

CRISP COUNTY, GEORGIA

FINANCIAL REPORT

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

CRISP COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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**CRISP COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS**

JUNE 30, 2016

ELECTED

Clark Henderson, Chairman

Arthur James Nance, Vice Chairman

Wallace Mathis, County Commissioner

Sam Farrow, Jr., County Commissioner

Larry Felton, County Commissioner

STAFF

Tom L. Patton, County Administrator

Sherrie Leverett, Finance Director

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Crisp County, Georgia
Cordele, Georgia**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Crisp Regional Health Services, Inc. or the Crisp County Department of Public Health, which represents 68%, 62%, and 72%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Crisp Regional Health Services, Inc. and the Crisp County Department of Public Health, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented Crisp Regional Health Services, Inc. were not audited in accordance with *Government Auditing Standards*.

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 reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crisp County, Georgia as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Special Service District Fund, and the E911 Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 13), the Schedule of Changes in the County's Net Pension Liability and Related Ratios and the Schedule of County Contributions (on pages 82 and 83), and the Changes in the Net Pension Liability and Related Ratios and Schedule of Contributions – Crisp County Power Commission (on pages 84 and 85) 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 Crisp County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements of Crisp County, Georgia.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2016 on our consideration of Crisp 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 the 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 Crisp County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Albany, Georgia
December 28, 2016

CRISP COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Financial Highlights

The Primary Government's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2016, by \$62,028,973 (net position). Of this amount, \$8,332,738 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The Primary Government's total assets increased by \$245,718 for the fiscal year ended June 30, 2016.
- Included in the total net position of the Primary Government, is an investment of \$44,550,181 in capital assets net of accumulated depreciation and related debt.
- The County's General Fund unassigned fund balance increased by \$1,751,371 to \$8,863,113 for the fiscal year. Including fund transfers, this equates to 68% of total General Fund expenditures.
- The fund balances of \$10,252,693 from the Special Service District Fund, E911 Fund, SPLOST Fund and other governmental funds brings the County's combined ending fund balance to \$19,393,112 as of the close of fiscal year 2016. This represents an increase from the previous fiscal year in the amount of \$935,643 or approximately 5%.
- Compensated absences along with Landfill closure and post closure cost accounted for a net increase of \$145,722 in long term debt. That combined with a reduction in notes payable, capital leases payable and revenue bonds payable of \$680,910, left the County with an overall decrease in long term debt of \$535,188 for this fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Crisp County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Crisp County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described next.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through administrative fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, parks and recreation, housing and community development and economic development. The business-type activities of the County include the water system, the municipal solid waste landfill and the self-insurance health benefit fund.

The government-wide financial statements include not only Crisp County itself (known as the primary government), but also a legally separate board of health, a hospital authority, and an electric power commission. The County is financially accountable for each of these entities. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Crisp County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three (3) categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

For the fiscal year ended June 30, 2016, the County maintained sixteen (16) individual governmental funds to account for the following activities: General Fund, Law Library Fund, Asset Forfeiture Fund, DARE Fund, Jail Fund, E-911 Fund, Hotel/Motel Tax Fund, CDBG Employment Incentive Program Fund, CDBG Revolving Loan Fund, Special Services District Fund, CDBG Cedar Lake Sewer Project Fund, 2000 Sales Tax Fund, 2005 Sales Tax Fund, 2011 Sales Tax Fund, TSPLOST Special Revenue Fund and TSPLOST Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Special Service District Fund, the E911 Fund, and the 2005 & 2011 Special Local Option Sales Tax Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all General and Special Revenue Funds. Budgetary comparison statements have been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with budget. Budgets for capital project funds are adopted on a project-length basis, however, they are reviewed and updated as needed during the annual budget process.

Proprietary Funds. There are two (2) different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for water distribution and solid waste operations.

Internal service funds are an accounting device used to accumulate and allocate cost internally among the County's various departments and divisions. The County's self-insurance benefit fund is its only internal service fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water System Fund, the Landfill Fund and the Self-Insurance Health Benefit Fund. All three funds are considered major funds of the County.

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary Funds. Fiduciary funds are used to account for resources held by agencies for benefit of parties outside the government. They are referred to as agency funds in the County's financial report and include the Clerk of Superior Court, the Probate Judge, the Crisp County Sheriff, the Jail Inmate Fund, the Tax Commissioner and the Magistrate Court. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Statement of Fiduciary Assets and Liabilities – Agency funds financial statements can be found on page 34 of this report. The combining statement of assets and liabilities for agency funds is located on pages 93 and 94.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-81 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 86-89 of this report.

Government-Wide Financial Analysis

Net position amounts generally serve over time as a useful indicator of a government's financial status. In the case of Crisp County, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$62,028,973 at the close of the most recent fiscal year.

The largest portion of the County's net position (72%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CRISP COUNTY'S NET POSITION JUNE 30, 2016

	Governmental Activities		Business-type Activities		Total	
	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016
Current and other assets	\$ 19,845,081	\$ 21,011,872	\$ 3,383,698	\$ 3,932,474	\$ 23,228,779	\$ 24,944,346
Capital assets	41,643,668	40,817,030	10,966,297	10,323,086	52,609,965	51,140,116
Total assets	61,488,749	61,828,902	14,349,995	14,255,560	75,838,744	76,084,462
Deferred outflows of resources	139,147	2,174,596	5,265	83,083	144,412	2,257,679
Long-term liabilities outstanding	\$ 1,626,622	\$ 1,456,507	\$ 6,954,629	\$ 6,569,731	\$ 8,581,251	\$ 8,026,238
Other liabilities	5,668,586	6,837,012	987,806	1,261,923	6,656,392	8,098,935
Total liabilities	\$ 7,295,208	\$ 8,293,519	\$ 7,942,435	\$ 7,831,654	\$ 15,237,643	\$ 16,125,173
Deferred inflows of resources	-	181,077	-	6,918	-	187,995
Net position:						
Net investment in capital assets	\$ 39,814,837	\$ 39,225,793	\$ 5,524,283	\$ 5,324,388	\$ 45,339,120	\$ 44,550,181
Restricted	10,197,882	9,104,129	40,587	41,925	10,238,469	9,146,054
Unrestricted	4,319,969	7,198,980	847,955	1,133,758	5,167,924	8,332,738
Total net position	\$ 54,332,688	\$ 55,528,902	\$ 6,412,825	\$ 6,500,071	\$ 60,745,513	\$ 62,028,973

The remaining balance of unrestricted net position of \$9,791,141 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Crisp County is able to report positive balances in all three (3) categories of net position for the governmental and business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities. As indicated by the following table, governmental activities revenues exceeded total expenditures by approximately 5% or \$1,196,214, resulting in a increase in the amount of net position for the twelve month period of July 1, 2015 through June 30, 2016.

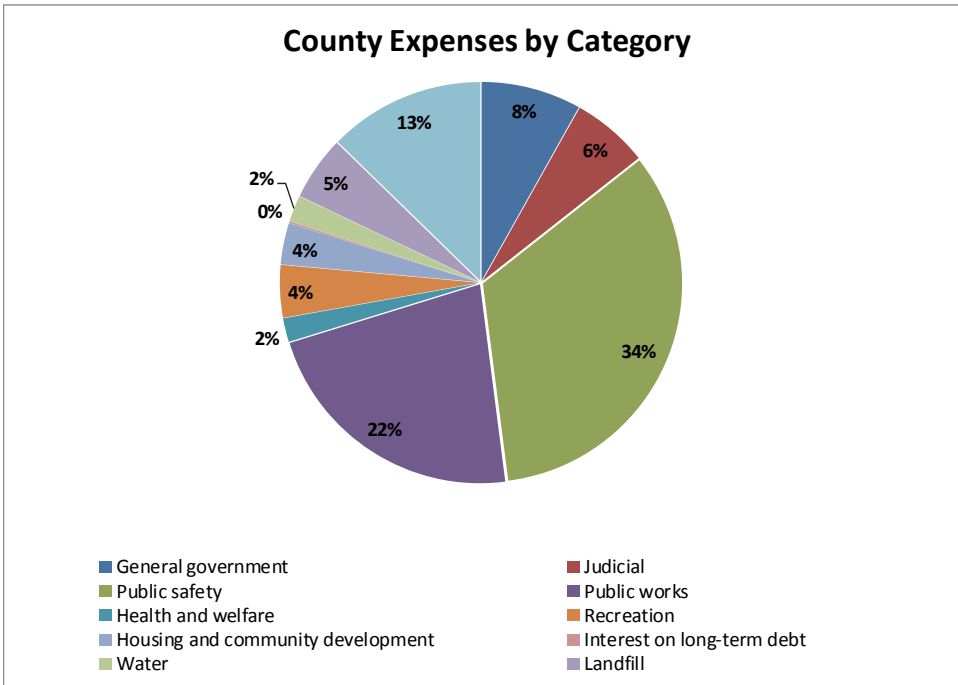
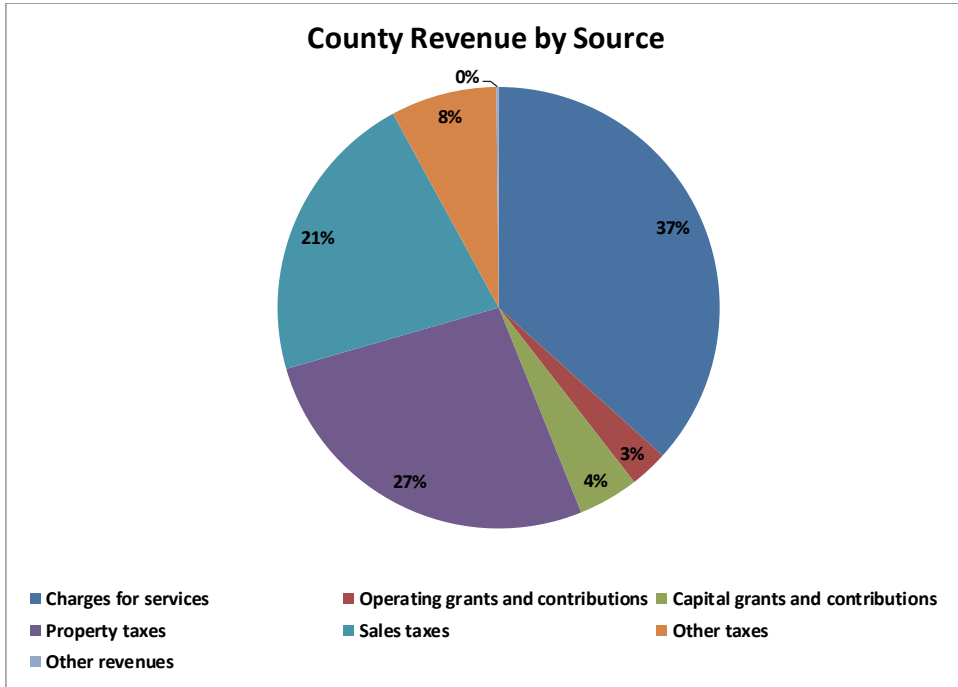
Business-type activities. Business-type activities increased the County's net position over the prior year by \$87,246 for fiscal year 2016. Charges for services represented 99.9% of the total revenues. The following table also indicates the changes in net position for business-type activities for the 2016 fiscal year:

CRISP COUNTY'S CHANGES IN NET POSITION June 30, 2016

	Governmental Activities		Business-type Activities		Total	
	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016
Revenues:						
Program revenues:						
Charges for services	\$ 4,106,062	\$ 5,043,642	\$ 4,629,323	\$ 5,677,792	\$ 8,735,385	\$ 10,721,434
Operating grants and contributions	1,114,995	814,481	-	-	1,114,995	814,481
Capital grants and contributions	1,743,671	1,293,383	-	-	1,743,671	1,293,383
General revenues:						
Property taxes	7,076,363	7,773,025	-	-	7,076,363	7,773,025
Sales taxes	6,539,930	6,292,769	-	-	6,539,930	6,292,769
Franchise taxes	1,069,232	1,069,636	-	-	1,069,232	1,069,636
Insurance premium tax	625,392	671,041	-	-	625,392	671,041
Other taxes	453,365	527,954	-	-	453,365	527,954
Unrestricted investment earnings	37,453	40,105	9,880	8,277	47,333	48,382
Gain on sale of capital assets	-	-	-	-	-	-
Transfers	(1,446,127)	-	1,446,127	-	-	-
Total revenues	<u>21,320,336</u>	<u>23,526,036</u>	<u>6,085,330</u>	<u>5,686,069</u>	<u>27,405,666</u>	<u>29,212,105</u>
Expenses:						
General government	2,684,310	2,268,563	-	-	2,684,310	2,268,563
Judicial	1,525,656	1,746,375	-	-	1,525,656	1,746,375
Public safety	9,087,542	9,381,532	-	-	9,087,542	9,381,532
Public works	6,103,399	6,217,691	-	-	6,103,399	6,217,691
Health and welfare	587,610	541,657	-	-	587,610	541,657
Recreation	1,122,721	1,191,593	-	-	1,122,721	1,191,593
Housing and community development	1,340,656	941,244	-	-	1,340,656	941,244
Interest on long-term debt	6,624	41,167	-	-	6,624	41,167
Water	-	-	565,821	594,504	565,821	594,504
Landfill	-	-	1,313,345	1,459,171	1,313,345	1,459,171
Self insurance health benefit	-	-	2,692,498	3,545,148	2,692,498	3,545,148
Total expenses	<u>22,458,518</u>	<u>22,329,822</u>	<u>4,571,664</u>	<u>5,598,823</u>	<u>27,030,182</u>	<u>27,928,645</u>
Total increase (decrease) in net position	<u>(1,138,182)</u>	<u>1,196,214</u>	<u>1,513,666</u>	<u>87,246</u>	<u>375,484</u>	<u>1,283,460</u>
Net position, beginning of year	<u>55,470,870</u>	<u>54,332,688</u>	<u>4,899,159</u>	<u>6,412,825</u>	<u>60,370,029</u>	<u>60,745,513</u>
Net position, end of year	<u>\$ 54,332,688</u>	<u>\$ 55,528,902</u>	<u>\$ 6,412,825</u>	<u>\$ 6,500,071</u>	<u>\$ 60,745,513</u>	<u>\$ 62,028,973</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS

Approximately 37% of the County’s total revenue came from charges from services, 27% from property taxes, 21% from sales tax, while the remaining 15% came from various other revenues. The County’s expenses cover a range of services. The largest expenses, 34%, are related to providing public safety, which includes law enforcement, fire protection, E-911 services, ambulance services, animal control, coroner and detention facility services.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

As noted earlier, Crisp County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the County's governmental funds reported an increase in combined ending fund balances from the previous year of \$935,643 increasing that total to \$19,393,112.

The General Fund is the chief operating fund of Crisp County and ended the fiscal year with a fund balance of \$9,140,419 of which \$8,863,113 remains unassigned. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 68% of total General Fund expenditures and is available to meet the County's ongoing service obligations to its citizens as well as fulfill all debt requirements.

