

CRISP COUNTY, GEORGIA

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

CRISP COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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CRISP COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2017

ELECTED

Sam Farrow, Jr., Chairman

Authur James Nance, Vice Chairman

Wallace Mathis, County Commissioner

James R. Dowdy, III, 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, 2017, 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 66%, 61%, and 73%, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and the Special Service District 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 64 and 65) 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 December 13, 2017, 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 effectiveness of Crisp County's 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

Macon, Georgia
December 13, 2017

CRISP COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017. 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, 2017, by \$61,810,889 (net position). Of this amount, \$8,253,530 (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 \$4,038,819 for the fiscal year ended June 30, 2017.
- Included in the total net position of the Primary Government, is a net investment of \$45,348,865 in capital assets net of accumulated depreciation and related debt.
- The County's General Fund unassigned fund balance decreased by \$5,013,022 to \$3,877,287 for the fiscal year. This equates to 23% of total General Fund expenditures.
- The fund balances of \$8,748,735 from the Special Service District Fund, SPLOST Funds and other governmental funds brings the County's combined ending fund balance to \$18,992,790 as of the close of fiscal year 2017. This represents a 2.06% decrease in the total Governmental Funds fund balance from the previous fiscal year in the amount of \$400,322.
- Capital Leases, compensated absences, net pension liability, along with landfill closure and post closure cost accounted for a net increase of \$4,561,904 in long term debt. That combined with a reduction in notes payable and revenue bonds payable of \$484,193, left the County with an overall increase in long term debt of \$4,077,711 for this fiscal year. \$3,618,783 of that amount can be attributed to the lease purchase of a new state of the art public safety communications system.

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 and the municipal solid waste landfill. The County has one internal service fund, 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 – 16 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, 2017, 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, and the 2005 and 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 25 – 29 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 30 of this report. The combining statement of assets and liabilities for agency funds is located on pages 73 and 74.

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 31 – 63 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 66 – 72 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 \$61,810,889 at the close of the most recent fiscal year.

The largest portion of the County's net position (73%) 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, 2017

	Governmental Activities		Business-type Activities		Total	
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017
Current and other assets	\$ 21,011,872	\$ 20,851,779	\$ 3,932,474	\$ 4,433,763	\$ 24,944,346	\$ 25,285,542
Capital assets	40,817,030	45,110,607	10,323,086	9,727,132	51,140,116	54,837,739
Total assets	\$ 61,828,902	\$ 65,962,386	\$ 14,255,560	\$ 14,160,895	\$ 76,084,462	\$ 80,123,281
Deferred outflows of resources	\$ 2,174,596	\$ 1,923,815	\$ 83,083	\$ 67,581	\$ 2,257,679	\$ 1,991,396
Long-term liabilities outstanding	\$ 1,456,507	\$ 4,800,077	\$ 6,569,731	\$ 6,128,633	\$ 8,026,238	\$ 10,928,710
Other liabilities	6,837,012	8,200,540	1,261,923	1,045,292	8,098,935	9,245,832
Total liabilities	\$ 8,293,519	\$ 13,000,617	\$ 7,831,654	\$ 7,173,925	\$ 16,125,173	\$ 20,174,542
Deferred inflows of resources	\$ 181,077	\$ 124,859	\$ 6,918	\$ 4,387	\$ 187,995	\$ 129,246
Net position:						
Net investment in capital assets	\$ 39,225,793	\$ 40,162,954	\$ 5,324,388	\$ 5,185,911	\$ 44,550,181	\$ 45,348,865
Restricted	9,104,129	8,165,185	41,925	43,309	9,146,054	8,208,494
Unrestricted	7,198,980	6,432,586	1,133,758	1,820,944	8,332,738	8,253,530
Total net position	\$ 55,528,902	\$ 54,760,725	\$ 6,500,071	\$ 7,050,164	\$ 62,028,973	\$ 61,810,889

The remaining balance of unrestricted net position of \$8,253,530 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 expenditures exceeded revenues total by approximately 3% or \$768,177, resulting in a decrease in the amount of net position for the twelve month period of July 1, 2016 through June 30, 2017.

