

LAURENS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

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

LAURENS COUNTY, GEORGIA
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Financial Section

REVISED 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, 2017, 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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund; Budgetary Comparison Schedule – FY 13-18 SPLOST Fund, Budgetary Comparison Schedule – Permanent Fund, Budgetary Comparison Schedule – FY 19-24 SPLOST Fund, Schedule of Changes in The County's Net Pension Liability and Related Ratios and Schedule of Pension Contributions for Laurens County 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 Non-major Fund Financial Statements, Combining Schedule of Fiduciary Assets and Liabilities, 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 and the Revised Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Non-major Fund Financial Statements, Combining Schedule of Fiduciary Assets and Liabilities, 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, and the Revised Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Non-major Fund Financial Statements, Combining Schedule of Fiduciary Assets and Liabilities, 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, and the Revised Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2018, 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 15, 2018, except for Note 4 of the Revised Notes to the Schedule of Expenditures of Federal Awards, as to which the date is April 16, 2018

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, 2017. 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 FY17 are as follows:

The County's combined net position totaled \$47.4 million. Of this amount, unrestricted net position of \$1.1 million may be used to meet the government's ongoing obligations to citizens and creditors.

Combined revenue totaled \$43.2 million of which governmental activities totaled \$42.2 million.

Overall expenses totaled \$39.7 million of which governmental activities totaled \$38.7 million.

Overall the net change in fund balance was a decrease of \$3,279,661. The net change in the general fund balance was an increase of \$475,138.

As of June 30, 2017, the County's General Fund reported an unassigned fund balance of \$4.2 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, 2017 and 2016.

Table 2: Condensed Statement of Net Position				
	<u>Governmental Activities</u>		<u>Business - Type Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets				
Current and other assets	\$ 18,749,254	\$ 19,969,471	\$ 328,540	\$ 306,797
Capital assets	43,357,563	35,298,082	197,935	219,318
Deferred Outflows	391,222	511,932	-	-
Total Assets	62,498,039	55,779,485	526,475	526,115
Liabilities				
Other liabilities	3,106,222	3,607,888	79,056	78,696
Proportionate share of collective net pension liability	3,609,881	3,192,138	-	-
Long-term liabilities	5,886,707	5,510,000	-	-
Deferred Inflows	49,867	-	-	-
Total liabilities	12,652,677	12,310,026	79,056	78,696
Net Position				
Invested in capital assets, net of related debt	37,300,375	29,788,082	197,935	219,318
Restricted	11,724,398	12,941,611	-	-
Unrestricted	820,589	739,766	249,484	228,101
Total net position	\$ 49,845,362	\$ 43,469,459	\$ 447,419	\$ 447,419

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, the net positions related to capital assets 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, 2017 and 2016. 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues				
Program revenues:				
Charges for services	\$ 12,461,024	\$ 10,792,688	\$ 633,003	\$ 621,695
Operating grants & contributions	1,138,799	956,457	-	-
Capital grants & contributions	1,293,672	1,379,499	351,093	385,135
General revenues:				
Property taxes	10,691,613	10,691,335	-	-
Other taxes	15,603,523	16,060,169	-	-
Other revenues	384,298	277,814	139	279
Total Revenues	<u>41,572,929</u>	<u>40,157,962</u>	<u>984,235</u>	<u>1,007,109</u>
Expenses				
General government	11,240,239	11,872,667	-	-
Judicial	4,021,144	3,512,240	-	-
Public safety	17,124,873	14,383,409	-	-
Public works	4,500,077	5,552,369	-	-
Health and welfare	231,009	311,440	-	-
Conservation and natural resources	1,116,643	1,088,403	-	-
Housing & development	340,969	274,196	-	-
Interest on long-term debt	97,127	194,303	-	-
Sanitation	-	-	984,235	993,502
Total Expenses	<u>38,672,081</u>	<u>37,189,027</u>	<u>984,235</u>	<u>993,502</u>
Increase (decrease) in net position before gain (loss) and transfers	2,900,848	2,968,935	-	13,607
Gain (loss) on sale of capital assets	628,494	81,728	-	-
Transfers	-	-	-	-
Change in net position	3,529,342	3,050,663	-	13,607
Beginning net position	43,469,459	40,418,796	447,419	433,812
Restatement of Prior Year Net Position	-	-	-	-
Ending net position	<u>\$ 46,998,801</u>	<u>\$ 43,469,459</u>	<u>\$ 447,419</u>	<u>\$ 447,419</u>

During the fiscal year ending June 30, 2017, the net position of the government activities increased \$3,529,342 or 8.1%. Total revenues for 2017 increased by \$1,414,967 or 3.5%. The increase was mainly due to the increase in charges for services of \$1,668,336. Total expenses for 2017 increased by \$1,483,054 or 4.0%. The main reason for the increase in expenses in 2017 was due to an increase in public safety in the amount of \$2,741,464.

Approximately 25.7% of the County's revenues came from property taxes and approximately 37.5% came from other taxes. Approximately 30.0% of the County's revenues came from charges for services and

approximately 6.8% came from grants, contributions 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 44.3% related to public safety, 11.6% related to public works, 29.1% related to general government activities which includes the tax commissioner and tax assessor, and 10.4% 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, 2017 and 2016.

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

Programs	2017		Net Program Expenses (Revenues)(b)
	Program Expenses	Program Revenues	
General government	\$ 11,240,239	\$ 7,648,458	\$ 3,591,781
Judicial	4,021,144	3,424,255	596,889
Public safety	17,124,873	2,230,322	14,894,551
Public works	4,500,077	1,361,987	3,138,090
Health and welfare	231,009	228,473	2,536
Conservation and natural resources	1,116,643	-	1,116,643
Housing and development	340,969	-	340,969
Interest on long-term debt	97,127	-	97,127
Totals	<u>\$ 38,672,081</u>	<u>\$ 14,893,495</u>	<u>\$ 23,778,586</u>

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>

(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 \$13,519,774 with \$7,384,239 reported as non-spendable, \$1,972,276 reported as restricted, and a \$4,163,259 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 \$4,163,259 and total fund balance was \$4,321,796. 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 17.8% of total General Fund expenditures, while total fund balance represents 18.4%. The net change in the General Fund's fund balance for the fiscal year ended June 30, 2017 was an increase of \$475,138 or 12.4%. The reason for the increase in the fund balance was mainly due to an increase in fines and forfeitures.

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 budget amendments made by the County during the fiscal year ended June 30, 2017 that fall in each of the three categories above.

The actual operating revenues of the General Fund exceeded the final budgeted amounts by \$168,630. The major factor contributing to the favorable variance was due to an increase in taxes by \$185,637.

The actual operating expenditures of the General Fund did not exceed the final budgeted amounts by \$346,638. The main reason for the favorable variance was due to cost savings in General Government and Public Safety which created a favorable variance of \$149,552 and \$91,665, respectively.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

At June 30, 2017, the County reported \$43,063,124 in capital assets for governmental activities. Major capital asset transactions during the year related to several paving and resurfacing projects. Also, equipment was purchased for the 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.

During the fiscal year ending June 30, 2017, the County entered into capital leases to purchase E-911 system equipment as well public works equipment. At June 30, 2017, the outstanding balance of the capital lease debt was \$2,251,707. Refer to Note III-G and Note III-H 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, 2017, the principal balance on the bonds was \$3,635,000. 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 2017 has been a very slow recovery. Revenues such as sales tax appear to have leveled off somewhat. 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 2018 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 2018. However, Laurens County is actively working on bringing industry to this area.

The development of the FY 2018 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. The FY 2018 general fund budget represents a slight increase over the FY 2017 general fund budget. The millage rate was slightly decreased for FY 2018.

Difficult choices have been made as the FY 2018 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

Basic Financial Statements

LAURENS COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2017

Exhibit 1

	Primary Government			
	Governmental	Business - type	Total	Component Units
	Activities	Activity		
Assets				
Cash and cash equivalents	\$ 10,530,599	\$ 99,393	\$ 10,629,992	6,012,848
Certificates of deposit	155,081	-	155,081	-
Receivables, net of allowances for uncollectible:				
Taxes	310,285	-	310,285	-
Accounts	1,052,510	53,309	1,105,819	356,095
Other	385	-	385	9,725
Due from other governments	1,395,407	-	1,395,407	1,161,529
Prepaid expenditures	184,239	-	184,239	8,627
Due from component units	2,744,464	-	2,744,464	-
Internal balances	(175,838)	175,838	-	-
Due from primary government	-	-	-	459,146
Capital assets:				
Land and other non-depreciable assets	5,494,770	105,934	5,600,704	1,478,774
Other capital assets, net of depreciation	37,568,354	92,001	37,660,355	9,788,419
Restricted cash and certificates of deposit	-	-	-	4,083,302
Restricted asset - real estate	-	-	-	4,432,624
Note receivable	-	-	-	2,419,857
Total assets	59,260,256	526,475	59,786,731	30,210,946
Deferred Outflows of Resources	391,222	-	391,222	1,373,289
Total assets and deferred outflows of resources	59,651,478	526,475	60,177,953	31,584,235
Liabilities				
Accounts payable	1,600,621	79,056	1,679,677	185,298
Bank overdraft	-	-	-	-
Accrued expenses	305,424	-	305,424	54,248
Due to others	6,680	-	6,680	316,882
Accrued interest payable	36,350	-	36,350	-
Post employment benefits payable	-	-	-	-
Premium on bonds payable	170,481	-	170,481	-
Compensated absences payable - current	525,697	-	525,697	77,690
Due to component unit	459,146	-	459,146	-
Due to primary government	-	-	-	2,744,460
Unearned revenue	-	-	-	-
Long-term obligations:				
Due within one year	2,033,583	-	2,033,583	2,439,280
Proportionate share of collective net pension liability	3,609,881	-	3,609,881	5,888,048
Due in more than one year	3,853,124	-	3,853,124	8,492,220
Funds held in escrow	1,823	-	1,823	-
Total liabilities	12,602,810	79,056	12,681,866	20,198,126
Deferred Inflows of Resources Related to Pensions	49,867	-	49,867	131,385
Total liabilities and deferred inflows	12,652,677	79,056	12,731,733	20,329,511
Net Position				
Net investment in capital assets	37,005,936	197,935	37,203,871	9,042,807
Restricted for:				
Special programs	1,972,276	-	1,972,276	-
Economic development	7,200,000	-	7,200,000	4,165,791
Contributions Conference Center	-	-	-	30,000
Post closure care costs	-	-	-	4,056,040
Prior year program income fund	-	-	-	1,388,136
Unrestricted	820,589	249,484	1,070,073	(7,428,050)
Total net position	\$ 46,998,801	\$ 447,419	\$ 47,446,220	11,254,724

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, 2017

Functions/Programs	Program Revenues				Changes in Net Position							Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units					
					Governmental Activities	Business - type Activity	Total	Solid Waste Management Authority	Public Facilities Authority	Development Authority	Public Health Center		
Primary Government													
Governmental Activities:													
General government	\$ 11,240,239	\$ 7,491,961	\$ 146,497	\$ 10,000	\$ (3,591,781)	\$ -	\$ (3,591,781)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	4,021,144	3,347,657	76,598	-	(596,889)	-	(596,889)	-	-	-	-	-	-
Public safety	17,124,873	1,543,091	687,231	-	(14,894,551)	-	(14,894,551)	-	-	-	-	-	-
Public works	4,500,077	78,315	-	1,283,672	(3,138,090)	-	(3,138,090)	-	-	-	-	-	-
Health and welfare	231,009	-	228,473	-	(2,536)	-	(2,536)	-	-	-	-	-	-
Conservation of natural resources	1,116,643	-	-	-	(1,116,643)	-	(1,116,643)	-	-	-	-	-	-
Housing and development	340,969	-	-	-	(340,969)	-	(340,969)	-	-	-	-	-	-
Interest on long-term debt	97,127	-	-	-	(97,127)	-	(97,127)	-	-	-	-	-	-
Total governmental activities	<u>38,672,081</u>	<u>12,461,024</u>	<u>1,138,799</u>	<u>1,293,672</u>	<u>(23,778,586)</u>	<u>-</u>	<u>(23,778,586)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business - type Activity -													
Sanitation Fund	984,235	633,003	-	351,093	-	(139)	(139)	-	-	-	-	-	-
Total primary government	<u>39,656,316</u>	<u>13,094,027</u>	<u>1,138,799</u>	<u>1,644,765</u>	<u>(23,778,586)</u>	<u>(139)</u>	<u>(23,778,725)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units													
Laurens County Solid Waste Management Authority	1,532,071	1,775,304	-	-	-	-	-	243,233	-	-	-	-	243,233
Laurens County Public Facilities Authority	30,203	-	41,000	-	-	-	-	-	10,797	-	-	-	10,797
Dublin-Laurens County Development Authority	2,540,153	207,492	1,080,000	-	-	-	-	-	-	(1,252,661)	-	-	(1,252,661)
Laurens County Public Health Center	8,971,536	1,702,877	6,594,310	-	-	-	-	-	-	-	(674,349)	-	(674,349)
Total component units	<u>\$ 13,073,963</u>	<u>\$ 3,685,673</u>	<u>\$ 7,715,310</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,233</u>	<u>10,797</u>	<u>(1,252,661)</u>	<u>(674,349)</u>	<u>-</u>	<u>(1,672,980)</u>
General revenues:													
Property taxes					10,691,613	-	10,691,613	-	-	-	-	-	-
Sales and other taxes					15,603,523	-	15,603,523	-	-	-	-	-	-
Intra/inter agency					-	-	-	-	-	-	-	1,229,506	1,229,506
Unrestricted investment earnings					35,198	139	35,337	28,140	21,777	23,257	-	-	73,174
Bond revenue					-	-	-	-	-	3,137	-	-	3,137
Intergovernmental					7,124	-	7,124	-	-	296,000	-	-	296,000
Other local funds					-	-	-	-	-	-	129,300	-	129,300
Contributions					10,000	-	10,000	-	-	-	-	-	-
Insurance recoveries					68,949	-	68,949	-	-	-	-	-	-
Miscellaneous					263,027	-	263,027	50	-	292	6,807	-	7,149
Gain on disposal of capital assets					628,494	-	628,494	-	-	-	-	-	-
Total general revenues					<u>27,307,928</u>	<u>139</u>	<u>27,308,067</u>	<u>28,190</u>	<u>21,777</u>	<u>322,686</u>	<u>1,365,613</u>	<u>-</u>	<u>1,738,266</u>
Change in net position					3,529,342	-	3,529,342	271,423	32,574	(929,975)	691,264	-	65,286
Net position - beginning					43,469,459	447,419	43,916,878	(23,914)	(144,370)	12,125,701	(767,979)	-	11,189,438
Net position - ending					<u>\$ 46,998,801</u>	<u>\$ 447,419</u>	<u>\$ 47,446,220</u>	<u>\$ 247,509</u>	<u>\$ (111,796)</u>	<u>\$ 11,195,726</u>	<u>\$ (76,715)</u>	<u>-</u>	<u>11,254,724</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, 2017