The remaining governmental funds which include the Special Service District Fund, the E911 Fund, the 2005, 2011 Special Local Option Sales Tax Funds and the Nonmajor Governmental Funds have a combined total fund balance of \$10,252,693 of which \$1,556,237 represents prepaids, inventories, and long term receivables and is nonspendable. Of the remaining amounts, \$8,723,001 is restricted and \$-26,545 is unassigned.

Proprietary Funds. The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund at the end of the year amounted to \$1,860,121. The Water Fund recorded an operating income of \$99,724 for fiscal year 2016. Combined with net non-operating expenses of \$43,662, this fund's net position increased by \$56,062 during fiscal year 2016.

Unrestricted net position of the Landfill Fund at the end of the year amounted to a negative \$630,780. The Landfill Fund's operating income of \$671,966 combined with net non-operating expenses of \$129,399 provided an increase of \$542,567 over the previous year's net position balance.

Capital Asset and Debt Administration

Capital Assets. Crisp County's investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$51,140,116 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Crisp County's Capital Assets (Net of Depreciation)

	Governmental Activities	Business-type Activities	Total
	2016	2016	
Land	\$ 2,499,465	\$ 765,223	\$ 3,264,688
Construction in progress	1,831,847	115,435	1,947,282
Land improvements	4,212,382	-	4,212,382
Infrastructure	11,371,413	-	11,371,413
Plant and buildings	16,874,818	8,180,515	25,055,333
Furniture, machinery and equipment	4,027,105	1,177,595	5,204,700
System Improvements	-	84,318	84,318
Total	\$ 40,817,030	\$ 10,323,086	\$ 51,140,116

Major capital asset events during the current fiscal year included the following:

- \$1.6 million was expended toward debt service on the IDA/Darton College project, funded by SPLOST.
- The County used \$47,611 in SPLOST Funds for building upgrades for the Government Center.
- DOT Grant and TSPLOST funds were combined to replace Primrose Bridge at a cost of \$710,067.
- Crisp County EMS received a new ambulance funded by \$169,090 in SPLOST dollars.
- \$11,555 in SPLOST Funds was used to renovate and upgrade Reid Park and Reid Field.
- Twelve new and one used motor vehicles were purchased for the County during the year at a cost of \$360,180. Two for Public Works, one for Building Maintenance, one for Planning and Zoning and nine for the Sheriff's Department, all funded with a combination of General Fund, Asset Forfeiture Fund and SPLOST monies.
- The \$200,575 spent on Crisp County Airport improvements, included airfield drainage and crack improvements and was funded by FAA/GDOT Grants and SPLOST.
- SPLOST Funds provided the funding for \$497,718 in new Roads and Public Works Equipment which included a new sloper and a new motorgrader.
- \$1,774,815 was expended on County Road projects, funded through GDOT Grants, SPLOST and TSPLOST.
- \$23,142 was expended on lightning detection equipment funded by a Georgia Emergency Management Association grant.
- Additional information on the County's capital assets can be found in Note 6 on pages 56-59 of this report.

Long-Term Debt. As of June 30, 2016, Crisp County's long-term debt consisted of notes payable, capital lease payable, compensated absences, revenue bonds payable and landfill closure and postclosure care.

The County recorded a net decrease in total long-term debt for its governmental funds of \$162,034. The business-type activities logged a net decrease in long term debt of \$373,154 during fiscal year ending June 30, 2016.

Additional information on the County's long-term debt can be found in Note 7 on pages 60-65 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors

- Crisp County's unemployment rate dropped approximately 1% over the last twelve months, down to 5.9%. However, at June 30, 2016, it continued to exceed both the rate for the State of Georgia of 5.5% and the national average of 4.9%.

Requests for Information

This financial report is designed to provide a general overview of Crisp County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sherrie Leverett, Finance Director, 210 South 7th Street, Suite 309, Cordele, Georgia 31015 or sleverett@crispcounty.com.

CRISP COUNTY, GEORGIA
STATEMENT OF NET POSITION

JUNE 30, 2016

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 11,939,663	\$ 3,536,119	\$ 15,475,782
Investments	5,417,169	-	5,417,169
Taxes receivable	1,152,277	-	1,152,277
Accounts receivable, net of allowances	90,115	255,462	345,577
Notes receivable	1,458,403	-	1,458,403
Internal balances	28,829	(28,829)	-
Due from other governments	536,470	2,535	539,005
Due from component unit	14,768	-	14,768
Inventories	17,804	-	17,804
Prepaid items	356,374	19,255	375,629
Other assets	-	364	364
Restricted assets:			
Cash	-	147,568	147,568
Assets limited as to use	-	-	-
Goodwill	-	-	-
Deferred financing costs	-	-	-
Investment in affiliated companies	-	-	-
Capital assets:			
Nondepreciable	4,331,312	880,658	5,211,970
Depreciable, net of accumulated depreciation	36,485,718	9,442,428	45,928,146
Total assets	61,828,902	14,255,560	76,084,462
DEFERRED OUTFLOWS OF RESOURCES			
Net difference between projected and actual earnings on pension plan investments	830,336	31,724	862,060
Pension assumption changes	463,155	17,696	480,851
Employer contributions subsequent to the measurement date	881,105	33,663	914,768
Changes in proportion and differences of employer contributions	-	-	-
Total deferred outflows of resources	2,174,596	83,083	2,257,679

(Continued)

Component Units		
Crisp County Power Commission	Crisp Regional Health Service, Inc.	Crisp County Board of Health
\$ 5,527,419	\$ 4,992,000	\$ 492,457
23,557,516	-	-
-	-	-
3,729,229	17,536,000	-
-	564,000	-
-	-	-
-	-	35,828
-	-	-
815,569	1,601,000	-
136,556	-	-
1,445,279	1,911,000	-
-	-	-
618,506	46,789,000	-
-	3,547,000	-
-	965,000	-
-	426,000	-
891,777	2,856,000	-
16,805,652	33,165,000	-
<u>53,527,503</u>	<u>114,352,000</u>	<u>528,285</u>
45,090	-	-
-	-	-
600,000	-	62,343
-	-	9,217
<u>645,090</u>	<u>-</u>	<u>71,560</u>

CRISP COUNTY, GEORGIA
STATEMENT OF NET POSITION

JUNE 30, 2016

LIABILITIES	Primary Government		
	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 736,229	\$ 25,933	\$ 762,162
Accrued liabilities	27,439	11,561	39,000
Customer deposits payable	-	59,855	59,855
Claims payable	-	470,000	470,000
Due to other governments	133,221	18,785	152,006
Due to primary government	-	-	-
Capital leases due within one year	235,996	-	235,996
Capital leases due in more than one year	1,301,185	-	1,301,185
Notes payable due within one year	26,716	415,470	442,186
Notes payable due in more than one year	27,340	3,144,355	3,171,695
Bonds payable due within one year	-	41,925	41,925
Bonds payable due in more than one year	-	1,396,948	1,396,948
Compensated absences due within one year	91,258	4,970	96,228
Compensated absences due in more than one year	127,982	4,962	132,944
Closure and postclosure care costs	-	2,023,466	2,023,466
Net pension liability	5,586,153	213,424	5,799,577
Total liabilities	8,293,519	7,831,654	16,125,173
DEFERRED INFLOWS OF RESOURCES			
Differences between expected and actual experience of economic/demographic (gains)/losses	181,077	6,918	187,995
Proportionate share of collective deferred inflows of resources-pension plan	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-
Total deferred inflows of resources	181,077	6,918	187,995
NET POSITION			
Net investment in capital assets	39,225,793	5,324,388	44,550,181
Restricted for:			
Debt service	-	41,925	41,925
Judicial	166,396	-	166,396
Public safety	761,793	-	761,793
Economic development	2,032,040	-	2,032,040
Capital outlay	6,143,900	-	6,143,900
Unrestricted	7,198,980	1,133,758	8,332,738
Total net position	\$ 55,528,902	\$ 6,500,071	\$ 62,028,973

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

Component Units		
Crisp County Power Commission	Crisp Regional Health Service, Inc.	Crisp County Board of Health
\$ 2,444,955	\$ 2,695,000	\$ -
381,833	5,257,000	-
619,271	-	-
-	-	-
-	-	-
-	15,000	-
-	-	-
-	-	-
-	-	-
-	755,000	-
-	26,930,000	-
-	-	7,308
-	-	12,208
-	-	-
2,058,152	-	436,862
<u>5,504,211</u>	<u>35,652,000</u>	<u>456,378</u>
-	-	-
-	-	35,010
-	-	28,696
-	-	<u>63,706</u>
17,697,429	8,336,000	-
-	-	-
-	-	-
-	-	-
-	-	261,956
30,970,953	70,364,000	(182,195)
<u>\$ 48,668,382</u>	<u>\$ 78,700,000</u>	<u>\$ 79,761</u>

CRISP COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,268,563	\$ 921,698	\$ 67,121	\$ 199
Judicial	1,746,375	51,215	-	60
Public safety	9,381,532	3,940,195	737,360	408,035
Public works	6,217,691	3,741	10,000	209,420
Health and welfare	541,657	-	-	-
Parks and recreation	1,191,593	118,243	-	85
Housing and development	941,244	8,550	-	675,584
Interest on long-term debt	41,167	-	-	-
Total governmental activities	<u>22,329,822</u>	<u>5,043,642</u>	<u>814,481</u>	<u>1,293,383</u>
Business-type activities:				
Water system	594,504	646,754	-	-
Landfill	1,459,171	1,999,895	-	-
Self-insurance health benefit	3,545,148	3,031,143	-	-
Total business-type activities	<u>5,598,823</u>	<u>5,677,792</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 27,928,645</u>	<u>\$ 10,721,434</u>	<u>\$ 814,481</u>	<u>\$ 1,293,383</u>
Component units:				
Crisp County Power Commission	\$ 37,436,070	\$ 41,234,420	\$ -	\$ -
Crisp Regional Health Services, Inc.	102,991,000	104,847,000	513,000	-
Crisp County Board of Health	567,109	269,355	459,860	-
Total component units	<u>\$ 140,994,179</u>	<u>\$ 146,350,775</u>	<u>\$ 972,860</u>	<u>\$ -</u>

General revenues:
 Property taxes
 Sales taxes
 Franchise fees
 Business taxes
 Other taxes
 Unrestricted investment earnings
 Total general revenues and transfers
 Change in net position
 Net position, beginning of year
 Net position, end of year

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

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

Primary Government			Component units		
Governmental Activities	Business-type Activities	Total	Crisp County Power Commission	Crisp Regional Health Services, Inc.	Crisp County Board of Health
\$ (1,279,545)	\$ -	\$ (1,279,545)	\$ -	\$ -	\$ -
(1,695,100)	-	(1,695,100)	-	-	-
(4,295,942)	-	(4,295,942)	-	-	-
(5,994,530)	-	(5,994,530)	-	-	-
(541,657)	-	(541,657)	-	-	-
(1,073,265)	-	(1,073,265)	-	-	-
(257,110)	-	(257,110)	-	-	-
(41,167)	-	(41,167)	-	-	-
<u>(15,178,316)</u>	<u>-</u>	<u>(15,178,316)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	52,250	52,250	-	-	-
-	540,724	540,724	-	-	-
-	<u>(514,005)</u>	<u>(514,005)</u>	-	-	-
-	78,969	78,969	-	-	-
<u>\$ (15,178,316)</u>	<u>\$ 78,969</u>	<u>\$ (15,099,347)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 3,798,350	\$ -	\$ -
-	-	-	-	2,369,000	-
-	-	-	-	-	162,106
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,798,350</u>	<u>\$ 2,369,000</u>	<u>\$ 162,106</u>
\$ 7,773,025	\$ -	\$ 7,773,025	\$ -	\$ -	\$ -
6,292,769	-	6,292,769	-	-	-
1,069,636	-	1,069,636	-	-	-
671,041	-	671,041	-	-	-
527,954	-	527,954	-	-	-
40,105	8,277	48,382	458,045	2,411,000	243
<u>16,374,530</u>	<u>8,277</u>	<u>16,382,807</u>	<u>458,045</u>	<u>2,411,000</u>	<u>243</u>
1,196,214	87,246	1,283,460	4,256,395	4,780,000	162,349
54,332,688	6,412,825	60,745,513	44,411,987	73,920,000	(82,588)
<u>\$ 55,528,902</u>	<u>\$ 6,500,071</u>	<u>\$ 62,028,973</u>	<u>\$ 48,668,382</u>	<u>\$ 78,700,000</u>	<u>\$ 79,761</u>

CRISP COUNTY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS**

JUNE 30, 2016

	<u>General</u>	<u>Special Service District Fund</u>	<u>E-911 Fund</u>	<u>2011 Sales Tax Fund</u>
ASSETS				
Cash and cash equivalents	\$ 2,971,830	\$ 253,700	\$ 556,633	\$ 2,749,102
Investments	5,059,563	-	-	-
Receivables, net of allowance:				
Taxes	708,086	27,962	-	345,007
Accounts	25,066	15,214	48,450	-
Notes	-	-	-	-
Due from other funds	727,753	-	-	-
Due from other governments	487,998	5,130	19,329	-
Due from component unit	14,768	-	-	-
Prepaid items	258,540	27,640	40,667	-
Inventory	17,804	-	-	-
Total assets	<u>\$ 10,271,408</u>	<u>\$ 329,646</u>	<u>\$ 665,079</u>	<u>\$ 3,094,109</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 402,100	\$ 28,706	\$ 1,554	\$ 115,477
Accrued liabilities	8,076	8,878	5,339	-
Due to other funds	349	44,250	578,931	-
Due to other governments	20,650	-	-	112,571
Total liabilities	<u>431,175</u>	<u>81,834</u>	<u>585,824</u>	<u>228,048</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	<u>699,814</u>	<u>27,203</u>	<u>-</u>	<u>-</u>
Total deferred inflow of resources	<u>699,814</u>	<u>27,203</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	258,540	27,640	40,667	-
Inventory	17,804	-	-	-
Long-term receivable	-	-	-	-
Restricted for:				
Judicial	-	-	-	-
Public safety	962	192,969	38,588	-
Public works	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	2,866,061
Unassigned	8,863,113	-	-	-
Total fund balances	<u>9,140,419</u>	<u>220,609</u>	<u>79,255</u>	<u>2,866,061</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 10,271,408</u>	<u>\$ 329,646</u>	<u>\$ 665,079</u>	<u>\$ 3,094,109</u>

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

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.
- Deferred outflows of resources are not available to pay for current resources and therefore are not reported in the funds.
- Certain long-term liabilities are not due and payable in the current period and are, therefore, not reported in the funds.
- The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.
- Deferred inflows of resources related to the net difference between expected and actual experience of economic/demographic (gains)/losses are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Net position of governmental activities