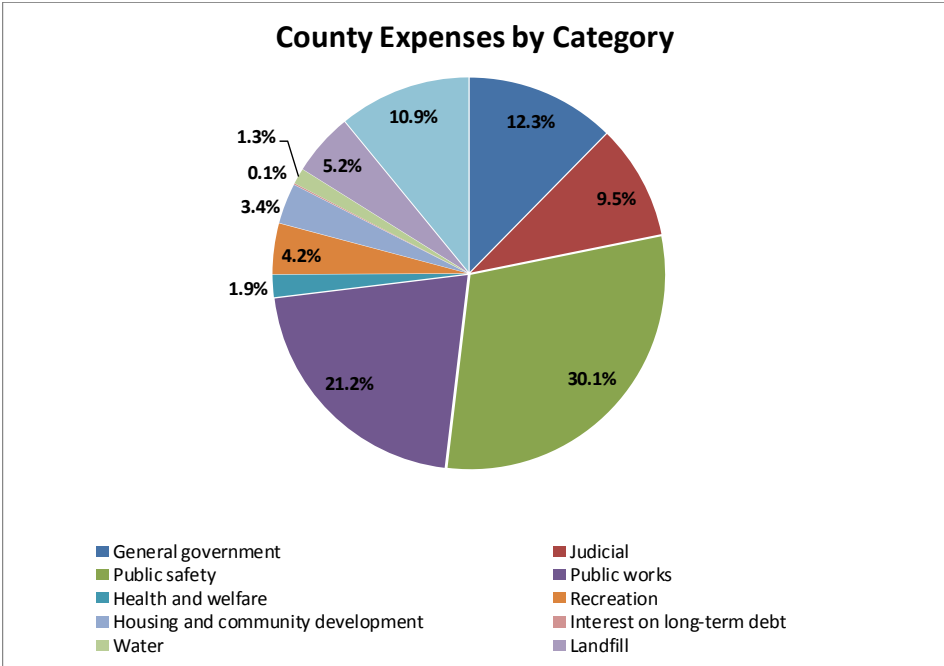
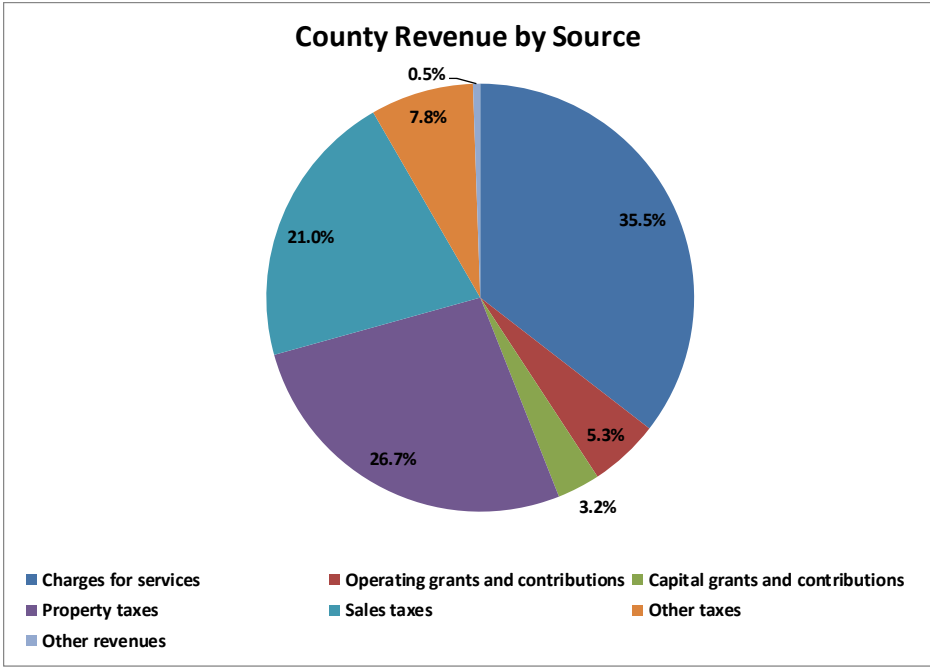
Business-type activities. Business-type activities increased the County's net position over the prior year by \$550,093 for fiscal year 2017. Charges for services represented 99.9% of the total revenues. The following table also indicates the changes in net position for business-type activities for the 2017 fiscal year:

CRISP COUNTY'S CHANGES IN NET POSITION June 30, 2017

	Governmental Activities		Business-type Activities		Total	
	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
Revenues:						
Program revenues:						
Charges for services	\$ 5,043,642	\$ 4,791,944	\$ 5,677,792	\$ 5,745,236	\$ 10,721,434	\$ 10,537,180
Operating grants and contributions	814,481	1,570,410	-	-	814,481	1,570,410
Capital grants and contributions	1,293,383	961,482	-	-	1,293,383	961,482
General revenues:						
Property taxes	7,773,025	7,927,042	-	-	7,773,025	7,927,042
Sales taxes	6,292,769	6,225,074	-	-	6,292,769	6,225,074
Franchise taxes	1,069,636	1,131,451	-	-	1,069,636	1,131,451
Insurance premium tax	671,041	709,438	-	-	671,041	709,438
Other taxes	527,954	476,014	-	-	527,954	476,014
Unrestricted investment earnings	40,105	72,523	8,277	8,365	48,382	80,888
Gain on sale of capital assets	-	81,268	-	-	-	81,268
Transfers	-	-	-	-	-	-
Total revenues	<u>23,526,036</u>	<u>23,946,646</u>	<u>5,686,069</u>	<u>5,753,601</u>	<u>29,212,105</u>	<u>29,700,247</u>
Expenses:						
General government	2,268,563	3,692,684	-	-	2,268,563	3,692,684
Judicial	1,746,375	2,835,597	-	-	1,746,375	2,835,597
Public safety	9,381,532	8,996,044	-	-	9,381,532	8,996,044
Public works	6,217,691	6,336,547	-	-	6,217,691	6,336,547
Health and welfare	541,657	554,834	-	-	541,657	554,834
Recreation	1,191,593	1,260,859	-	-	1,191,593	1,260,859
Housing and community development	941,244	1,005,204	-	-	941,244	1,005,204
Interest on long-term debt	41,167	33,054	-	-	41,167	33,054
Water	-	-	594,504	389,721	594,504	389,721
Landfill	-	-	1,459,171	1,551,452	1,459,171	1,551,452
Self insurance health benefit	-	-	3,545,148	3,262,335	3,545,148	3,262,335
Total expenses	<u>22,329,822</u>	<u>24,714,823</u>	<u>5,598,823</u>	<u>5,203,508</u>	<u>27,928,645</u>	<u>29,918,331</u>
Total increase (decrease) in net position	<u>1,196,214</u>	<u>(768,177)</u>	<u>87,246</u>	<u>550,093</u>	<u>1,283,460</u>	<u>(218,084)</u>
Net position, beginning of year	54,332,688	55,528,902	6,412,825	6,500,071	60,745,513	62,028,973
Net position, end of year	<u>\$ 55,528,902</u>	<u>\$ 54,760,725</u>	<u>\$ 6,500,071</u>	<u>\$ 7,050,164</u>	<u>\$ 62,028,973</u>	<u>\$ 61,810,889</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS

Approximately 35.5% of the County’s total revenue came from charges from services, 26.7% from property taxes, 21.0% from sales tax, while the remaining 16.9% came from various other revenues. The County’s expenses cover a range of services. The largest expenses, 30.1%, 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 a decrease in combined ending fund balances from the previous year of \$400,322 decreasing that total to \$18,992,790.

The General Fund is the chief operating fund of Crisp County and ended the fiscal year with a fund balance of \$10,244,055, which is up \$1,103,636 over the previous year. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance of \$3,877,287 to the fund's total expenditures of \$17,177,118 as a percentage. Unassigned fund balance represents 23% of total General Fund expenditures and is considered 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 2005 and 2011 Special Local Option Sales Tax Funds, all considered major funds for FY 17, and the Nonmajor Governmental Funds have a combined total fund balance of \$8,748,735, of which \$8,687,615 is restricted for specific uses and -\$27,196 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 \$2,312,361. The Water Fund recorded an operating income of \$346,404 for fiscal year 2017. Combined with net non-operating expenses of \$41,668, this fund's net position increased by \$304,736 during this fiscal year 2017.

Unrestricted net position of the Landfill Fund at the end of the year amounted to a negative \$412,462. The Landfill Fund's operating income of \$345,071 combined with net non-operating expenses of \$116,342 provided an increase of \$228,729 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, 2017, amounts to \$54,837,739 (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
	2017	2017	
Land	\$ 2,499,465	\$ 765,223	\$ 3,264,688
Construction in progress	2,951,854	115,435	3,067,289
Land improvements	6,022,235	-	6,022,235
Infrastructure	10,713,623	-	10,713,623
Plant and buildings	16,148,807	7,919,973	24,068,780
Furniture, machinery and equipment	6,774,623	855,502	7,630,125
System improvements	-	70,999	70,999
Total	\$ 45,110,607	\$ 9,727,132	\$ 54,837,739

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.
- A new state of the art County-wide emergency communications system to be used by the County, the City of Cordele, Crisp Regional Hospital and the Crisp County Board of Education was acquired through Motorola's Lease Purchase program at a cost of \$3.6 million.
- DOT Grant and TSPLOST funds were combined to replace Slade Bridge Road at a cost of \$575,575.
- \$19,200 was expended to remodel/renovate Crisp County Fire Station Number One.
- \$2.9 million in LMIG, GDOT, SPLOST and TSPLOST Funds was used to begin construction/paving projects on various subdivision and County roads.
- Another \$1,996,742 in SPLOST, TSPLOST and GDOT Funds was used to complete several County road widening and paving projects.
- Land clearing for the new soccer fields was completed at a cost of \$69,663.
- \$137,995 in SPLOST Funds was used to purchase a new Max Boom Mower for Public Works.
- \$60,760 in SPLOST Funds was used to purchase new emergency service consoles for the E911 Department.
- A total of \$142,959 in SPLOST, General and Asset Forfeiture funds were used to purchase five new County vehicles.
- The County spent \$219,523 on Crisp County Airport runway improvement projects.
- Additional information on the County's capital assets can be found in Note 6 on pages 47 and 48 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt. As of June 30, 2017, 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 increase in total long-term debt for its governmental funds of \$3,343,570, including the long-term portion of the \$3.6 million debt for the new emergency communications system. The business-type activities logged a net decrease in long-term debt of \$441,098 during fiscal year ending June 30, 2017.

Additional information on the County's long-term debt can be found in Note 7 on pages 49 – 53 of this report.

Economic Factors

- Crisp County's unemployment rate dropped approximately 1% over the last twelve months, down to 4.7%, which was below the State of Georgia average of 4.8% for the first time in several years. However, at June 30, 2017, it continued to exceed the national average of 4.4%.