	General	FY 19 - 24 SPLOST	FY 13 - 18 SPLOST	Permanent	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 4,095,596	\$ -	\$ 3,592,949	\$ 1,943,384	\$ 894,383	\$ 10,526,312
Certificates of Deposit	-	-	-	-	155,081	155,081
Receivables, net of allowances for uncollectibles:						
Taxes	310,285	-	-	-	-	310,285
Accounts	830,579	-	-	-	123,148	953,727
Component unit	39,603	-	-	2,704,861	-	2,744,464
Due from other governments	471,915	-	730,245	-	193,247	1,395,407
Due from other funds	2,899,593	-	-	2,552,122	75,574	5,527,289
Accrued interest receivable	-	-	-	-	385	385
Prepaid expenditures	158,537	-	11,293	-	14,409	184,239
Total Assets	\$ 8,806,108	\$ -	\$ 4,334,487	\$ 7,200,367	\$ 1,456,227	\$ 21,797,189
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 334,732	\$ -	\$ 681,113	\$ -	\$ 94,783	\$ 1,110,628
Accrued expenses	260,433	-	-	-	44,991	305,424
Due to others	-	-	-	-	6,680	6,680
Due to other funds	3,124,514	2,552,122	123,631	367	289,416	6,090,050
Other liabilities	1,823	-	-	-	-	1,823
Total Liabilities	3,721,502	2,552,122	804,744	367	435,870	7,514,605
Deferred Inflows of Resources -						
Unavailable revenues	762,810	-	-	-	-	762,810
Fund Balances:						
Nonspendable for :						
Prepaid expenditures	158,537	-	11,293	-	14,409	184,239
Economic development	-	-	-	7,200,000	-	7,200,000
Restricted for:						
Special programs	-	(2,552,122)	3,518,450	-	1,005,948	1,972,276
Unassigned	4,163,259	-	-	-	-	4,163,259
Total Fund Balances	4,321,796	(2,552,122)	3,529,743	7,200,000	1,020,357	13,519,774
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,806,108	\$ -	\$ 4,334,487	\$ 7,200,367	\$ 1,456,227	\$ 21,797,189

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

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, 2017

Fund balance - total governmental funds	\$ 13,519,774
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.	43,063,124
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	762,810
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	(459,146)
Net pension liability	(3,609,881)
Net deferred inflows(outflows) - pension expense	341,355
Bonds payable	(3,635,000)
Interest on bonds payable	(36,350)
Premium on bonds payable	(170,481)
Capital lease	(2,251,707)
Compensated absences	<u>(525,697)</u>
Net position of governmental activities	<u>\$ 46,998,801</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General	FY 19 - 24 SPLOST	FY 13 - 18 SPLOST	Permanent	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 16,987,159	\$ -	\$ 8,951,335	\$ -	\$ 793,170	\$ 26,731,664
Licenses and permits	62,854	-	-	-	-	62,854
Charges for services	2,781,463	-	-	-	1,025,374	3,806,837
Fines and forfeitures	3,037,242	-	-	-	312,940	3,350,182
Grant revenues	727,163	-	-	-	1,689,465	2,416,628
Contribution revenues	-	-	-	-	7,124	7,124
Interest income	11,935	-	8,649	20,332	2,886	43,802
Other revenues	170,477	-	95,162	-	3,509	269,148
Total Revenues	<u>23,778,293</u>	<u>-</u>	<u>9,055,146</u>	<u>20,332</u>	<u>3,834,468</u>	<u>36,688,239</u>
Expenditures:						
Current:						
General government	3,429,926	-	-	-	385,077	3,815,003
Judicial	2,831,143	-	-	-	91,807	2,922,950
Public safety	10,748,756	-	-	-	1,407,126	12,155,882
Public works	1,691,981	-	826,137	-	745,155	3,263,273
Health and welfare	167,286	-	-	-	-	167,286
Conservation and natural resources	1,116,643	-	-	-	-	1,116,643
Housing and development	290,969	-	50,000	-	-	340,969
Debt Service:						
Principal payments	129,198	-	1,884,968	-	24,197	2,038,363
Interest payments	20,089	-	227,881	-	4,292	252,262
Intergovernmental payments	-	-	2,587,729	-	-	2,587,729
Capital outlay	-	2,552,122	9,009,286	-	356,693	11,918,101
Total Expenditures	<u>20,425,991</u>	<u>2,552,122</u>	<u>14,586,001</u>	<u>-</u>	<u>3,014,347</u>	<u>40,578,461</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>3,352,302</u>	<u>(2,552,122)</u>	<u>(5,530,855)</u>	<u>20,332</u>	<u>820,121</u>	<u>(3,890,222)</u>
Other Financing Sources (Uses):						
Transfers in	20,332	-	1,628,624	-	332,836	1,981,792
Transfers out	(3,006,327)	-	-	(20,332)	(1,628,624)	(4,655,283)
Proceeds from capital leases	-	-	2,089,986	-	195,886	2,285,872
Proceeds from insurance recoveries	-	-	68,949	-	-	68,949
Proceeds from sale of capital assets	108,831	-	811,400	-	9,000	929,231
Total other financing sources (uses)	<u>(2,877,164)</u>	<u>-</u>	<u>4,598,959</u>	<u>(20,332)</u>	<u>(1,090,902)</u>	<u>610,561</u>
Net Change in Fund Balances	<u>475,138</u>	<u>(2,552,122)</u>	<u>(931,896)</u>	<u>-</u>	<u>(270,781)</u>	<u>(3,279,661)</u>
Fund balances - beginning	<u>3,846,658</u>	<u>-</u>	<u>4,539,131</u>	<u>7,200,000</u>	<u>1,213,646</u>	<u>16,799,435</u>
Prior period adjustment	-	-	(77,492)	-	77,492	-
Fund balances - beginning, as restated	<u>3,846,658</u>	<u>-</u>	<u>4,461,639</u>	<u>7,200,000</u>	<u>1,291,138</u>	<u>16,799,435</u>
Fund balances - ending	<u>\$ 4,321,796</u>	<u>\$ (2,552,122)</u>	<u>\$ 3,529,743</u>	<u>\$ 7,200,000</u>	<u>\$ 1,020,357</u>	<u>\$ 13,519,774</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, 2017

Net change in fund balances - Total Governmental Funds	\$ (3,279,661)
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	12,340,049
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.	(4,284,270)
Donated governmental capital assets are included in the governmental activities column in the Statement of Net Position but are not shown in the governmental funds.	10,000
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.	(300,737)
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	1,875,000
Advance from component units	127,746
Capital leases	71,665
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	(436,528)
Emergency Medical Services Ambulance Fees	166,656
The issuance of long-term debt provided current financial resources to governmental funds but has no effect on net position - capital leases	(2,285,872)
Pension expenditures represent contributions to the pension plan made during the fiscal year and are reported in the funds. Pension expense represents the change in the net pension liability and any amortization of differences in projects and actual earnings, changes in assumptions, and changes in benefits or differences between expected and actual experience. The statement of activities reports pension expense. These figures differ by:	(535,639)
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.	136,385
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	(18,750)
Compensated absences	(56,702)
Change in Net Position of Governmental Activities	<u>\$ 3,529,342</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 7

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2017

	<u>Enterprise Fund-Other Sanitation Fund</u>	<u>Internal Service Funds</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 99,393	\$ 4,287
Accounts receivable, net of allowance for uncollectibles	53,309	98,783
Due from other funds	<u>175,838</u>	<u>386,923</u>
Total current assets	<u>328,540</u>	<u>489,993</u>
Noncurrent Assets:		
Capital assets:		
Nondepreciable assets	105,934	-
Depreciable assets, net of depreciation	<u>92,001</u>	<u>-</u>
Total capital assets, net	<u>197,935</u>	<u>-</u>
Total Assets	<u>526,475</u>	<u>489,993</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	79,056	489,993
Due to other funds	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>79,056</u>	<u>489,993</u>
NET POSITION		
Net investment in capital assets	197,935	-
Unrestricted	<u>249,484</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 8

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Enterprise Fund-Other Sanitation Fund</u>	<u>Internal Service Funds</u>
Operating Revenues:		
Insurance premiums	\$ -	\$ 2,403,529
Refuse collection charges	628,160	-
Other income	4,843	-
Total operating revenues	<u>633,003</u>	<u>2,403,529</u>
Operating Expenses:		
Other professional services	915,106	-
Depreciation expense	21,384	-
Other expenses	47,745	-
Reinsurance premiums	-	199,713
Employee insurance claims	-	4,877,352
Total operating expenses	<u>984,235</u>	<u>5,077,065</u>
Operating Loss	<u>(351,232)</u>	<u>(2,673,536)</u>
Non-operating Revenues:		
Interest income	139	45
Insurance premium tax	351,093	-
Total non-operating revenues	<u>351,232</u>	<u>45</u>
Loss Before Transfers	<u>-</u>	<u>(2,673,491)</u>
Transfers -		
Transfers in	-	2,673,491
Change in Net Position	-	-
Total Net Position, Beginning	<u>447,419</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 9

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Enterprise Fund-Other Sanitation Fund</u>	<u>Enterprise Fund-Other Internal Service Funds</u>
Cash Flows from Operating Activities:		
Receipts from employees	\$ -	\$ 841,234
Receipts from customers and others	640,950	-
Receipts from primary government	-	1,414,920
Payments to others	(915,106)	-
Payments to suppliers	(209,841)	-
Payments to insurance companies	-	(5,023,258)
Net cash used in operating activities	<u>(483,997)</u>	<u>(2,767,104)</u>
Cash Flows from Non-Capital and Related Financing Activities:		
Insurance premium tax	351,093	-
Transfers from the primary government	-	2,673,491
Net cash provided by non-capital and related financing activities	<u>351,093</u>	<u>2,673,491</u>
Cash Flows from Investing Activities -		
Interest income	<u>139</u>	<u>45</u>
Net decrease in cash and cash equivalents	(132,765)	(93,568)
Balances - beginning of year	<u>232,158</u>	<u>97,855</u>
Balances - end of year	<u>\$ 99,393</u>	<u>\$ 4,287</u>
Reconciliation of operating loss to net cash used in Operating Activities:		
Operating loss	\$ (351,232)	\$ (2,673,536)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	21,384	-
Net change in assets and liabilities attributable to operations:		
Accounts receivable	7,947	78,066
Due from other funds	(162,456)	(147,374)
Accounts payable	360	(24,260)
Due to other funds	-	-
Net cash used in operating activities	<u>\$ (483,997)</u>	<u>\$ (2,767,104)</u>

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

LAURENS COUNTY, GEORGIA

EXHIBIT 10

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2017

	<u>Agency Funds</u>
Assets:	
Cash	\$ 1,397,822
Due from others	<u>-</u>
Total Assets	<u>\$ 1,397,822</u>
Liabilities:	
Due to other governments	\$ 1,013,905
Funds held in escrow	26,130
Other liabilities	<u>357,787</u>
Total Liabilities	<u>\$ 1,397,822</u>

