental and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Permanent</u>	<u>FY 13 - 18 SPLOST</u>	<u>Internal Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:						
Taxes	\$ 388,802	\$ -	\$ -	\$ -	\$ -	\$ 388,802
Accounts	1,077,258	-	158,633	176,850	125,839	1,538,580
Intergovernmental	<u>555,828</u>	<u>-</u>	<u>734,744</u>	<u>-</u>	<u>205,593</u>	<u>1,496,165</u>
Gross receivables	2,021,888	-	893,377	176,850	331,432	3,423,547
Less: Allowance for Uncollectibles	<u>(83,667)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,667)</u>
Net total receivables	<u>\$ 1,938,221</u>	<u>\$ -</u>	<u>\$ 893,377</u>	<u>\$ 176,850</u>	<u>\$ 331,432</u>	<u>\$ 3,339,880</u>

Receivables as of June 30, 2016 for the County's enterprise funds, including applicable allowances for uncollectible accounts are as follows:

Receivables - Accounts	\$ 70,592
Less: Allowance for Uncollectibles	<u>(9,336)</u>
Net total receivables	<u>\$ 61,256</u>

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

Discretely Presented Component Units

Trade receivables from the Laurens County Solid Waste Management Authority, Public Facilities Authority, Development Authority and Public Health Center as of June 30, 2016 are as follows:

	<u>Solid Waste Management Authority</u>	<u>Public Facilities Authority</u>	<u>Development Authority</u>	<u>Public Health Center</u>	<u>Total</u>
Receivables:					
Accounts	\$ 201,770	\$ -	\$ 17,500	\$ 116,306	\$ 335,576
Interest	5,318	-	-	-	5,318
Intergovernmental	-	-	-	940,444	940,444
Gross receivables	207,088	-	17,500	1,056,750	1,281,338
Less: Allowance for Uncollectibles	<u>(17,746)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,746)</u>
Net total receivables	<u>\$ 189,342</u>	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ 1,056,750</u>	<u>\$ 1,263,592</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 264,816	\$ -
EMS fees receivable (General Fund)	703,105	-
Intergovernmental reimbursements	64,761	-
Grant drawdowns prior to meeting all eligibility requirements (Grant Fund)	<u>-</u>	<u>4,617</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 1,032,682</u>	<u>\$ 4,617</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

D. Capital Assets

Primary Government

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

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets not being depreciated-				
Land	\$ 2,896,991	\$ 35,657	\$ -	\$ 2,932,648
Other capital assets:				
Buildings and other improvements	19,790,555	776,566	10,000	20,557,121
Infrastructure	37,279,341	2,930,796	-	40,210,137
Machinery and equipment	17,418,679	1,042,341	189,398	18,271,622
Depreciable site improvements	2,635,464	-	-	2,635,464
Vehicles	10,517,421	1,323,519	273,248	11,567,692
Total other capital assets at historical cost	87,641,460	6,073,222	472,646	93,242,036
Less accumulated depreciation for:				
Buildings and other improvements	(6,652,613)	(504,680)	-	(7,157,293)
Infrastructure	(26,350,231)	(2,275,579)	-	(28,625,810)
Machinery and equipment	(14,856,933)	(800,395)	(189,398)	(15,467,930)
Depreciable site improvements	(482,498)	(12,052)	-	(494,550)
Vehicles	(8,759,685)	(644,582)	(273,248)	(9,131,019)
Total accumulated depreciation	(57,101,960)	(4,237,288)	(462,646)	(60,876,602)
Other capital assets, net	30,539,500	1,835,934	10,000	32,365,434
Governmental activities capital assets, net	\$ 33,436,491	\$ 1,871,591	\$ 10,000	\$ 35,298,082

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

Governmental activities:	
General government	\$ 3,895,893
Public safety	341,395
Total governmental activities depreciation expense	\$ 4,237,288

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

D. Capital Assets (Continued)

<u>Business - type activity</u>	<u>Sanitation Fund</u>			<u>Ending Balance</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	
Capital assets not being depreciated:				
Land	\$ 105,934	\$ -	\$ -	\$ 105,934
Other capital assets:				
Site improvements	221,369	-	-	221,369
Buildings	79,047	-	-	79,047
Machinery and equipment	565,858	-	-	565,858
Vehicles	<u>244,241</u>	<u>-</u>	<u>-</u>	<u>244,241</u>
Total other capital assets at historical cost	<u>1,110,515</u>	<u>-</u>	<u>-</u>	<u>1,110,515</u>
Less accumulated depreciation for:				
Site improvements	(162,993)	(9,234)	-	(172,227)
Buildings	(51,903)	(3,952)	-	(55,855)
Machinery and equipment	(512,471)	(12,337)	-	(524,808)
Vehicles	<u>(242,841)</u>	<u>(1,400)</u>	<u>-</u>	<u>(244,241)</u>
Total accumulated depreciation	<u>(970,208)</u>	<u>(26,923)</u>	<u>-</u>	<u>(997,131)</u>
Other capital assets, net	<u>140,307</u>	<u>(26,923)</u>	<u>-</u>	<u>113,384</u>
Business activities capital assets, net	<u>\$ 246,241</u>	<u>\$ (26,923)</u>	<u>\$ -</u>	<u>\$ 219,318</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

D. Capital Assets (Continued)

Discretely Presented Component Units

Capital asset activity for the Solid Waste Management Authority for the year ended June 30, 2016 was as follows:

	Solid Waste Management Authority			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 288,824	\$ -	\$ -	\$ 288,824
Construction in progress	401,140	-	-	401,140
Total capital assets not being depreciated	<u>689,964</u>	<u>-</u>	<u>-</u>	<u>689,964</u>
Other capital assets:				
Site improvements	6,646,654	-	-	6,646,654
Infrastructure	169,484	62,985	-	232,469
Buildings	252,205	-	-	252,205
Machinery and equipment	3,002,106	267,245	248,234	3,021,117
Vehicles	166,938	-	-	166,938
Total other capital assets at historical cost	<u>10,237,387</u>	<u>330,230</u>	<u>248,234</u>	<u>10,319,383</u>
Less accumulated depreciation for:				
Site improvements	(6,470,580)	(17,507)	-	(6,488,087)
Infrastructure	(85,590)	(63,216)	-	(148,806)
Buildings	(168,009)	(3,282)	-	(171,291)
Machinery and equipment	(1,565,027)	(235,034)	(218,234)	(1,581,827)
Vehicles	(142,708)	(9,591)	-	(152,299)
Total accumulated depreciation	<u>(8,431,914)</u>	<u>(328,630)</u>	<u>(218,234)</u>	<u>(8,542,310)</u>
Other capital assets, net	<u>1,805,473</u>	<u>1,600</u>	<u>30,000</u>	<u>1,777,073</u>
Solid Waste Management Authority capital assets, net	<u>\$ 2,495,437</u>	<u>\$ 1,600</u>	<u>\$ 30,000</u>	<u>\$ 2,467,037</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Capital asset activity for the Public Health Center for the year ended June 30, 2016 was as follows:

	Public Health Center			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other capital assets:				
Machinery, equipment and furniture	2,274,559	86,365	838,789	1,522,135
Less accumulated depreciation	<u>(1,912,677)</u>	<u>(158,406)</u>	<u>(838,789)</u>	<u>(1,232,294)</u>
Other capital assets, net	<u>361,882</u>	<u>(72,041)</u>	<u>-</u>	<u>289,841</u>
Public Health Center capital assets, net	<u>\$ 361,882</u>	<u>\$ (72,041)</u>	<u>\$ -</u>	<u>\$ 289,841</u>

Capital asset activity for the Development Authority for the year ended June 30, 2016 was as follows:

	Development Authority			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 1,189,950	\$ -	\$ -	\$ 1,189,950
Total capital assets not being depreciated	<u>1,189,950</u>	<u>-</u>	<u>-</u>	<u>1,189,950</u>
Depreciable capital assets:				
Buildings	11,177,810	126,481	-	11,304,291
Equipment	<u>9,203</u>	<u>2,371</u>	<u>-</u>	<u>11,574</u>
Total depreciable capital assets at historical cost	<u>11,187,013</u>	<u>128,852</u>	<u>-</u>	<u>11,315,865</u>
Less accumulated depreciation for:				
Buildings	(2,406,383)	(308,756)	-	(2,715,139)
Equipment	<u>(5,141)</u>	<u>(2,899)</u>	<u>-</u>	<u>(8,040)</u>
Total accumulated depreciation	<u>(2,411,524)</u>	<u>(311,655)</u>	<u>-</u>	<u>(2,723,179)</u>
Total capital assets being depreciated	<u>8,775,489</u>	<u>(182,803)</u>	<u>-</u>	<u>8,592,686</u>
Development Authority capital assets, net	<u>\$ 9,965,439</u>	<u>\$ (182,803)</u>	<u>\$ -</u>	<u>\$ 9,782,636</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

E. Interfund Receivables, Payables and Transfers

Generally, outstanding balances between funds reported as due to/from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding and other miscellaneous receivables and payables between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables. The composition of interfund balances as of June 30, 2016 is as follows:

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs. A reconciliation of transfers is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grants Fund	\$ 111,971
	LMIG	800
	TIA Capital	5,240
	TIA Operating	62,089
	Permanent	3,994
	Crime Victims Assistance	60,745
	SPLOST	37,500
	FY 13 - 18 SPLOST	<u>115,877</u>
		<u>\$ 398,216</u>
E911	Victims Assistance	<u>\$ 483</u>
Drug Fund	Genera Fund	<u>\$ 2,925</u>
Employee Insurance Fund	General Fund	<u>\$ 239,549</u>
Sanitation Fund	General Fund	<u>\$ 13,383</u>
		<u>\$ 654,556</u>