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, 2017

ASSETS	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Crisp County Power Commission	Crisp Regional Health Service, Inc.	Crisp County Board of Health
Cash and cash equivalents	\$ 10,045,978	\$ 4,030,942	\$ 14,076,920	\$ 8,135,309	\$ 5,460,000	\$ 681,940
Investments	6,686,353	-	6,686,353	27,163,066	-	-
Taxes receivable	1,156,443	-	1,156,443	-	-	-
Accounts receivable, net of allowances	122,022	248,105	370,127	3,855,321	18,764,000	-
Notes receivable	1,814,417	-	1,814,417	-	656,000	-
Internal balances	13,264	(13,264)	-	-	-	-
Due from other governments	514,739	-	514,739	-	-	-
Due from component unit	134,972	-	134,972	-	-	-
Inventories	27,348	-	27,348	967,120	2,055,000	-
Prepaid items	336,243	19,541	355,784	179,294	-	-
Other assets	-	-	-	1,144,215	1,371,000	-
Restricted assets:						
Cash	-	148,439	148,439	-	-	-
Assets limited as to use	-	-	-	623,453	47,169,000	-
Goodwill	-	-	-	-	3,547,000	-
Investment in affiliated companies	-	-	-	-	431,000	-
Capital assets:						
Nondepreciable	5,451,319	880,658	6,331,977	937,059	2,164,000	-
Depreciable, net of accumulated depreciation	39,659,288	8,846,474	48,505,762	16,375,719	34,451,000	-
Total assets	65,962,386	14,160,895	80,123,281	59,380,556	116,068,000	681,940
DEFERRED OUTFLOWS OF RESOURCES						
Net difference between projected and actual earnings on pension plan investments	698,149	24,525	722,674	636,784	-	-
Pension assumption changes	770,382	27,062	797,444	341,713	-	-
Differences between expected and actual experience of economic/demographic losses	455,284	15,994	471,278	245,347	-	-
Employer contributions subsequent to the measurement date	-	-	-	600,000	-	58,813
Changes in proportion and differences of employer contributions	-	-	-	-	-	54,629
Total deferred outflows of resources	1,923,815	67,581	1,991,396	1,823,844	-	113,442

(Continued)

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

LIABILITIES	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Crisp County Power Commission	Crisp Regional Health Service, Inc.	Crisp County Board of Health
Accounts payable	\$ 972,162	\$ 32,001	\$ 1,004,163	\$ 2,531,248	\$ 2,399,000	\$ -
Accrued liabilities	150,672	16,260	166,932	390,937	4,373,000	-
Customer deposits payable	-	62,435	62,435	623,453	-	-
Claims payable	-	200,000	200,000	-	-	-
Due to other governments	-	21,151	21,151	-	-	-
Capital leases due within one year	220,541	-	220,541	-	-	-
Capital leases due in more than one year	4,699,772	-	4,699,772	-	-	-
Notes payable due within one year	27,340	430,355	457,695	-	-	-
Notes payable due in more than one year	-	2,713,918	2,713,918	-	-	-
Bonds payable due within one year	-	43,309	43,309	-	780,000	-
Bonds payable due in more than one year	-	1,353,639	1,353,639	-	25,234,000	-
Compensated absences due within one year	123,329	4,190	127,519	-	-	7,678
Compensated absences due in more than one year	100,305	4,721	105,026	-	-	190
Closure and postclosure care costs	-	2,056,355	2,056,355	-	-	-
Net pension liability	6,706,496	235,591	6,942,087	3,187,538	-	495,985
Total liabilities	<u>13,000,617</u>	<u>7,173,925</u>	<u>20,174,542</u>	<u>6,733,176</u>	<u>32,786,000</u>	<u>503,853</u>
DEFERRED INFLOWS OF RESOURCES						
Differences between expected and actual experience of economic/demographic gains	124,859	4,387	129,246	-	-	-
Proportionate share of collective deferred inflows of resources-pension plan	-	-	-	-	-	1,145
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-	16,935
Total deferred inflows of resources	<u>124,859</u>	<u>4,387</u>	<u>129,246</u>	<u>-</u>	<u>-</u>	<u>18,080</u>
NET POSITION						
Net investment in capital assets	40,162,954	5,185,911	45,348,865	17,312,778	10,601,000	-
Restricted for:						
Debt service	-	43,309	43,309	-	-	-
Judicial	163,692	-	163,692	-	-	-
Public safety	1,470,107	-	1,470,107	-	-	-
Economic development	2,083,109	-	2,083,109	-	-	-
Capital outlay	4,448,277	-	4,448,277	-	-	335,596
Unrestricted	6,432,586	1,820,944	8,253,530	37,158,446	72,681,000	(62,147)
Total net position	<u>\$ 54,760,725</u>	<u>\$ 7,050,164</u>	<u>\$ 61,810,889</u>	<u>\$ 54,471,224</u>	<u>\$ 83,282,000</u>	<u>\$ 273,449</u>