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

LAURENS COUNTY, GEORGIA

EXHIBIT 11

COMBINING UNITS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Component Units				Total
	Solid Waste Management Authority	Public Facilities Authority	Development Authority	Public Health Center	
Assets					
Cash and cash equivalents	\$ 1,385,210	\$ 103,914	\$ 709,658	\$ 3,814,066	\$ 6,012,848
Receivables, net of allowances for uncollectible:					
Accounts	242,408	-	6,207	107,480	356,095
Due from other governments	-	-	-	1,161,529	1,161,529
Accrued interest receivable	5,318	-	4,407	-	9,725
Prepaid expenditures	8,627	-	-	-	8,627
Due from primary governments	-	459,146	-	-	459,146
Capital assets:					
Land and other non-depreciable assets	288,824	-	1,189,950	-	1,478,774
Other capital assets, net of depreciation	2,298,065	-	7,243,196	247,158	9,788,419
Restricted cash and certificates of deposit	4,056,040	-	27,262	-	4,083,302
Restricted asset - real estate	-	-	4,432,624	-	4,432,624
Note receivable	-	-	2,419,857	-	2,419,857
Total assets	<u>8,284,492</u>	<u>563,060</u>	<u>16,033,161</u>	<u>5,330,233</u>	<u>30,210,946</u>
Deferred Outflows of Resources	-	-	-	1,373,289	1,373,289
Liabilities					
Accounts payable	3,149	-	61,160	120,989	185,298
Accrued expenses	47,392	6,856	-	-	54,248
Due to others	-	-	-	316,882	316,882
Compensated absences payable - current	13,103	-	-	64,587	77,690
Due to primary government	39,603	-	2,704,857	-	2,744,460
Long-term obligations:					
Due within one year	185,862	182,000	2,071,418	-	2,439,280
Proportionate share of collective net pension liability	-	-	-	5,888,048	5,888,048
Due in more than one year	7,747,874	486,000	-	258,346	8,492,220
Total liabilities	<u>8,036,983</u>	<u>674,856</u>	<u>4,837,435</u>	<u>6,648,852</u>	<u>20,198,126</u>
Deferred Inflows of Resources	-	-	-	131,385	131,385
Net Position					
Net investment in capital assets	2,433,921	-	6,361,728	247,158	9,042,807
Restricted for:					
Economic development	-	-	4,165,791	-	4,165,791
Contributions Conference Center	-	-	30,000	-	30,000
Post closure care costs	4,056,040	-	-	-	4,056,040
Prior year program income fund	-	-	-	1,388,136	1,388,136
Unrestricted	<u>(6,242,452)</u>	<u>(111,796)</u>	<u>638,207</u>	<u>(1,712,009)</u>	<u>(7,428,050)</u>
Total net position	<u>\$ 247,509</u>	<u>\$ (111,796)</u>	<u>\$ 11,195,726</u>	<u>\$ (76,715)</u>	<u>\$ 11,254,724</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 ACTIVITIES
FIDUCIARY FUNDS
JUNE 30, 2017

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	\$ 1,532,071	\$ 1,775,304	\$ -	\$ -	\$ 243,233	\$ -	\$ -	\$ -	\$ 243,233
Laurens County Public Facilities Authority	30,203	-	41,000	-	-	10,797	-	-	10,797
Dublin-Laurens County Development Authority	2,540,153	207,492	1,080,000	-	-	-	(1,252,661)	-	(1,252,661)
Laurens County Public Health Center	8,971,536	1,702,877	6,594,310	-	-	-	-	(674,349)	(674,349)
Total component units	<u>13,073,963</u>	<u>3,685,673</u>	<u>7,715,310</u>	<u>-</u>	<u>243,233</u>	<u>10,797</u>	<u>(1,252,661)</u>	<u>(674,349)</u>	<u>(1,672,980)</u>
General revenues:									
Intra/inter agency						-	-	1,229,506	1,229,506
Unrestricted investment earnings					28,140	21,777	23,257	-	73,174
Bond revenue					-	-	3,137	-	3,137
Intergovernmental					-	-	296,000	-	296,000
Other local funds					-	-	-	129,300	129,300
Transfers in					-	-	-	-	-
Miscellaneous					50	-	292	6,807	7,149
Gain on disposal of capital assets					-	-	-	-	-
Total General Revenues and Transfers					<u>28,190</u>	<u>21,777</u>	<u>322,686</u>	<u>1,365,613</u>	<u>1,738,266</u>
Changes in net position					271,423	32,574	(929,975)	691,264	65,286
Net Position - beginning					(23,914)	(144,370)	12,125,701	(767,979)	11,189,438
Net Position - ending					<u>\$ 247,509</u>	<u>\$ (111,796)</u>	<u>\$ 11,195,726</u>	<u>\$ (76,715)</u>	<u>\$ 11,254,724</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, 2017

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, 2017

A. Reporting Entity (Continued)

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, 2017 are included in the reporting entity's 2017 financial statements. During the year ended June 30, 2017, the primary source of income for the Authority was user fees in the amount of \$1,775,304. At June 30, 2017, the liability to the County from the Authority was \$39,603.

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, 2017 are included in the reporting entity's 2017 financial statements. During the year ended June 30, 2017, the primary source of income for the Center was grant income in the amount of \$6,594,310 received from the Georgia Department of Human Resources. At June 30, 2017, 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, 2017, the County awarded operating grants to the Authority in the amount of \$185,000.

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 2017, the County appropriated operating grants to these agencies of \$-0- and \$378,455, respectively.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

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

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.

The *FY 19 – 24 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.

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, 2017

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 19 percent of outstanding property taxes at June 30, 2017.

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, 2017

D. Assets, Liabilities and Net Position or Equity (Continued)

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 \$282,465. 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.

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.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

D. Assets, Liabilities and Net Position or Equity (Continued)

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."

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, 2017

D. Assets, Liabilities and Net Position or Equity (Continued)

Net Investments in Capital Assets

The “net investment in capital assets” reported on the government-wide statement of net position as of June 30, 2017 are as follows:

<u>Net investment in capital assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Cost of capital assets	\$ 106,336,156	\$ 1,216,449
Less accumulated depreciation	<u>(63,273,032)</u>	<u>(1,018,514)</u>
Book value	43,063,124	197,935
Less capital related debt	<u>(6,057,188)</u>	<u>-</u>
Net investments in capital assets	<u>\$ 37,005,936</u>	<u>\$ 197,935</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.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

A. Budgets and Budgetary Accounting (Continued)

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, 2017.

B. Deficit Fund Balance

The FY 19 – 24 SPLOST Capital Fund had a deficit fund balance in the amount of \$2,552,122 as of June 30, 2017. The deficit fund balance will be liquidated from SPLOST proceeds.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, 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, 2017, the County had invested \$1,706,937 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 AAA 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, 2017, 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, 2017

B. Property Taxes (Continued)

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, 2017, is composed of the following:

Year of Levy:			
2016	\$	229,936	
2015		89,416	
2014		22,291	
2013		10,519	
2012		14,477	
2011		966	
2010		1,665	
Prior to 2010		<u>13,326</u>	
Total		382,596	
Less - allowance for uncollectible		<u>72,311</u>	
Net receivable	\$	<u>310,285</u>	

Property Tax Abatements

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, the County is required to disclose certain information about tax abatements as defined in the Statement. For purposes of GASB Statement No. 77, a tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the County or the citizens of the County. The County has entered into such agreements. For the fiscal year ended June 30, 2017, the County abated property taxes totaling \$467,720, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

YKK AP America, Inc.

A sixty percent property tax abatement to a technology manufacturer of commercial residential doors and windows to open a manufacturing facility in the County. The abatement amounted to \$93,708.

Green Power Solutions of Georgia, LLC

A one-hundred percent property tax abatement to a renewable energy company to locate a project in the County. The abatement amounted to \$154,781.

Erdrich Umformtechnik, Inc.

A one-hundred percent property tax abatement to an automotive components production facility. The abatement amounted to \$133,859.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

C. Accounts Receivable

Receivables at June 30, 2017 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>	FY 13 - 18 <u>SPLOST</u>	FY 19 - 24 <u>SPLOST</u>	<u>Internal Service</u>	<u>Nonmajor Funds</u>
Receivables:						
Taxes	\$ 382,596	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	830,579	-	-	-	98,783	123,148
Intergovernmental	<u>471,915</u>	<u>-</u>	<u>730,245</u>	<u>-</u>	<u>-</u>	<u>193,247</u>
Gross receivables	1,685,090	-	730,245	-	98,783	316,395
Less: Allowance for Uncollectibles	<u>(72,311)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ 1,612,779</u>	<u>\$ -</u>	<u>\$ 730,245</u>	<u>\$ -</u>	<u>\$ 98,783</u>	<u>\$ 316,395</u>

Receivables as of June 30, 2017 for the County's enterprise funds, including applicable allowances for uncollectible accounts are as follows:

Receivables - Accounts	\$ 62,978
Less: Allowance for Uncollectibles	<u>(9,669)</u>
Net total receivables	<u>\$ 53,309</u>

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, 2017 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	\$ 260,154	\$ -	\$ 6,207	\$ 107,480	\$ 373,841
Interest	5,318	-	-	-	5,318
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,161,529</u>	<u>1,161,529</u>
Gross receivables	265,472	-	6,207	1,269,009	1,540,688
Less: Allowance for Uncollectibles	<u>(17,746)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,746)</u>
Net total receivables	<u>\$ 247,726</u>	<u>\$ -</u>	<u>\$ 6,207</u>	<u>\$ 1,269,009</u>	<u>\$ 1,522,942</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

C. Accounts Receivable (Continued)

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)	\$ 213,569	\$ -
EMS fees receivable (General Fund)	536,449	-
Intergovernmental reimbursements	12,792	-
Grant drawdowns prior to meeting all eligibility requirements (Grant Fund)	<u>-</u>	<u>-</u>
Total unavailable/unearned revenue for governmental funds	<u>\$ 762,810</u>	<u>\$ -</u>

D. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Primary Government</u>			
	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<u>Governmental activities</u>				
Capital assets not being depreciated-				
Land	\$ 2,932,648	\$ 2,562,122	\$ -	\$ 5,494,770
Other capital assets:				
Buildings and other improvements	20,557,121	248,535	5,990	20,799,666
Infrastructure	40,210,137	4,835,876	-	45,046,013
Machinery and equipment	18,271,622	3,651,442	1,708,674	20,214,390
Depreciable site improvements	2,635,464	-	-	2,635,464
Vehicles	<u>11,567,692</u>	<u>1,052,074</u>	<u>473,913</u>	<u>12,145,853</u>
Total other capital assets at historical cost	<u>93,242,036</u>	<u>9,787,927</u>	<u>2,188,577</u>	<u>100,841,386</u>
Less accumulated depreciation for:				
Buildings and other improvements	(7,157,293)	(531,479)	(2,396)	(7,686,376)
Infrastructure	(28,625,810)	(2,269,936)	-	(30,895,746)
Machinery and equipment	(15,467,930)	(748,062)	(1,525,797)	(14,690,195)
Depreciable site improvements	(494,550)	(10,220)	-	(504,770)
Vehicles	<u>(9,131,019)</u>	<u>(724,573)</u>	<u>(359,647)</u>	<u>(9,495,945)</u>
Total accumulated depreciation	<u>(60,876,602)</u>	<u>(4,284,270)</u>	<u>(1,887,840)</u>	<u>(63,273,032)</u>
Other capital assets, net	<u>32,365,434</u>	<u>5,503,657</u>	<u>300,737</u>	<u>37,568,354</u>
Governmental activities capital assets, net	<u>\$ 35,298,082</u>	<u>\$ 8,065,779</u>	<u>\$ 300,737</u>	<u>\$ 43,063,124</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

D. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 3,878,299
Public safety	<u>405,971</u>
Total governmental activities depreciation expense	<u>\$ 4,284,270</u>

<u>Business - type activity</u>	<u>Sanitation Fund</u>			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</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	(172,227)	(8,110)	-	(180,337)
Buildings	(55,855)	(3,849)	-	(59,704)
Machinery and equipment	(524,808)	(9,424)	-	(534,232)
Vehicles	<u>(244,241)</u>	<u>-</u>	<u>-</u>	<u>(244,241)</u>
Total accumulated depreciation	<u>(997,131)</u>	<u>(21,383)</u>	<u>-</u>	<u>(1,018,514)</u>
Other capital assets, net	<u>113,384</u>	<u>(21,383)</u>	<u>-</u>	<u>92,001</u>
Business activities capital assets, net	<u>\$ 219,318</u>	<u>\$ (21,383)</u>	<u>\$ -</u>	<u>\$ 197,935</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

D. Capital Assets (Continued)

Discretely Presented Component Units

Capital asset activity for the Solid Waste Management Authority for the year ended June 30, 2017 was as follows:

	Solid Waste Management Authority			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 288,824	\$ -	\$ -	\$ 288,824
Depreciable capital assets:				
Site improvements	6,646,654	50,718	-	6,697,372
Infrastructure	633,608	-	-	633,608
Buildings	252,205	-	-	252,205
Machinery and equipment	3,021,117	423,188	69,547	3,374,758
Vehicles	166,938	4,617	26,018	145,537
Total depreciable capital assets at historical cost	<u>10,720,522</u>	<u>478,523</u>	<u>95,565</u>	<u>11,103,480</u>
Less accumulated depreciation for:				
Site improvements	(6,488,086)	(18,122)	-	(6,506,208)
Infrastructure	(148,806)	(56,961)	-	(205,767)
Buildings	(171,291)	(3,282)	-	(174,573)
Machinery and equipment	(1,581,827)	(273,211)	(69,547)	(1,785,491)
Vehicles	(152,299)	(7,095)	(26,018)	(133,376)
Total accumulated depreciation	<u>(8,542,309)</u>	<u>(358,671)</u>	<u>(95,565)</u>	<u>(8,805,415)</u>
Depreciable capital assets, net	<u>2,178,213</u>	<u>119,852</u>	<u>-</u>	<u>2,298,065</u>
Solid Waste Management Authority capital assets, net	<u>\$ 2,467,037</u>	<u>\$ 119,852</u>	<u>\$ -</u>	<u>\$ 2,586,889</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

D. Capital Assets (Continued)

Capital asset activity for the Public Health Center for the year ended June 30, 2017 was as follows:

	Public Health Center			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Other capital assets:				
Machinery, equipment and furniture	1,522,135	105,696	63,116	1,564,715
Less accumulated depreciation	<u>(1,232,294)</u>	<u>(148,379)</u>	<u>(63,116)</u>	<u>(1,317,557)</u>
Other capital assets, net	<u>289,841</u>	<u>(42,683)</u>	-	<u>247,158</u>
Public Health Center capital assets, net	<u>\$ 289,841</u>	<u>\$ (42,683)</u>	<u>\$ -</u>	<u>\$ 247,158</u>

Capital asset activity for the Development Authority for the year ended June 30, 2017 was as follows:

	Development Authority			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	<u>\$ 1,189,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,189,950</u>
Total capital assets not being depreciated	<u>1,189,950</u>	<u>-</u>	<u>-</u>	<u>1,189,950</u>
Depreciable capital assets:				
Buildings	11,304,291	37,010	1,870,459	9,470,842
Equipment	<u>11,574</u>	<u>518</u>	<u>-</u>	<u>12,092</u>
Total depreciable capital assets at historical cost	<u>11,315,865</u>	<u>37,528</u>	<u>1,870,459</u>	<u>9,482,934</u>
Less accumulated depreciation for:				
Buildings	(2,715,139)	(295,459)	(781,080)	(2,229,518)
Equipment	<u>(8,040)</u>	<u>(2,180)</u>	<u>-</u>	<u>(10,220)</u>
Total accumulated depreciation	<u>(2,723,179)</u>	<u>(297,639)</u>	<u>(781,080)</u>	<u>(2,239,738)</u>
Total capital assets being depreciated	<u>8,592,686</u>	<u>(260,111)</u>	<u>1,089,379</u>	<u>7,243,196</u>
Development Authority capital assets, net	<u>\$ 9,782,636</u>	<u>\$ (260,111)</u>	<u>\$ 1,089,379</u>	<u>\$ 8,433,146</u>

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017

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, 2017 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	\$ 36,016
	Enhanced 911	145,086
	TIA Operating	62,983
	Permanent	367
	Crime Victims Assistance	45,331
	FY 19 - 24 SPLOST	2,552,122
	FY 13 - 18 SPLOST	<u>57,688</u>
		<u>\$ 2,899,593</u>
E911	FY 13 - 18 SPLOST	<u>\$ 65,943</u>
Drug Fund	General Fund	<u>\$ 8,851</u>
Juvenile Supervision	General Fund	<u>\$ 780</u>
Employee Insurance Fund	General Fund	<u>\$ 386,923</u>
Sanitation Fund	General Fund	<u>\$ 175,838</u>
Permanent Fund	General Fund	<u>\$ 2,552,122</u>
		<u>\$ 6,090,050</u>

<u>Fund Transferred From:</u>	<u>Fund Transferred To:</u>	<u>Amount</u>
General Fund	Grants Fund	64,110
	TIA Capital	5,240
	LMIG	800
	Enhanced 911	262,686
	Employee Insurance Fund	2,673,491
Permanent Fund	General Fund	20,332

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017

F. Due from Other Governments

Amounts due from other Governmental entities at June 30, 2017 are as follows:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Major Funds:				
General Fund	\$ -	\$ 408,524	\$ 63,391	\$ 471,915
FY 13 - 18 SPLOST Fund	-	675,611	54,634	730,245
Nonmajor Funds:				
Grants	-	24,125	37,010	61,135
Victims Assistance	-	13,685	7,429	21,114
TIA Capital	-	48,015	-	48,015
TIA Operating	-	62,983	-	62,983
Total	<u>\$ -</u>	<u>\$ 1,232,943</u>	<u>\$ 162,464</u>	<u>\$ 1,395,407</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, 2017 was as follows:

<u>Long-term liabilities:</u>	<u>Beginning</u>			<u>Ending</u>	<u>Amounts Due</u>	<u>Amounts Due</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Within One</u>	<u>Within More</u>
					<u>Year</u>	<u>Than One Year</u>
<u>Governmental Activities</u>						
Bonds payable - Series A	\$ 5,510,000	\$ -	\$ 1,875,000	\$ 3,635,000	\$ 1,965,000	\$ 1,670,000
Capital leases payable	-	2,285,872	34,165	2,251,707	68,583	2,183,124
Net pension liability	3,192,138	1,758,380	1,340,637	3,609,881	-	3,609,881
Compensated absences payable	468,995	56,702	-	525,697	525,697	-
Total Governmental Activities	<u>\$ 9,171,133</u>	<u>\$ 4,100,954</u>	<u>\$ 3,249,802</u>	<u>\$ 10,022,285</u>	<u>\$ 2,559,280</u>	<u>\$ 7,463,005</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

G. Long - Term Debt (Continued)

The County incurred debt to provide funds for various economic development projects of the County. The County also entered into capital lease agreements to finance machinery and equipment. Bonds and capital leases outstanding as of June 30, 2017 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.	\$ 3,635,000	\$ 1,965,000	\$ 1,670,000
 <u>Capital Lease Obligations:</u>			
\$188,370 to Caterpillar Financial for 1 motor grader. Interest at 6.15%; Due in monthly installments of \$1,115.61 to February 2024, balloon of \$173,717 due in February 2024	\$ 187,807	\$ 1,761	\$ 186,046
\$866,355 to Caterpillar Financial for 4 motor graders. Interest at 6.15%; Due in monthly installments of \$1,626.56 to February 2024, balloon of \$169,818 due in February 2024	859,258	22,247	837,011
\$1,035,261 to Caterpillar Financial for 6 motor graders. Interest at 6.15%; Due in monthly installments of \$979.68 to February 2024, balloon of \$162,558 due in February 2024	1,032,952	7,213	1,025,739
\$195,886 to AT&T Capital Services, Inc. for phone system. Interest at 3.47%; Due in monthly installments of \$3,561.21 to October 2022	<u>171,690</u>	<u>37,362</u>	<u>134,328</u>
Total capital lease obligations	<u>\$ 2,251,707</u>	<u>\$ 68,583</u>	<u>\$ 2,183,124</u>

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017

G. Long - Term Debt (Continued)

Debt service requirements to maturity are as follows:

<u>Series 2012A Bonds Payable</u>		
<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2018	1,965,000	106,100
2019	1,670,000	33,400
Total	<u>\$ 3,635,000</u>	<u>\$ 139,500</u>

<u>Capital Leases</u>		
<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 68,583	\$ 136,151
2019	71,971	132,762
2020	75,551	129,183
2021	79,326	125,408
2022	54,528	121,716
2023 and thereafter	1,901,748	210,133
Total	<u>\$ 2,251,707</u>	<u>\$ 855,353</u>

The net pension liability and compensated absences are generally liquidated by the general fund and are therefore included in the above schedule. Capital leases and 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, 2017 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.	\$ 668,000	\$ 182,000	\$ 486,000

Long-term liability activity for the Laurens County Public Facilities Authority for the year ended June 30, 2017 was as follows:

<u>Laurens County Public Facilities Authority</u>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within One</u> <u>Year</u>	<u>Amounts Due</u> <u>Within More</u> <u>Than One Year</u>
Bonds - Series A	\$ 842,000	\$ -	\$ 174,000	\$ 668,000	\$ 182,000	\$ 486,000

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

G. Long - Term Debt (Continued)

Notes payable debt service requirements to maturity are as follows:

<u>PFA Bonds Payable</u>		
<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2018	182,000	24,716
2019	189,000	17,112
2020	196,000	9,256
2021	<u>101,000</u>	<u>1,566</u>
Total	<u>\$ 567,000</u>	<u>\$ 51,084</u>

Long-term liability activity for the Laurens County Solid Waste Management Authority for the year ended June 30, 2017 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within One</u> <u>Year</u>	<u>Amounts Due</u> <u>Within More</u> <u>Than One Year</u>
<u>Solid Waste Management Authority</u>						
Capital leases payable	\$ 301,958	\$ -	\$ 148,990	\$ 152,968	\$ 152,968	\$ -
Accrued closure and post closure costs	<u>7,612,478</u>	<u>201,184</u>	<u>32,894</u>	<u>7,780,768</u>	<u>32,894</u>	<u>7,747,874</u>
Total Solid Waste Management Authority	<u>\$ 7,914,436</u>	<u>\$ 201,184</u>	<u>\$ 181,884</u>	<u>\$ 7,933,736</u>	<u>\$ 185,862</u>	<u>\$ 7,747,874</u>

Long-term liability activity for the Dublin-Laurens County Development Authority for the year ended June 30, 2017 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.	<u>\$ 2,071,418</u>	<u>\$ 2,071,418</u>	<u>\$ -</u>

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.

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. The aggregate amount due to the County from the Development Authority as of June 30, 2017 for these intergovernmental contracts is \$5,257,323.

Long-term liability activity for the Public Health Center for the year ended June 30, 2017 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within One</u> <u>Year</u>	<u>Amounts Due</u> <u>Within More</u> <u>Than One Year</u>
<u>Public Health Center</u>						
Compensated absences payable	\$ 314,595	\$ 8,338	\$ -	\$ 322,933	\$ 64,587	\$ 258,346

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017

G. Long – Term Debt (Continued)

Changes in Long-term Advances to the Primary Government

Long-term advances to the primary government activity for the year ended June 30, 2017 for the Public Facilities Authority was as follows:

<u>Advances to primary government:</u>	Beginning			Ending	Amounts Due	Amounts Due
General Fund	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Year</u>	<u>Than One Year</u>
	\$ 586,892	\$ -	\$ 127,746	\$ 459,146	\$ 133,027	\$ 326,119

H. Capital Leases

Laurens County, Georgia leases motor graders under leases that are classified as capital leases. The leases have been recorded at the present value of the future minimum lease payments as of the date of inception. The following is an analysis of the equipment leased under the capital leases as of June 30, 2017:

Asset -	
Machinery and Equipment	\$ 2,089,986
Less: Accumulated amortization*	<u>(50,554)</u>
Total	<u>\$ 2,039,432</u>

* The related amortization expense has been included with the depreciation expense. Amortization expense of \$99,523 was recorded for the year ended June 30, 2017.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

	<u>Year Ending June 30,</u>	
2018		\$ 161,999
2019		161,999
2020		161,999
2021		161,999
2022		161,999
2023 and thereafter		<u>2,111,884</u>
Total minimum lease payments		2,921,879
Less: amount representing interest		<u>841,862</u>
Present value of minimum lease payments		<u>\$ 2,080,017</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

H. Capital Leases (Continued)

Laurens County, Georgia leases phone equipment under leases that are classified as capital leases. The leases have been recorded at the present value of the future minimum lease payments as of the date of inception. The following is an analysis of the equipment leased under the capital leases as of June 30, 2017:

	Laurens County - E911
Asset -	
Phone equipment	\$ 195,886
Less: Accumulated amortization*	(14,691)
Total	\$ 181,195

* The related amortization expense has been included with the depreciation expense. Amortization expense of \$14,691 was recorded for the year ended June 30, 2017.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

	Year Ending June 30,	Laurens County - E911
2018		\$ 42,734
2019		42,734
2020		42,734
2021		42,734
2022		14,245
Total minimum lease payments		185,181
Less: amount representing interest		13,491
Present value of minimum lease payments		\$ 171,690

Component Unit 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, 2017:

	Solid Waste Management Authority Activities
Asset -	
Machinery and Equipment	\$ 735,427
Less: Accumulated amortization*	(259,466)
Total	\$ 475,961

* The related amortization expense has been included with the depreciation expense. Amortization expense of \$63,543 was recorded for the year ended June 30, 2017.

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017

H. Capital Leases (Continued)

Component Unit Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30,</u>	<u>Solid Waste Management Authority Activities</u>
2018	<u>\$ 157,053</u>
Total minimum lease payments	157,053
Less: amount representing interest	<u>4,085</u>
Present value of minimum lease payments	<u>\$ 152,968</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, 2017

I. Segment Information (Continued)

LAURENS COUNTY SOLID WASTE MANAGEMENT AUTHORITY

Assets

Cash and cash equivalents	\$ 1,385,210
Accounts and interest receivable	247,726
Capital assets:	
Land and other non-depreciable assets	288,824
Other capital assets, net of depreciation	2,298,065
Prepaid expenses	8,627
Restricted cash - post closure care costs	<u>4,056,040</u>
Total assets	<u>8,284,492</u>

Liabilities

Accounts payable	3,149
Due to primary government	39,603
Accrued expenses	47,392
Current portion of accrued closure and post closure costs	32,894
Current portion of compensated absences payable	13,103
Accrued closure and post closure costs, net of current portion	7,747,874
Long-term obligations:	
Due within one year	152,968
Due in more than one year	<u>-</u>
Total liabilities	<u>8,036,983</u>

Net Position:

Net investment in capital assets	2,433,921
Restricted for post closure costs	4,056,040
Unrestricted	<u>(6,242,452)</u>
Total net position	<u>\$ 247,509</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

I. Segment Information (Continued)

LAURENS COUNTY SOLID WASTE MANAGEMENT AUTHORITY (Continued)

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Landfill charges (pledged against bonds)	\$ 1,775,354
Depreciation expense	(358,671)
Other operating expenses	<u>(1,165,337)</u>
Operating income	<u>251,346</u>
Non-operating revenues (expenses):	
Interest income	28,140
Interest expense	<u>(8,063)</u>
Non-operating revenue	<u>20,077</u>
Change in net position	271,423
Beginning net position	<u>(23,914)</u>
Ending net position	<u>\$ 247,509</u>

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:	
Operating activities	\$ 696,792
Capital and related financing activities	(635,576)
Investing activities	<u>1,208</u>
Net increase	62,424
Beginning cash and cash equivalents	<u>1,322,786</u>
Ending cash and cash equivalents	<u>\$ 1,385,210</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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 2017, a total of \$5,077,065 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.