<u>Fund Transferred From:</u>	<u>Fund Transferred To:</u>	<u>Amount</u>
General Fund	Grants Fund	50,830
	Enhanced 911	225,568
	Employee Insurance Fund	1,827,880
Permanent Fund	General Fund	6,996
LMIG	FY 13 - 18 SPLOST	805,243
Law Library	General Fund	<u>5,000</u>
		<u>\$ 2,921,517</u>

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

F. Due from Other Governments

Amounts due from other Governmental entities at June 30, 2016 are as follows:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Major Funds:				
General Fund	\$ 28,137	\$ 392,558	\$ 135,133	\$ 555,828
FY 13 - 18 SPLOST Fund	-	681,034	53,710	734,744
Nonmajor Funds:				
SPLOST	-	63,726	-	63,726
Grants	-	15,886	36,732	52,618
Victims Assistance	23,468	-	3,692	27,160
TIA Operating	-	62,089	-	62,089
Total	<u>\$ 51,605</u>	<u>\$ 1,215,293</u>	<u>\$ 229,267</u>	<u>\$ 1,496,165</u>

G. Long - Term Debt

Primary Government Long – Term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the primary government for the year ended June 30, 2016 was as follows:

<u>Long-term liabilities:</u>	<u>Beginning</u>			<u>Ending</u>	<u>Amounts Due</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>		<u>Balance</u>	<u>Within One</u>
<u>Governmental Activities</u>					<u>Year</u>	<u>Than One Year</u>
Bonds payable - Series A	\$ 7,345,000	\$ -	\$ 1,835,000	\$ 5,510,000	\$ 1,875,000	\$ 3,635,000
Compensated absences payable	486,948	-	17,953	468,995	468,995	-
Total Governmental Activities	<u>\$ 7,831,948</u>	<u>\$ -</u>	<u>\$ 1,852,953</u>	<u>\$ 5,978,995</u>	<u>\$ 2,343,995</u>	<u>\$ 3,635,000</u>

The County incurred debt to provide funds for various economic development projects of the County. Bonds outstanding as of June 30, 2016 are as follows:

<u>Payable from Governmental Fund - Series A:</u>	<u>Total</u>	<u>Current</u>	<u>Long-term</u>
Laurens County, Georgia General Obligation Sales Tax Bonds, 2012A Series, issued in the amount of \$9,145,000 for economic development. Interest ranging from 2.0% to 4.0%, with principle and interest payments due in semi-annual installments to October 1, 2020. The bonds are redeemable at par.	<u>\$ 5,510,000</u>	<u>\$ 1,875,000</u>	<u>\$ 3,635,000</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Notes payable debt service requirements to maturity are as follows:

<u>Series 2012A Bonds Payable</u>		
<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,875,000	\$ 182,900
2018	1,965,000	106,100
2019	<u>1,670,000</u>	<u>33,400</u>
Total	<u>\$ 5,510,000</u>	<u>\$ 322,400</u>

Capital leases, bonds payable and compensated absences are generally liquidated by the general fund and are therefore included in the above schedule. Bonds payable will be liquidated primarily by special purpose local option sales tax collected and from transfers from the General Fund.

Component Unit Long – Term Liabilities

The Laurens County Public Facilities Authority incurred debt to provide funds for the various building improvement projects of the County. Notes as of June 30, 2016 are as follows:

<u>Payable from Governmental Fund - PFA:</u>	<u>Total</u>	<u>Current</u>	<u>Long-term</u>
Laurens County Public Facilities Authority Revenue Bonds, 2005A Series, issued in the amount of \$2,225,000 for various projects. 4.06% interest rate with principle and interest payments due in quarterly installments to October 1, 2018. The bonds are redeemable at par.	<u>\$ 842,000</u>	<u>\$ 174,000</u>	<u>\$ 668,000</u>

Long-term liability activity for the Laurens County Public Facilities Authority for the year ended June 30, 2016 was as follows:

<u>Laurens County Public Facilities Authority</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due Within More Than One Year</u>
Bonds - Series A	<u>\$ 1,009,000</u>	<u>\$ -</u>	<u>\$ 167,000</u>	<u>\$ 842,000</u>	<u>\$ 174,000</u>	<u>\$ 668,000</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Notes payable debt service requirements to maturity are as follows:

<u>PFA Bonds Payable</u>		
Year Ending	Principal	Interest
June 30		
2017	\$ 174,000	\$ 32,002
2018	182,000	24,716
2019	189,000	17,112
2020 - 2021	<u>297,000</u>	<u>10,822</u>
Total	<u>\$ 842,000</u>	<u>\$ 84,652</u>

Long-term liability activity for the Laurens County Solid Waste Management Authority for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
<u>Solid Waste Management Authority</u>						
Capital leases payable	\$ 447,072	\$ -	\$ 145,114	\$ 301,958	\$ 148,989	\$ 152,969
Compensated absences payable	16,032	-	3,958	12,074	12,074	-
Accrued closure and post closure costs	<u>7,436,402</u>	<u>211,704</u>	<u>35,628</u>	<u>7,612,478</u>	<u>35,628</u>	<u>7,576,850</u>
Total Solid Waste Management Authority	<u>\$ 7,899,506</u>	<u>\$ 211,704</u>	<u>\$ 184,700</u>	<u>\$ 7,926,510</u>	<u>\$ 196,691</u>	<u>\$ 7,729,819</u>

Long-term liability activity for the Dublin-Laurens County Development Authority for the year ended June 30, 2016 was as follows:

<u>Dublin - Laurens County Development Authority:</u>	<u>Total</u>	<u>Current</u>	<u>Long-term</u>
Note payable - Morris Bank, secured by real estate known as the Dinex tract. Fixed interest rate of 4.25%. Principal due at maturity April 5, 2018.	\$ 2,071,418	\$ -	\$ 2,071,418
Note payable - Farmers State Bank, secured by real estate known as the Hi-Tek tract. Fixed interest rate of 4.8%, payable in monthly installments of \$7,790 with final payment due April 10, 2024.	<u>399,560</u>	<u>103,108</u>	<u>296,452</u>
Total	<u>\$ 2,470,978</u>	<u>\$ 103,108</u>	<u>\$ 2,367,870</u>

LAURENS COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Industrial Development Bonds were issued by the Authority in April 2012 for Erdrich Umformtechnik, Inc. and Dinex Emission, Inc. A "bonds for title" structure involves the issuance of industrial development bonds by a development authority to acquire or construct a project. The project is leased to the company at a rent equal to debt service on the bonds. This legal arrangement is primarily a tax abatement incentive and does not encumber the Authority or other government entities in any way for the debt service related to the bonds.

Long-term liability activity for the Public Health Center for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
<u>Public Health Center</u>						
Compensated absences payable	\$ 302,393	\$ 12,202	\$ -	\$ 314,595	\$ 62,919	\$ 251,676

Changes in Long-term Advances to the Primary Government

Long-term advances to the primary government activity for the year ended June 30, 2016 for the Public Facilities Authority was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
<u>Advances to primary government:</u>						
General Fund	\$ 709,566	\$ -	\$ 122,674	\$ 586,892	\$ 127,746	\$ 459,146

H. Capital Leases

The Laurens County Solid Waste Management Authority has entered into a lease agreement as lessee for financing the acquisition of equipment. This lease agreement qualifies as a capital lease for accounting purposes (titles transfer at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The following is an analysis of the equipment leased under the capital lease as of June 30, 2016:

	Solid Waste Management Authority Activities
Asset -	
Machinery and Equipment	\$ 735,427
Less: Accumulated amortization*	(195,923)
Total	\$ 539,504

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<u>Year Ending June 30,</u>	<u>Solid Waste Management Authority Activities</u>
2017	\$ 157,053
2018	<u>157,053</u>
Total minimum lease payments	314,106
Less: amount representing interest	<u>12,148</u>
Present value of minimum lease payments	<u>\$ 301,958</u>

I. Segment Information

Laurens County Solid Waste Management Authority issued bonds to finance the costs of acquiring, constructing, and monitoring the County's landfill. The Authority is accounted for as a component unit. However, investors in the revenue bonds rely on the revenue generated by landfill activities for repayment. Summary financial information for the landfill is presented on the following page.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

LAURENS COUNTY SOLID WASTE MANAGEMENT AUTHORITY

Assets

Cash and cash equivalents	\$ 1,322,786
Accounts and interest receivable	189,342
Capital assets:	
Land and other non-depreciable assets	288,824
Other capital assets, net of depreciation	2,178,213
Prepaid expenses	8,627
Restricted cash - post closure care costs	<u>4,029,108</u>
Total assets	<u>8,016,900</u>

Liabilities

Accounts payable	35,884
Due to primary government	54,061
Accrued expenses	24,359
Current portion of accrued closure and post closure costs	35,628
Advances from primary government	-
Current portion of compensated absences payable	12,074
Accrued closure and post closure costs, net of current portion	7,576,850
Long-term obligations:	
Due within one year	148,989
Due in more than one year	<u>152,969</u>
Total liabilities	<u>8,040,814</u>

Net Position:

Net investment in capital assets	2,165,079
Restricted for post closure costs	4,029,108
Unrestricted	<u>(6,218,101)</u>
Total net position	<u>\$ (23,914)</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

**CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION**

Landfill charges (pledged against bonds)	\$ 1,709,196
Depreciation expense	(328,629)
Other operating expenses	<u>(1,143,968)</u>
Operating income	<u>236,599</u>
Non-operating revenues (expenses):	
Interest income	27,041
Gain on disposal of capital assets	87,488
Bad debt expense	(154)
Interest expense	<u>(11,962)</u>
Non-operating revenue	<u>102,413</u>
Change in net position	339,012
Beginning net position	<u>(362,926)</u>
Ending net position	<u><u>\$ (23,914)</u></u>

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:	
Operating activities	\$ 753,503
Noncapital financing activities	-
Capital and related financing activities	(369,817)
Investing activities	<u>962</u>
Net increase	384,648
Beginning cash and cash equivalents	<u>938,138</u>
Ending cash and cash equivalents	<u><u>\$ 1,322,786</u></u>

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Government carries commercial insurance. The County established a limited risk management program for employee health and dental insurance in 1992. Premiums are paid into the internal service fund on an allocated basis where the County pays 65% of the premiums and the employee pays 35% of the premiums. Premiums are available to pay claims, claims reserve, excess insurance coverage and administrative costs of the program. During the fiscal year 2016, a total of \$4,495,919 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$80,000. Based upon past claims history, claims incurred but not reported is considered to be immaterial and have not been accrued.