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

2005 Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,195,927	\$ 2,212,471	\$ 11,939,663
-	357,606	5,417,169
-	71,222	1,152,277
-	1,385	90,115
-	1,458,403	1,458,403
-	7,749	735,502
-	24,013	536,470
-	-	14,768
-	29,527	356,374
-	-	17,804
<u>\$ 3,195,927</u>	<u>\$ 4,162,376</u>	<u>\$ 21,718,545</u>

\$ 44,533	\$ 143,859	\$ 736,229
-	-	22,293
-	83,143	706,673
-	-	133,221
<u>44,533</u>	<u>227,002</u>	<u>1,598,416</u>

-	-	727,017
-	-	727,017

-	29,527	356,374
-	-	17,804
-	-	-
-	166,396	166,396
-	529,274	761,793
-	1,078,237	1,078,237
-	2,032,040	2,032,040
3,151,394	126,445	6,143,900
-	(26,545)	8,836,568
<u>3,151,394</u>	<u>3,935,374</u>	<u>19,393,112</u>
<u>\$ 3,195,927</u>	<u>\$ 4,162,376</u>	

40,817,030
727,017
2,174,596
(1,815,623)
(5,586,153)

(181,077)
\$ 55,528,902

CRISP COUNTY, GEORGIA

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

	<u>General</u>	<u>Special Service District Fund</u>	<u>E-911 Fund</u>	<u>2011 Sales Tax Fund</u>
Revenues				
Property taxes	\$ 7,224,413	\$ 417,915	\$ -	\$ -
Sales taxes	1,794,369	-	-	3,738,524
Franchise taxes	560,647	508,989	-	-
Business taxes	27,515	643,526	-	-
Other taxes	483,474	3,445	-	-
Licenses and permits	18,453	45,669	-	-
Intergovernmental	862,395	-	-	-
Charges for services	2,023,286	-	525,481	-
Fines and forfeitures	1,733,580	-	-	-
Interest income	20,762	-	231	8,179
Other revenues	342,515	5,895	1,492	17,420
Total revenues	15,091,409	1,625,439	527,204	3,764,123
Expenditures				
Current:				
General government	2,049,388	-	-	-
Judicial	1,708,938	-	-	-
Public safety	5,985,960	1,274,277	874,961	-
Public works	1,343,101	12,116	-	-
Health and welfare	494,204	-	-	-
Parks and recreation	890,884	-	-	-
Housing and development	539,242	203,537	-	-
Intergovernmental payments	-	-	-	2,232,158
Capital outlay	-	-	-	697,995
Debt service:				
Principal	-	-	-	234,584
Interest	-	-	-	40,657
Total expenditures	13,011,717	1,489,930	874,961	3,205,394
 Excess (deficiency) of revenues over (under) expenditures	 2,079,692	 135,509	 (347,757)	 558,729
Other financing sources (uses)				
Proceeds from the sale of capital assets	76,541	-	-	-
Transfers in	14,523	-	347,721	-
Transfers out	(419,068)	-	-	-
Total other financing sources (uses)	(328,004)	-	347,721	-
 Net change in fund balances	 1,751,688	 135,509	 (36)	 558,729
Fund balances, beginning of year	7,388,731	85,100	79,291	2,307,332
Fund balances, end of year	\$ 9,140,419	\$ 220,609	\$ 79,255	\$ 2,866,061

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

2005 Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 7,642,328
-	759,876	6,292,769
-	-	1,069,636
-	-	671,041
-	41,035	527,954
-	-	64,122
405,141	654,650	1,922,186
-	-	2,548,767
-	300,439	2,034,019
1,818	19,793	50,783
-	29,412	396,734
<u>406,959</u>	<u>1,805,205</u>	<u>23,220,339</u>
-	-	2,049,388
-	34,017	1,742,955
-	256,834	8,392,032
-	445,052	1,800,269
-	-	494,204
-	-	890,884
-	60,994	803,773
-	-	2,232,158
1,485,545	1,493,212	3,676,752
-	3,010	237,594
-	1,571	42,228
<u>1,485,545</u>	<u>2,294,690</u>	<u>22,362,237</u>
<u>(1,078,586)</u>	<u>(489,485)</u>	<u>858,102</u>
-	1,000	77,541
-	2,156,539	2,518,783
-	(2,099,715)	(2,518,783)
-	57,824	77,541
<u>(1,078,586)</u>	<u>(431,661)</u>	<u>935,643</u>
<u>4,229,980</u>	<u>4,367,035</u>	<u>18,457,469</u>
<u>\$ 3,151,394</u>	<u>\$ 3,935,374</u>	<u>\$ 19,393,112</u>

CRISP COUNTY, GEORGIA

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

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

Net change in fund balances - total governmental funds	\$ 935,643
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceed capital outlay in the current period.	(257,260)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(569,378)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	130,697
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the principal payment on notes payable.	237,594
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>718,918</u>
Net change in net position - governmental activities	<u>\$ 1,196,214</u>

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

CRISP COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 6,844,437	\$ 7,252,897	\$ 7,224,413	\$ (28,484)
Sales taxes	1,850,000	1,794,375	1,794,369	(6)
Franchise taxes	530,000	560,650	560,647	(3)
Business taxes	25,000	27,525	27,515	(10)
Other taxes	315,000	483,550	483,474	(76)
Licenses and permits	17,200	18,450	18,453	3
Intergovernmental	626,489	862,405	862,395	(10)
Charges for services	1,504,065	2,025,655	2,023,286	(2,369)
Fines and forfeitures	1,515,000	1,703,800	1,733,580	29,780
Interest revenue	10,000	20,775	20,762	(13)
Other revenues	175,000	342,536	342,515	(21)
Total revenues	<u>13,412,191</u>	<u>15,092,618</u>	<u>15,091,409</u>	<u>(1,209)</u>
Expenditures:				
Current:				
General government:				
Legislative	512,601	354,976	354,790	186
Executive	143,140	133,415	133,309	106
Elections	98,071	120,121	119,927	194
Financial administration	373,623	346,348	346,238	110
Data processing	20,350	2,050	2,028	22
Tax commissioner	317,106	298,381	298,179	202
Tax assessor	354,834	368,808	368,495	313
General government buildings and plant	422,869	426,663	426,422	241
Total general government	<u>2,242,594</u>	<u>2,050,762</u>	<u>2,049,388</u>	<u>1,374</u>
Judicial:				
Judicial administration	275,357	272,107	271,996	111
Drug Court	129,889	74,952	74,815	137
Clerk of superior court	403,921	388,171	388,000	171
District attorney	159,850	267,025	266,959	66
Magistrate court	235,126	222,131	221,765	366
Probate court	335,890	315,415	315,207	208
Juvenile court	54,473	47,523	47,501	22
Grand jury	25,000	31,375	31,352	23
Public defender	95,234	91,334	91,343	(9)
Total judicial	<u>1,714,740</u>	<u>1,710,033</u>	<u>1,708,938</u>	<u>1,095</u>
Public safety:				
Sheriff	3,247,106	3,120,786	3,119,763	1,023
Jail operations	2,354,645	2,271,420	2,271,103	317
Fire	11,262	11,837	11,817	20
EMS	281,490	271,490	271,378	112
Coroner	36,214	32,214	32,092	122
Other protection	191,403	280,053	279,807	246
Total public safety	<u>6,122,120</u>	<u>5,987,800</u>	<u>5,985,960</u>	<u>1,840</u>

(Continued)

CRISP COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP) BASIS AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures: (Continued)				
Public works:				
Public works administration	\$ 1,293,897	\$ 1,279,322	\$ 1,278,981	\$ 341
Intergovernmental payments of energy excise tax	34,345	64,135	64,120	15
Total public works	<u>1,328,242</u>	<u>1,343,457</u>	<u>1,343,101</u>	<u>356</u>
Health and welfare:				
Health	278,225	276,700	276,562	138
Welfare	14,750	10,300	10,281	19
Community services	159,500	206,175	206,082	93
Public education	1,300	1,300	1,279	21
Total health and welfare	<u>453,775</u>	<u>494,475</u>	<u>494,204</u>	<u>271</u>
Parks and recreation:				
Recreation	790,787	830,766	829,506	1,260
Parks	92,329	61,604	61,378	226
Total parks and recreation	<u>883,116</u>	<u>892,370</u>	<u>890,884</u>	<u>1,486</u>
Housing and development:				
Conservation	129,182	141,007	140,809	198
Economic development and assistance	139,833	397,218	397,090	128
Economic opportunity	2,400	1,350	1,343	7
Total housing and development	<u>271,415</u>	<u>539,575</u>	<u>539,242</u>	<u>333</u>
Total expenditures	<u>13,016,002</u>	<u>13,018,472</u>	<u>13,011,717</u>	<u>6,755</u>
Excess of revenues over expenditures	<u>396,189</u>	<u>2,074,146</u>	<u>2,079,692</u>	<u>5,546</u>
Other financing sources (uses)				
Proceeds from sale of assets	10,000	76,550	76,541	(9)
Transfers in	-	14,514	14,523	9
Transfers out	(406,189)	(419,108)	(419,068)	40
Total other financing sources (uses)	<u>(396,189)</u>	<u>(328,044)</u>	<u>(328,004)</u>	<u>40</u>
Net change in fund balances	-	1,746,102	1,751,688	5,586
Fund balance, beginning of year	<u>7,388,731</u>	<u>7,388,731</u>	<u>7,388,731</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,388,731</u>	<u>\$ 9,134,833</u>	<u>\$ 9,140,419</u>	<u>\$ 5,586</u>

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

CRISP COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP) BASIS AND ACTUAL
SPECIAL SERVICE DISTRICT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 400,726	\$ 418,826	\$ 417,915	\$ (911)
Franchise taxes	528,000	509,000	508,989	(11)
Business taxes	583,000	643,525	643,526	1
Other taxes	13,750	3,400	3,445	45
Licenses and permits	46,700	45,650	45,669	19
Other revenues	550	5,875	5,895	20
Total revenues	<u>1,572,726</u>	<u>1,626,276</u>	<u>1,625,439</u>	<u>(837)</u>
Expenditures:				
Current:				
Public safety:				
Fire	1,355,445	1,274,612	1,274,277	335
Total public safety	<u>1,355,445</u>	<u>1,274,612</u>	<u>1,274,277</u>	<u>335</u>
Public works:				
Solid waste collection	-	12,125	12,116	9
Total public works	<u>-</u>	<u>12,125</u>	<u>12,116</u>	<u>9</u>
Housing and development:				
Planning and zoning	193,131	203,781	203,537	244
Total housing and development	<u>193,131</u>	<u>203,781</u>	<u>203,537</u>	<u>244</u>
Total expenditures	<u>1,548,576</u>	<u>1,490,518</u>	<u>1,489,930</u>	<u>588</u>
Net change in fund balances	24,150	135,758	135,509	(249)
Fund balance, beginning of year	<u>85,100</u>	<u>85,100</u>	<u>85,100</u>	<u>-</u>
Fund balance, end of year	<u>\$ 109,250</u>	<u>\$ 220,858</u>	<u>\$ 220,609</u>	<u>\$ (249)</u>

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

CRISP COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP) BASIS AND ACTUAL
E911 FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 602,130	\$ 525,425	\$ 525,481	\$ 56
Interest revenue	200	225	231	6
Other revenues	-	1,475	1,492	17
Total revenues	<u>602,330</u>	<u>527,125</u>	<u>527,204</u>	<u>79</u>
Expenditures:				
Current:				
Public Safety:				
E911	<u>899,460</u>	<u>875,235</u>	<u>874,961</u>	<u>274</u>
Total public safety	<u>899,460</u>	<u>875,235</u>	<u>874,961</u>	<u>274</u>
Total expenditures	<u>899,460</u>	<u>875,235</u>	<u>874,961</u>	<u>274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(297,130)</u>	<u>(348,110)</u>	<u>(347,757)</u>	<u>353</u>
Other financing sources (uses)				
Transfers in	<u>297,130</u>	<u>347,735</u>	<u>347,721</u>	<u>(14)</u>
Total other financing sources (uses)	<u>(99,059)</u>	<u>5,177</u>	<u>347,721</u>	<u>342,544</u>
Net change in fund balances	(396,189)	(342,933)	(36)	342,897
Fund balance, beginning of year	<u>79,291</u>	<u>79,291</u>	<u>79,291</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ (316,898)</u></u>	<u><u>\$ (263,642)</u></u>	<u><u>\$ 79,255</u></u>	<u><u>\$ 342,897</u></u>

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

CRISP COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2016

	<u>Crisp County Water System</u>	<u>Crisp County Landfill</u>	<u>Self-Insurance Health Benefit Fund</u>	<u>Totals</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,869,782	\$ 1,299,968	\$ 366,369	\$ 3,536,119
Accounts receivable, net of allowances	55,858	191,556	8,048	255,462
Due from other governments	528	2,007	-	2,535
Prepaid expenses	6,423	12,832	-	19,255
Restricted assets, cash	147,568	-	-	147,568
Total current assets	<u>2,080,159</u>	<u>1,506,363</u>	<u>374,417</u>	<u>3,960,939</u>
NONCURRENT ASSETS				
Other assets	-	364	-	364
Capital assets:				
Nondepreciable	-	880,658	-	880,658
Depreciable, net of accumulated depreciation	<u>3,118,259</u>	<u>6,324,169</u>	<u>-</u>	<u>9,442,428</u>
Total noncurrent assets	<u>3,118,259</u>	<u>7,205,191</u>	<u>-</u>	<u>10,323,450</u>
Total assets	<u>5,198,418</u>	<u>8,711,554</u>	<u>374,417</u>	<u>14,284,389</u>
DEFERRED OUTFLOWS OF RESOURCES				
Net difference between projected and actual earnings on				
pension plan investments	10,525	21,199	-	31,724
Pension assumption changes	5,871	11,825	-	17,696
Employer contributions subsequent to the measurement date	11,168	22,495	-	33,663
Total deferred outflows of resources	<u>27,564</u>	<u>55,519</u>	<u>-</u>	<u>83,083</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	1,998	23,935	-	25,933
Claims payable	-	-	470,000	470,000
Accrued liabilities	256	11,305	-	11,561
Due to other funds	6,031	22,798	-	28,829
Due to other governments	-	18,785	-	18,785
Notes payable, current portion	-	415,470	-	415,470
Compensated absences, current portion	1,173	3,797	-	4,970
Payable from restricted assets:				
Customer deposits	51,050	8,805	-	59,855
Revenue bonds payable, current portion	41,925	-	-	41,925
Total current liabilities	<u>102,433</u>	<u>504,895</u>	<u>470,000</u>	<u>1,077,328</u>
NONCURRENT LIABILITIES				
Notes payable, net of current portion	-	3,144,355	-	3,144,355
Revenue bonds payable, net of current portion	1,396,948	-	-	1,396,948
Compensated absences, net of current portion	255	4,707	-	4,962
Closure and postclosure care costs	-	2,023,466	-	2,023,466
Net pension liability	142,619	70,805	-	213,424
Total long-term liabilities	<u>1,539,822</u>	<u>5,243,333</u>	<u>-</u>	<u>6,783,155</u>
Total liabilities	<u>1,642,255</u>	<u>5,748,228</u>	<u>470,000</u>	<u>7,860,483</u>