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

CRISP COUNTY, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component units			
					Governmental Activities	Business-type Activities	Total	Crisp Co Power Commission	Crisp Regional Health Services, Inc.	Crisp Co Board of Health	
Primary government:											
Governmental activities:											
General government	\$ 3,692,684	\$ 988,813	\$ 143,544	\$ 275,362	\$ (2,284,965)	\$ -	\$ (2,284,965)	\$ -	\$ -	\$ -	\$ -
Judicial	2,835,597	53,165	-	69	(2,782,363)	-	(2,782,363)	-	-	-	-
Public safety	8,996,044	3,620,758	960,153	242,154	(4,172,979)	-	(4,172,979)	-	-	-	-
Public works	6,336,547	4,769	466,713	210,847	(5,654,218)	-	(5,654,218)	-	-	-	-
Health and welfare	554,834	-	-	-	(554,834)	-	(554,834)	-	-	-	-
Parks and recreation	1,260,859	114,939	-	98	(1,145,822)	-	(1,145,822)	-	-	-	-
Housing and development	1,005,204	9,500	-	232,952	(762,752)	-	(762,752)	-	-	-	-
Interest on long-term debt	33,054	-	-	-	(33,054)	-	(33,054)	-	-	-	-
Total governmental activities	<u>24,714,823</u>	<u>4,791,944</u>	<u>1,570,410</u>	<u>961,482</u>	<u>(17,390,987)</u>	<u>-</u>	<u>(17,390,987)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:											
Water system	389,721	689,986	-	-	-	300,265	300,265	-	-	-	-
Landfill	1,551,452	1,778,146	-	-	-	226,694	226,694	-	-	-	-
Self-insurance health benefit	3,262,335	3,277,104	-	-	-	14,769	14,769	-	-	-	-
Total business-type activities	<u>5,203,508</u>	<u>5,745,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>541,728</u>	<u>541,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 29,918,331</u>	<u>\$ 10,537,180</u>	<u>\$ 1,570,410</u>	<u>\$ 961,482</u>	<u>(17,390,987)</u>	<u>541,728</u>	<u>(16,849,259)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component units:											
Crisp County Power Commission	\$ 37,187,211	\$ 42,474,027	\$ -	\$ -	-	-	-	5,286,816	-	-	-
Crisp Regional Health Services, Inc.	110,557,000	113,201,000	426,000	-	-	-	-	-	3,070,000	-	-
Crisp County Board of Health	549,156	282,456	460,092	-	-	-	-	-	-	193,392	-
Total component units	<u>\$ 148,293,367</u>	<u>\$ 155,957,483</u>	<u>\$ 886,092</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,286,816</u>	<u>3,070,000</u>	<u>193,392</u>	<u>-</u>
General revenues:											
Property taxes					7,927,042	-	7,927,042	-	-	-	-
Sales taxes					6,225,074	-	6,225,074	-	-	-	-
Franchise fees					1,131,451	-	1,131,451	-	-	-	-
Business taxes					709,438	-	709,438	-	-	-	-
Other taxes					476,014	-	476,014	-	-	-	-
Unrestricted investment earnings					72,523	8,365	80,888	516,026	1,512,000	296	-
Gain on sale of capital assets					81,268	-	81,268	-	-	-	-
Total general revenues and transfers					<u>16,622,810</u>	<u>8,365</u>	<u>16,631,175</u>	<u>516,026</u>	<u>1,512,000</u>	<u>296</u>	<u>-</u>
Change in net position					(768,177)	550,093	(218,084)	5,802,842	4,582,000	193,688	-
Net position, beginning of year					55,528,902	6,500,071	62,028,973	48,668,382	78,700,000	79,761	-
Net position, end of year					<u>\$ 54,760,725</u>	<u>\$ 7,050,164</u>	<u>\$ 61,810,889</u>	<u>\$ 54,471,224</u>	<u>\$ 83,282,000</u>	<u>\$ 273,449</u>	<u>\$ -</u>

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

CRISP COUNTY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Service District Fund</u>	<u>2011 Sales Tax Fund</u>	<u>2005 Sales Tax Fund</u>
ASSETS				
Cash and cash equivalents	\$ 3,363,534	\$ 324,345	\$ 3,674,847	\$ 751,097
Investments	6,375,302	-	-	-
Receivables, net of allowance:				
Taxes	727,947	25,290	336,223	-
Accounts	53,365	12,048	-	-
Notes	-	-	-	-
Due from other funds	145,474	47,626	-	-
Due from other governments	460,969	-	-	33,328
Due from component unit	134,972	-	-	-
Prepaid items	247,927	28,772	-	-
Inventory	27,348	-	-	-
Total assets	<u>\$ 11,536,838</u>	<u>\$ 438,081</u>	<u>\$ 4,011,070</u>	<u>\$ 784,425</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 402,930	\$ 8,210	\$ 421,940	\$ 37,170
Accrued liabilities	122,352	15,018	-	-
Due to other funds	51,394	2,013	-	-
Total liabilities	<u>576,676</u>	<u>25,241</u>	<u>421,940</u>	<u>37,170</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	716,107	23,999	-	-
Total deferred inflow of resources	<u>716,107</u>	<u>23,999</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	247,927	28,772	-	-
Inventory	27,348	-	-	-
Restricted for:				
General government	26,219	-	-	-
Judicial	-	-	-	-
Public safety	63,877	360,069	-	-
Public works	45,005	-	-	-
Recreation	8,961	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	3,589,130	747,255
Committed for:				
General government	892,115	-	-	-
Judicial	713,692	-	-	-
Public safety	2,200,549	-	-	-
Public works	1,546,332	-	-	-
Recreation	297,372	-	-	-
Economic development	297,371	-	-	-
Unassigned	3,877,287	-	-	-
Total fund balances	<u>10,244,055</u>	<u>388,841</u>	<u>3,589,130</u>	<u>747,255</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 11,536,838</u>	<u>\$ 438,081</u>	<u>\$ 4,011,070</u>	<u>\$ 784,425</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 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.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,932,155	\$ 10,045,978
311,051	6,686,353
66,983	1,156,443
56,609	122,022
1,814,417	1,814,417
-	193,100
20,442	514,739
-	134,972
59,544	336,243
-	27,348
<u>\$ 4,261,201</u>	<u>\$ 21,031,615</u>

\$ 101,912	\$ 972,162
9,351	146,721
<u>126,429</u>	<u>179,836</u>
<u>237,692</u>	<u>1,298,719</u>