The County has joined together with other governments in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Workers' Compensation Self Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the 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.

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the current year have not exceeded the coverage.

Claims and Judgments - Description

Significant losses experienced by the County are covered by commercial insurance for all risks except employee health care for which the County retains the risk of loss. For insured risks there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or prior years.

Claims Liabilities

The County records an estimated liability for indemnity health care, torts and other claims against the County. Claim liabilities are based on estimates of the ultimate cost of reportable claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

Unpaid Claim Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claims adjustment expenses.

The following represents the changes in approximate aggregate liabilities for the County from July 1, 2014 to June 30, 2016:

	<u>Health Care</u>	<u>Torts</u>
Liability balance June 30, 2014	\$ 405,526	\$ -
Claims and changes in estimates	3,036,318	-
Claims payments	<u>(3,070,816)</u>	-
Liability balance June 30, 2015	371,028	-
Claims and changes in estimates	4,093,912	-
Claims payments	<u>(3,713,868)</u>	-
Liability balance June 30, 2016	<u>\$ 751,072</u>	<u>\$ -</u>
Assets available to pay claims at June 30, 2016	<u>\$ 97,855</u>	<u>\$ -</u>

B. Defined Benefit Pension Plan

- Plan Description** - The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The Plan does not issue a stand-alone financial report, but the Plan is included in the financial report of the ACCG. A copy of the financial report may be obtained from GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia, 30339.

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement and termination of employment, if certain eligibility conditions are met.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 50% of average annual compensation up to \$6,600 plus 1.00% of average annual compensation in excess of \$6,600 plus \$18.00 for each year of service payable as a life annuity.

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

Compensation is averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

County employees are not required to contribute to the Plan. The annual County contribution to the Plan is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statute 47-20. The required contribution for the 2016 plan year was \$539,150. This amount represents 7.0% of covered payroll.

Participant counts as of January 1, 2015 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees and beneficiaries currently receiving benefits	85
Terminated plan members entitled to but not yet receiving benefits	215
Active employees participating in the Plan	202
Disables in Pay Status	8
Total	510

2. **Summary of Significant Accounting Policies** - The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust. The Plan does not issue stand-alone financial statements.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

3. **Contributions** - The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the funding standards for state and local Governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the County and its plan participants.

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

4. Net Pension Liability

The County's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2015. The following summarizes the actuarial methods and assumptions used in that valuation:

Actuarial Methods and Assumptions

Economic Assumptions:

Investment Return:	7.5% per year
Salary Increase:	Normalized rates of 3.5% - 5.5% per year adjusted for age
Increase in Social Security Wage Base:	5.5% per year
Cost-of-Living Adjustment:	2.5% per year

Demographic Assumptions:

Mortality:	RP 2000 Combined Mortality Table
Employee Turnover:	Low to moderate
Disability:	Based on Social Security Administration standard rates
Retirement Age:	The bulk of retirees are assumed to retire at the earliest age that unreduced benefits are first available under the plan. Modest to high levels of earlier retirement will be assumed based on the early retirement benefit structure of the plan.

Mortality rates were based on the RP-2000 Combined Mortality Table.

The Trustees shall rebalance the portfolio at least annually for asset allocation purposes. The guidelines for allocation are: equities shall not exceed 70% of total Plan assets, valued at cost. Fixed income shall be targeted at 30% of total Plan assets, valued at cost.

The Trustees' guidelines for asset allocation are as follows:

	<u>Target Allocation</u>	<u>Range</u>
Fixed Income:	30%	25% - 35%
Equities:	70%	65% - 75%
Large Cap	30%	25% - 35%
Mid Cap	5%	2.5% - 10%
Small Cap	5%	2.5% - 10%
REIT	5%	2.5% - 10%
International	15%	10% - 20%
Multi Cap	5%	2.5% - 10%
Global Allocation	5%	2.5% - 10%

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Change in the Net Pension Liability:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2015	\$ 11,861,897	\$ 9,718,219	\$ 2,143,678
Changes for the year:			
Service Cost	229,778	-	229,778
Interest	875,254	-	875,254
Liability experience (gain)/loss	(121,380)	-	(121,380)
Assumption Change	506,346	-	506,346
Employer Contributions	-	539,150	(539,150)
Employee Contributions	-	-	-
Net Investment Income	-	72,318	(72,318)
Benefit Payments	(383,676)	(383,676)	-
Administrative Expense	-	(40,047)	40,047
Other Changes	-	(129,883)	129,883
Net Changes	<u>1,106,322</u>	<u>57,862</u>	<u>1,048,460</u>
Balance at June 30, 2016	<u>\$ 12,968,219</u>	<u>\$ 9,776,081</u>	<u>\$ 3,192,138</u>

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

	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Total Pension Liability	\$ 14,765,541	\$ 12,968,219	\$ 11,477,768
Fiduciary Net Position	<u>9,776,081</u>	<u>9,776,081</u>	<u>9,776,081</u>
Net Pension Liability	<u>\$ 4,989,460</u>	<u>\$ 3,192,138</u>	<u>\$ 1,701,687</u>

Detailed information about the pension plan's fiduciary net position is available in a separately issued financial report. That report may be obtained by writing to Laurens County Board of Commissioners, P.O. Box 2011 Dublin, Georgia 31040.

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the County recognized pension expense of \$1,251,955. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and difference between County contributions and proportionate share of contributions	-	-
County contributions subsequent to the measurement date	511,932	-
Total:	\$ 511,932	\$ -

County contributions of \$511,932 subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year June 30, 2017.

C. Closure and Post-Closure Care Cost

1. Landfill Related Contingencies

During the year ended June 30, 1995, the County was notified that the old landfill site, closed on January 13, 1995, had been identified as a hazardous waste site. As such, the County will have to comply with prescribed procedures regarding clean-up and additional monitoring. As of June 30, 2016, it was impossible to determine the cost of the related liability as the required procedures to bring the Landfill into compliance with respective laws and regulations have not yet been determined. The County has contributed, under the Hazardous Site Response Act, 50 cents per ton of waste received by the landfill to the State of Georgia Department of Human Resources Superfund. These funds have been earmarked by the State to identify and clean-up hazardous waste sites. Accordingly, it is impractical to determine the extent that the County will fund this liability.

The Georgia Comprehensive Solid Waste Management Act of 1990 includes several mandated reductions and/or changes in solid waste disposal. This Act includes a requirement to reduce solid waste disposal by 25% by July 1, 1996, and requirements for recycling programs among other requirements. The County has elected to participate in the Solid Waste Management Plan developed by the Heart of Georgia Regional Development Center. This plan has a ten-year implementation strategy to fulfill the requirements of the Solid Waste Management Act of 1990.

2. Sanitary Landfill Closure and Post-Closure Care Costs

State and federal laws and regulations require the Laurens County Solid Waste Management Authority to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure cash costs will be paid only near or after the date that the landfill stops accepting waste, the Authority reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

The \$7,612,478 reported as landfill closure and post-closure care liability at June 30, 2016, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the old landfill site and 67% percent of the estimated capacity of the new landfill site. The landfill closure and post-closure care liability for the old and new landfill sites are \$853,211 and \$6,759,267, respectively. The estimated remaining life of the new landfill is 198 years. The total estimated costs of closure and post-closure care costs as determined at June 30, 2016 amounted to \$17,336,097. Actual costs for closure and post-closure may differ from the estimate due to inflation, changes in technology, or changes in regulation.

Due to the competitive nature of the market which serves landfill monitoring and care and changes in inflation and technology, the estimated post-closure and closure care costs increased during the fiscal year ended June 30, 2016. The increase was reflected in the operating statement of the landfill.

The Authority plans to finance closure and post-closure care costs through user fees. However, if the user fees are inadequate or additional post-closure care requirements are later determined to be due, these costs will be covered by transfers from the General Fund of Laurens County, Georgia.

D. Contingent Liabilities

Grant Funds

The County participates in numerous grant programs on the federal and state level. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Government expects such amounts, if any, to be immaterial.

Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County's legal counsel reports no cases pending against the County. Based upon the information available, management does not expect potential liabilities as of June 30, 2016 to impair the County's financial position.

E. Joint Venture

Under Georgia law, Laurens County, in conjunction with other cities and counties in the 17 county south central Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member Governments are liable for any debts or obligations of a RC. Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Center
5405 Oak Street
Eastman, Georgia 31023

F. Commitments

Reservations of fund balances of Governmental funds are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Designations of fund balance represent tentative management plans that are subject to change.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

G. Conduit Debt Obligations

During the year ended June 30, 2009, the Laurens County Public Facilities Authority entered into an intergovernmental contract with the City of Dublin School District to issue \$4,500,000 in revenue bonds to provide funds to acquire, construct and equip capital outlay projects of the School District. Under the intergovernmental contract, the School District has an unconditional obligation to provide sufficient funds for debt service payments and related paying agent or bond registrar fees. The School District is authorized to exercise its powers of taxation to the extent necessary to pay the amounts required by the contract. The County and the Authority have no liability for repayment of these bonds and, accordingly, these bonds have not been recorded as a liability on the financial statements of the County or the Authority. As of June 30, 2016, the outstanding balance of these revenue bonds was \$2,300,000.

Development Authority Conduit Debt

The County has entered into several intergovernmental contracts with the Dublin-Laurens County Development Authority. During the year ended June 30, 2012, the County issued one note in the amount of \$712,000. During the year ended June 30, 2015, two notes were issued in the amounts of \$375,000 and \$2,790,000. During the year ended June 30, 2016, one note was issued in the amount of \$1,600,000. The funds from these notes were to be used for economic development purposes.