(Continued)

CRISP COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2016

	<u>Crisp County Water System</u>	<u>Crisp County Landfill</u>	<u>Self-Insurance Health Benefit Fund</u>	<u>Totals</u>
DEFERRED INFLOWS OF RESOURCES				
Differences between expected and actual experience of economic/demographic (gains)/losses	\$ 2,295	\$ 4,623	\$ -	\$ 6,918
Total deferred inflows of resources	<u>2,295</u>	<u>4,623</u>	<u>-</u>	<u>6,918</u>
NET POSITION				
Net investment in capital assets	1,679,386	3,645,002	-	5,324,388
Restricted for debt service	41,925	-	-	41,925
Unrestricted (deficit)	1,860,121	(630,780)	(95,583)	1,133,758
Total net position	<u>\$ 3,581,432</u>	<u>\$ 3,014,222</u>	<u>\$ (95,583)</u>	<u>\$ 6,500,071</u>

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

CRISP COUNTY, GEORGIA

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

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
OPERATING REVENUES				
Charges for services	\$ 644,368	\$ 1,994,001	\$ 2,253,983	\$ 4,892,352
Other revenue	2,386	5,894	777,160	785,440
Total operating revenues	<u>646,754</u>	<u>1,999,895</u>	<u>3,031,143</u>	<u>5,677,792</u>
OPERATING EXPENSES				
Personnel services	185,117	198,200	-	383,317
Cost of sales and services	97,537	492,872	2,969,834	3,560,243
Supplies	53,565	92,270	-	145,835
Administration	20,000	90,000	575,314	685,314
Depreciation and amortization	190,811	454,587	-	645,398
Total operating expenses	<u>547,030</u>	<u>1,327,929</u>	<u>3,545,148</u>	<u>5,420,107</u>
Operating income (loss)	<u>99,724</u>	<u>671,966</u>	<u>(514,005)</u>	<u>257,685</u>
NONOPERATING INCOME (EXPENSES)				
Interest income	3,812	1,843	2,622	8,277
Interest expense	(47,474)	(131,242)	-	(178,716)
Total nonoperating income (expenses)	<u>(43,662)</u>	<u>(129,399)</u>	<u>2,622</u>	<u>(170,439)</u>
Change in net position	56,062	542,567	(511,383)	87,246
NET POSITION, beginning of year	<u>3,525,370</u>	<u>2,471,655</u>	<u>415,800</u>	<u>6,412,825</u>
NET POSITION, end of year	<u>\$ 3,581,432</u>	<u>\$ 3,014,222</u>	<u>\$ (95,583)</u>	<u>\$ 6,500,071</u>

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

CRISP COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

JUNE 30, 2016

	<u>Crisp County Water System</u>	<u>Crisp County Landfill</u>	<u>Self-Insurance Health Benefit Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund users	\$ -	\$ -	\$ 1,706,630	\$ 1,706,630
Receipts from other customers	648,461	1,908,717	1,410,418	3,967,596
Payments to suppliers	(177,705)	(611,662)	(3,305,148)	(4,094,515)
Payments to employees	(131,421)	(286,346)	-	(417,767)
Net cash provided by (used in) operating activities	<u>339,335</u>	<u>1,010,709</u>	<u>(188,100)</u>	<u>1,161,944</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on bonds	(40,587)	-	-	(40,587)
Principal paid on notes payable	-	(402,729)	-	(402,729)
Interest paid	(47,481)	(132,559)	-	(180,040)
Net cash used in capital and related financing activities	<u>(88,068)</u>	<u>(535,288)</u>	<u>-</u>	<u>(623,356)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	3,812	1,843	2,622	8,277
Net cash provided by investing activities	<u>3,812</u>	<u>1,843</u>	<u>2,622</u>	<u>8,277</u>
Increase (decrease) in cash and cash equivalents	255,079	477,264	(185,478)	546,865
Cash and cash equivalents:				
Beginning of year	<u>1,762,271</u>	<u>822,704</u>	<u>551,847</u>	<u>3,136,822</u>
End of year	<u>\$ 2,017,350</u>	<u>\$ 1,299,968</u>	<u>\$ 366,369</u>	<u>\$ 3,683,687</u>
Classified as:				
Cash and cash equivalents	\$ 1,869,782	\$ 1,299,968	\$ 366,369	\$ 3,536,119
Restricted assets, cash	147,568	-	-	147,568
	<u>\$ 2,017,350</u>	<u>\$ 1,299,968</u>	<u>\$ 366,369</u>	<u>\$ 3,683,687</u>

(Continued)

CRISP COUNTY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

JUNE 30, 2016

	<u>Crisp County Water System</u>	<u>Crisp County Landfill</u>	<u>Self-Insurance Health Benefit Fund</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 99,724	\$ 671,966	\$ (514,005)	\$ 257,685
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	190,811	454,587	-	645,398
(Increase) decrease in accounts receivable	(2,474)	(92,133)	85,905	(8,702)
Increase in due from other governments	(528)	(2,007)	-	(2,535)
Increase in prepaid expenses	(231)	(1,295)	-	(1,526)
Increase in investment earnings difference	(9,925)	(20,062)	-	(29,987)
Increase in assumption change	(5,871)	(11,825)	-	(17,696)
Increase in subsequent pension contributions	(11,168)	(22,495)	-	(33,663)
Increase in experience difference	3,514	6,932	-	10,446
Decrease in accounts payable	(2,046)	(4,584)	-	(6,630)
Increase in claims payable	-	-	240,000	240,000
Decrease in accrued liabilities	(3,423)	(5,897)	-	(9,320)
Increase in customer deposits	795	955	-	1,750
Increase in due to other funds	3,914	4,751	-	8,665
Decrease in due to other governments	(4,326)	-	-	(4,326)
Increase (decrease) in compensated absences	(2,915)	565	-	(2,350)
Increase in closure and postclosure costs	-	72,512	-	72,512
Net cash provided by (used in) operating activities	<u>\$ 339,335</u>	<u>\$ 1,010,709</u>	<u>\$ (188,100)</u>	<u>\$ 1,161,944</u>

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

CRISP COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

JUNE 30, 2016

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 915,812
Accounts receivable	11,892
Taxes receivable	1,109,250
Total assets	<u>\$ 2,036,954</u>
LIABILITIES	
Due to others	\$ 927,704
Uncollected taxes	1,109,250
Total liabilities	<u>\$ 2,036,954</u>

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

CRISP COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Crisp County, Georgia was incorporated in the State of Georgia on August 17, 1905. The County is governed by an elected board of commissioners and an elected chairman of the board and provides the following services to the citizens of Crisp County: public safety (police and fire), public works, recreation, health and welfare services, education, judicial services, planning and community development, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County.

The Board of the **Crisp County Power Commission** (the "Commission") oversees the operations of the Crisp County Power Commission. Three of the seven board members are appointed by the Board of County Commissioners while the other four are appointed by the County grand jury and the County has the ability to impose its will over the organization. The Commission has a December 31 year-end. Complete financial statements can be obtained at the following address: Crisp County Power Commission, 202 South 7th Street, Cordele, GA 31015.

The **Crisp Regional Health Services, Inc.** (the "Corporation") oversees the hospital facilities and related healthcare support services for the citizens of the County. The board is appointed by the County Commissioners and the County has the ability to impose its will over the organization. Complete financial statements can be obtained at the following address: Crisp Regional Health Services, Inc., 902 7th Street North, Cordele, GA 31015.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The **Crisp County Board of Health** (the “Board of Health”) oversees the operations of the Crisp County Department of Public Health. The County provides financial support to the Department of Public Health and appoints a majority of the members of the Board of Health. Complete financial statements can be obtained at the following address: Crisp County Department of Public Health, 111 East 24th Avenue, Cordele, GA 31015.

B. Government-Wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The County reports the following major governmental funds:

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

The **Special Service District Fund** is a special revenue fund used to account for the receipt of taxes assessed to a special district that are restricted for expenditures of the district.

The **E-911 Fund** is a special revenue fund used to account for the costs of operating and maintaining the 911 Emergency Communication System for Crisp County. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in areas served by the Crisp County "911" service and by contributions from the City of Cordele.

The **2011 Sales Tax Fund** is a capital projects fund used to account for the acquisition, construction, equipping and installation of certain capital outlay projects for the benefit of all Crisp County citizens. Financing is provided by a special purpose sales and use tax.

The **2005 Sales Tax Fund** is a capital projects fund used to account for the acquisition, construction, equipping and installation of certain capital outlay projects for the benefit of all Crisp County citizens. Financing is provided by a special purpose sales and use tax.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major proprietary funds:

The ***Crisp County Water System*** is an enterprise fund used to account for the provision of water services to the citizens of Crisp County. Activities of the fund include water administration, operations, billing and collections.

The ***Crisp County Landfill*** is an enterprise fund used to account for the revenues and expenses associated with the operation of the County's landfill.

The ***Self-Insurance Health Benefit Fund*** is used to account for the self-insured health benefit plan provided for the employees of the County, Crisp County Power Commission, Solid Waste Management Authority, and Southwest Georgia United Empowerment Zone.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted or committed for expenditures of specific purposes.

The ***capital project funds*** account for the acquisition or construction of capital facilities.

The ***agency funds*** are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. 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 enterprise funds and internal service fund are charges to customers for sales and services provided. Operating expenses for the enterprise funds and internal service 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 nonoperating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Crisp Regional Health Services, Inc., a discretely presented component unit of the County, reports under the Financial Accounting Standards Board (FASB) standards; including FASB Codification Topic 958, *Not-for Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

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

D. Cash, Cash Equivalents and Investments

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The investment in the Georgia Fund 1 represents the County's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair market value.

E. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net position. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net position as "internal balances". In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds".

F. Inventory and Prepaid Items

Inventory in the governmental funds is valued and the lower of cost or market. The County accounts for inventory on the purchase basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. In accordance with GASB 34, infrastructure assets acquired after June 30, 1980 have been capitalized. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of assets constructed. No interest expense was capitalized during the fiscal year ended June 30, 2016.

Capital assets of the primary government, the Crisp County Board of Health (component unit) and Crisp Regional Health Services, Inc. (component unit) are depreciated using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Primary Government	
Furniture, machinery and equipment	5-15
System improvements	35
Plant and buildings	20-50
Infrastructure	20
Land improvements	2-50
Crisp County Board of Health	
Machinery and equipment	10
Computers	5
Crisp Regional Health Service, Inc.	
Buildings and improvements	20-40
Fixed equipment	15-25
Movable equipment	3-15

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Capital assets for the Crisp County Power Commission (component unit) include an electric plant that is stated at original cost, which includes applicable general and administrative costs. Plant retirements are charged against appropriate accumulated depreciation accounts. Depreciation of the electric plant is computed using the straight-line method over the expected life of the plant. Annual depreciation provisions, expressed as a percentage of average depreciable property, were as follows for 2015:

Intangible Plant	2.50%
Steam and Gas Plant	5.00%
Hydraulic Plant	4.00%
Transmission Plant	3.33%
Distribution Plant	4.00%
General Plant	2.0% - 20.00%
Vehicles	16.66%

The composite electric utility plant depreciation rates are based on engineering studies which are periodically updated.

H. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any items that qualify for reporting in this category other than the items related to the changes in the net pension liability which are discussed on the following page.

In addition to liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Other than the items related to the changes in the net pension liability which are discussed on the following page, the County has only one type of item, arising only under a modified accrual basis of accounting, that qualifies for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes not received within 60 days after year end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows / Inflows of Resources (Continued)

The County also has deferred outflows and deferred inflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. The County reports a deferred outflow of resources for employer contributions made to the pension plan subsequent to the measurement date as these will be recognized as a reduction to the County's net pension liability for the year ended June 30, 2017. The County also reports deferred outflows of resources for assumption changes which are amortized into pension expense over the average expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Crisp County, Georgia Retirement Plan (the Plan) and additions to/deductions 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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. 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, and 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. Bond issuance costs are reported as expenses in the year the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when the employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary 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.

L. Fund Equity

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

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

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

M. Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

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

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$1,815,623 difference are as follows:

Accrued interest payable	\$ (5,146)
Capital leases	(1,537,181)
Notes payable	(54,056)
Compensated absences	<u>(219,240)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at <i>net position - governmental activities</i>	<u>\$ (1,815,623)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$257,260 difference are as follows:

Capital outlay	\$ 3,804,659
Depreciation expense	<u>(4,061,919)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (257,260)</u>

NOTES TO FINANCIAL STATEMENTS

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

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)

Another element of that reconciliation states the “The net effect of various miscellaneous transactions involving capital assets, (i.e. sales, trade-ins, and donations) is to decrease net position.” The details of this \$569,378 difference are as follows:

Donations of capital assets	\$ 175,000
Disposals of capital assets	(744,378)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (569,378)</u>

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial recourses to governmental funds, while the repayment of the principal of long-term debt consumes the current financial recourses of governmental funds. Neither transaction, however, has any effect on net position. This amount is the payments made on notes payable and capital leases.” The details of this \$237,594 difference are as follows:

Principal payments on note payable	\$ 25,782
Principal payments on capital lease	211,812
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 237,594</u>

Another element of that reconciliation explains that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds”. The details of this \$718,918 difference are as follows:

Compensated absences	\$ (75,560)
Change in net pension liability and related deferred inflows and outflows of resources	793,417
Accrued interest	1,061
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 718,918</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. No later than January 15th of each year, the County Commission shall approve the subsequent fiscal year's budget calendar. This calendar shall include specific dates for completion of each task necessary to prepare, review and approve the County's operating budget. The budget calendar shall establish the date to have a completed budget approved and adopted.
2. After preparation of the departmental budgets by the department heads and the County Administrator, each department head formally presents the budget to the Board of Commissioners. The Board of Commissioners reviews each budget at this time.
3. After review of each departmental budget and revisions made by the department heads, the budget is adopted by the Board of Commissioners.
4. Formal budgetary integration is the management tool used as a control device during the year for the General Fund. The legal level of budgetary control is the department level.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and each special revenue fund.
6. The County budgets the capital projects funds on a project basis with the term of the project being longer than the County's fiscal period.
7. All appropriations lapse at fiscal year-end.

B. Encumbrances

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 not utilized by Crisp County.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2016, expenditures exceeded budget as follows:

Department	Excess
General Fund:	
Public defender	\$ 9

Excess expenditures over budget was funded by under-expenditures in other departments.

D. Fund Deficit

The Jail Fund reported a deficit fund balance of \$703 at June 30, 2016. The deficit is intended to be eliminated through transfers from the General Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

A. Primary Government

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At June 30, 2016, the County had the following investments:

Investments	Maturities	Credit Rating	Fair Value
Primary government:			
Georgia Fund 1	42 day weighted average	AAAf	\$ 5,059,563
Certificates of deposit	1 year weighted average	(a)	357,606
			\$ 5,417,169

(a) These are certificates of deposits held at a local financial institution and are not rated.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

A. Primary Government (Continued)

As of June 30, 2016, the County's investment in Georgia Fund 1 was rated AA Af by Standard & Poor's.