-	740,106
-	<u>740,106</u>

59,544	336,243
-	27,348
191,714	217,933
163,692	163,692
1,046,161	1,470,107
329,073	374,078
65,520	74,481
2,083,109	2,083,109
111,892	4,448,277
-	892,115
-	713,692
-	2,200,549
-	1,546,332
-	297,372
-	297,371
(27,196)	3,850,091
<u>4,023,509</u>	<u>18,992,790</u>

\$ 4,261,201

45,110,607
740,106
1,923,815
(5,175,238)
(6,706,496)

(124,859)

\$ 54,760,725

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

	<u>General</u>	<u>Special Service District Fund</u>	<u>2011 Sales Tax Fund</u>
Revenues			
Property taxes	\$ 7,476,505	\$ 437,448	\$ -
Sales taxes	1,782,314	-	3,713,293
Franchise taxes	594,660	536,791	-
Business taxes	55,646	653,792	-
Other taxes	428,959	2,240	-
Licenses and permits	37,004	18,683	-
Intergovernmental	910,750	-	-
Charges for services	1,568,525	-	-
Fines and forfeitures	1,756,214	-	-
Interest income	39,710	-	10,742
Other revenues	373,765	55,069	14,629
Total revenues	<u>15,024,052</u>	<u>1,704,023</u>	<u>3,738,664</u>
Expenditures			
Current:			
General government	2,031,775	-	-
Judicial	1,848,481	-	-
Public safety	9,716,657	1,342,106	-
Public works	1,506,775	26,654	-
Health and welfare	506,706	-	-
Parks and recreation	965,354	-	-
Housing and development	601,370	167,031	-
Intergovernmental payments	-	-	2,227,979
Capital outlay	-	-	512,375
Debt service:			
Principal	-	-	242,131
Interest	-	-	33,110
Total expenditures	<u>17,177,118</u>	<u>1,535,791</u>	<u>3,015,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,153,066)</u>	<u>168,232</u>	<u>723,069</u>
Other financing sources (uses)			
Proceeds from the sale of capital assets	90,313	-	-
Capital leases	3,618,783	-	-
Transfers in	18,848	-	-
Transfers out	(471,242)	-	-
Total other financing sources (uses)	<u>3,256,702</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,103,636	168,232	723,069
Fund balances, beginning of year	<u>9,140,419</u>	<u>220,609</u>	<u>2,866,061</u>
Fund balances, end of year	<u>\$ 10,244,055</u>	<u>\$ 388,841</u>	<u>\$ 3,589,130</u>

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

2005 Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 7,913,953
-	729,467	6,225,074
-	-	1,131,451
-	-	709,438
-	44,815	476,014
-	-	55,687
978,296	630,550	2,519,596
-	547,514	2,116,039
-	344,425	2,100,639
1,271	33,096	84,819
34,001	42,115	519,579
<u>1,013,568</u>	<u>2,371,982</u>	<u>23,852,289</u>
-	-	2,031,775
-	984,573	2,833,054
-	311,534	11,370,297
-	860,544	2,393,973
-	-	506,706
-	-	965,354
-	47,049	815,450
-	-	2,227,979
3,417,707	590,421	4,520,503
-	20,236	262,367
-	1,139	34,249
<u>3,417,707</u>	<u>2,815,496</u>	<u>27,961,707</u>
<u>(2,404,139)</u>	<u>(443,514)</u>	<u>(4,109,418)</u>
-	-	90,313
-	-	3,618,783
-	846,618	865,466
-	(394,224)	(865,466)
-	452,394	3,709,096
(2,404,139)	8,880	(400,322)
<u>3,151,394</u>	<u>4,014,629</u>	<u>19,393,112</u>
<u>\$ 747,255</u>	<u>\$ 4,023,509</u>	<u>\$ 18,992,790</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, 2017**

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

Net change in fund balances - total governmental funds	\$ (400,322)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	4,302,622
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(9,045)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	13,089
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.	(3,356,416)
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>(1,318,105)</u>
Net change in net position - governmental activities	<u>\$ (768,177)</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
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 7,006,000	\$ 7,476,490	\$ 7,476,505	\$ 15
Sales taxes	1,750,000	1,782,325	1,782,314	(11)
Franchise taxes	550,000	594,650	594,660	10
Business taxes	26,000	55,625	55,646	21
Other taxes	380,500	428,950	428,959	9
Licenses and permits	28,100	37,000	37,004	4
Intergovernmental	623,352	910,727	910,750	23
Charges for services	1,718,350	1,545,075	1,568,525	23,450
Fines and forfeitures	1,560,000	1,756,200	1,756,214	14
Interest revenue	18,000	39,700	39,710	10
Other revenues	230,000	373,750	373,765	15
Total revenues	<u>13,890,302</u>	<u>15,000,492</u>	<u>15,024,052</u>	<u>23,560</u>
Expenditures:				
Current:				
General government:				
Legislative	480,845	368,475	368,350	125
Executive	141,536	142,386	142,349	37
Elections	99,076	98,292	98,192	100
Financial administration	390,741	364,871	364,781	90
Data processing	12,500	7,350	7,350	-
Tax commissioner	307,472	297,157	297,054	103
Tax assessor	365,834	321,214	303,210	18,004
General government buildings and plant	443,802	450,667	450,489	178
Total general government	<u>2,241,806</u>	<u>2,050,412</u>	<u>2,031,775</u>	<u>18,637</u>
Judicial:				
Judicial administration	102,680	102,680	102,680	-
Drug court	65,417	99,389	99,297	92
Clerk of superior court	416,432	381,532	381,401	131
District attorney	144,400	333,562	333,567	(5)
Magistrate court	250,112	233,962	233,907	55
Probate court	316,485	318,295	318,230	65
Juvenile court	53,423	46,098	46,069	29
Grand jury	30,000	30,500	30,490	10
Public defender	304,449	302,890	302,840	50
Total judicial	<u>1,683,398</u>	<u>1,848,908</u>	<u>1,848,481</u>	<u>427</u>
Public safety:				
Sheriff	3,262,437	3,360,767	3,360,607	160
Jail operations	2,342,438	2,275,988	2,275,878	110
Fire	11,262	11,387	11,388	(1)
EMS	225,741	217,641	217,563	78
Coroner	36,832	31,759	31,723	36
Other protection	189,386	3,819,586	3,819,498	88
Total public safety	<u>6,068,096</u>	<u>9,717,128</u>	<u>9,716,657</u>	<u>471</u>