During the year ended June 30, 2012, the Dublin-Laurens County Development Authority entered into a contract with Erdrich Umformtechnik, Inc. to issue \$43,000,000 in industrial development revenue bonds to provide funds to acquire or construct a project. The project is leased to the company at a rent equal to debt service on the bonds. This legal arrangement is primarily a tax abatement incentive. As of June 30, 2016, the outstanding balance of these industrial development revenue bonds was \$42,970,000.

During the year ended June 30, 2013, the Dublin-Laurens County Development Authority entered into a contract with Dinex Emission, Inc. to issue \$20,000,000 in industrial development revenue bonds to provide funds to acquire or construct a project. The project is leased to the company at a rent equal to debt service on the bonds. This legal arrangement is primarily a tax abatement incentive. As of June 30, 2016, the outstanding balance of these industrial development revenue bonds was \$4,515,983.

During the year ended June 30, 2015, the Dublin-Laurens County Development Authority entered into a contract with Dublin Solar I, LLC to issue \$8,000,000 in industrial development revenue bonds to provide funds to acquire or construct a project. The project is leased to the company at a rent equal to debt service on the bonds. This legal arrangement is primarily a tax abatement incentive. As of June 30, 2016, the outstanding balance of these industrial development revenue bonds was \$0.

During the year ended June 30, 2015, the Dublin-Laurens County Development Authority entered into a contract with Valmiera Glass USA Corp. to issue \$129,000,000 in industrial development revenue bonds to provide funds to acquire or construct a project. The project is leased to the company at a rent equal to debt service on the bonds. This legal arrangement is primarily a tax abatement incentive. As of June 30, 2016, the outstanding balance of these industrial development revenue bonds was \$100,406,620.

During the year ended June 30, 2015, the Dublin-Laurens County Development Authority entered into a contract with YKK AP America, Inc. to issue \$20,000,000 in industrial development revenue bonds to provide funds to acquire or construct a project. The project is leased to the company at a rent equal to debt service on the bonds. This legal arrangement is primarily a tax abatement incentive. As of June 30, 2016, the outstanding balance of these industrial development revenue bonds was \$12,707,576.

During the year ended June 30, 2015, the Dublin-Laurens County Development Authority entered into a contract with Aweba Tool & Die Corp. to issue \$2,500,000 in industrial development revenue bonds to provide funds to acquire or construct a project. The project is leased to the company at a rent equal to debt service on the bonds. This legal arrangement is primarily a tax abatement incentive. As of June 30, 2016, the outstanding balance of these industrial development revenue bonds was \$2,499,900.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

During the year ended June 30, 2015, the Dublin-Laurens County Development Authority entered into a contract with Green Power Solutions to issue \$60,000,000 in industrial development revenue bonds to provide funds to acquire or construct a project. The project is leased to the company at a rent equal to debt service on the bonds. This legal arrangement is primarily a tax abatement incentive. As of June 30, 2016, the outstanding balance of these industrial development revenue bonds was \$10,535,868.

The County and the Development Authority have no liability for repayment of these bonds and, accordingly these bonds have not been recorded as a liability on the financial statements of the County or the Authority.

H. Subsequent Events

Subsequent to June 30, 2016 and before the issuance of our report, the County provided an advance to the Dublin-Laurens County Development Authority in the amount of \$285,000 to help fund economic development expenditures.

The County performed an evaluation of subsequent events through February 13, 2017, the date upon which the County's financial statements were available for issue. The County has not evaluated subsequent events after this date. Other than the item noted above, no subsequent events were identified that would have required a change to the financial statements or disclosure in the notes to the financial statements.

Required Supplementary Information Other Than Management's Discussion and Analysis

LAURENS COUNTY, GEORGIA

EXHIBIT 14

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budgeted</u> <u>Amounts</u>	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
Revenues:				
Taxes Revenues	\$ 16,026,360	\$ 16,026,360	\$ 16,823,480	\$ 797,120
Licenses and Permits	49,750	49,750	61,390	11,640
Grant Revenues	274,255	274,255	327,666	53,411
Contribution Revenues	-	-	55,817	55,817
Charges for Services	2,637,500	2,637,500	2,856,388	218,888
Fines and Forfeitures	2,417,950	2,417,950	2,139,910	(278,040)
Interest Income	4,750	4,750	6,817	2,067
Miscellaneous Revenues	131,150	131,150	151,015	19,865
Revenues	<u>21,541,715</u>	<u>21,541,715</u>	<u>22,422,483</u>	<u>880,768</u>
Expenditures:				
General Government	\$ 3,503,490	\$ 3,503,490	\$ 3,659,524	\$ (156,034)
Judicial	2,703,245	2,703,245	2,642,105	61,140
Public Safety	10,080,575	10,080,575	9,679,498	401,077
Public Works	2,004,885	2,004,885	1,880,898	123,987
Health and Welfare	172,295	172,295	169,770	2,525
Conservation of Natural Resources	1,088,300	1,088,300	1,088,403	(103)
Housing and Development	228,765	228,765	224,196	4,569
Debt Service	190,090	190,090	149,287	40,803
Expenditures	<u>19,971,645</u>	<u>19,971,645</u>	<u>19,493,681</u>	<u>477,964</u>
Excess of Revenues Over Expenditures	<u>1,570,070</u>	<u>1,570,070</u>	<u>2,928,802</u>	<u>1,358,732</u>
Other financing sources (uses)	<u>(1,570,070)</u>	<u>(1,570,070)</u>	<u>(1,998,470)</u>	<u>(428,400)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>930,332</u>	<u>930,332</u>
Fund Balance, Beginning	<u>2,916,326</u>	<u>2,916,326</u>	<u>2,916,326</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,916,326</u>	<u>\$ 2,916,326</u>	<u>\$ 3,846,658</u>	<u>\$ 930,332</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 15

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - FY 13 - 18 SPLOST FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Sales tax revenues	\$ 8,300,000	\$ 8,864,655	\$ 564,655
Interest income	3,500	5,086	1,586
Grant revenues	-	8,550	8,550
Other income	<u>59,000</u>	<u>71,092</u>	<u>12,092</u>
Total revenues	<u>8,362,500</u>	<u>8,949,383</u>	<u>586,883</u>
Expenditures:			
Salaries and benefits	413,390	348,978	64,412
Insurance	32,415	36,030	(3,615)
Prison detail	80,000	78,163	1,837
Gas and diesel	200,000	39,177	160,823
Principal payments	1,800,000	1,835,000	(35,000)
Interest expenditures	293,450	248,975	44,475
Supplies	1,210,200	334,855	875,345
Site preparation	32,045	4,822	27,223
Economic development	-	50,000	(50,000)
Intergovernmental	2,975,000	2,858,171	116,829
Capital outlay	<u>1,576,000</u>	<u>5,287,407</u>	<u>(3,711,407)</u>
Total expenditures	<u>8,612,500</u>	<u>11,121,578</u>	<u>(2,509,078)</u>
Excess of Revenues Over Expenditures	(250,000)	(2,172,195)	(1,922,195)
Other Financing Source -			
Transfers in	<u>-</u>	<u>805,243</u>	<u>805,243</u>
Total Other Financing Sources			
Excess of Revenues and Other Financing Source Over Expenditures	(250,000)	(1,366,952)	(1,116,952)
Fund Balance, Beginning	<u>5,906,083</u>	<u>5,906,083</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,656,083</u>	<u>\$ 4,539,131</u>	<u>\$ (1,116,952)</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 16

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE – PERMANENT FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues - Interest Income	\$ 8,000	\$ 6,996	\$ 1,004
Excess of Revenues Over Expenditures	8,000	6,996	1,004
Other Financing Use - Transfer out	(8,000)	(6,996)	(1,004)
Excess of Revenues Over Expenditures and Other Financing Use	-	-	-
Fund Balance, Beginning	7,200,000	7,200,000	-
Fund Balance, Ending	\$ 7,200,000	\$ 7,200,000	-

REQUIRED SUPPLEMENTARY INFORMATION
 REQUIRED SCHEDULES OF THE NET PENSION LIABILITY - DEFINED BENEFIT PENSION PLAN
 FOR THE YEAR ENDED JUNE 30, 2016

Schedule of the Net Pension Liability – ACCG Pension Plan for Laurens County Employees for the year ended June 30, 2016 “Unaudited”:

Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Funded Ratio	Annual Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
December 31, 2014	\$ 11,861,898	\$ 9,718,219	\$ 2,143,679	81.9%	\$ 7,683,484	27.9%
December 31, 2015	\$ 12,968,219	\$ 9,776,081	\$ 3,192,138	75.4%	\$ 7,692,448	41.5%

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

Schedule of Contributions– ACCG Pension Plan for Laurens County Employees for the year ended June 30, 2016 “Unaudited”:

Year ended December 31,	Annual Required Contribution	Percentage Contributed
2009	\$ 394,969	99.6%
2010	440,593	99.2%
2011	458,254	96.9%
2012	459,433	98.3%
2013	556,805	97.3%
2014	552,708	96.8%
2015	545,479	98.8%

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

Schedule of Notes to Required Supplementary Information – ACCG Pension Plan for Laurens County Employees for the year ended June 30, 2016 “Unaudited”:

The following are the actuarial assumptions used in the plan:

Valuation Date	January 1, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Pay (Closed)

Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	3.5% - 5.5%
Cost-of-Living Adjustment	2.5% per year

Other Supplementary Information

Nonmajor Governmental Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

- **Grants** – To account for grant funds that are legally restricted to expenditure for particular purposes.
- **Confiscated Assets** – To account for the revenues received that are designated for the purpose of enhancing law enforcement or capital outlay.
- **Enhanced 911** – To account for the activities of the E911 telephone operations center.
- **Crime Victims Assistance** – To account for the portion of all state court fines designated to be used for crime victims who have been displaced.
- **Law Library** – To account for the law library fees included in all fines which are specifically designated for the County's law library.
- **Alternative Dispute Resolution** – To account for the alternative dispute resolution fees included in fines which are specifically designated to provide mediation assistance.
- **Sheriff Commissary Fund** – To account for the activities of the inmate canteen operated by the Sheriff's Department.
- **Judicial Services Fund** – To account for the revenues received that are designated for the purpose of enhancing judicial services and law enforcement.
- **Juvenile Fund** – To account for the Juvenile Court revenues received that are designated for the purpose of enhancing Juvenile Court services.
- **Drug Fund** – To account for the Drug Abuse Treatment and Education revenues received and the restricted expenditures.
- **TIA Operating Fund** – To account for TSPLOST funds that are legally restricted to expenditure for road maintenance and projects within the County.