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

Custodial credit risk – Deposits. The County does not have a formal custodial credit risk policy. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2016, none of the County deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

Interest rate risk – Component Units. Crisp Regional Health Services, Inc., Crisp County Board of Health, and Crisp County Power Commission do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits – Component Units. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2016, the Crisp County Board of Health and Crisp Regional Health Services, Inc. did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements. As of December 31, 2015, the Crisp County Power Commission did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

A. Primary Government (Continued)

Fair Value Measurements. The County categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The County's recurring fair value measurements as of June 30, 2016 are as follows:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Investments not subject to level disclosure:				
Georgia Fund 1	\$ -	\$ -	\$ -	\$ 5,059,563
Investments carried at cost:				
Certificate of deposit	-	-	-	357,606
Total Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,417,169</u>

B. Discretely Presented Component Unit – Crisp County Power Commission

Total deposits as of December 31, 2015, are summarized as follows:

As reported in the Statement of Net Position:	
Cash and cash equivalents	\$ 5,527,419
Investments	23,557,516
Restricted, customer deposits	618,506
	<u>\$ 29,703,441</u>
Investment in the Municipal Competitive Trust	\$ 23,557,516
Cash deposited with financial institutions	6,145,925
	<u>\$ 29,703,441</u>

The Commission is a participant in the Municipal Electric Authority of Georgia (MEAG). MEAG maintains a Municipal Competitive Trust that allows participants to invest in various portfolios. As of December 31, 2015, the Commission's investment in the MEAG Municipal Competitive Trust is broken into three portfolios. These consist of an intermediate extended portfolio, an intermediate portfolio, and a short-term portfolio.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission (Continued)

State statutes authorize the Commission to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of December 31, 2015, the Commission's investment in the Municipal Competitive Trust was rated AAA.

The Commission categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Commission has the following recurring fair value measurements as of December 31, 2015:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets:				
Municipal Competitive Trust	\$ -	\$ -	\$ 23,557,516	\$ 23,557,516
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,557,516</u>	<u>\$ 23,557,516</u>

C. Discretely Presented Component Unit – Crisp Regional Health Services, Inc.

Fair Value Measurements. FASB ASC 820, *Fair Value Measurements and Disclosures* defines fair value as the amount that would be received for an asset or paid to transfer a liability (i.e., an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. FASB ASC 820 describes the following three levels of inputs that may be used:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs when there is little or no market data available, thereby requiring an entity to develop its own assumptions. The fair value hierarchy gives the lowest priority to Level 3 inputs.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

C. Discretely Presented Component Unit – Crisp Regional Health Services, Inc. (Continued)

The composition of assets limited as to use at June 30, 2016 is set forth in the following table. Investments other than cash and cash equivalents are stated at fair value.

Internally designated for capital improvements:	
Trading securities:	
Cash and cash equivalents	\$ 7,212,000
Government and market securities	6,073,000
Mutual funds - income and growth	7,782,000
U.S. Corporate bonds	10,489,000
Asset and mortgage backed securities	1,417,000
Common stock	11,388,000
Real estate investment trusts	1,176,000
Other than trading securities:	
Common stock	31,000
Total	<u>45,568,000</u>
Held by trustee under indenture:	
Cash and cash equivalents	1,221,000
Total assets limited as to use	<u>\$ 46,789,000</u>

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less. These amounts are reported at cost plus accrued interest.

The Corporation's investment policy reflects all investments are classified as trading securities.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

C. Discretely Presented Component Unit – Crisp Regional Health Services, Inc. (Continued)

Investment income for assets limited as to use, cash and cash equivalents and other investments is comprised of the following for the year ending June 30, 2016:

Income (loss):		
Interest and dividends	\$	1,217,000
Realized gains (losses) on sales of securities		(182,000)
Unrealized gains (losses) on trading securities		1,636,000
Investment expenses		<u>(258,000)</u>
Total	\$	<u>2,413,000</u>
Other changes in unrestricted net assets:		
Unrealized gains (losses) on other than trading securities	\$	<u>(2,000)</u>

The Corporation's investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying combined financial statements.

The following table outlines fair value and gross unrealized losses, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2016.

<u>Description of Securities</u>	<u>Less Than 12 Months</u>		<u>12 Months or More</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>
Governmental and agency securities	\$ -	\$ -	\$ 1,632,000	\$ (1,000)	\$ 1,632,000	\$ (1,000)
Mutual funds - income and growth	1,634,000	(69,000)	3,481,000	(118,000)	5,115,000	(187,000)
U.S. corporate bonds	530,000	(8,000)	2,961,000	(127,000)	3,491,000	(135,000)
Asset and mortgage backed securities	26,000	(1,000)	1,145,000	(27,000)	1,171,000	(28,000)
Common stock	2,198,000	(190,000)	1,172,000	(178,000)	3,370,000	(368,000)
Real estate investment trust	270,000	(15,000)	203,000	(22,000)	473,000	(37,000)
Total	<u>\$ 4,658,000</u>	<u>\$ (283,000)</u>	<u>\$ 10,594,000</u>	<u>\$ (473,000)</u>	<u>\$ 15,252,000</u>	<u>\$ (756,000)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

C. Discretely Presented Component Unit – Crisp Regional Health Services, Inc. (Continued)

Management evaluates securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. In analyzing an issuer's financial condition, management considers whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition.

Management has considered the nature of investments in an unrealized loss position, the cause of their impairment, the severity, and duration of their impairment, the current global economic conditions, the Corporation's intentions to sell or ability to hold the investments, and other relevant information available to management in determining if investments are other than temporarily impaired. Based on an evaluation of these factors, the Corporation has concluded that the decline in fair values of the Corporation's investments reported in the above table are temporary.

Fair values of assets measured on a recurring basis at June 30, 2016, are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Governmental and agency securities	\$ 6,073,000	\$ 6,073,000	\$ -	\$ -
Mutual funds - income and growth	7,782,000	7,782,000	-	-
U.S. corporate bonds	10,489,000	10,489,000	-	-
Asset and mortgage backed securities	1,417,000	1,417,000	-	-
Common stock	11,419,000	11,419,000	-	-
Real estate investment trust	1,176,000	1,176,000	-	-
Total	\$ 38,356,000	\$ 38,356,000	\$ -	\$ -

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Valuation techniques utilized to determine fair value are consistently applied.

All assets have been valued using a market approach.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2016, for the County's individual major funds and nonmajor funds in the aggregate, are as follows:

	<u>General</u>	<u>Special Service District</u>	<u>2011 Sales Tax</u>	<u>E911</u>	<u>Crisp County Water System</u>
Receivables:					
Taxes	\$ 747,721	\$ 29,527	\$ 345,007	\$ -	\$ -
Accounts	25,066	15,214	-	48,450	55,858
Notes	-	-	-	-	-
	<u>772,787</u>	<u>44,741</u>	<u>345,007</u>	<u>48,450</u>	<u>55,858</u>
Less allowance for uncollectibles	<u>(39,635)</u>	<u>(1,565)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receivables	<u>\$ 733,152</u>	<u>\$ 43,176</u>	<u>\$ 345,007</u>	<u>\$ 48,450</u>	<u>\$ 55,858</u>

	<u>Crisp County Landfill</u>	<u>Self-Insurance Health Benefit</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ -	\$ -	\$ 71,222	\$ 1,193,477
Accounts	202,382	8,048	1,385	356,403
Notes	-	-	2,450,633	2,450,633
	<u>202,382</u>	<u>8,048</u>	<u>2,523,240</u>	<u>4,000,513</u>
Less allowance for uncollectibles	<u>(10,826)</u>	<u>-</u>	<u>(992,230)</u>	<u>(1,044,256)</u>
Total receivables	<u>\$ 191,556</u>	<u>\$ 8,048</u>	<u>\$ 1,531,010</u>	<u>\$ 2,956,257</u>

The County's property taxes were levied on the assessed values of all real and personal property with utilities, including mobile homes and motor vehicles, located in the County.

The tax billing cycle for fiscal year 2016 is as follows:

Levy date	July 31, 2015
Payment due date	December 20, 2015
Delinquency date	December 21, 2015

Notes receivable consist of community development loans to individuals and businesses. Financing has been provided by various federal and state grants.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

The County's capital asset activity for the fiscal year ended June 30, 2016 was as follows:

A. Primary Government

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,499,465	\$ -	\$ -	\$ -	\$ 2,499,465
Construction in progress	97,166	1,935,256	-	(200,575)	1,831,847
Total	<u>2,596,631</u>	<u>1,935,256</u>	<u>-</u>	<u>(200,575)</u>	<u>4,331,312</u>
Capital assets, being depreciated:					
Land improvements	8,057,821	11,555	-	200,575	8,269,951
Infrastructure	69,843,275	710,067	(258,669)	-	70,294,673
Plant and buildings	25,037,605	89,515	-	-	25,127,120
Furniture, machinery, and equipment	17,923,085	1,233,266	(1,735,066)	-	17,421,285
Total	<u>120,861,786</u>	<u>2,044,403</u>	<u>(1,993,735)</u>	<u>200,575</u>	<u>121,113,029</u>
Less accumulated depreciation for:					
Land improvements	(3,674,620)	(382,949)	-	-	(4,057,569)
Infrastructure	(57,197,706)	(1,864,048)	138,494	-	(58,923,260)
Plant and buildings	(7,466,599)	(785,703)	-	-	(8,252,302)
Furniture, machinery, and equipment	(13,475,824)	(1,029,219)	1,110,863	-	(13,394,180)
Total	<u>(81,814,749)</u>	<u>(4,061,919)</u>	<u>1,249,357</u>	<u>-</u>	<u>(84,627,311)</u>
Total capital assets, being depreciated, net	<u>39,047,037</u>	<u>(2,017,516)</u>	<u>(744,378)</u>	<u>200,575</u>	<u>36,485,718</u>
Governmental activities capital assets, net	<u>\$ 41,643,668</u>	<u>\$ (82,260)</u>	<u>\$ (744,378)</u>	<u>\$ -</u>	<u>\$ 40,817,030</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 765,223	\$ -	\$ -	\$ -	\$ 765,223
Construction in progress	115,435	-	-	-	115,435
Total capital assets, not being depreciated	<u>880,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>880,658</u>
Capital assets, being depreciated:					
Plant and buildings	16,333,828	-	-	-	16,333,828
Furniture, machinery, and equipment	4,618,693	-	-	-	4,618,693
System improvements	342,454	-	-	-	342,454
Total	<u>21,294,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,294,975</u>
Less accumulated depreciation for:					
Plant and buildings	(7,885,617)	(267,696)	-	-	(8,153,313)
Furniture, machinery, and equipment	(3,078,901)	(362,197)	-	-	(3,441,098)
System improvements	(244,818)	(13,318)	-	-	(258,136)
Total	<u>(11,209,336)</u>	<u>(643,211)</u>	<u>-</u>	<u>-</u>	<u>(11,852,547)</u>
Total capital assets, being depreciated, net	<u>10,085,639</u>	<u>(643,211)</u>	<u>-</u>	<u>-</u>	<u>9,442,428</u>
Business-type activities capital assets, net	<u>\$ 10,966,297</u>	<u>\$ (643,211)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,323,086</u>

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

Governmental activities:	
General government	\$ 348,738
Judicial	7,599
Public safety	1,047,520
Public works	2,170,440
Health and welfare	43,030
Parks and recreation	281,885
Housing and development	162,707
Total depreciation expense - governmental activities	<u>\$ 4,061,919</u>
Business-type activities	
Water system	\$ 190,811
Landfill	452,400
Total depreciation expense - business-type activities	<u>\$ 643,211</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission

	Balance January 1, 2015	Additions	Deletions	Transfers	Balance December 31, 2015
Capital assets, not being depreciated:					
Land and land rights	\$ 572,295	\$ -	\$ -	\$ -	\$ 572,295
Construction in progress	22,162	2,111,475	-	(1,814,155)	319,482
Total capital assets, not being depreciated	<u>594,457</u>	<u>2,111,475</u>	<u>-</u>	<u>(1,814,155)</u>	<u>891,777</u>
Capital assets, being depreciated:					
Intangible plant	1,867,232	-	-	-	1,867,232
Steam and gas plant	6,119,421	-	-	-	6,119,421
Hydraulic plant	8,264,206	-	-	-	8,264,206
Distribution plant	51,265,811	-	(91,582)	1,435,512	52,609,741
General plant	9,135,489	-	(30,045)	378,643	9,484,087
Total capital assets, being depreciated	<u>76,652,159</u>	<u>-</u>	<u>(121,627)</u>	<u>1,814,155</u>	<u>78,344,687</u>
Less accumulated depreciation for:					
Intangible plant	(514,229)	(61,046)	-	-	(575,275)
Steam and gas plant	(6,112,869)	-	-	-	(6,112,869)
Hydraulic plant	(7,443,734)	(308,460)	-	-	(7,752,194)
Distribution plant	(37,982,437)	(2,083,930)	91,582	-	(39,974,785)
General plant	(6,841,795)	(312,162)	30,045	-	(7,123,912)
Total accumulated depreciation	<u>(58,895,064)</u>	<u>(2,765,598)</u>	<u>121,627</u>	<u>-</u>	<u>(61,539,035)</u>
Total capital assets, being depreciated, net	<u>17,757,095</u>	<u>(2,765,598)</u>	<u>-</u>	<u>1,814,155</u>	<u>16,805,652</u>
Total capital assets	<u>\$ 18,351,552</u>	<u>\$ (654,123)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,697,429</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Crisp Regional Health Services, Inc.