(Continued)

Expenditures: (Continued)	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public works:				
Public works administration	\$ 1,381,663	\$ 1,416,344	\$ 1,416,252	\$ 92
Intergovernmental payments of energy excise tax	44,649	75,569	75,568	1
Other	-	14,965	14,955	10
Total public works	<u>1,426,312</u>	<u>1,506,878</u>	<u>1,506,775</u>	<u>103</u>
Health and welfare:				
Health	278,875	277,300	277,301	(1)
Welfare	14,750	9,625	9,606	19
Community services	159,000	218,585	218,576	9
Public education	1,350	1,225	1,223	2
Total health and welfare	<u>453,975</u>	<u>506,735</u>	<u>506,706</u>	<u>29</u>
Parks and recreation:				
Recreation	838,163	866,738	866,449	289
Parks	96,985	98,960	98,905	55
Total parks and recreation	<u>935,148</u>	<u>965,698</u>	<u>965,354</u>	<u>344</u>
Housing and development:				
Conservation	168,770	156,705	156,622	83
Economic development and assistance	440,993	443,193	443,118	75
Economic opportunity	6,400	1,625	1,630	(5)
Total housing and development	<u>616,163</u>	<u>601,523</u>	<u>601,370</u>	<u>153</u>
Total expenditures	<u>13,424,898</u>	<u>17,197,282</u>	<u>17,177,118</u>	<u>20,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>465,404</u>	<u>(2,196,790)</u>	<u>(2,153,066)</u>	<u>43,724</u>
Other financing sources (uses)				
Proceeds from sale of assets	25,000	90,300	90,313	13
Capital leases	-	3,618,775	3,618,783	8
Transfers in	-	18,850	18,848	(2)
Transfers out	(490,404)	(453,304)	(471,242)	(17,938)
Total other financing sources (uses)	<u>(465,404)</u>	<u>3,274,621</u>	<u>3,256,702</u>	<u>(17,919)</u>
Net change in fund balances	-	1,077,831	1,103,636	25,805
Fund balance, beginning of year	<u>9,140,419</u>	<u>9,140,419</u>	<u>9,140,419</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,140,419</u>	<u>\$ 10,218,250</u>	<u>\$ 10,244,055</u>	<u>\$ 25,805</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 392,200	\$ 437,450	\$ 437,448	\$ (2)
Franchise taxes	476,500	536,800	536,791	(9)
Business taxes	575,000	653,800	653,792	(8)
Other taxes	13,750	2,225	2,240	15
Licenses and permits	46,700	18,700	18,683	(17)
Other revenues	550	55,050	55,069	19
Total revenues	<u>1,504,700</u>	<u>1,704,025</u>	<u>1,704,023</u>	<u>(2)</u>
Expenditures:				
Current:				
Public safety:				
Fire	<u>1,297,984</u>	<u>1,342,049</u>	<u>1,342,106</u>	<u>(57)</u>
Total public safety	<u>1,297,984</u>	<u>1,342,049</u>	<u>1,342,106</u>	<u>(57)</u>
Public works:				
Solid waste collection	<u>7,100</u>	<u>20,225</u>	<u>26,654</u>	<u>(6,429)</u>
Total public works	<u>7,100</u>	<u>20,225</u>	<u>26,654</u>	<u>(6,429)</u>
Housing and development:				
Planning and zoning	<u>160,866</u>	<u>167,091</u>	<u>167,031</u>	<u>60</u>
Total housing and development	<u>160,866</u>	<u>167,091</u>	<u>167,031</u>	<u>60</u>
Total expenditures	<u>1,465,950</u>	<u>1,529,365</u>	<u>1,535,791</u>	<u>(6,426)</u>
Net change in fund balances	38,750	174,660	168,232	(6,428)
Fund balance, beginning of year	<u>220,609</u>	<u>220,609</u>	<u>220,609</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 259,359</u></u>	<u><u>\$ 395,269</u></u>	<u><u>\$ 388,841</u></u>	<u><u>\$ (6,428)</u></u>