Capital Project Funds are used to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

- **TIA Capital Fund** – To account for TSPLOST funds that are legally restricted to expenditure for capital road projects within the County.
- **SPLOST Fund** accounts for the special purpose local option sales tax proceeds collected for the acquisition or construction of major capital projects.
- **LMIG Fund** – To account for Local Maintenance and Improvement Grant (LMIG) funds that are legally restricted to expenditure for capital road projects within the County.

LAURENS COUNTY, GEORGIA

EXHIBIT 18

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 713,080	\$ 550,718	\$ 1,263,798
Certificates of Deposit	154,515	-	154,515
Accounts receivable	125,839	-	125,839
Due from other governments	141,867	63,726	205,593
Due from other funds	3,408	-	3,408
Accrued interest	386	-	386
Prepaid expenses	2,740	-	2,740
Total Assets	\$ 1,141,835	\$ 614,444	\$ 1,756,279
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 20,561	\$ 183,117	\$ 203,678
Unearned revenues	4,617	-	4,617
Accrued expenses payable	49,847	-	49,847
Due to others	5,664	-	5,664
Due to other funds	235,287	43,540	278,827
Total liabilities	315,976	226,657	542,633
Fund Balance:			
Nonspendable for prepaid expenditures	2,740	-	2,740
Restricted for special programs	823,119	387,787	1,210,906
Total fund balance	825,859	387,787	1,213,646
Total Liabilities and Fund Balance	\$ 1,141,835	\$ 614,444	\$ 1,756,279

LAURENS COUNTY, GEORGIA

EXHIBIT 19

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>Grants</u>	<u>Confiscated Assets</u>	<u>Enhanced 911</u>	<u>Crime Victims Assistance</u>	<u>Judicial Services</u>	<u>Law Library</u>	<u>Alternative Dispute Resolution</u>	<u>Sheriff Commissary</u>	<u>Drug</u>	<u>Juvenile</u>	<u>TIA Operating</u>	<u>Total</u>
ASSETS												
Cash	\$ 117,233	\$ 61,159	\$ 119,424	\$ 67,142	\$ 32,346	17,269	\$ 12,225	\$ 153,026	\$ 45,910	\$ 87,346	\$ -	\$ 713,080
Certificate of Deposits	-	-	-	110,943	-	-	43,572	-	-	-	-	154,515
Accounts receivable	-	-	124,879	-	-	-	960	-	-	-	-	125,839
Due from other governments	52,618	-	-	27,160	-	-	-	-	-	-	62,089	141,867
Due from other funds	-	-	483	-	-	-	-	-	2,925	-	-	3,408
Accrued interest	-	-	-	321	-	-	65	-	-	-	-	386
Prepaid expenses	946	-	1,592	202	-	-	-	-	-	-	-	2,740
Total Assets	<u>\$ 170,797</u>	<u>\$ 61,159</u>	<u>\$ 246,378</u>	<u>\$ 205,768</u>	<u>\$ 32,346</u>	<u>\$ 17,269</u>	<u>\$ 56,822</u>	<u>\$ 153,026</u>	<u>\$ 48,835</u>	<u>\$ 87,346</u>	<u>\$ 62,089</u>	<u>\$ 1,141,835</u>
LIABILITIES AND FUND BALANCE												
Liabilities:												
Accounts payable	\$ 16,574	\$ -	\$ -	\$ -	\$ -	\$ 1,020	\$ 1,650	\$ 1,317	\$ -	\$ -	\$ -	\$ 20,561
Unearned revenue	4,617	-	-	-	-	-	-	-	-	-	-	4,617
Accrued expenses payable	-	-	28,605	21,242	-	-	-	-	-	-	-	49,847
Due to others	-	-	-	-	-	-	-	5,664	-	-	-	5,664
Due to other funds	111,970	-	-	61,228	-	-	-	-	-	-	62,089	235,287
Total liabilities	<u>133,161</u>	<u>-</u>	<u>28,605</u>	<u>82,470</u>	<u>-</u>	<u>1,020</u>	<u>1,650</u>	<u>6,981</u>	<u>-</u>	<u>-</u>	<u>62,089</u>	<u>315,976</u>
Fund Balance (Deficit):												
Nonspendable for prepaid expenditures	946	-	1,592	202	-	-	-	-	-	-	-	2,740
Restricted for special programs	36,690	61,159	216,181	123,096	32,346	16,249	55,172	146,045	48,835	87,346	-	823,119
Total fund balance	<u>37,636</u>	<u>61,159</u>	<u>217,773</u>	<u>123,298</u>	<u>32,346</u>	<u>16,249</u>	<u>55,172</u>	<u>146,045</u>	<u>48,835</u>	<u>87,346</u>	<u>-</u>	<u>825,859</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 170,797</u>	<u>\$ 61,159</u>	<u>\$ 246,378</u>	<u>\$ 205,768</u>	<u>\$ 32,346</u>	<u>\$ 17,269</u>	<u>\$ 56,822</u>	<u>\$ 153,026</u>	<u>\$ 48,835</u>	<u>\$ 87,346</u>	<u>\$ 62,089</u>	<u>\$ 1,141,835</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 20

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>TIA Capital</u>	<u>LMIG</u>	<u>SPLOST</u>	<u>Total</u>
ASSETS				
Cash	\$ -	\$ 480,564	\$ 70,154	\$ 550,718
Due from other governments	-	-	63,726	63,726
Total Assets	<u>-</u>	<u>480,564</u>	<u>133,880</u>	<u>614,444</u>
LIABILITIES AND FUND BALANCE (DEFICIT)				
Liabilities:				
Accounts payable	77,492	50,808	54,817	183,117
Due to other funds	5,240	800	37,500	43,540
Total liabilities	<u>82,732</u>	<u>51,608</u>	<u>92,317</u>	<u>226,657</u>
Fund Balance (Deficit):				
Restricted for special programs	(82,732)	428,956	41,563	387,787
Total fund balance (deficit)	<u>(82,732)</u>	<u>428,956</u>	<u>41,563</u>	<u>387,787</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ 480,564</u>	<u>\$ 133,880</u>	<u>\$ 614,444</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 21

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 756,343	\$ 159,178	\$ 915,521
Charges for services	1,009,219	-	1,009,219
Fines and forfeitures	265,145	-	265,145
Grant revenue	607,798	1,379,499	1,987,297
Contribution revenue	7,357	-	7,357
Interest income	2,098	1,622	3,720
Other revenues	703	-	703
Total revenues	<u>2,648,663</u>	<u>1,540,299</u>	<u>4,188,962</u>
Expenditures:			
Salaries and personnel costs	1,004,343	-	1,004,343
Group insurance	79,594	-	79,594
Payroll taxes	71,200	-	71,200
Worker's compensation	3,981	-	3,981
Travel	3,513	-	3,513
Education and training	13,833	-	13,833
Professional fees	125,619	-	125,619
Contract labor	163,042	-	163,042
Program expenditures	165,003	-	165,003
Supplies	54,522	-	54,522
Repairs and maintenance	55,715	-	55,715
Road expenditures	756,343	-	756,343
Drug Court expenditures	6,117	-	6,117
Utilities	247,452	-	247,452
Gas, diesel and oil	6,978	-	6,978
Other expenditures	44,998	-	44,998
Capital outlay	394,913	446,826	841,739
Total expenditures	<u>3,197,166</u>	<u>446,826</u>	<u>3,643,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(548,503)</u>	<u>1,093,473</u>	<u>544,970</u>
Other Financing Source (Use):			
Transfers out	(5,000)	(805,243)	(810,243)
Transfers in	276,398	-	276,398
Total Other Financing Source (Use)	<u>271,398</u>	<u>(805,243)</u>	<u>(533,845)</u>
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures	<u>(277,105)</u>	<u>288,230</u>	<u>11,125</u>
Fund Balance, Beginning	<u>1,102,964</u>	<u>99,557</u>	<u>1,202,521</u>
Fund Balance, Ending	<u>\$ 825,859</u>	<u>\$ 387,787</u>	<u>\$ 1,213,646</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 22