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.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

A. Risk Management (Continued)

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, 2015 to June 30, 2017:

	<u>Health Care</u>	<u>Torts</u>
Liability balance June 30, 2015	\$ 371,028	\$ -
Claims and changes in estimates	4,093,912	-
Claims payments	<u>(3,713,868)</u>	<u>-</u>
Liability balance June 30, 2016	751,072	-
Claims and changes in estimates	4,324,687	-
Claims payments	<u>(4,246,118)</u>	<u>-</u>
Liability balance June 30, 2017	<u>\$ 829,641</u>	<u>\$ -</u>
Assets available to pay claims at June 30, 2017	<u>\$ 4,287</u>	<u>\$ -</u>

B. Defined Benefit Pension Plan

1. **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.

2. **Benefits Provided** - 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.

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 County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017

B. Defined Benefit Pension Plan (Continued)

Participant counts as of January 1, 2016 (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	98
Terminated plan members entitled to but not yet receiving benefits	214
Active employees participating in the Plan	205
Total	517
Covered compensation for active participants	\$ <u>7,949,039</u>

- 3. 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.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties except for current receivables of plan contributions due from the County.

- 4. 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. The required contribution for the 2016 plan year was \$587,187. This amount represents 7.39% of covered compensation.

Actual contribution requirements will reflect actual plan experience with respect to newly eligible plan participants, salary increases, employee turnover, mortality and disability assuming all actuarial assumptions (other than investment return) are met.

- 5. Net Pension Liability**

The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

Actuarial assumptions

The total pension liability as of the January 1, 2016 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	5.50%
Salary Increases	4.5%-6% based on age
Investment Rate of Return	7.25%

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

B. Defined Benefit Pension Plan (Continued)

5. Net Pension Liability, continued

Actuarial assumptions (continued)

Mortality rates were based on the RP-2000 Combined Mortality Table with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the January 1, 2016 actuarial valuation were determined based on the results of an actuarial experience study conducted February 2014.

Change in assumption

The actuarial valuation as of January 1, 2016 used the RP-2000 mortality table, projected with Scale AA in estimating the total pension liability. Prior valuations used the RP-2000 mortality table. Changing the mortality table used in the valuation resulted in the actuarially determined total pension liability increasing by \$437,996.

Discount rate

The discount rate used to measure the total pension liability was 7.25%. In projecting cash flows, the assumed contribution was based on the average contribution made to the plan over the prior five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected benefits promised to current plan participants. Therefore, the expected long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate is determined using a building block approach based on 20-year benchmarks (33.33% weighting), 30-year benchmarks (33.33% weighting), and forward-looking capital market assumptions for a moderate asset allocation as determined by UBS (33.34% weighting). The discount rate is rounded to the nearest 0.25%.

The discount rate is calculated as follows:

	<u>Expected Return</u>	<u>Weighting</u>	<u>Weighted Return</u>
20-year benchmark weighted average return	6.82%	33%	2.27%
30-year benchmark weighted average return	8.28%	33%	2.76%
UBS capital market assumption for moderate asset allocation assumption	6.40%	33%	2.13%
Calculated discount rate			<u>7.17%</u>
Discount Rate (rounded to the nearest .25%)			<u>7.25%</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

B. Defined Benefit Pension Plan (Continued)

5. Net Pension Liability, continued

Discount Rate (continued)

The 20 and 30 year benchmark weighted average returns are calculated using the following asset allocation and historical returns based on their compounded annual growth rate (CAGR):

Benchmark	Allocation	Average 20 Year Return	Average 30 Year Return
S&P 500	30%	7.91%	10.22%
Barclay's Agg.	30%	5.60%	6.56%
MCSE EAFE	15%	4.29%	5.73%
Citi Non US WEBl	5%	4.66%	5.98%
NAREIT Equity	5%	10.79%	10.44%
Russell 2000	5%	8.06%	9.33%
Russell 3000	5%	8.03%	10.14%
S&P Mid-cap	5%	11.22%	11.53%
	<u>100%</u>		
Weighted Return		6.82%	8.28%

Sensitivity of the net pension liability to changes in the discount rate

The following presents the County's net pension liability calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 16,055,428	\$ 14,079,783	\$ 12,443,985
Fiduciary Net Position	<u>10,469,902</u>	<u>10,469,902</u>	<u>10,469,902</u>
Net Pension Liability	<u>\$ 5,585,526</u>	<u>\$ 3,609,881</u>	<u>\$ 1,974,083</u>

Pension plan fiduciary net position

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, 2017

B. Defined Benefit Pension Plan (Continued)

Changes in the Net Pension Liability

Changes in the Net Pension Liability for the year ended June 30, 2017 were as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2016	\$ 12,968,219	\$ 9,776,081	\$ 3,192,138
Changes for the year:			
Service Cost	246,466	-	246,466
Interest	955,216	-	955,216
Liability experience (gain)/loss	(64,115)	-	(64,115)
Assumption Change	437,996	-	437,996
Employer Contributions	-	571,952	(571,952)
Employee Contributions	-	-	-
Net Investment Income	-	704,570	(704,570)
Benefit Payments	(463,999)	(463,999)	-
Administrative Expense	-	(43,956)	43,956
Other Changes	-	(74,746)	74,746
Net Changes	<u>1,111,564</u>	<u>693,821</u>	<u>417,743</u>
Balance at June 30, 2017	<u>\$ 14,079,783</u>	<u>\$ 10,469,902</u>	<u>\$ 3,609,881</u>

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

The following schedule reconciled the pension contributions to the total pension expense reported by the County in the government-wide statements:

Pension contributions	\$ 571,952
Change in net pension liability	417,743
Deferred outflow related to investment results	(63,198)
Deferred outflow related to change in assumption	(437,996)
Deferred inflows related to experience gain	64,115
Amortization of deferred outflows	<u>336,544</u>
Pension expense	<u>\$ 889,160</u>

The unamortized deferred outflows and inflows related to pension items are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 49,867
Changes in assumptions	340,664	-
Net difference between projected and actual earnings on pension plan investments	50,558	-
Total:	<u>\$ 391,222</u>	<u>\$ 49,867</u>

LAURENS COUNTY, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2017

B. Defined Benefit Pension Plan (Continued)

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

The County made its pension contribution for the 2016 plan year (calendar year 2016) in December 2016. Accordingly, the County did not make any contributions to the pension plan between the measurement date and the County's fiscal year-end, so the County does not report a deferred outflow of resources related to pension contributions. None of the deferred outflows of resources will be recognized as a reduction of the net pension liability.

The County amortizes the differences between projected and actual investment returns into pension expense equally over a closed five year amortization period. The County amortizes differences between actual and expected experience and any changes in assumptions over the expected remaining service period of participants (four and a half years). The expected amortization of the County's current deferred outflows and inflows over the next five years and thereafter is:

Year ended June 30,	Assumption Change	Experience Difference	Investment Results Difference
2018	\$ 97,332	\$ (14,248)	\$ 12,640
2019	97,332	(14,248)	12,640
2020	97,332	(14,248)	12,640
2021	48,668	(7,123)	12,638
2022 and thereafter	-	-	-
Total	<u>\$ 340,664</u>	<u>\$ (49,867)</u>	<u>\$ 50,558</u>

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 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, 2017, 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.

The \$7,780,768 reported as landfill closure and post-closure care liability at June 30, 2017, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the old landfill site and 13% 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 \$864,301 and \$6,916,467, respectively. The estimated remaining life of the new landfill is 178 years. The total estimated costs of closure and post-closure care costs as determined at June 30, 2017 amounted to \$17,561,466. 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, 2017. 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.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017 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, 2017

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, 2017, the outstanding balance of these revenue bonds was \$1,200,000.

Development Authority Conduit Debt

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, 2017, the outstanding balance of these industrial development revenue bonds was \$16,432,675.

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, 2017, the outstanding balance of these industrial development revenue bonds was \$2,402,055.

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, 2017, 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 \$110,000,000 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, 2017, the outstanding balance of these industrial development revenue bonds was \$105,077,816.

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, 2017, the outstanding balance of these industrial development revenue bonds was \$11,322,541.

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, 2017, the outstanding balance of these industrial development revenue bonds was \$2,402,055.

H. Prior Period Adjustment

The County determined an error of \$77,492 was made during the prior year resulting in an overstatement of ending fund balance in the 13 – 18 SPLOST Fund and an understatement of ending fund balance in the TIA Capital fund. The net effect of this change is -0- on the government wide financial statements and was only made for proper reclassification of expenses to the proper fund.

LAURENS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

I. Subsequent Events

The County performed an evaluation of subsequent events through February 15, 2018, 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 13

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes Revenues	\$ 16,471,522	\$ 16,801,522	\$ 16,987,159	\$ 185,637
Licenses and Permits	49,750	49,750	62,854	13,104
Grant Revenues	210,755	696,541	727,163	30,622
Contribution Revenues	-	-	-	-
Charges for Services	2,783,000	2,873,000	2,781,463	(91,537)
Fines and Forfeitures	2,417,950	3,052,950	3,037,242	(15,708)
Interest Income	4,750	4,750	11,935	7,185
Miscellaneous Revenues	131,150	131,150	170,477	39,327
Revenues	<u>22,068,877</u>	<u>23,609,663</u>	<u>23,778,293</u>	<u>168,630</u>
Expenditures:				
General Government	\$ 3,715,548	\$ 3,579,478	\$ 3,429,926	\$ 149,552
Judicial	2,743,935	2,884,935	2,831,143	53,792
Public Safety	10,130,165	10,840,421	10,748,756	91,665
Public Works	2,093,895	1,715,395	1,691,981	23,414
Health and Welfare	165,095	167,595	167,286	309
Conservation of Natural Resources	1,119,020	1,119,120	1,116,643	2,477
Housing and Development	255,935	296,935	290,969	5,966
Debt Service	168,750	168,750	149,287	19,463
Expenditures	<u>20,392,343</u>	<u>20,772,629</u>	<u>20,425,991</u>	<u>346,638</u>
Excess of Revenues Over Expenditures	<u>1,676,534</u>	<u>2,837,034</u>	<u>3,352,302</u>	<u>515,268</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	180,000	180,000	108,831	(71,169)
Transfer in	8,000	8,000	20,332	12,332
Transfers out	(1,842,989)	(3,024,489)	(3,006,327)	18,162
Other financing sources (uses)	<u>(1,654,989)</u>	<u>(2,836,489)</u>	<u>(2,877,164)</u>	<u>(40,675)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	<u>21,545</u>	<u>545</u>	<u>475,138</u>	<u>474,593</u>
Fund Balance, Beginning	<u>3,846,658</u>	<u>3,846,658</u>	<u>3,846,658</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,868,203</u>	<u>\$ 3,847,203</u>	<u>\$ 4,321,796</u>	<u>\$ 474,593</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 14

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - FY 13 - 18 SPLOST FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Sales tax revenues	\$ 7,885,000	\$ 8,985,000	\$ 8,951,335	\$ (33,665)
Interest income	4,500	8,500	8,649	149
Grant revenues	-	-	-	-
Other income	-	950	95,162	94,212
Total revenues	<u>7,889,500</u>	<u>8,994,450</u>	<u>9,055,146</u>	<u>60,696</u>
Expenditures:				
Salaries and benefits	353,440	353,440	361,847	(8,407)
Insurance	28,225	28,225	41,129	(12,904)
Prison detail	80,000	80,000	78,051	1,949
Gas and diesel	100,000	100,000	58,623	41,377
Principal payments	1,875,000	1,885,000	1,884,968	32
Interest expenditures	182,900	227,900	227,881	19
Supplies	5,800	289,328	286,487	2,841
Site preparation	31,245	31,245	-	31,245
Economic development	50,000	50,000	50,000	-
Intergovernmental	2,590,000	2,590,000	2,587,729	2,271
Capital outlay	<u>2,592,890</u>	<u>9,009,317</u>	<u>9,009,286</u>	<u>31</u>
Total expenditures	<u>7,889,500</u>	<u>14,644,455</u>	<u>14,586,001</u>	<u>58,454</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(5,650,005)	(5,530,855)	119,150
Other Financing Source -				
Proceeds from sale of capital assets	-	811,400	811,400	-
Proceeds from capital leases	-	2,089,986	2,089,986	-
Proceeds from insurance recoveries	-	69,000	68,949	(51)
Transfers in	<u>-</u>	<u>1,628,000</u>	<u>1,628,624</u>	<u>624</u>
Total Other Financing Sources	<u>-</u>	<u>4,598,386</u>	<u>4,598,959</u>	<u>573</u>
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures	-	(1,051,619)	(931,896)	119,723
Fund Balance, Beginning	<u>4,539,131</u>	<u>4,539,131</u>	<u>4,539,131</u>	<u>-</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(77,492)</u>	<u>(77,492)</u>
Fund Deficit, Beginning as restated	<u>4,539,131</u>	<u>4,539,131</u>	<u>4,461,639</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,539,131</u>	<u>\$ 3,487,512</u>	<u>\$ 3,529,743</u>	<u>\$ 119,723</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 15