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,141,000	\$ 14,000	\$ -	\$ 2,155,000
Construction in progress	57,000	754,000	(110,000)	701,000
Total	<u>2,198,000</u>	<u>768,000</u>	<u>(110,000)</u>	<u>2,856,000</u>
Capital assets, being depreciated:				
Building and improvements	46,899,000	431,000	(16,000)	47,314,000
Fixed equipment	12,408,000	485,000	(192,000)	12,701,000
Movable equipment	25,622,000	2,214,000	(523,000)	27,313,000
Total	<u>84,929,000</u>	<u>3,130,000</u>	<u>(731,000)</u>	<u>87,328,000</u>
Less accumulated depreciation for:				
Building and improvements	(20,925,000)	(1,309,000)	13,000	(22,221,000)
Fixed equipment	(10,756,000)	(326,000)	192,000	(10,890,000)
Movable equipment	(19,447,000)	(2,043,000)	438,000	(21,052,000)
Total	<u>(51,128,000)</u>	<u>(3,678,000)</u>	<u>643,000</u>	<u>(54,163,000)</u>
Total capital assets, being depreciated, net	<u>33,801,000</u>	<u>(548,000)</u>	<u>(88,000)</u>	<u>33,165,000</u>
Total capital assets, net	<u>\$ 35,999,000</u>	<u>\$ 220,000</u>	<u>\$ (198,000)</u>	<u>\$ 36,021,000</u>

D. Discretely Presented Component Unit – Crisp County Department of Public Health

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	\$ 10,300	\$ -	\$ -	\$ 10,300
Computers	9,431	-	-	9,431
Total	<u>19,731</u>	<u>-</u>	<u>-</u>	<u>19,731</u>
Less accumulated depreciation for:				
Machinery and equipment	(10,300)	-	-	(10,300)
Computers	(9,431)	-	-	(9,431)
Total	<u>(19,731)</u>	<u>-</u>	<u>-</u>	<u>(19,731)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Crisp County Board of Health capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	\$ 79,838	\$ -	\$ 25,782	\$ 54,056	\$ 26,716
Capital leases payable	1,748,993	-	211,812	1,537,181	235,996
Compensated absences	143,680	275,167	199,607	219,240	91,258
Net pension liability	4,525,198	1,060,955	-	5,586,153	-
Governmental activities long-term liabilities	<u>\$ 6,497,709</u>	<u>\$ 1,336,122</u>	<u>\$ 437,201</u>	<u>\$ 7,396,630</u>	<u>\$ 353,970</u>
Business-type activities:					
Notes payable	\$ 3,962,554	\$ -	\$ 402,729	\$ 3,559,825	\$ 415,470
Revenue bonds payable	1,479,460	-	40,587	1,438,873	41,925
Compensated absences	12,282	11,063	13,413	9,932	4,970
Closure and postclosure care	1,950,954	72,512	-	2,023,466	-
Net pension liability	171,201	42,223	-	213,424	-
Business-type activities long-term liabilities	<u>\$ 7,576,451</u>	<u>\$ 125,798</u>	<u>\$ 456,729</u>	<u>\$ 7,245,520</u>	<u>\$ 462,365</u>
Component unit -					
Crisp Regional Health Services, Inc.:					
Revenue bonds payable	\$ 28,515,000	\$ 12,455,000	\$ 13,285,000	\$ 27,685,000	\$ 755,000
Crisp Regional Health Services, Inc. long-term liabilities	<u>\$ 28,515,000</u>	<u>\$ 12,455,000</u>	<u>\$ 13,285,000</u>	<u>\$ 27,685,000</u>	<u>\$ 755,000</u>
Component unit -					
Crisp County Board of Health:					
Compensated absences	\$ 32,085	\$ 35,819	\$ 48,388	\$ 19,516	\$ 7,308
Crisp County Board of Health long-term liabilities	<u>\$ 32,085</u>	<u>\$ 35,819</u>	<u>\$ 48,388</u>	<u>\$ 19,516</u>	<u>\$ 7,308</u>

For governmental activities, compensated absences are generally liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Crisp County Water System and Crisp County Landfill Funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government

Governmental Activities Debt

Notes Payable. The County has incurred debt to a local financial institution for equipment purchases. These notes are as follows at June 30, 2016:

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Balance at June 30, 2016</u>
Police Vehicle Camera Equipment	\$ 130,000	2.50%	2018	\$ 54,056
		Less current maturities		(26,716)
				<u>\$ 27,340</u>

Notes payable debt service requirements to maturity are as follows as of June 30, 2016:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 28,065	\$ 26,716	\$ 1,349
2018	28,021	27,340	681
	<u>\$ 56,086</u>	<u>\$ 54,056</u>	<u>\$ 2,030</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities Debt

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of various equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. Total cost of assets under capital lease as of June 30, 2016, is \$1,753,987, which is included in governmental activities capital assets on the statement of net position.

The County recorded depreciation expense of \$349,184 in the fiscal year ended June 30, 2016 on assets under capital leases.

The County's total capital lease debt service requirements to maturity are as follows:

	Governmental Activities
Fiscal year ending June 30,	
2017	\$ 268,657
2018	247,281
2019	247,281
2020	745,428
2021	125,000
Total minimum lease payments	1,633,647
Less amount representing interest	(96,466)
Present value of minimum lease payments	<u>\$ 1,537,181</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business Activities Debt

Notes Payable. The County has also incurred debt to the Georgia Environmental Facilities Authority (GEFA) for landfill improvements. These notes are as follows at June 30, 2016:

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Balance at June 30, 2016</u>
Landfill improvements	\$ 1,508,343	2.00%	2020	\$ 360,971
Landfill improvements	1,289,280	2.00%	2021	378,528
Landfill improvements	1,417,970	3.98%	2025	722,211
Landfill improvements	2,766,304	3.89%	2027	2,098,115
				<u>3,559,825</u>
		Less current maturities		<u>(415,470)</u>
				<u><u>\$ 3,144,355</u></u>

Notes payable debt service requirements to maturity are as follows as of June 30, 2016:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 535,289	\$ 415,470	\$ 119,819
2018	535,289	430,355	104,934
2019	535,289	442,145	93,144
2020	510,231	429,073	81,158
2021	390,966	324,937	66,029
2022 - 2026	1,553,662	1,397,356	156,306
2027	121,859	120,489	1,370
	<u>\$ 4,182,585</u>	<u>\$ 3,559,825</u>	<u>\$ 622,760</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business Activities Debt (Continued)

Revenue Bonds Payable. The County issued Series 1997A Water Revenue bonds in the principal amount of \$1,941,340. These bonds matured and were reissued as Series 1999A Water Revenue Bonds in January 1999. Upon their maturity in December 1999, Series 1999B Water Revenue bonds were issued. These bonds were purchased by the United States Department of Agriculture and are being repaid over 40 years beginning December 28, 2000. These bonds are payable in monthly installments of \$7,399 including interest at 3.25%. Final payment is due September 28, 2039.

Debt service requirements to maturity on the bonds payable are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 88,068	\$ 41,925	\$ 46,143
2018	88,068	43,309	44,759
2019	88,068	44,737	43,331
2020	88,068	46,213	41,855
2021	88,068	47,738	40,330
2022 - 2026	440,340	263,375	176,965
2027 - 2031	440,340	309,779	130,561
2032 - 2036	440,340	364,358	75,982
2037 - 2040	352,271	277,439	74,832
	<u>\$ 2,113,631</u>	<u>\$ 1,438,873</u>	<u>\$ 674,758</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Component Unit – Crisp Regional Health Services, Inc.

Revenue Bonds Payable. Crisp Regional Health Services, Inc. issued Series 1996 Revenue Bonds in the original principal amount of \$16,000,000. Principal payments are due July 1 each year through 2015 with interest rates varying from 4.75% to 5.45%. These bonds are collateralized by the Crisp Regional Health Services, Inc.'s gross revenue and are guaranteed by Crisp County and an insurance policy. Crisp Regional Health Services, Inc. issued Series 2008A Revenue Bonds in the original principal amount of \$10,000,000 and Series 2008B Revenue Bonds in the original principal amount of \$3,000,000. Principal payments are due July 1 each year through 2027 with interest rates varying from 3.13% to 4.00%. These bonds are collateralized by the Crisp Regional Health Services, Inc.'s gross revenue and are guaranteed by Crisp County and an insurance policy. Crisp Regional Health Services, Inc. issued Series 2013 Revenue Bonds in the original principal amount of \$16,500,000. Principal payments are due July 1 each year through 2043 with interest rates varying from 3.50% to 4.15%. These bonds are collateralized by the Crisp Regional Health Services, Inc.'s gross revenue and are guaranteed by Crisp County and an insurance policy.

Debt service requirements to maturity on the bonds payable are as follows:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,674,945	\$ 755,000	\$ 919,945
2018	1,680,988	780,000	900,988
2019	1,691,352	810,000	881,352
2020	1,700,974	840,000	860,974
2021	1,709,856	870,000	839,856
2022 - 2026	8,738,292	4,885,000	3,853,292
2027 - 2031	8,026,007	4,840,000	3,186,007
2032 - 2036	7,351,000	5,015,000	2,336,000
2037 - 2041	7,320,000	6,090,000	1,230,000
2042 - 2043	2,921,000	2,800,000	121,000
	<u>\$ 42,814,414</u>	<u>\$ 27,685,000</u>	<u>\$ 15,129,414</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water System Fund	\$ 6,031
General Fund	Special Service District	44,250
General Fund	E911	578,931
General Fund	Nonmajor Governmental Funds	75,743
General Fund	Landfill Fund	22,798
Nonmajor Governmental Funds	General Fund	349
Nonmajor Governmental Funds	Nonmajor Governmental Funds	7,400
		<u>\$ 735,502</u>

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

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonmajor Governmental Funds	\$ 71,347	\$ 2,085,192	\$ 2,156,539
General Fund	-	14,523	14,523
E911	347,721	-	347,721
Total	<u>\$ 419,068</u>	<u>\$ 2,099,715</u>	<u>\$ 2,518,783</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County place a cover on its landfills when they are filled and perform certain maintenance and monitoring functions for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision is being recognized based on the estimated future closure and postclosure care costs to be incurred near or after the date the landfill no longer accepts waste. A liability equal to estimated future costs related to these requirements is recorded based on the percentage of landfill capacity used to date. The estimated total cost of the landfill closure and postclosure care costs is based on the amount that would be paid if all equipment facilities and services required to close, monitor and maintain the landfill were acquired or incurred as of June 30, 2016. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations.

At the present rate of disposal, it is estimated that the remaining lifespan of the Subtitle D Landfill is 23 years.

A summary of the liability recorded at June 30, 2016 for closure and postclosure care costs is as follows:

	<u>Vertical Landfill</u>	<u>Subtitle D Landfill</u>	<u>Total</u>
Estimated closure costs	\$ -	\$ 3,690,747	\$ 3,690,747
Estimated postclosure care costs	616,978	2,811,758	3,428,736
	<u>616,978</u>	<u>6,502,505</u>	<u>\$ 7,119,483</u>
Percentage of capacity filled, June 30, 2016	<u>100%</u>	<u>21.63%</u>	
Closure and postclosure care cost liability	<u>\$ 616,978</u>	<u>\$ 1,406,488</u>	<u>\$ 2,023,466</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS

A. Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The Crisp County Defined Benefit Plan (the Plan), covering substantially all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Plan benefits are provided for Plan participants who were participants in the Plan before January 1, 2004 whereby retirees receive between 1% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for Plan participants who were participants in the Plan on or after January 1, 2004 whereby retirees receive 1% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership

As of January 1, 2016, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	73
Inactive plan members entitled to but not receiving benefits	96
Active plan members	144
	<hr/>
	313
	<hr/>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Primary Government (Continued)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended June 30, 2016, the County's contribution rate was 16.28% of annual payroll. County contributions to the Plan were \$914,768 for the year ended June 30, 2016.

Net Pension Liability of the County

Effective July 1, 2014, the County implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, which significantly changed the County's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2016.

Actuarial Assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.5% - 5.5%, including inflation
Investment rate of return	7.5 %, net of pension plan investment expense, including inflation

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Primary Government (Continued)

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for through December 31, 2015.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return *
Fixed income	30 %	6.78 %
Large Cap equity	30	9.77
International equity	15	7.48
Other equity	20	9.23
Real estate	5	10.63
	100 %	

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

Discount Rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Primary Government (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended June 30, 2016, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	\$ 18,252,070	\$ 13,555,671	\$ 4,696,399
Changes for the year:			
Service cost	281,683	-	281,683
Interest	1,368,905	-	1,368,905
Experience differences	(246,743)		(246,743)
Assumption changes	631,117		631,117
Contributions - employer	-	914,768	(914,768)
Net investment income	-	97,867	(97,867)
Benefit payments, including refunds of employee contributions	(730,879)	(704,462)	(26,417)
Administrative expense	-	(31,198)	31,198
Other charges	-	(76,070)	76,070
Net changes	1,304,083	200,905	1,103,178
Balances at June 30, 2016	\$ 19,556,153	\$ 13,756,576	\$ 5,799,577

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.5 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's net pension liability	\$ 8,331,150	\$ 5,799,577	\$ 3,683,634

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Primary Government (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2015 and the current sharing pattern of costs between employer and employee

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

For the year ended June 30, 2016, the County recognized pension expense of \$1,035,710. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 862,060	\$ -
Pension assumption changes	480,851	-
Differences between expected and actual experience of economic/demographic (gains)/losses	-	187,995
County contributions subsequent to the measurement date	914,768	-
	\$ 2,257,679	\$ 187,995

County contributions subsequent to the measurement date of \$914,768 are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2017	\$ 242,140
2018	242,140
2019	242,140
2020	242,140
2021	186,356

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission

Plan Description

The Commission, as authorized by the Crisp County Power Commission, has established a non-contributory defined benefit pension plan, The Crisp County Power Commission Defined Benefit Plan (the Plan), covering substantially all of the Commission's employees. The Commission's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Plan benefits are provided for Plan participants who were participants in the Plan before January 1, 2004 whereby retirees receive between 1% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for Plan participants who were participants in the Plan on or after January 1, 2004 whereby retirees receive 1% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the Commission related to the Plan, as provided in Section 19.03 of the ACCG Plan document.

The Commission has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. The Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership

As of January 1, 2015, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	35
Inactive plan members entitled to but not receiving benefits	12
Active plan members	57
	<hr/>
	104
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NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission (Continued)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended December 31, 2015, the Commission's contribution rate was 17.27% of annual payroll. Commission contributions and employee contributions to the Plan were \$837,675 and \$191,146, respectively, for the year ended December 31, 2015.

Net Pension Liability of the Commission

Effective January 1, 2015, the Commission implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, which significantly changed the Commission's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The Commission's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2014.

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

Inflation	3.00%
Salary increases	3.5% - 5.5%, including inflation
Investment rate of return	7.5 %, net of pension plan investment expense, including inflation

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission (Continued)

Net Pension Liability of the Commission (Continued)

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study through December 31, 2014.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return *
Fixed income	30 %	6.78 %
Large Cap equity	30	9.77
International equity	15	7.48
Other equity	20	9.23
Real estate	5	10.63
	100 %	

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

Discount Rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that Commission contributions will be made based on the average Commission contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission (Continued)

Net Pension Liability of the Commission (Continued)

Changes in the Net Pension Liability of the Commission. The changes in the components of the net pension liability of the Commission for the year ended December 31, 2015, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2013	\$ 12,242,428	\$ 9,914,623	\$ 2,327,805
Changes for the year:			
Service cost	105,057	-	105,057
Interest	895,557	-	895,557
Contributions - employer	-	600,000	(600,000)
Net investment income	-	737,336	(737,336)
Benefit payments, including refunds of employee contributions	(603,325)	(603,325)	-
Administrative expense	-	(16,234)	16,234
Other charges	-	(50,835)	50,835
Net changes	397,289	666,942	(269,653)
Balances at December 31, 2014	\$ 12,639,717	\$ 10,581,565	\$ 2,058,152

The required schedule of changes in the Commission's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Commission, calculated using the discount rate of 7.5 percent, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Commission's net pension liability	\$ 3,485,446	\$ 2,058,152	\$ 841,995

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Discretely Presented Component Unit – Crisp County Power Commission (Continued)

Net Pension Liability of the Commission (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2014 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2015, the Commission recognized pension expense of \$837,637. At December 31, 2015, the Commission reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 45,090
Commission contributions subsequent to the measurement date	600,000
	\$ 645,090

Commission contributions subsequent to the measurement date of \$600,000 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:		
2016	\$	11,273
2017		11,273
2018		11,272
2019		11,272
Total	\$	45,090

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers' Compensation Fund and the Interlocal Risk Management Agency Property and Liability 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 pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the 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 past three years have not exceeded the coverages.