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Grants	Confiscated Assets	Enhanced 911	Crime Victims Assistance	Judicial Services	Law Library	Alternative Dispute Resolution	Sheriff Commissary	Drug	Juvenile	TIA Operating	Total
Revenues:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 756,343	\$ 756,343
Charges for services	-	-	811,833	-	-	-	-	197,386	-	-	-	1,009,219
Fines and forfeitures	-	-	-	143,923	2,528	40,324	39,859	-	35,371	3,140	-	265,145
Grant revenue	542,320	-	-	65,478	-	-	-	-	-	-	-	607,798
Contribution revenue	7,357	-	-	-	-	-	-	-	-	-	-	7,357
Interest income	237	92	558	935	-	-	-	159	32	85	-	2,098
Other revenues	-	-	703	-	-	-	-	-	-	-	-	703
Total revenues	<u>549,914</u>	<u>92</u>	<u>813,094</u>	<u>210,336</u>	<u>2,528</u>	<u>40,324</u>	<u>39,859</u>	<u>197,545</u>	<u>35,403</u>	<u>3,225</u>	<u>756,343</u>	<u>2,648,663</u>
Expenditures:												
Salaries and personnel costs	157,115	-	732,679	88,111	-	3,900	12,000	10,538	-	-	-	1,004,343
Group insurance	7,141	-	72,453	-	-	-	-	-	-	-	-	79,594
Payroll taxes	11,723	-	53,051	6,426	-	-	-	-	-	-	-	71,200
Worker's compensation	949	-	2,599	433	-	-	-	-	-	-	-	3,981
Rental	-	-	-	-	-	-	-	-	-	-	-	-
Travel	1,032	-	471	2,010	-	-	-	-	-	-	-	3,513
Education and training	3,569	-	6,107	2,028	2,000	-	-	129	-	-	-	13,833
Professional services	123,918	-	724	977	-	-	-	-	-	-	-	125,619
Contract labor	-	-	-	163,042	-	-	-	-	-	-	-	163,042
Program expenditures	-	-	-	5,500	-	23,891	32,100	103,512	-	-	-	165,003
Supplies	3,774	-	33,013	1,766	-	-	-	15,969	-	-	-	54,522
Repairs and maintenance	5,725	-	49,990	-	-	-	-	-	-	-	-	55,715
Road expenditures	-	-	-	-	-	-	-	-	-	-	756,343	756,343
Drug Court expenditures	-	-	-	-	-	-	-	-	6,117	-	-	6,117
Utilities	12,893	-	230,625	1,376	-	-	-	2,558	-	-	-	247,452
Gas, diesel and oil	6,217	-	761	-	-	-	-	-	-	-	-	6,978
Other expenditures	27,379	-	1,359	-	10,098	1,004	1,913	3,245	-	-	-	44,998
Capital outlay	227,278	-	111,622	-	-	-	-	56,013	-	-	-	394,913
Total expenditures	<u>588,713</u>	<u>-</u>	<u>1,295,454</u>	<u>271,669</u>	<u>12,098</u>	<u>28,795</u>	<u>46,013</u>	<u>191,964</u>	<u>6,117</u>	<u>-</u>	<u>756,343</u>	<u>3,197,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(38,799)</u>	<u>92</u>	<u>(482,360)</u>	<u>(61,333)</u>	<u>(9,570)</u>	<u>11,529</u>	<u>(6,154)</u>	<u>5,581</u>	<u>29,286</u>	<u>3,225</u>	<u>-</u>	<u>(548,503)</u>
Other Financing Source (Use):												
Transfers out	-	-	-	-	-	(5,000)	-	-	-	-	-	(5,000)
Transfers in	50,830	-	225,568	-	-	-	-	-	-	-	-	276,398
Total Other Financing Source (Use)	<u>50,830</u>	<u>-</u>	<u>225,568</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,398</u>
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures	<u>12,031</u>	<u>92</u>	<u>(256,792)</u>	<u>(61,333)</u>	<u>(9,570)</u>	<u>6,529</u>	<u>(6,154)</u>	<u>5,581</u>	<u>29,286</u>	<u>3,225</u>	<u>-</u>	<u>(277,105)</u>
Fund Balance (Deficit), Beginning	<u>25,605</u>	<u>61,067</u>	<u>474,565</u>	<u>184,631</u>	<u>41,916</u>	<u>9,720</u>	<u>61,326</u>	<u>140,464</u>	<u>19,549</u>	<u>84,121</u>	<u>-</u>	<u>1,102,964</u>
Fund Balance (Deficit), Ending	<u>\$ 37,636</u>	<u>\$ 61,159</u>	<u>\$ 217,773</u>	<u>\$ 123,298</u>	<u>\$ 32,346</u>	<u>\$ 16,249</u>	<u>\$ 55,172</u>	<u>\$ 146,045</u>	<u>\$ 48,835</u>	<u>\$ 87,346</u>	<u>\$ -</u>	<u>\$ 825,859</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 23

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>TIA</u> <u>Capital</u>	<u>LMIG</u>	<u>SPLOST</u>	<u>Total</u>
Revenues:				
Taxes	\$ 159,178	\$ -	\$ -	\$ 159,178
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Grant revenue	-	1,315,773	63,726	1,379,499
Contribution revenue	-	-	-	-
Interest income	-	1,380	242	1,622
Other revenues	-	-	-	-
Total revenues	<u>159,178</u>	<u>1,317,153</u>	<u>63,968</u>	<u>1,540,299</u>
Expenditure -				
Capital outlay	<u>78,972</u>	<u>82,969</u>	<u>284,885</u>	<u>446,826</u>
Deficiency of Revenues				
Under Expenditures	80,206	1,234,184	(220,917)	1,093,473
Other Financing Source -				
Transfers out	<u>-</u>	<u>(805,243)</u>	<u>-</u>	<u>(805,243)</u>
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures	80,206	428,941	(220,917)	288,230
Fund Balance, Beginning	<u>(162,938)</u>	<u>15</u>	<u>262,480</u>	<u>99,557</u>
Fund Balance (Deficit), Ending	<u>\$ (82,732)</u>	<u>\$ 428,956</u>	<u>\$ 41,563</u>	<u>\$ 387,787</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 24

BUDGETARY COMPARISON – GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Grant revenues	\$ 309,450	\$ 542,320	\$ 232,870
Contribution revenues	8,000	7,357	(643)
Interest income	<u>70</u>	<u>237</u>	<u>167</u>
Miscellaneous income	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>317,520</u>	<u>549,914</u>	<u>232,394</u>
Expenditures:			
Salaries	173,075	157,115	15,960
Group insurance	13,730	7,141	6,589
Payroll taxes	12,575	11,723	852
Worker's compensation	1,705	949	756
Travel	655	1,032	(377)
Education and training	2,400	3,569	(1,169)
Supplies	2,755	3,774	(1,019)
Repairs and maintenance	5,000	5,725	(725)
Other professional services	125,000	123,918	1,082
Utilities	13,785	12,893	892
Gas and oil	10,350	6,217	4,133
Other expenditures	12,210	27,379	(15,169)
Capital outlay	<u>-</u>	<u>227,278</u>	<u>(227,278)</u>
Total expenditures	<u>373,240</u>	<u>588,713</u>	<u>(215,473)</u>
Deficiency of Revenues Under Expenditures	<u>(55,720)</u>	<u>(38,799)</u>	<u>16,921</u>
Other Financing Source -			
Transfer in	<u>55,720</u>	<u>50,830</u>	<u>(4,890)</u>
Excess of (Deficiency of) Revenues and Other Financing			
Sources Over (Under) Expenditures	-	12,031	12,031
Fund Balance, Beginning	<u>25,605</u>	<u>25,605</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 25,605</u>	<u>\$ 37,636</u>	<u>\$ 12,031</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 25

BUDGETARY COMPARISON – CONFISCATED ASSETS FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Condemnation revenue	\$ 24,900	\$ -	\$ (24,900)
Interest income	<u>100</u>	<u>92</u>	<u>(8)</u>
Total revenues	<u>25,000</u>	<u>92</u>	<u>(24,908)</u>
Expenditures:			
Capital outlay	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess of Revenues Over Expenditures	-	92	92
Fund Balance, Beginning	<u>61,067</u>	<u>61,067</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 61,067</u>	<u>\$ 61,159</u>	<u>\$ 92</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 26

BUDGETARY COMPARISON – ENHANCED 911 FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Operating revenue	\$ 910,000	\$ 811,833	\$ (98,167)
Interest income	500	558	58
Other revenues	-	703	703
Total revenues	<u>910,500</u>	<u>813,094</u>	<u>(97,406)</u>
Expenditures:			
Salaries	672,195	732,679	(60,484)
Group insurance	73,775	72,453	1,322
Payroll taxes	48,385	53,051	(4,666)
Worker's compensation	3,650	2,599	1,051
Other professional services	1,000	724	276
Pest control	450	435	15
Travel	1,500	471	1,029
Dues and fees	500	856	(356)
Education and training	6,500	6,107	393
Supplies	9,000	33,013	(24,013)
Repairs and maintenance	51,945	49,990	1,955
Miscellaneous expenditures	-	68	(68)
Utilities	236,175	230,625	5,550
Gas and oil	650	761	(111)
Capital outlay	-	111,622	(111,622)
Total expenditures	<u>1,105,725</u>	<u>1,295,454</u>	<u>(189,729)</u>
Deficiency of Revenues Under Expenditures	(195,225)	(482,360)	(287,135)
Other Financing Source -			
Transfer in	<u>260,225</u>	<u>225,568</u>	<u>(34,657)</u>
Deficiency of Revenues and Other Financing Source Over Expenditures	65,000	(256,792)	(321,792)
Fund Balance, Beginning	<u>474,565</u>	<u>474,565</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 539,565</u>	<u>\$ 217,773</u>	<u>\$ (321,792)</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 27

BUDGETARY COMPARISON – CRIME VICTIMS ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 150,000	\$ 143,923	\$ (6,077)
Grant revenues	-	65,478	65,478
Interest income	800	935	135
Total revenues	<u>150,800</u>	<u>210,336</u>	<u>59,536</u>
Expenditures:			
Salaries	66,080	88,111	(22,031)
Payroll taxes	5,055	6,426	(1,371)
Worker's compensation	395	433	(38)
Other professional services	-	977	(977)
Travel	3,000	2,010	990
Repairs and maintenance	500	-	500
Education and training	3,000	2,028	972
Contract labor	105,940	163,042	(57,102)
Supplies	3,100	1,766	1,334
Utilities	2,000	1,376	624
Crime victims assistance	2,500	-	2,500
Program expenditures	5,000	5,500	(500)
Advertising	-	-	-
Other expenditures	1,000	-	1,000
Capital outlay	-	-	-
Total expenditures	<u>197,570</u>	<u>271,669</u>	<u>(74,099)</u>
Deficiency of Revenues Over Expenditures	(46,770)	(61,333)	(14,563)
Fund Balance, Beginning	<u>184,631</u>	<u>184,631</u>	-
Fund Balance, Ending	<u>\$ 137,861</u>	<u>\$ 123,298</u>	<u>\$ (14,563)</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 28