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE – PERMANENT FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues - Interest Income	\$ 7,000	\$ 20,500	\$ 20,332	\$ (168)
Excess of Revenues Over Expenditures	7,000	20,500	20,332	(168)
Other Financing Use - Transfer out	(7,000)	(20,500)	(20,332)	168
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Use	-	-	-	-
Fund Balance, Beginning	<u>7,200,000</u>	<u>7,200,000</u>	<u>7,200,000</u>	-
Fund Balance, Ending	<u>\$ 7,200,000</u>	<u>\$ 7,200,000</u>	<u>\$ 7,200,000</u>	-

LAURENS COUNTY, GEORGIA

EXHIBIT 16

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE – FY 19 - 24 SPLOST FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Sales tax revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay	-	2,552,122	2,552,122	-
Total expenditures	-	2,552,122	2,552,122	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,552,122)	(2,552,122)	-
Other Financing Source -				
Proceeds from sale of capital assets	-	2,552,122	-	(2,552,122)
Total Other Financing Sources	-	2,552,122	-	(2,552,122)
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures	-	-	(2,552,122)	(2,552,122)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (2,552,122)	\$ (2,552,122)

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
 FOR THE YEAR ENDED JUNE 30, 2017

Changes in Total Pension Liability

Total Pension Liability - beginning of year	\$ 12,968,219
Service cost	246,466
Interest	955,216
Assumption change	437,996
Benefit payments	(463,999)
Liability experience gain/loss	<u>(64,115)</u>
Total Pension Liability - end of year	<u>\$ 14,079,783</u>

Changes in Fiduciary Net Position

Fiduciary Net Position - beginning of year	\$ 9,776,081
Employer contributions	571,952
Employee contributions	-
Net investment income	704,570
Benefit payments	(463,999)
Administrative expense	(43,956)
Other	<u>(74,746)</u>
Fiduciary Net Position - end of year	<u>\$ 10,469,902</u>

Net Pension Liability \$ 3,609,881

Plan Fiduciary Net Position as a % of Total Pension Liability 74%

Covered payroll \$ 7,949,039

Net Pension Liability as a % of Covered Payroll 45%

Schedule of County Pension Contributions

	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2016	\$ 587,187	\$ 571,952	\$ (15,235)	\$ 7,949,039	7%
2015	545,479	539,150	(6,329)	7,692,448	7%

Note: As information becomes available it will be added to this schedule until a 10 year history is presented.

LAURENS COUNTY, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budget/GAAP Reconciliation

Prior year encumbrances expended in the current year are not included in the current budget. The Budgetary Comparison Schedule – General Fund has been prepared on the basis as described in Note II. Stewardship, Compliance and Accountability on page 30.

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	\$ 475,138
Add - New encumbrances - current year	-
Deduct - Prior year encumbrances expended	-
Generally Accepted Accounted Principles (GAAP) Basis	<u>\$ 475,138</u>

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, 2017

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 775,551	\$ 118,832	\$ 894,383
Certificates of Deposit	155,081	-	155,081
Accounts receivable	123,148	-	123,148
Due from other governments	145,232	48,015	193,247
Due from other funds	75,574	-	75,574
Accrued interest	385	-	385
Prepaid expenses	14,409	-	14,409
Total Assets	\$ 1,289,380	\$ 166,847	\$ 1,456,227
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 46,768	\$ 48,015	\$ 94,783
Accrued expenses payable	44,991	-	44,991
Due to others	6,680	-	6,680
Due to other funds	289,416	-	289,416
Total liabilities	387,855	48,015	435,870
Fund Balance:			
Nonspendable for prepaid expenditures	14,409	-	14,409
Restricted for special programs	887,116	118,832	1,005,948
Total fund balance	901,525	118,832	1,020,357
Total Liabilities and Fund Balance	\$ 1,289,380	\$ 166,847	\$ 1,456,227

LAURENS COUNTY, GEORGIA

EXHIBIT 19

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
JUNE 30, 2017

	Grants	Confiscated Assets	Enhanced 911	Crime Victims Assistance	Judicial Services	Law Library	Alternative Dispute Resolution	Sheriff Commissary	Drug	Juvenile	TIA Operating	Total
ASSETS												
Cash	\$ 52,404	\$ 30,503	\$ 125,929	\$ 142,306	\$ 32,067	37,927	\$ 19,264	\$ 182,044	\$ 63,927	\$ 89,180	\$ -	\$ 775,551
Certificate of Deposits	-	-	-	111,444	-	-	43,637	-	-	-	-	155,081
Accounts receivable	10	-	122,172	-	-	-	966	-	-	-	-	123,148
Due from other governments	61,135	-	-	21,114	-	-	-	-	-	-	62,983	145,232
Due from other funds	-	-	65,943	-	-	-	-	-	8,851	780	-	75,574
Accrued interest	-	-	-	320	-	-	65	-	-	-	-	385
Prepaid expenses	2,503	-	11,763	143	-	-	-	-	-	-	-	14,409
Total Assets	<u>\$ 116,052</u>	<u>\$ 30,503</u>	<u>\$ 325,807</u>	<u>\$ 275,327</u>	<u>\$ 32,067</u>	<u>\$ 37,927</u>	<u>\$ 63,932</u>	<u>\$ 182,044</u>	<u>\$ 72,778</u>	<u>\$ 89,960</u>	<u>\$ 62,983</u>	<u>\$ 1,289,380</u>
LIABILITIES AND FUND BALANCE												
Liabilities:												
Accounts payable	\$ 28,130	\$ -	\$ -	\$ -	\$ -	\$ 730	\$ -	\$ 4,738	\$ 13,170	\$ -	\$ -	\$ 46,768
Accrued expenses payable	-	-	34,763	10,228	-	-	-	-	-	-	-	44,991
Due to others	-	-	-	-	-	-	-	6,680	-	-	-	6,680
Due to other funds	36,016	-	145,086	45,331	-	-	-	-	-	-	62,983	289,416
Total liabilities	<u>64,146</u>	<u>-</u>	<u>179,849</u>	<u>55,559</u>	<u>-</u>	<u>730</u>	<u>-</u>	<u>11,418</u>	<u>13,170</u>	<u>-</u>	<u>62,983</u>	<u>387,855</u>
Fund Balance (Deficit):												
Nonspendable for prepaid expenditures	2,503	-	11,763	143	-	-	-	-	-	-	-	14,409
Restricted for special programs	49,403	30,503	134,195	219,625	32,067	37,197	63,932	170,626	59,608	89,960	-	887,116
Total fund balance	<u>51,906</u>	<u>30,503</u>	<u>145,958</u>	<u>219,768</u>	<u>32,067</u>	<u>37,197</u>	<u>63,932</u>	<u>170,626</u>	<u>59,608</u>	<u>89,960</u>	<u>-</u>	<u>901,525</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 116,052</u>	<u>\$ 30,503</u>	<u>\$ 325,807</u>	<u>\$ 275,327</u>	<u>\$ 32,067</u>	<u>\$ 37,927</u>	<u>\$ 63,932</u>	<u>\$ 182,044</u>	<u>\$ 72,778</u>	<u>\$ 89,960</u>	<u>\$ 62,983</u>	<u>\$ 1,289,380</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 20

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>TIA Capital</u>	<u>LMIG</u>	<u>SPLOST</u>	<u>Total</u>
ASSETS				
Cash	\$ -	\$ 77,289	\$ 41,543	\$ 118,832
Due from other governments	48,015	-	-	48,015
Total Assets	<u>\$ 48,015</u>	<u>\$ 77,289</u>	<u>\$ 41,543</u>	<u>\$ 166,847</u>
LIABILITIES AND FUND BALANCE (DEFICIT)				
Liabilities:				
Accounts payable	\$ 48,015	\$ -	\$ -	\$ 48,015
Total liabilities	<u>48,015</u>	<u>-</u>	<u>-</u>	<u>48,015</u>
Fund Balance (Deficit):				
Restricted for special programs	-	77,289	41,543	118,832
Total fund balance (deficit)	<u>-</u>	<u>77,289</u>	<u>41,543</u>	<u>118,832</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 48,015</u>	<u>\$ 77,289</u>	<u>\$ 41,543</u>	<u>\$ 166,847</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, 2017

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 745,155	\$ 48,015	\$ 793,170
Charges for services	1,025,374	-	1,025,374
Fines and forfeitures	312,940	-	312,940
Grant revenue	404,512	1,284,953	1,689,465
Contribution revenue	7,124	-	7,124
Interest income	1,612	1,274	2,886
Other revenues	3,509	-	3,509
Total revenues	<u>2,500,226</u>	<u>1,334,242</u>	<u>3,834,468</u>
Expenditures:			
Salaries and personnel costs	970,468	-	970,468
Group insurance	89,832	-	89,832
Payroll taxes	68,476	-	68,476
Worker's compensation	7,408	-	7,408
Travel	12,038	-	12,038
Education and training	11,243	-	11,243
Professional fees	126,409	-	126,409
Contract labor	129,816	-	129,816
Program expenditures	161,512	-	161,512
Supplies	29,291	-	29,291
Repairs and maintenance	50,739	-	50,739
Road expenditures	745,155	-	745,155
Drug Court expenditures	18,653	-	18,653
Utilities	161,478	-	161,478
Gas, diesel and oil	9,970	-	9,970
Other expenditures	36,677	-	36,677
Debt Service:			
Principal	24,197	-	24,197
Interest	4,292	-	4,292
Capital outlay	298,588	58,105	356,693
Total expenditures	<u>2,956,242</u>	<u>58,105</u>	<u>3,014,347</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(456,016)</u>	<u>1,276,137</u>	<u>820,121</u>
Other Financing Source (Use):			
Proceeds from sale of capital assets	9,000	-	9,000
Transfers out	-	(1,628,624)	(1,628,624)
Transfers in	326,796	6,040	332,836
Proceeds from capital leases	195,886	-	195,886
Total Other Financing Source (Use)	<u>531,682</u>	<u>(1,622,584)</u>	<u>(1,090,902)</u>
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures	75,666	(346,447)	(270,781)
Fund Balance, Beginning	<u>825,859</u>	<u>387,787</u>	<u>1,213,646</u>
Prior period adjustment	-	77,492	77,492
Fund Balance, Beginning as restated	<u>825,859</u>	<u>465,279</u>	<u>1,291,138</u>
Fund Balance, Ending	<u>\$ 901,525</u>	<u>\$ 118,832</u>	<u>\$ 1,020,357</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, 2017

	Grants	Confiscated Assets	Enhanced 911	Crime Victims Assistance	Judicial Services	Law Library	Alternative Dispute Resolution	Sheriff Commissary	Drug	Juvenile	TIA Operating	Total
Revenues:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 745,155	\$ 745,155
Charges for services	-	-	807,812	-	-	-	-	217,562	-	-	-	1,025,374
Fines and forfeitures	-	-	-	178,576	926	53,856	47,734	-	29,323	2,525	-	312,940
Grant revenue	327,914	-	-	76,598	-	-	-	-	-	-	-	404,512
Contribution revenue	7,124	-	-	-	-	-	-	-	-	-	-	7,124
Interest income	199	-	301	644	-	-	67	209	103	89	-	1,612
Other revenues	-	279	2,572	-	-	-	-	658	-	-	-	3,509
Total revenues	335,237	279	810,685	255,818	926	53,856	47,801	218,429	29,426	2,614	745,155	2,500,226
Expenditures:												
Salaries and personnel costs	153,297	-	770,589	19,930	-	3,875	12,000	10,777	-	-	-	970,468
Group insurance	9,241	-	80,591	-	-	-	-	-	-	-	-	89,832
Payroll taxes	11,345	-	55,610	1,521	-	-	-	-	-	-	-	68,476
Worker's compensation	3,587	-	3,353	468	-	-	-	-	-	-	-	7,408
Travel	6,929	-	1,197	3,912	-	-	-	-	-	-	-	12,038
Education and training	5,887	-	3,901	250	1,205	-	-	-	-	-	-	11,243
Professional services	125,827	-	582	-	-	-	-	-	-	-	-	126,409
Contract labor	-	-	-	129,816	-	-	-	-	-	-	-	129,816
Program expenditures	-	-	-	-	-	28,231	26,350	106,931	-	-	-	161,512
Supplies	10,963	-	12,748	2,151	-	-	-	3,429	-	-	-	29,291
Repairs and maintenance	4,201	-	41,964	-	-	-	-	4,574	-	-	-	50,739
Road expenditures	-	-	-	-	-	-	-	-	-	-	745,155	745,155
Drug Court expenditures	-	-	-	-	-	-	-	-	18,653	-	-	18,653
Utilities	14,067	-	143,552	1,300	-	-	-	2,559	-	-	-	161,478
Gas, diesel and oil	8,910	-	1,060	-	-	-	-	-	-	-	-	9,970
Other expenditures	30,823	-	1,550	-	-	802	691	2,811	-	-	-	36,677
Debt Service:												
Principal	-	-	24,197	-	-	-	-	-	-	-	-	24,197
Interest expense	-	-	4,292	-	-	-	-	-	-	-	-	4,292
Capital outlay	-	30,935	195,886	-	-	-	-	71,767	-	-	-	298,588
Total expenditures	385,077	30,935	1,341,072	159,348	1,205	32,908	39,041	202,848	18,653	-	745,155	2,956,242
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,840)	(30,656)	(530,387)	96,470	(279)	20,948	8,760	15,581	10,773	2,614	-	(456,016)
Other Financing Source (Use):												
Proceeds from sale of capital assets	-	-	-	-	-	-	-	9,000	-	-	-	9,000
Transfers in	64,110	-	262,686	-	-	-	-	-	-	-	-	326,796
Proceeds from capital leases	-	-	195,886	-	-	-	-	-	-	-	-	195,886
Total Other Financing Source (Use)	64,110	-	458,572	-	-	-	-	9,000	-	-	-	531,682
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures	14,270	(30,656)	(71,815)	96,470	(279)	20,948	8,760	24,581	10,773	2,614	-	75,666
Fund Balance (Deficit), Beginning	37,636	61,159	217,773	123,298	32,346	16,249	55,172	146,045	48,835	87,346	-	825,859
Fund Balance (Deficit), Ending	\$ 51,906	\$ 30,503	\$ 145,958	\$ 219,768	\$ 32,067	\$ 37,197	\$ 63,932	\$ 170,626	\$ 59,608	\$ 89,960	\$ -	\$ 901,525