The County, Crisp County Power Commission, the Solid Waste Management Authority of Crisp County and the Southwest Georgia United Empowerment Zone maintain a self-insured medical benefit plan for their employees. The plan is accounted for as an enterprise fund of the County, is funded according to plan experience, and serves to reduce overall healthcare costs of the County, Power Commission, Solid Waste Management Authority of Crisp County, Southwest Georgia United Empowerment Zone and their employees. The County purchases specific and aggregate stop loss insurance coverage to protect itself in unusual circumstances. Claims payable at June 30, 2016 were estimated based on the loss analysis report provided by a third-party administrator and pending specific stop loss reimbursements.

Changes in medical claims payable for the years ended June 30 are as follows:

	2016	2015
Unpaid claims, beginning of fiscal year	\$ 230,000	\$ 130,000
Incurred claims (including IBNRs)	2,969,834	2,147,596
Claim payments and changes in estimates	(2,729,834)	(2,047,596)
Unpaid claims, end of fiscal year	\$ 470,000	\$ 230,000

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

A. Litigation

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

B. Grant Contingencies

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

C. Component Unit – Crisp County Power Commission

The Commission has entered into contracts with MEAG which require the Commission to purchase, from MEAG, some of the Commission's bulk power supply, other than power supplied by federally owned generation projects. These contracts contain certain minimum purchase requirements regardless of the Commission's actual usage. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its operating costs and to retire any bonds issued by MEAG. In the event that revenues are insufficient to cover all costs and retire such bonds, the Commission is obligated to pay its entitlement share of the costs of the output and services of generating units acquired or constructed by MEAG. These obligations, which extend through 2054, are general obligations of the Commission to which the Commission's full faith and credit are pledged (generation debt extends to 2024 and transmission debt to 2054). The Commission's obligations to MEAG for power supply costs are based on MEAG's costs and the Commission's demand for bulk power supply, subject to certain minimum amounts. At December 31, 2015, MEAG's bonds were outstanding in the approximate principal amount of \$6.80 billion. The Commission's entitlement share of that amount totals approximately \$354 million at December 31, 2015.

On January 1, 1999, the Commission approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

C. Component Unit – Crisp County Power Commission (Continued)

The Trust includes two (2) types of funds, which are held in the name of the Commission. The first type represents amounts that are available to the Commission for withdrawal without restriction. The second type represents amounts that are available to the Commission in the form of a loan or an off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met.

NOTE 13. JOINT VENTURES

A. River Valley Regional Commission

Under Georgia law, Crisp County, in conjunction with cities and counties in the sixteen-county west central Georgia area, is a member of the River Valley Regional Commission (RVRC). During its year ended June 30, 2016, the County paid \$11,570 in such dues. Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RVRC in Georgia. The RVRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the River Valley Regional Commission, 1428 Second Avenue, Columbus, Georgia 31902.

B. Crisp/Dooly Joint Development Authority

The County, in conjunction with Dooly County is a member of the Crisp/Dooly Joint Development Authority (the "Authority"). The Authority has fiscal responsibility relative to the strategic plan adopted for the Crisp/Dooly Enterprise Community. The Authority's board members are appointed in an equal number by the Crisp and Dooly County Commissioners. The County does not have an equity interest in the Crisp/Dooly Joint Development Authority, and the joint venture is not expected to provide a financial benefit or burden to the County. Information concerning the financial statements may be obtained from the Crisp/Dooly Joint Development Authority.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RELATED ORGANIZATION

Solid Waste Management Authority of Crisp County

The Solid Waste Management Authority (SWMA) is governed by a seven-member board consisting of the Board of Commissioners of Crisp County and two members appointed by the Commissioners. The SWMA was formed to provide solid waste disposal and recycling services to the citizens of the County.

The SWMA recycling facility and equipment were placed in operation in October 1998. Soon thereafter, the facility proved to be inadequate in handling the volume of waste necessary to support itself. Upon default of the bond payments in August 2001, the operations of the SWMA were taken over by its bond insurers, Financial Security Assurance, Inc. Subsequent thereto, the County landfill stopped taking SWMA waste. Because Crisp County has no influence over the operations of the SWMA, it does not have the ability to impose its will on the organization.

**DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS**

	2016	2015
Total pension liability		
Service cost	\$ 281,683	\$ 279,312
Interest on total pension liability	1,368,905	1,297,948
Changes of benefit terms	-	-
Differences between expected and actual experience	(246,743)	-
Changes of assumptions	631,117	-
Benefit payments, including refunds of employee contributions	(730,879)	(631,169)
Net change in total pension liability	1,304,083	946,091
Total pension liability - beginning	18,252,070	17,305,979
Total pension liability - ending (a)	\$ 19,556,153	\$ 18,252,070
 Plan fiduciary net position		
Contributions - employer	\$ 914,768	\$ 957,690
Net investment income	97,867	884,473
Benefit payments, including refunds of employee contributions	(704,462)	(608,356)
Administrative expenses	(31,198)	(28,961)
Other	(76,070)	(90,130)
Net change in plan fiduciary net position	200,905	1,114,716
Plan fiduciary net position - beginning	13,555,671	12,440,955
Plan fiduciary net position - ending (b)	\$ 13,756,576	\$ 13,555,671
 County's net pension liability - ending (a) - (b)	\$ 5,799,577	\$ 4,696,399
 Plan fiduciary net position as a percentage of the total pension liability	70.3%	74.3%
Covered-employee payroll	5,620,286	5,546,941
 County's net pension liability as a percentage of covered-employee payroll	103.2%	84.7%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)
SCHEDULE OF COUNTY CONTRIBUTIONS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 914,768	\$ 914,768	\$ 884,786
Contributions in relation to the actuarially determined contribution	<u>914,768</u>	<u>914,768</u>	<u>884,786</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	5,620,286	5,546,941	5,533,554
Contributions as a percentage of covered -employee payroll	16.3%	16.5%	16.0%

Notes to the Schedule

Valuation date	January 1, 2015
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.50%
Projected Salary Increases	4% - 5.5% (including 3% for inflation)
Amortization Period	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)
COMPONENT UNIT – CRISP COUNTY POWER COMMISSION
SCHEDULE OF CHANGES IN THE COMMISSION’S NET PENSION LIABILITY
AND RELATED RATIO’S

	2015
Total pension liability	
Service cost	\$ 105,057
Interest on total pension liability	918,182
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(625,950)
Net change in total pension liability	397,289
Total pension liability - beginning	12,242,428
Total pension liability - ending (a)	\$ 12,639,717
Plan fiduciary net position	
Contributions - employer	\$ 600,000
Net investment income	737,336
Benefit payments, including refunds of employee contributions	(603,325)
Administrative expenses	(16,234)
Other	(50,835)
Net change in plan fiduciary net position	666,942
Plan fiduciary net position - beginning	9,914,623
Plan fiduciary net position - ending (b)	\$ 10,581,565
County's net pension liability - ending (a) - (b)	\$ 2,058,152
Plan fiduciary net position as a percentage of the total pension liability	83.7%
Covered-employee payroll	2,718,563
County's net pension liability as a percentage of covered-employee payroll	75.7%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)
COMPONENT UNIT – CRISP COUNTY POWER COMMISSION
SCHEDULE OF COMMISSION CONTRIBUTIONS

	2015	2014
Actuarially determined contribution	\$ 497,878	\$ 525,745
Contributions in relation to the actuarially determined contribution	600,000	600,000
Contribution deficiency (excess)	\$ (102,122)	\$ (74,255)
Covered-employee payroll	6,803,091	8,109,836
Contributions as a percentage of covered-employee payroll	8.8%	7.4%

Notes to the Schedule

Valuation date	January 1, 2015
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.50%
Projected Salary Increases	3.5% - 5.5% (including 2.5% for inflation)
Amortization Period	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

CRISP COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Law Library Fund is used to account for revenues generated through special filing charges in the County court system which are used to acquire and maintain law library materials.

Asset Forfeiture Fund is used to account for confiscated assets awarded to the Sheriff's Department to be spent on law enforcement at the discretion of the Sheriff.

DARE Fund is used to account for the collection of additional penalties for certain drug related crimes and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs relating to controlled substances and marijuana, (OCGA 15-21-100).

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

Hotel/Motel Tax Fund is used to account for the collection and disbursement of hotel taxes.

T-SPLOST Special Revenue Fund is used to account for the collection of the discretionary portion of the TSPLOST proceeds and expenditures which is legally restricted for road maintenance and noncapital projects.

CDBG EIP Fund is used to account for the revenues received from Department of Housing and Urban Development through the State of Georgia Department of Community Affairs restricted for the construction of a public rail spur to serve Stella-Jones Corporation's new facility location.

CDBG Revolving Loan Fund is used to account for the operations of the County's revolving loans. Original funding was provided by the Department of Housing and Urban Development through the State of Georgia Department of Community Affairs.

CRISP COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds

CDBG Cedar Lake Sewer Fund is used to account for activities related to the Cedar Lakes and Southern Pines sewer project in Crisp County and improvements to the sewer system.

2000 Sales Tax Fund is used to account for the acquisition, construction, equipping and installation of certain capital outlay projects for the benefit of all Crisp County citizens. Financing is provided by a special purpose sales and use tax.

T-SPLOST Capital Projects Fund is used to account for proceeds and disbursements of the Transportation Investment Act of 2010, 1% regional transportation sales and use tax authorized by Georgia House Bill 277.

CRISP COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

ASSETS	Special Revenue Funds				
	Law Library Fund	Asset Forfeiture Fund	DARE Fund	Jail Fund	Hotel/Motel Tax Fund
Cash and cash equivalents	\$ 166,396	\$ 166,864	\$ 93,135	\$ 43,324	\$ 633
Investments	-	357,606	-	-	-
Taxes receivable	-	-	-	-	4,096
Accounts receivable	-	-	-	-	-
Notes receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	216	316	-
Prepaid items	-	-	-	25,842	-
Total assets	\$ 166,396	\$ 524,470	\$ 93,351	\$ 69,482	\$ 4,729
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 83,094	\$ -	\$ 11,040	\$ 4,212
Due to other funds	-	-	5,453	59,145	517
Total liabilities	-	83,094	5,453	70,185	4,729
FUND BALANCES (DEFICIT)					
Nonspendable:					
Prepaid items	-	-	-	25,842	-
Restricted for:					
Judicial	166,396	-	-	-	-
Public safety	-	441,376	87,898	-	-
Public works	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unassigned	-	-	-	(26,545)	-
Total fund balances (deficit)	166,396	441,376	87,898	(703)	-
Total liabilities and fund balances	\$ 166,396	\$ 524,470	\$ 93,351	\$ 69,482	\$ 4,729

Capital Projects Funds

TSPLOST Special Revenue Fund	CDBG EIP Fund	CDBG Revolving Loan Fund	CDBG Cedar Lake Sewer Project Fund	2000 Sales Tax Fund	TSPLOST Capital Projects Fund	Totals
\$ 1,041,018	\$ -	\$ 574,460	\$ 10	\$ 126,631	\$ -	\$ 2,212,471
-	-	-	-	-	-	357,606
67,126	-	-	-	-	-	71,222
1,385	-	-	-	-	-	1,385
-	-	1,458,403	-	-	-	1,458,403
-	-	-	349	-	7,400	7,749
-	19,946	-	-	3,535	-	24,013
3,685	-	-	-	-	-	29,527
\$ 1,113,214	\$ 19,946	\$ 2,032,863	\$ 359	\$ 130,166	\$ 7,400	\$ 4,162,376
\$ 13,274	\$ 19,946	\$ 823	\$ 349	\$ 3,721	\$ 7,400	\$ 143,859
18,018	-	-	10	-	-	83,143
31,292	19,946	823	359	3,721	7,400	227,002
3,685	-	-	-	-	-	29,527
-	-	-	-	-	-	166,396
-	-	-	-	-	-	529,274
1,078,237	-	-	-	-	-	1,078,237
-	-	2,032,040	-	-	-	2,032,040
-	-	-	-	126,445	-	126,445
-	-	-	-	-	-	(26,545)
1,081,922	-	2,032,040	-	126,445	-	3,935,374
\$ 1,113,214	\$ 19,946	\$ 2,032,863	\$ 359	\$ 130,166	\$ 7,400	\$ 4,162,376

CRISP COUNTY, GEORGIA

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

	Special Revenue Funds				
	Law Library Fund	Asset Forfeiture Fund	DARE Fund	Jail Fund	Hotel/Motel Tax Fund
Revenues:					
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	41,035
Intergovernmental	-	-	-	-	-
Fines and forfeitures	51,215	40,841	44,980	163,403	-
Interest revenue	-	2,049	-	-	17
Other revenues	-	4,969	-	-	-
Total revenues	<u>51,215</u>	<u>47,859</u>	<u>44,980</u>	<u>163,403</u>	<u>41,052</u>
Expenditures:					
Current:					
Judicial	34,017	-	-	-	-
Public safety	-	30,353	24,811	201,670	-
Public works	-	-	-	-	-
Housing and development	-	-	-	-	39,718
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	3,010	-	-	-
Interest	-	1,571	-	-	-
Total expenditures	<u>34,017</u>	<u>34,934</u>	<u>24,811</u>	<u>201,670</u>	<u>39,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,198</u>	<u>12,925</u>	<u>20,169</u>	<u>(38,267)</u>	<u>1,334</u>
Other financing sources (uses):					
Proceeds from the sale of capital assets	-	1,000	-	-	-
Transfers in	-	-	-	38,284	-
Transfers out	(5,535)	(7,654)	-	-	(1,334)
Total other financing sources (uses)	<u>(5,535)</u>	<u>(6,654)</u>	<u>-</u>	<u>38,284</u>	<u>(1,334)</u>
Net change in fund balances	11,663	6,271	20,169	17	-
Fund balances (deficit), beginning of year	<u>154,733</u>	<u>435,105</u>	<u>67,729</u>	<u>(720)</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 166,396</u>	<u>\$ 441,376</u>	<u>\$ 87,898</u>	<u>\$ (703)</u>	<u>\$ -</u>