BUDGETARY COMPARISON – JUDICIAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ -	\$ 2,528	\$ 2,528
Expenditures:			
Professional fees	-	2,000	(2,000)
Miscellaneous expenditures	-	10,098	(10,098)
Total expenditures	-	12,098	(12,098)
Deficiency of Revenues Over Expenditures	-	(9,570)	(9,570)
Fund Balance, Beginning	41,916	41,916	-
Fund Balance, Ending	<u>\$ 41,916</u>	<u>\$ 32,346</u>	<u>\$ (9,570)</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 29

BUDGETARY COMPARISON – LAW LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 31,200	\$ 40,324	\$ 9,124
Expenditures:			
Books	26,300	23,891	2,409
Salaries	3,900	3,900	-
Other expenditures	1,000	1,004	(4)
Total expenditures	<u>31,200</u>	<u>28,795</u>	<u>2,405</u>
Excess of Revenues Over Expenditures	-	11,529	11,529
Other Financing Use -			
Transfer out	-	(5,000)	(5,000)
Excess of Revenues and Other Financing Sources Over Expenditures	-	6,529	6,529
Fund Balance, Beginning	<u>9,720</u>	<u>9,720</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 9,720</u>	<u>\$ 16,249</u>	<u>\$ 6,529</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 30

BUDGETARY COMPARISON – ALTERNATIVE DISPUTE RESOLUTION FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 34,300	\$ 39,859	\$ 5,559
Interest income	-	-	-
Total revenues	<u>34,300</u>	<u>39,859</u>	<u>5,559</u>
Expenditures:			
Personnel fees	12,000	12,000	-
Mediation fees	21,300	32,100	(10,800)
Other expenditures	1,000	1,913	(913)
Total expenditures	<u>34,300</u>	<u>46,013</u>	<u>(11,713)</u>
Deficiency of Revenues Under Expenditures	-	(6,154)	(6,154)
Fund Balance, Beginning	<u>61,326</u>	<u>61,326</u>	-
Fund Balance, Ending	<u>\$ 61,326</u>	<u>\$ 55,172</u>	<u>\$ (6,154)</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 31

BUDGETARY COMPARISON – SHERIFF COMMISSARY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Operating revenues	\$ -	\$ 197,386	\$ 197,386
Interest income	-	159	159
Total revenues	<u>-</u>	<u>197,545</u>	<u>197,545</u>
Expenditures:			
Commissary items purchased	-	103,512	(103,512)
Inmate salaries	-	10,538	(10,538)
Office expense	-	15,969	(15,969)
Utilities	-	2,558	(2,558)
Education and training	-	129	(129)
Repairs and maintenance	-	-	-
Miscellaneous expenditures	-	3,245	(3,245)
Capital outlay	<u>-</u>	<u>56,013</u>	<u>(56,013)</u>
Total expenditures	<u>-</u>	<u>191,964</u>	<u>(191,964)</u>
Excess of Revenues Over Expenditures	-	5,581	5,581
Fund Balance, Beginning	<u>140,464</u>	<u>140,464</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 140,464</u>	<u>\$ 146,045</u>	<u>\$ -</u>

LAURENS COUNTY, GEORGIA
 BUDGETARY COMPARISON – DRUG FUND
 FOR THE YEAR ENDED JUNE 30, 2016

EXHIBIT 32

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 29,000	\$ 35,371	\$ 6,371
Interest income	15	32	17
Total revenues	29,015	35,403	6,388
Expenditures:			
Drug Court expenditures	\$ 29,015	6,117	22,898
Excess of Revenues Over Expenditures	-	29,286	29,286
Fund Deficit, Beginning	19,549	19,549	-
Fund Balance, Ending	\$ 19,549	\$ 48,835	\$ 29,286

LAURENS COUNTY, GEORGIA

EXHIBIT 33

BUDGETARY COMPARISON – JUVENILE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Court fees	\$ 2,580	\$ 3,140	\$ 560
Interest income	-	85	\$ 85
Total revenues	<u>2,580</u>	<u>3,225</u>	<u>645</u>
Expenditure -			
Professional fees	<u>2,580</u>	-	<u>2,580</u>
Excess of Revenues Over Expenditures	-	3,225	3,225
Fund Balance, Beginning	<u>84,121</u>	<u>84,121</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 84,121</u>	<u>\$ 87,346</u>	<u>\$ -</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 34

BUDGETARY COMPARISON – TIA OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenue -			
TSPLOST Revenues	\$ 770,000	\$ 756,343	\$ (13,657)
Expenditure -			
Road expenditures	\$ 770,000	\$ 756,343	13,657
Excess of Revenue Over Expenditure	-	-	-
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -

LAURENS COUNTY, GEORGIA

EXHIBIT 35

BUDGETARY COMPARISON – TIA CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Taxes	1,252,535	159,178	\$ (1,093,357)
Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,252,535</u>	<u>159,178</u>	<u>(1,093,357)</u>
Expenditure -			
Capital outlay	<u>1,252,535</u>	<u>78,972</u>	<u>1,173,563</u>
Excess of Revenue Under Expenditure	-	80,206	80,206
Fund Deficit, Beginning	<u>(162,938)</u>	<u>(162,938)</u>	<u>-</u>
Fund Deficit, Ending	<u>\$ (162,938)</u>	<u>\$ (82,732)</u>	<u>\$ 80,206</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 36

BUDGETARY COMPARISON – LMIG FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Grant revenues	\$ 977,775	\$ 1,315,773	\$ 337,998
Other income	400	1,380	980
Total revenues	<u>978,175</u>	<u>1,317,153</u>	<u>338,978</u>
Expenditure -			
Capital outlay	<u>978,175</u>	<u>82,969</u>	<u>895,206</u>
Deficiency of Revenue Under Expenditure	-	1,234,184	1,234,184
Other Financing Sources (Uses) -			
Transfer out	-	<u>(805,243)</u>	<u>(805,243)</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	-	428,941	428,941
Fund Balance, Beginning	<u>15</u>	<u>15</u>	<u>-</u>
Fund Deficit, Ending	<u>\$ 15</u>	<u>\$ 428,956</u>	<u>\$ 428,941</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 37

BUDGETARY COMPARISON – SPLOST FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Interest income	\$ 900	\$ 242	\$ (658)
Grant Income	500,000	63,726	(436,274)
Miscellaneous income	-	-	-
Total revenues	<u>500,900</u>	<u>63,968</u>	<u>(436,932)</u>
Expenditure -			
Capital outlay	<u>2,440,000</u>	<u>284,885</u>	<u>2,155,115</u>
Deficiency of Revenues Under Expenditures	(1,939,100)	(220,917)	1,718,183
Fund Balance, Beginning	<u>262,480</u>	<u>262,480</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (1,676,620)</u>	<u>\$ 41,563</u>	<u>\$ 1,718,183</u>

Agency Funds

LAURENS COUNTY, GEORGIA

EXHIBIT 38

AGENCY FUNDS
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Juvenile Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>	<u>Sheriff's Office</u>	<u>Tax Commissioner's Office</u>	<u>Clerk of Magistrate Court</u>	<u>Child Support Court</u>	<u>Total Agency Funds</u>
Assets:								
Cash	\$ 4,978	\$ 49,828	\$ 203,021	\$ 425,596	\$ 773,791	\$ 34,120	\$ -	\$ 1,491,334
Due from others	-	-	-	-	-	-	-	-
	<u>\$ 4,978</u>	<u>\$ 49,828</u>	<u>\$ 203,021</u>	<u>\$ 425,596</u>	<u>\$ 773,791</u>	<u>\$ 34,120</u>	<u>\$ -</u>	<u>\$ 1,491,334</u>
Liabilities:								
Due to other funds	\$ 4,978	\$ -	\$ -	\$ 420,548	\$ 773,791	\$ -	\$ -	\$ 1,199,317
Funds held in escrow	-	-	23,159	5,048	-	-	-	28,207
Other liabilities	-	49,828	179,862	-	-	34,120	-	263,810
Total Liabilities	<u>\$ 4,978</u>	<u>\$ 49,828</u>	<u>\$ 203,021</u>	<u>\$ 425,596</u>	<u>\$ 773,791</u>	<u>\$ 34,120</u>	<u>\$ -</u>	<u>\$ 1,491,334</u>

**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***

To the Board of Commissioners
Laurens County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Laurens County, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Laurens County, Georgia's basic financial statements and have issued our report thereon dated February 13, 2017. Our report includes a reference to another auditor who audited the financial statements of the Laurens County Public Health Center, as described in our report on Laurens County, Georgia's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Laurens County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Laurens County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Laurens County, Georgia'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 over financial reporting 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 deficiency 16-1, described in the accompanying schedule of findings and questioned costs to be a material weakness.

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 deficiencies 16-2 and 16-3, described in the accompany schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Laurens County, Georgia'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*.

We noted certain matters that we have reported to management of Laurens County, Georgia in a separate letter dated March 21, 2016.

Laurens County, Georgia's Response to Findings

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

Purpose of this Report

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

Very truly yours,

A handwritten signature in black ink that reads "TJS Deemer Dana LLP". The signature is written in a cursive, flowing style.

Dublin, Georgia

February 13, 2017

LAURENS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2016

Section II – Financial Statement Findings and Responses

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS:

2016-1 Segregation of Duties(Reiteration of Prior Year)

Condition: There is not appropriate segregation of duties between recording, processing and reconciliation of cash accounts and other operational functions in the various funds processed by the Finance Officer.

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

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

Recommendation: The duties of recording, processing and reconciliation of accounts should be segregated between employees.