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, 2017

	<u>TIA</u> <u>Capital</u>	<u>LMIG</u>	<u>SPLOST</u>	<u>Total</u>
Revenues:				
Taxes	\$ 48,015	\$ -	\$ -	\$ 48,015
Grant revenue	-	1,274,953	10,000	1,284,953
Interest income	-	1,204	70	1,274
	<u>48,015</u>	<u>1,276,157</u>	<u>10,070</u>	<u>1,334,242</u>
Total revenues				
	<u>48,015</u>	<u>1,276,157</u>	<u>10,070</u>	<u>1,334,242</u>
Expenditure -				
Capital outlay	<u>48,015</u>	<u>-</u>	<u>10,090</u>	<u>58,105</u>
Deficiency of Revenues				
Under Expenditures	-	1,276,157	(20)	1,276,137
Other Financing Source -				
Transfers out	-	(1,628,624)	-	(1,628,624)
Transfers in	5,240	800	-	6,040
	<u>5,240</u>	<u>(1,627,824)</u>	<u>-</u>	<u>(1,622,584)</u>
Total Other Financing Sources				
	<u>5,240</u>	<u>(1,627,824)</u>	<u>-</u>	<u>(1,622,584)</u>
Excess (Deficiency) of Revenues and Other Financing Source Over (Under) Expenditures	5,240	(351,667)	(20)	(346,447)
Fund Balance (Deficit), Beginning	<u>(82,732)</u>	<u>428,956</u>	<u>41,563</u>	<u>387,787</u>
Prior period adjustment	<u>77,492</u>	<u>-</u>	<u>-</u>	<u>77,492</u>
Fund Balance, Beginning as restated	<u>(5,240)</u>	<u>428,956</u>	<u>41,563</u>	<u>465,279</u>
Fund Balance (Deficit), Ending	<u>\$ -</u>	<u>\$ 77,289</u>	<u>\$ 41,543</u>	<u>\$ 118,832</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 24

BUDGETARY COMPARISON – GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Grant revenues	\$ 299,250	\$ 323,850	\$ 327,914	\$ 4,064
Contribution revenues	8,000	8,000	7,124	(876)
Interest income	65	65	199	134
Miscellaneous income	-	-	-	-
Total revenues	<u>307,315</u>	<u>331,915</u>	<u>335,237</u>	<u>3,322</u>
Expenditures:				
Salaries	154,525	154,525	153,297	1,228
Group insurance	9,270	9,270	9,241	29
Payroll taxes	11,440	11,440	11,345	95
Worker's compensation	1,590	3,590	3,587	3
Travel	2,500	7,500	6,929	571
Education and training	8,500	8,500	5,887	2,613
Supplies	4,405	15,205	10,963	4,242
Repairs and maintenance	5,000	5,000	4,201	799
Other professional services	135,100	131,700	125,827	5,873
Utilities	13,785	13,785	14,067	(282)
Gas and oil	7,850	9,050	8,910	140
Other expenditures	23,055	32,055	30,823	1,232
Capital outlay	-	-	-	-
Total expenditures	<u>377,020</u>	<u>401,620</u>	<u>385,077</u>	<u>16,543</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(69,705)</u>	<u>(69,705)</u>	<u>(49,840)</u>	<u>19,865</u>
Other Financing Source - Transfer in	<u>69,705</u>	<u>69,705</u>	<u>64,110</u>	<u>(5,595)</u>
Excess of (Deficiency of) Revenues and Other Financing Sources Over (Under) Expenditures	-	-	14,270	14,270
Fund Balance, Beginning	<u>37,636</u>	<u>37,636</u>	<u>37,636</u>	-
Fund Balance, Ending	<u>\$ 37,636</u>	<u>\$ 37,636</u>	<u>\$ 51,906</u>	<u>\$ 14,270</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 25

BUDGETARY COMPARISON – CONFISCATED ASSETS FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Condemnation revenue	\$ 9,900	\$ 30,900	\$ 279	\$ (30,621)
Interest income	100	100	-	(100)
Total revenues	<u>10,000</u>	<u>31,000</u>	<u>279</u>	<u>(30,721)</u>
Expenditures:				
Capital outlay	<u>10,000</u>	<u>31,000</u>	<u>30,935</u>	<u>65</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(30,656)	(30,656)
Fund Balance, Beginning	<u>61,159</u>	<u>61,159</u>	<u>61,159</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 61,159</u>	<u>\$ 61,159</u>	<u>\$ 30,503</u>	<u>\$ (30,656)</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 26

BUDGETARY COMPARISON – ENHANCED 911 FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Operating revenue	\$ 893,000	\$ 900,100	\$ 807,812	\$ (92,288)
Interest income	500	500	301	(199)
Other revenues	500	500	2,572	2,072
Total revenues	<u>893,500</u>	<u>900,600</u>	<u>810,685</u>	<u>(90,415)</u>
Expenditures:				
Salaries	730,934	770,934	770,589	345
Group insurance	87,830	87,430	80,591	6,839
Payroll taxes	52,300	55,800	55,610	190
Worker's compensation	4,420	4,420	3,353	1,067
Other professional services	1,000	1,000	582	418
Pest control	450	450	438	12
Travel	1,500	1,500	1,197	303
Dues and fees	900	1,400	1,107	293
Education and training	6,500	6,500	3,901	2,599
Supplies	11,100	13,600	12,748	852
Repairs and maintenance	48,575	48,575	41,964	6,611
Miscellaneous expenditures	250	250	5	245
Utilities	212,275	144,275	143,552	723
Gas and oil	1,100	1,100	1,060	40
Debt Service:				
Principal	-	24,500	24,197	303
Interest	-	4,500	4,292	208
Capital outlay	-	195,886	195,886	-
Total expenditures	<u>1,159,134</u>	<u>1,362,120</u>	<u>1,341,072</u>	<u>21,048</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,634)	(461,520)	(530,387)	(69,367)
Other Financing Source -				
Transfer in	265,134	265,134	262,686	(2,448)
Proceeds from capital leases	-	195,886	195,886	-
Total other financing sources (uses)	<u>265,134</u>	<u>461,020</u>	<u>458,572</u>	<u>(2,448)</u>
Deficiency of Revenues and Other Financing Source Over Expenditures	(500)	(500)	(71,815)	(71,815)
Fund Balance, Beginning	<u>217,773</u>	<u>217,773</u>	<u>217,773</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 217,273</u>	<u>\$ 217,273</u>	<u>\$ 145,958</u>	<u>\$ (71,815)</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 27

BUDGETARY COMPARISON – CRIME VICTIMS ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ 145,000	\$ 145,000	\$ 178,576	\$ 33,576
Grant revenues	25,000	25,000	76,598	51,598
Interest income	100	100	644	544
Total revenues	<u>170,100</u>	<u>170,100</u>	<u>255,818</u>	<u>85,718</u>
Expenditures:				
Salaries	32,320	30,020	19,930	10,090
Payroll taxes	2,470	2,470	1,521	949
Worker's compensation	145	445	468	(23)
Other professional services	-	-	-	-
Travel	2,000	4,000	3,912	88
Repairs and maintenance	500	500	-	500
Education and training	2,500	2,500	250	2,250
Contract labor	193,293	193,293	129,816	63,477
Supplies	2,100	2,100	2,151	(51)
Utilities	2,000	2,000	1,300	700
Crime victims assistance	2,500	2,500	-	2,500
Program expenditures	5,000	5,000	-	5,000
Advertising	-	-	-	-
Other expenditures	500	500	-	500
Capital outlay	-	-	-	-
Total expenditures	<u>245,328</u>	<u>245,328</u>	<u>159,348</u>	<u>85,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,228)	(75,228)	96,470	171,698
Fund Balance, Beginning	<u>123,298</u>	<u>123,298</u>	<u>123,298</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 48,070</u>	<u>\$ 48,070</u>	<u>\$ 219,768</u>	<u>\$ 171,698</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 28

BUDGETARY COMPARISON – JUDICIAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 2,000	\$ 926	\$ (1,074)
Expenditures:			
Professional fees	2,000	1,205	795
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(279)	1,721
Fund Balance, Beginning	32,346	32,346	-
Fund Balance, Ending	<u>\$ 30,346</u>	<u>\$ 32,067</u>	<u>\$ 1,721</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 29

BUDGETARY COMPARISON – LAW LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 32,800	\$ 53,856	\$ 21,056
Expenditures:			
Books	27,900	28,231	(331)
Salaries	3,900	3,875	25
Other expenditures	<u>1,000</u>	<u>802</u>	<u>198</u>
Total expenditures	<u>32,800</u>	<u>32,908</u>	<u>(108)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	20,948	20,948
Fund Balance, Beginning	<u>16,249</u>	<u>16,249</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 16,249</u>	<u>\$ 37,197</u>	<u>\$ 20,948</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 30

BUDGETARY COMPARISON – ALTERNATIVE DISPUTE RESOLUTION FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ 35,000	\$ 41,000	\$ 47,734	\$ 6,734
Interest income	-	-	67	67
Other revenue	-	-	-	-
Total revenues	<u>35,000</u>	<u>41,000</u>	<u>47,801</u>	<u>6,801</u>
Expenditures:				
Personnel fees	12,000	12,000	12,000	-
Mediation fees	22,000	28,000	26,350	1,650
Other expenditures	1,000	1,000	691	309
Total expenditures	<u>35,000</u>	<u>41,000</u>	<u>39,041</u>	<u>1,959</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	8,760	8,760
Fund Balance, Beginning	<u>55,172</u>	<u>55,172</u>	<u>55,172</u>	-
Fund Balance, Ending	<u>\$ 55,172</u>	<u>\$ 55,172</u>	<u>\$ 63,932</u>	<u>\$ 8,760</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 31

BUDGETARY COMPARISON – SHERIFF COMMISSARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Operating revenues	\$ 8,000	\$ 203,000	\$ 217,562	\$ 14,562
Interest income	-	100	209	109
Miscellaneous income	-	500	658	158
Total revenues	<u>8,000</u>	<u>203,600</u>	<u>218,429</u>	<u>14,829</u>
Expenditures:				
Commissary items purchased	-	107,000	106,931	69
Inmate salaries	-	11,000	10,777	223
Office expense	-	4,000	3,429	571
Utilities	-	2,600	2,559	41
Education and training	-	-	-	-
Repairs and maintenance	-	5,000	4,574	426
Miscellaneous expenditures	-	3,000	2,811	189
Capital outlay	8,000	80,000	71,767	8,233
Total expenditures	<u>8,000</u>	<u>212,600</u>	<u>202,848</u>	<u>(9,752)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	-	(9,000)	15,581	24,581
Other Financing Sources -				
Proceeds from sale of capital assets	-	9,000	9,000	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures				
	-	-	24,581	24,581
Fund Balance, Beginning	<u>146,045</u>	<u>(63,517)</u>	<u>146,045</u>	<u>209,562</u>
Fund Balance, Ending	<u>\$ 146,045</u>	<u>\$ (63,517)</u>	<u>\$ 170,626</u>	<u>\$ 234,143</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 32

BUDGETARY COMPARISON – DRUG FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 29,985	\$ 29,323	\$ (662)
Interest income	15	103	88
Total revenues	<u>30,000</u>	<u>29,426</u>	<u>(574)</u>
Expenditures:			
Drug Court expenditures	<u>30,000</u>	<u>18,653</u>	<u>11,347</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures			
	-	10,773	10,773
Fund Deficit, Beginning	<u>48,835</u>	<u>48,835</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 48,835</u>	<u>\$ 59,608</u>	<u>\$ 10,773</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 33

BUDGETARY COMPARISON – JUVENILE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Court fees	\$ 2,520	\$ 2,525	\$ 5
Interest income	80	89	\$ 9
Total revenues	<u>2,600</u>	<u>2,614</u>	<u>14</u>
Expenditure -			
Professional fees	<u>2,600</u>	-	<u>2,600</u>
Total expenditures	<u>2,600</u>	-	<u>2,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	2,614	2,614
Fund Balance, Beginning	<u>87,346</u>	<u>87,346</u>	-
Fund Balance, Ending	<u>\$ 87,346</u>	<u>\$ 89,960</u>	<u>\$ -</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 34

BUDGETARY COMPARISON – TIA OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenue -			
TSPLOST Revenues	\$ 760,000	\$ 745,155	\$ (14,845)
Expenditure -			
Road expenditures	760,000	745,155	14,845
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	-	-
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 35

BUDGETARY COMPARISON – TIA CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 750,000	\$ 48,015	\$ 48,015	\$ -
Expenditure -				
Capital outlay	750,000	48,015	48,015	-
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses) -				
Transfer in	-	-	5,240	5,240
Total Other Financing Source (Use)	-	-	5,240	5,240
Excess (Deficiency) of Revenues and Other Financing Over (Under) Expenditures	-	-	5,240	5,240
Fund Deficit, Beginning	(82,732)	(82,732)	(82,732)	-
Prior period adjustment	-	-	77,492	77,492
Fund Deficit, Beginning, as restated	(82,732)	(82,732)	(5,240)	77,492
Fund Deficit, Ending	<u>\$ (82,732)</u>	<u>\$ (82,732)</u>	<u>\$ -</u>	<u>\$ 82,732</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 36