Capital Projects Funds						
TSPLOST Special Revenue Fund	CDBG EIP Fund	CDBG Revolving Loan Fund	CDBG Cedar Lake Sewer Project Fund	2000 Sales Tax Fund	TSPLOST Capital Projects Fund	Totals
\$ 759,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 759,876
-	-	-	-	-	-	41,035
-	332,446	-	10,000	112,204	200,000	654,650
-	-	-	-	-	-	300,439
3,202	-	13,835	-	690	-	19,793
1,585	-	22,858	-	-	-	29,412
<u>764,663</u>	<u>332,446</u>	<u>36,693</u>	<u>10,000</u>	<u>112,894</u>	<u>200,000</u>	<u>1,805,205</u>
-	-	-	-	-	-	34,017
-	-	-	-	-	-	256,834
402,408	-	-	42,644	-	-	445,052
-	20,366	910	-	-	-	60,994
-	-	-	-	766,701	726,511	1,493,212
-	-	-	-	-	-	3,010
-	-	-	-	-	-	1,571
<u>402,408</u>	<u>20,366</u>	<u>910</u>	<u>42,644</u>	<u>766,701</u>	<u>726,511</u>	<u>2,294,690</u>
<u>362,255</u>	<u>312,080</u>	<u>35,783</u>	<u>(32,644)</u>	<u>(653,807)</u>	<u>(526,511)</u>	<u>(489,485)</u>
-	-	-	-	-	-	1,000
1,246,179	420	312,500	32,644	-	526,512	2,156,539
<u>(526,512)</u>	<u>(312,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,246,180)</u>	<u>(2,099,715)</u>
<u>719,667</u>	<u>(312,080)</u>	<u>312,500</u>	<u>32,644</u>	<u>-</u>	<u>(719,668)</u>	<u>57,824</u>
1,081,922	-	348,283	-	(653,807)	(1,246,179)	(431,661)
-	-	1,683,757	-	780,252	1,246,179	4,367,035
<u>\$ 1,081,922</u>	<u>\$ -</u>	<u>\$ 2,032,040</u>	<u>\$ -</u>	<u>\$ 126,445</u>	<u>\$ -</u>	<u>\$ 3,935,374</u>

CRISP COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
<u>2000 REFERENDUM</u>				
Airport	\$ 375,000	\$ 395,678	\$ 3,705	\$ 399,383
County Buildings	1,517,655	1,478,154	84,380	1,562,534
EMS	224,000	330,583	2,944	333,527
E-911	383,248	380,162	-	380,162
Fire-Rescue	401,925	335,081	-	335,081
Parks and Recreation	2,400,000	3,019,857	-	3,019,857
Public Works/Sanitation	1,685,008	1,862,874	-	1,862,874
Sheriff/Jail/Training Facility	682,000	681,977	-	681,977
City of Arabi Projects	500,000	540,833	-	540,833
City of Cordele Projects	3,100,000	3,637,518	-	3,637,518
Industrial Development	855,000	1,097,863	-	1,097,863
County Road Project	3,876,164	2,963,367	563,468	3,526,835
Totals	<u>\$ 16,000,000</u>	<u>\$ 16,723,947</u>	<u>\$ 654,497</u>	<u>\$ 17,378,444</u>

**Reconciliation of the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds to the
Statement of Revenues, Expenditures and Changes in Fund Balance**

Total current year expenditures of special purpose local option sales tax proceeds.	\$ 654,497
Grant reimbursed costs related to airport project	<u>112,204</u>
Total expenditures, per the statement of revenues, expenditures and changes in fund balance	<u>\$ 766,701</u>

(Continued)

CRISP COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
<u>2005 REFERENDUM</u>				
Judicial Center Project	\$ 6,000,000	\$ 9,696,296	\$ 29,000	\$ 9,725,296
Recreational Department Project	1,000,000	684,520	1,074	685,594
Airport Project	270,000	7,646	-	7,646
Sheriff Department Project	920,000	1,261,694	-	1,261,694
County Buildings Project	835,000	732,501	11,898	744,399
EMS Project	340,000	133,792	-	133,792
Emergency Management Project	200,000	432,411	(14,345)	418,066
Jail Project	295,000	106,715	-	106,715
Contingency Project	430,000	149,628	4,423	154,051
Development Authority Project	2,070,000	1,947,591	-	1,947,591
Cordele Industrial Project	1,000,000	-	-	-
City of Cordele Projects	2,350,000	3,499,969	-	3,499,969
Library Project	300,000	-	-	-
Emergency Signals Project	100,000	-	-	-
City of Arabi Projects	280,000	248,811	-	248,811
Fire Department Project	85,000	72,325	-	72,325
Animal Control Project	125,000	34,856	-	34,856
County Roads Project	3,400,000	58,634	1,453,495	1,512,129
Totals	<u>\$ 20,000,000</u>	<u>\$ 19,067,389</u>	<u>\$ 1,485,545</u>	<u>\$ 20,552,934</u>

(Continued)

CRISP COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
<u>2011 REFERENDUM</u>				
Airport Project	\$ 90,000	\$ -	\$ -	\$ -
County Buildings Project	380,000	-	-	-
Detention Center Project	2,100,000	2,102,712	-	2,102,712
E911 Project	572,300	420,670	4,495	425,165
Health Department Project	90,000	10,921	-	10,921
Industrial Development Authority Project	9,000,000	4,325,357	1,582,619	5,907,976
Public Safety Project	456,029	304,604	-	304,604
EMS Project	711,000	140,818	183,435	324,253
Fire Department Project	1,152,683	441,616	7,431	449,047
Recreation Project	2,275,210	337,848	40,221	378,069
County Roads Project	1,000,000	-	-	-
Public Works Project	1,011,500	2,276,506	318,908	2,595,414
Sheriff's Department Project	697,000	536,218	143,506	679,724
Sanitary Solid Waste Project	607,000	-	-	-
City of Cordele Project	4,025,000	2,171,953	605,899	2,777,852
City of Arabi Project	290,000	139,506	43,639	183,145
Water/Storm Water Project	247,000	-	-	-
Contingency Project	570,278	-	-	-
Totals	<u>\$ 25,275,000</u>	<u>\$ 13,208,729</u>	<u>\$ 2,930,153</u>	<u>\$ 16,138,882</u>

**Reconciliation of the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds to the
Statement of Revenues, Expenditures and Changes in Fund Balance**

Total current year expenditures of special purpose local option sales tax proceeds.	\$ 2,930,153
Payment of principal and interest for expenditures previously included	<u>275,241</u>
Total expenditures, per the statement of revenues, expenditures and changes in fund balance	<u>\$ 3,205,394</u>

CRISP COUNTY, GEORGIA

AGENCY FUNDS

Clerk of Superior Court	To account for all monies received by the Clerk of Court on behalf of individuals, private organizations, other governmental units, and other funds.
Probate Court	To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc., which are disbursed to other parties.
Sheriff's Office	To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.
Jail Inmate	To account for all monies held on behalf of the inmates of Crisp County Jail.
Tax Commissioner	To account for the collection and payment to Crisp County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Crisp County and other taxing units.
Magistrate Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.

CRISP COUNTY, GEORGIA

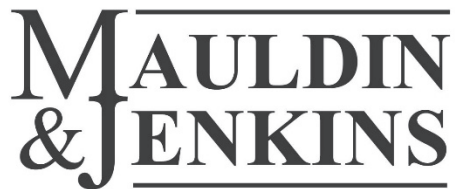
**COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS**

JUNE 30, 2016

ASSETS	Clerk of Superior Court	Probate Court	Sheriff's Office
Cash and cash equivalents	\$ 63,387	\$ 201,064	\$ 249,237
Accounts receivable	-	11,892	-
Taxes receivable	-	-	-
Total assets	\$ 63,387	\$ 212,956	\$ 249,237
LIABILITIES			
Due to others	\$ 63,387	\$ 212,956	\$ 249,237
Uncollected taxes	-	-	-
Total liabilities	\$ 63,387	\$ 212,956	\$ 249,237

Jail Inmate	Tax Commissioner	Magistrate Court	Total
\$ 41,653	\$ 350,888	\$ 9,583	\$ 915,812
-	-	-	11,892
-	1,109,250	-	1,109,250
<u>\$ 41,653</u>	<u>\$ 1,460,138</u>	<u>\$ 9,583</u>	<u>\$ 2,036,954</u>
\$ 41,653	\$ 350,888	\$ 9,583	\$ 927,704
-	1,109,250	-	1,109,250
<u>\$ 41,653</u>	<u>\$ 1,460,138</u>	<u>\$ 9,583</u>	<u>\$ 2,036,954</u>

COMPLIANCE SECTION



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

**Board of Commissioners
of Crisp County, Georgia
Cordele, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Crisp County, Georgia (the "County") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Crisp County, Georgia's basic financial statements and have issued our report thereon dated December 28, 2016. Our report includes a reference to other auditors who audited the financial statements of Crisp Regional Health Services, Inc., and the Crisp County Department of Public Health, as described in our report on Crisp County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described as item 2016-001 in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crisp County, Georgia's financial statements are free of 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 is required to be reported under *Government Auditing Standards*.

Crisp County, Georgia's Response to the Finding

Crisp County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Crisp 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 result of that testing, and not to provide an opinion on the effectiveness of the County'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.

Mauldin & Jenkins, LLC

Albany, Georgia
December 28, 2016



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

**Board of Commissioners
of Crisp County, Georgia
Cordele, Georgia**

Report on Compliance for Each Major Federal Program

We have audited Crisp County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Crisp County, Georgia's major federal programs for the fiscal year ended June 30, 2016. Crisp 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 of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Crisp 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 statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Crisp 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 Crisp County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, Crisp County, Georgia 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 fiscal year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Crisp 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 Crisp 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 to determine the 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 Crisp 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.

Mauldin & Jenkins, LLC

Albany, Georgia
December 28, 2016

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice			
Direct Award			
Bulletproof Vest Partnership Program	16.607	2013-BU-BX-13065444	\$ 2,537
Passed through Criminal Justice Coordinating Council			
Crime Victims Assistance Program-VOCA Prosecution	16.575	C14-8-108	21,547
Violence Against Women Act (VAWA Prosecution)	16.588	2014-WF-AX-0018	35,700
Violence Against Women Act (VAWA Prosecution)	16.588	C15-8-153	96,086
Violence Against Women Act (VAWA Prosecution)	16.588	W15-8-008	37,117
Total Violence Against Women Act (VAWA Prosecution)			<u>168,903</u>
Drug Court Discretionary Grant Program	16.585	J16-8-044	60,694
Justice Assistance Grant (JAG) MSNTF	16.803	2014-DJ-BX-0808	67,774
Total U.S. Department Justice			<u>321,455</u>
U.S. Department of Transportation			
Passed through Georgia Department of Transportation			
Formula Grants for Rural Areas - Section 5311 Operating	20.509	T005532	193,754
Airport Improvement Program	20.106	AP015-9026-28(081)	107,489
Total U.S. Department of Transportation			<u>301,243</u>
U.S. Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
Homeland Security Preparedness Technical Assistance Program	97.007	EMW2015-SS-0065-SO1	24,832
Emergency Management Performance Grants	97.042	OEM15-042	50,452
Pre-Disaster Mitigation	97.047	PDMC-PI-04-GA-2013-003	15,000
Hazard Mitigation Assistance	97.067	EMW-2014-SS-00092-S01	11,953
Total U.S. Department of Homeland Security			<u>102,237</u>
U.S. Department of Housing & Urban Development			
Passed through Georgia Department of Community Affairs			
CDBG/State's program and Non-Entitlement Grants in Hawaii	14.228	14P-Y-040-1-5658	10,000
CDBG/State's program and Non-Entitlement Grants in Hawaii	14.228	15Q-Y-040-1-5809	332,446
Total CDBG/State's program and Non-Entitlement Grants in Hawaii			<u>342,446</u>
Total U.S. Department of Housing & Urban Development			<u>342,446</u>
Total Expenditures of Federal Awards			<u>\$ 1,067,381</u>

CRISP COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. BASIS OF PRESENTATION

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

Measurement Focus

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

De Minimis Indirect Cost Rate

The County chose not to use the ten percent de minimus cost rate for the year ended June 30, 2016.

CRISP COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
 Material weaknesses identified? ___ yes X no

Significant deficiencies identified not considered
 to be material weaknesses? X yes ___ none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal Control over major programs:
 Material weaknesses identified? ___ yes X no

Significant deficiencies identified not considered
 to be material weaknesses? ___ yes X none reported

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

Any audit findings disclosed that are required to
 be reported in accordance with the Uniform Guidance? ___ yes X no

Identification of major program:

<p>CFDA Number</p> <p>14.228</p>	<p><u>Name of Federal Program or Cluster</u></p> <p>CDBG – Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii</p>
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Dollar threshold used to distinguish between
 Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes ___ no

CRISP COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION II FINANCIAL STATEMENTS FINDINGS AND RESPONSES

2016-001. Segregation of Duties

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

Condition: For the fiscal year ended June 30, 2016, we noted a lack of proper segregation of duties within several areas of Crisp County, Georgia's operations, including the Clerk of Court, Magistrate Court, Probate Court, Tax Commissioner's office, Sheriff's office, and County finance department. Examples of segregation of duties issues are as follows:

- ◆ Cash receipts are handled by the same individual(s) who also makes bank deposits, reconciles the bank accounts, and posts activity to the general ledger.
- ◆ Authorized check signers are not independent of voucher preparation and approval.
- ◆ Department heads are responsible for the purchasing function, receipt of goods and services and approval of invoices.
- ◆ Individuals responsible for maintaining personnel records are also responsible for the preparation of the County payroll.
- ◆ Individuals responsible for employee timekeeping also distribute paychecks.
- ◆ Property taxes and special assessments are billed by employees not independent of the collection function.
- ◆ Individuals responsible for monthly water system and landfill account billings are also involved in the receipt of customer payments and posting to customer accounts.
- ◆ Individuals responsible for the processing of invoices and related payables are also involved in the disbursement process and general ledger functions.
- ◆ Individuals responsible for maintaining the detail capital asset records are also involved with the general ledger, cash, purchasing, payable, and authorization functions.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: The failure of Crisp County, Georgia to have a proper segregation of duties could lead to undetected misappropriation of funds or other irregularities.

Cause: The lack of segregation of duties is due to the limited number of individuals in each office to perform all of the duties.

Recommendation: Crisp County, Georgia should work to immediately eliminate the above deficiency.

Views of Responsible Officials and Planned Corrective Action: We concur. We will work with staff to segregate duties and apply compensating controls to the extent possible.

CRISP COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CRISP COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2015-001. Segregation of Duties

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

Condition: For the fiscal year ended June 30, 2015, appropriate segregation of duties did not exist within several areas of Crisp County, Georgia's operations, including the Clerk of Court, Magistrate Court, Probate Court, Tax Commissioner's office, Sheriff's office, and County finance department.

Auditee Response/Status: Unresolved – See current year audit finding 2016-1.

CRISP COUNTY, GEORGIA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2016-001. Segregation of Duties

Name of the Contact Person Responsible for the Corrective Action Plan: Sherrie Leverette, Finance Director

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

Anticipated Completion Date: Future fiscal years.