Response: Although we concur with the finding, the Laurens County Board of Commissioners has reviewed and studied alternatives to appropriately segregate duties, such as additional staff. With additional staff, the Finance Office could properly segregate the recording, processing, and reconciliation of cash accounts. However, the cost of the alternative exceeded the benefits. The finance office has established several controls assisting in the reconciliation of the cash accounts. The Laurens County Commissioners believe that the additional controls, although they do not eliminate the segregation of duties finding, provide a better cost-benefit to the taxpayers of Laurens County. The Laurens County Commissioners will continue to look for new cost effective ways to eliminate the risk of fraud due to lack of segregation of duties.

SIGNIFICANT DEFICIENCIES:

2016-2 Internal Audit Function (Reiteration of Prior Year)

Condition: There is not appropriate segregation of duties between recording, processing and reconciliation of cash accounts and other operational functions in the various funds processed by the Finance Officer.

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

Effect: Failure to properly review and monitor internal controls could lead to misappropriation of funds that are not detected during the normal course of business.

Recommendation: The County should hire, or subcontract, an internal auditor who would assist in establishing and monitoring an enhanced system of internal controls to assist in safeguarding the assets of the County.

Response: Although the recommendation has merit, the cost of implementing an internal audit function is currently not feasible at this time. Due to the need for the Laurens County Board of Commissioners to apply their limited resources to higher priority projects that provide a greater benefit to the taxpayers of Laurens County, the implementation of internal audit function will be placed on hold until those projects are completed. The Laurens County Board of Commissioners will continue to review the feasibility of adding an internal audit function as it prepares the budget.

LAURENS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

2016-3 Budgeting (Reiteration of Prior Year)

Condition: The County is not properly utilizing the budgeting process. We noted instances whereby actual current operating expenditures of the General Fund, '13-'18 SPLOST Fund, Grants Fund, Enhanced 911 Fund, Alternative Dispute Resolution Fund, and the Crime Victims Assistance Fund exceeded budgeted expenditures. In addition, budgets were not adopted for the Sheriff Commissary Fund or the Judicial Services Fund.

Criteria: A comprehensive review of the budgeting and cash flow process is essential in effectively projecting the cash flow needs and to provide for sufficient funding to operate the County in an efficient and effective manner.

Effect: Failure to properly monitor the County's budget could lead to future cash flow problems.

Recommendation: The County should undergo a comprehensive review of the budgeting and cash flow process, so that steps can be taken to project the cash flow needs and to provide for sufficient funding to operate the County in an efficient and effective manner.

Response: The County will continue to review the budget as the budget year progresses to ensure that the budget is amended for changes that occur during the year.

LAURENS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

STATUS OF PRIOR AUDIT FINDINGS:

2015-1 Segregation of Duties

Condition: There is not appropriate segregation of duties between recording, processing and reconciliation of cash accounts and other operational functions in the various funds processed by the Finance Officer. As a result of the lack of segregation of duties, we noted an authorized signer on the General Fund juror account signed a check written to themselves.

Recommendation: The duties of recording, processing and reconciliation of accounts should be segregated between employees.

Current Status: The segregation of duties finding was not corrected during the year. However, we did not identify anyone signing their own checks during the current audit.

2015-2 Account and Transaction Recording

Condition: Certain audit adjustments were required to fairly state the balances on general ledger accounts at the end of the accounting period.

Recommendation: Management should establish policies and procedures to assist the County in fairly stating the balances of accounts at the end of the accounting period.

Current Status: This finding was corrected during the year.

LAURENS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

2015-3 Internal Audit Function

Condition: There is not appropriate segregation of duties between recording, processing and reconciliation of cash accounts and other operational functions in the various funds processed by the Finance Officer.

Recommendation: The County should hire, or subcontract, an internal auditor who would assist in establishing and monitoring an enhanced system of internal controls to assist in safeguarding the assets of the County.

Current Status: This finding was not corrected during the year.

2015-4 Budgeting

Condition: The County is not properly utilizing the budgeting process. We noted several instances whereby actual current operating expenditures of the General Fund, '13-'18 SPLOST Fund, Sanitation Fund, Grants Fund, Internal Service Fund, Enhanced 911 Fund, Crime Victims Assistance Fund, the Drug Fund and the Juvenile Fund exceeded budgeted expenditures. In addition, budgets were not adopted for the Sheriff Commissary Fund, Judicial Services Fund, or the TIA Operating Fund.

Recommendation: The County should undergo a comprehensive review of the budgeting and cash flow process, so that steps can be taken to project the cash flow needs and to provide for sufficient funding to operate the County in an efficient and effective manner.

Current Status: This finding was not corrected during the year.

Other Information

LAURENS COUNTY, GEORGIA

EXHIBIT 39

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
YEAR ENDED JUNE 30, 2016

Project Description Per SPLOST Referendum	Estimated Cost		Prior Years	Expenditures	
	Original	Current		Current Year	Total
Law Enforcement Center Project	\$ 6,100,000	\$ 6,100,000	\$ 6,056,181	\$ -	\$ 6,056,181
Public Projects - October 2003 - June 2006 SPLOST:					
Georgia State Patrol Office	\$ 1,500,000	\$ 1,500,000	\$ 1,543,360	\$ -	\$ 1,543,360
Annex Building	2,000,000	2,000,000	2,660,388	-	2,660,388
Courthouse Renovations	2,000,000	2,750,000	1,585,811	-	1,585,811
Courthouse Debt Repayment *	2,000,000	2,051,184	2,051,194	-	2,051,194
Infrastructure/Economic Development	1,828,000	1,828,000	1,799,904	-	1,799,904
Total Public Projects	\$ 9,328,000	\$ 10,129,184	\$ 9,640,657	\$ -	\$ 9,640,657
* Budget increased by \$750,000 under new SPLOST					
Public Projects - SPLOST:					
Health Department Building	\$ 2,000,000	\$ 2,000,000	\$ 2,219,938	\$ 284,885	\$ 2,504,823
Recreational Facilities	450,000	450,000	1,169,754	-	1,169,754
EMS Equipment	700,000	700,000	1,135,996	-	1,135,996
Sheriff Equipment	1,200,000	1,200,000	1,367,803	-	1,367,803
E911 Equipment	-	175,966	1,201,145	-	1,201,145
Fire Equipment	1,100,000	1,100,000	994,161	-	994,161
Road Improvements	17,712,270	17,712,270	15,760,668	-	15,760,668
Public Works Equipment	3,000,000	3,000,000	3,862,506	-	3,862,506
Airport Improvements	300,000	300,000	2,008,631	-	2,008,631
City of Dublin	16,540,740	16,540,740	17,090,056	-	17,090,056
City of East Dublin	2,591,790	2,591,790	2,670,023	-	2,670,023
City of Rentz	97,650	97,650	107,201	-	107,201
City of Cadwell	99,600	99,600	109,973	-	109,973
City of Montrose	86,550	86,550	91,420	-	91,420
City of Dexter	112,950	112,950	128,951	-	128,951
City of Dudley	108,650	108,650	122,553	-	122,553
Laurens County Development Authority	2,000,000	2,000,001	2,067,260	-	2,067,260
Dublin-Laurens County Recreation Authority	1,150,000	1,150,000	1,149,999	-	1,149,999
Total Public Projects	\$ 49,250,200	\$ 49,426,167	\$ 53,258,038	\$ 284,885	\$ 53,542,923
Public Projects - FY 13 - 18 SPLOST:					
Economic Development	\$ 7,350,000	\$ 7,350,000	\$ 5,047,360	\$ 256,409	\$ 5,303,769
Previously Incurred General Obligation Debt	5,650,000	5,650,000	5,605,511	-	5,605,511
Recreational Facilities	500,000	500,000	227,342	74,678	302,020
Courthouse/Admin Buildings and Equipment	900,000	900,000	318,767	694,120	1,012,887
Public Safety Equipment and Facilities	4,900,000	4,900,000	2,025,541	1,235,861	3,261,402
Road Improvements	14,000,000	14,000,000	4,050,816	3,115,114	7,165,930
Public Works Facilities and Equipment	1,950,000	1,950,000	1,081,458	845,709	1,927,167
Airport Improvements	200,000	200,000	385,565	32,219	417,784
City of Dublin	14,675,000	14,675,000	6,687,271	2,196,647	8,883,918
City of East Dublin	2,250,000	2,250,000	1,025,462	336,846	1,362,308
City of Rentz	125,000	125,000	50,000	50,000	100,000
City of Montrose	125,000	125,000	50,000	50,000	100,000
City of Dexter	125,000	125,000	50,000	50,000	100,000
City of Dudley	125,000	125,000	50,000	50,000	100,000
City of Cadwell	125,000	125,000	50,000	50,000	100,000
Total Public Projects	\$ 53,000,000	\$ 53,000,000	\$ 26,705,093	\$ 9,037,603	\$ 35,742,696

FAMILY CONNECTION
 SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:			
Grant revenue	\$ 46,000	\$ 46,000	\$ -
Operating revenue	1,000	219	(781)
Interest income	-	52	52
Total revenues	<u>47,000</u>	<u>46,271</u>	<u>(729)</u>
Expenditures:			
Salaries	43,880	48,661	(4,781)
Group insurance	6,810	1,572	5,238
Payroll taxes	3,075	3,660	(585)
Worker's compensation	1,035	521	514
Other professional services	-	665	(665)
Insurance	-	1,914	(1,914)
Travel	-	40	(40)
Education and training	400	1,336	(936)
Office expense	155	348	(193)
Telephone	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>55,355</u>	<u>58,717</u>	<u>(3,362)</u>
Deficiency of Revenues Under Expenditures	<u>\$ (8,355)</u>	<u>\$ (12,446)</u>	<u>\$ (4,091)</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 41

FAMILY CONNECTION
 SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2016

State Program Name	Contract Number	Actual Revenue Received	Current Expenditures	Amount Due To/From State
Family Connection	427-93-131300082-99	\$ 45,000	\$ 58,717	\$ 15,886