BUDGETARY COMPARISON – LMIG FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Grant revenues	\$ 1,199,000	\$ 1,199,000	\$ 1,274,953	\$ 75,953
Other income	1,000	1,000	1,204	204
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,276,157</u>	<u>76,157</u>
Expenditure -				
Capital outlay	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue Under (Over) Expenditure	-	1,200,000	1,276,157	76,157
Other Financing Sources (Uses) -				
Transfer out	-	(1,629,000)	(1,628,624)	376
Transfer in	<u>-</u>	<u>800</u>	<u>800</u>	<u>-</u>
Total Other Financing Source (Use)	<u>-</u>	<u>(1,628,200)</u>	<u>(1,627,824)</u>	<u>376</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	(428,200)	(351,667)	76,533
Fund Balance, Beginning	<u>428,956</u>	<u>428,956</u>	<u>428,956</u>	<u>-</u>
Fund Deficit, Ending	<u>\$ 428,956</u>	<u>\$ 1,628,956</u>	<u>\$ 77,289</u>	<u>\$ 76,533</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 37

BUDGETARY COMPARISON – SPLOST FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Interest income	\$ 90	\$ 70	\$ (20)
Grant Income	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total revenues	<u>10,090</u>	<u>10,070</u>	<u>(20)</u>
Expenditure -			
Capital outlay	<u>10,090</u>	<u>10,090</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(20)	(20)
Fund Balance, Beginning	<u>41,563</u>	<u>41,563</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 41,563</u>	<u>\$ 41,543</u>	<u>\$ (20)</u>

Agency Funds

LAURENS COUNTY, GEORGIA

EXHIBIT 38

AGENCY FUNDS
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2017

	<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	\$ 4,752	\$ 85,796	\$ 261,439	\$ 336,038	\$ 674,917	\$ 31,619	\$ 3,261	\$ 1,397,822
Due from others	-	-	-	-	-	-	-	-
	<u>\$ 4,752</u>	<u>\$ 85,796</u>	<u>\$ 261,439</u>	<u>\$ 336,038</u>	<u>\$ 674,917</u>	<u>\$ 31,619</u>	<u>\$ 3,261</u>	<u>\$ 1,397,822</u>
Liabilities:								
Due to other funds	\$ 4,752	\$ -	\$ -	\$ 330,975	\$ 674,917	\$ -	\$ 3,261	\$ 1,013,905
Funds held in escrow	-	-	21,067	5,063	-	-	-	26,130
Other liabilities	-	85,796	240,372	-	-	31,619	-	357,787
Total Liabilities	<u>\$ 4,752</u>	<u>\$ 85,796</u>	<u>\$ 261,439</u>	<u>\$ 336,038</u>	<u>\$ 674,917</u>	<u>\$ 31,619</u>	<u>\$ 3,261</u>	<u>\$ 1,397,822</u>

SINGLE AUDIT SECTION

REVISED INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners
Laurens County, Georgia

Report on Compliance for Each Major Federal Program

We have audited Laurens County, Georgia's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Laurens County, Georgia's major federal programs for the year ended June 30, 2017. Laurens County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Laurens County, Georgia has complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

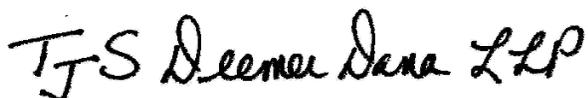
Report on Internal Control Over Compliance

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

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

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

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

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Dublin, Georgia

February 15, 2018, except for Note 4 of the Revised Notes to the Schedule of Expenditures of Federal Awards, as to which the date is April 16, 2018

**REVISED INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC 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, 2017, 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 15, 2018. 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 17-1, 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 deficiency 17-2, described in the accompany schedule of findings and questioned costs to be a significant deficiency.

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*.

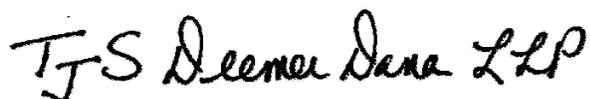
We noted certain matters that we have reported to management of Laurens County, Georgia in a separate letter dated February 15, 2018, except for Note 4 of the Revised Notes to the Schedule of Expenditures of Federal Awards, as to which the date is April 16, 2018.

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.

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

Dublin, Georgia

February 15, 2018, except for Note 4 of the Revised Notes to the Schedule of Expenditures of Federal Awards, as to which the date is April 16, 2018

LAURENS COUNTY, GEORGIA
 REVISED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Amount</u>	<u>Total Federal Expenditures</u>
Department of Housing and Urban Development -				
Community Development Block Grant	14.228	12p-y-087-1-5493	\$ 10,090	\$ 10,090
U.S. Department of Justice -				
Edward Bryne Memorial Justice Assistance Grant	16.738	LLEBG	3,023	
Drug Court Discretionary Grant Program	16.585	J17-8-061	76,043	
Federal Victims of Crime Act Assistance	16.575	C14-8-109-C6-8-001	<u>76,596</u>	
Total U.S. Department of Justice				155,662
U.S. Department of Transportation -				
2016 Hazardous Materials Emergency Preparedness Award	20.703	SHM16-012E01	3,953	
2017 Hazardous Materials Emergency Preparedness Award	20.703	SMH17-005E01	<u>2,495</u>	
Total U.S. Department of Transportation				6,448
Department of Health and Human Services -				
Pass-through program from Georgia Department of Human Resources, Division of Aging - Congregate Meals	93.045	HGAAAA-2017-10	76,035	
Pass-through program from Georgia Department of Human Resources, Division of Aging - Delivered Meals	93.045	HGAAAA-2017-10	27,234	
Pass-through program from Georgia Department of Human Resources, Nutrition Services Incentive Program	93.053	HGAAAA-2017-10	23,842	
Pass-through program from Georgia Department of Human Resources, DFCS Afterschool Care Program	93.575	42700-40-54269	48,331	
Pass-through program from Georgia Department of Human Resources, Social Services Block Grant	93.667	HGAAAA-2017-10	<u>9,258</u>	
Total Department of Health and Human Services				184,700
Federal Emergency Management Agency -				
Pass-through program from Georgia Emergency Management Agency, Hurricane Matthew Declaration Hazard Mitigation Grant	97.036	HM 2016 17-01563	9,438	
Assistance to Firefighters Grant	97.039	HPD2013-017	21,000	
Staffing Adequate Fire and Emergency Response	97.044	EMW-2015-FO-0764	406,728	
FY2016 Performance Partnership Agreement Award	97.083	EMW-2012-FF-0405	73,571	
FY2016 Emergency Management Directed Training Award	97.042	OEM16-089S01	15,730	
	97.042	OEM16-089S02	<u>500</u>	
Total Federal Emergency Management Agency				<u>526,967</u>
Total expenditures of federal awards				<u>\$ 883,867</u>

LAURENS COUNTY, GEORGIA
REVISED NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Laurens County, Georgia and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. MEASUREMENT FOCUS

The determination of when an award is expended is based on when the activity related to the award occurred.

NOTE 3. AMOUNT PROVIDED TO SUBRECIPIENTS

Of the federal awards listed, the Organization had no major programs that provided amounts to subrecipients.

NOTE 4. RESTATEMENT

Subsequent to issuance of the Schedule on February 15, 2018, the County discovered that the Community Development Block Grant (CDBG) federal expenditures were omitted from the Schedule of Expenditures of Federal Awards. The Schedule has been restated to correct the error. The correction resulted in an increase in total expenditures of federal awards of \$10,090. Addition of the CDBG federal expenditures did not result in a change of the major program identified prior to restatement of the Schedule.

LAURENS COUNTY, GEORGIA
 SCHEDULE OF FINDINGS AND RESPONSES
 YEAR ENDED JUNE 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified
 Internal control over financial reporting:
 Material weakness (es) identified? Yes
 Significant deficiency (ies) identified not considered to be material
 weaknesses? Yes
 Noncompliance material to financial statements noted? No

Federal Awards

Internal Control over major programs:
 Material weakness (es) identified? No
 Significant deficiency (ies) identified not considered to be material
 weaknesses? None reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in
 accordance with 2 CFR 200.516 (a)? No

<u>Name of Federal Program or Cluster</u>	<u>CFDA #</u>
Assistance to Firefighters Grant	97.044

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

Auditee qualified as low-risk auditee? No

Section II – Financial Statement Findings and Responses

Attached.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

LAURENS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017

Section II – Financial Statement Findings and Responses

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS:

2017-1 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/Corrective Action Plan: 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:

2017-2 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/Corrective Action Plan: 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

STATUS OF PRIOR AUDIT FINDINGS:

2016-1 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.

2016-2 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.

2016-3 Budgeting

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.

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 corrected during the year.

Other Information

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
YEAR ENDED JUNE 30, 2017

Project Description Per SPLOST Referendum	Estimated Cost		Prior Years	Expenditures	Total
	Original	Current		Current Year	
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	\$ 2,504,823	\$ -	\$ 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	10,090	3,872,596
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	\$ 53,542,923	\$ 10,090	\$ 53,553,013

LAURENS COUNTY, GEORGIA

EXHIBIT 39

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
YEAR ENDED JUNE 30, 2017

Project Description Per SPLOST Referendum	Estimated Cost			Expenditures	Total
	Original	Current	Prior Years	Current Year	
Public Projects - FY 13 - 18 SPLOST:					
Economic Development	\$ 7,350,000	\$ 7,350,000	\$ 5,303,769	\$ 74,183	\$ 5,377,952
Previously Incurred General Obligation Debt	5,650,000	5,650,000	5,605,511	-	5,605,511
Recreational Facilities	500,000	500,000	302,020	74,093	376,113
Courthouse/Admin Buildings and Equipment	900,000	900,000	1,012,887	115,912	1,128,799
Public Safety Equipment and Facilities	4,900,000	4,900,000	3,261,402	1,370,675	4,632,077
Road Improvements	14,000,000	14,000,000	7,165,930	5,402,283	12,568,213
Public Works Facilities and Equipment	1,950,000	1,950,000	1,927,167	3,146,635	5,073,802
Airport Improvements	200,000	200,000	417,784	3,615	421,399
City of Dublin	14,675,000	14,675,000	8,883,918	2,179,431	11,063,349
City of East Dublin	2,250,000	2,250,000	1,362,308	334,206	1,696,514
City of Rentz	125,000	125,000	100,000	-	100,000
City of Montrose	125,000	125,000	100,000	-	100,000
City of Dexter	125,000	125,000	100,000	-	100,000
City of Dudley	125,000	125,000	100,000	-	100,000
City of Cadwell	125,000	125,000	100,000	-	100,000
	<u>\$ 53,000,000</u>	<u>\$ 53,000,000</u>	<u>\$ 35,742,696</u>	<u>\$ 12,701,033</u>	<u>\$ 48,443,729</u>
Public Projects - FY 19 - 24 SPLOST:					
Economic Development	\$ 10,300,000	\$ 10,300,000	\$ -	\$ 2,552,122	\$ 2,552,122
Recreational Facilities	500,000	500,000	-	-	-
Courthouse/Admin Buildings and Equipment	770,000	770,000	-	-	-
Public Safety Equipment and Facilities	5,000,000	5,000,000	-	-	-
Road Improvements	12,000,000	12,000,000	-	-	-
Public Works Facilities and Equipment	3,200,000	3,200,000	-	-	-
Airport Improvements	200,000	200,000	-	-	-
City of Dublin	14,500,000	14,500,000	-	-	-
City of East Dublin	2,030,000	2,030,000	-	-	-
City of Rentz	100,000	100,000	-	-	-
City of Montrose	100,000	100,000	-	-	-
City of Dexter	100,000	100,000	-	-	-
City of Dudley	100,000	100,000	-	-	-
City of Cadwell	100,000	100,000	-	-	-
	<u>\$ 49,000,000</u>	<u>\$ 49,000,000</u>	<u>\$ -</u>	<u>\$ 2,552,122</u>	<u>\$ 2,552,122</u>

FAMILY CONNECTION
 SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Grant revenue	\$ 46,000	\$ 47,000	\$ 1,000
Operating revenue	250	170	(80)
Interest income	10	11	1
Total revenues	<u>46,260</u>	<u>47,181</u>	<u>921</u>
Expenditures:			
Salaries	40,560	40,756	(196)
Group insurance	-	-	-
Payroll taxes	3,105	3,118	(13)
Worker's compensation	940	1,205	(265)
Other professional services	-	425	(425)
Insurance	2,500	1,917	583
Travel	2,000	2,503	(503)
Education and training	4,500	1,266	3,234
Office expense	655	987	(332)
Telephone	-	-	-
Contract labor	-	550	(550)
Capital outlay	-	-	-
Total expenditures	<u>54,260</u>	<u>52,727</u>	<u>1,533</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (8,000)</u>	<u>\$ (5,546)</u>	<u>\$ 2,454</u>

LAURENS COUNTY, GEORGIA

EXHIBIT 41

FAMILY CONNECTION
 SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2017

State Program Name	Contract Number	Actual Revenue Received	Current Expenditures	Amount Due To/From State
Family Connection	427-93-131300082-99	\$ 47,000	\$ 52,727	\$ 21,630