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

CRISP COUNTY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017**

	<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	\$ 2,252,574	\$ 1,657,323	\$ 121,045	\$ 4,030,942
Accounts receivable, net of allowances	54,842	193,263	-	248,105
Due from other funds	-	3,768	-	3,768
Prepaid expenses	6,298	13,243	-	19,541
Restricted assets, cash	148,439	-	-	148,439
Total current assets	<u>2,462,153</u>	<u>1,867,597</u>	<u>121,045</u>	<u>4,450,795</u>
NONCURRENT ASSETS				
Capital assets:				
Nondepreciable	-	880,658	-	880,658
Depreciable, net of accumulated depreciation	2,927,446	5,919,028	-	8,846,474
Total noncurrent assets	<u>2,927,446</u>	<u>6,799,686</u>	<u>-</u>	<u>9,727,132</u>
Total assets	<u>5,389,599</u>	<u>8,667,283</u>	<u>121,045</u>	<u>14,177,927</u>
DEFERRED OUTFLOWS OF RESOURCES				
Net difference between projected and actual earnings on pension plan investments	6,914	17,611	-	24,525
Differences between expected and actual experience of economic/demographic (gains)/losses	4,509	11,485	-	15,994
Pension assumption changes	7,629	19,433	-	27,062
Total deferred outflows of resources	<u>19,052</u>	<u>48,529</u>	<u>-</u>	<u>67,581</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	1,868	30,133	-	32,001
Claims payable	-	-	200,000	200,000
Accrued liabilities	2,239	14,021	-	16,260
Due to other funds	2,005	15,027	-	17,032
Due to other governments	-	21,151	-	21,151
Notes payable, current portion	-	430,355	-	430,355
Compensated absences, current portion	224	3,966	-	4,190
Payable from restricted assets:				
Customer deposits	51,530	10,905	-	62,435
Revenue bonds payable, current portion	43,309	-	-	43,309
Total current liabilities	<u>101,175</u>	<u>525,558</u>	<u>200,000</u>	<u>826,733</u>
NONCURRENT LIABILITIES				
Notes payable, net of current portion	-	2,713,918	-	2,713,918
Revenue bonds payable, net of current portion	1,353,639	-	-	1,353,639
Compensated absences, net of current portion	14	4,707	-	4,721
Closure and postclosure care costs	-	2,056,355	-	2,056,355
Net pension liability	66,418	169,173	-	235,591
Total long-term liabilities	<u>1,420,071</u>	<u>4,944,153</u>	<u>-</u>	<u>6,364,224</u>
Total liabilities	<u>1,521,246</u>	<u>5,469,711</u>	<u>200,000</u>	<u>7,190,957</u>

(Continued)

CRISP COUNTY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

JUNE 30, 2017

	<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	\$ 1,237	\$ 3,150	\$ -	\$ 4,387
Total deferred inflows of resources	<u>1,237</u>	<u>3,150</u>	<u>-</u>	<u>4,387</u>
NET POSITION				
Net investment in capital assets	1,530,498	3,655,413	-	5,185,911
Restricted for debt service	43,309	-	-	43,309
Unrestricted (deficit)	2,312,361	(412,462)	(78,955)	1,820,944
Total net position	<u>\$ 3,886,168</u>	<u>\$ 3,242,951</u>	<u>\$ (78,955)</u>	<u>\$ 7,050,164</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Crisp County Water System</u>	<u>Crisp County Landfill</u>	<u>Self-Insurance Health Benefit Fund</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ 688,741	\$ 1,767,312	\$ 2,615,091	\$ 5,071,144
Other revenue	1,245	10,834	662,013	674,092
Total operating revenues	<u>689,986</u>	<u>1,778,146</u>	<u>3,277,104</u>	<u>5,745,236</u>
OPERATING EXPENSES				
Personnel services	36,023	391,323	-	427,346
Cost of sales and services	42,979	452,565	2,335,552	2,831,096
Supplies	53,767	90,933	-	144,700
Administration	19,999	90,000	926,783	1,036,782
Amortization	-	364	-	364
Depreciation	190,814	407,890	-	598,704
Total operating expenses	<u>343,582</u>	<u>1,433,075</u>	<u>3,262,335</u>	<u>5,038,992</u>
Operating income	<u>346,404</u>	<u>345,071</u>	<u>14,769</u>	<u>706,244</u>
NONOPERATING INCOME (EXPENSES)				
Interest income	4,471	2,035	1,859	8,365
Interest expense	(46,139)	(118,377)	-	(164,516)
Total nonoperating income (expenses)	<u>(41,668)</u>	<u>(116,342)</u>	<u>1,859</u>	<u>(156,151)</u>
Change in net position	304,736	228,729	16,628	550,093
NET POSITION, beginning of year	<u>3,581,432</u>	<u>3,014,222</u>	<u>(95,583)</u>	<u>6,500,071</u>
NET POSITION, end of year	<u>\$ 3,886,168</u>	<u>\$ 3,242,951</u>	<u>\$ (78,955)</u>	<u>\$ 7,050,164</u>

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

CRISP COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Crisp County Water System	Crisp County Landfill	Self-Insurance Health Benefit Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund users	\$ -	\$ -	\$ 8,048	\$ 8,048
Receipts from other customers	687,983	1,774,771	3,277,104	5,739,858
Payments to suppliers	(116,750)	(594,145)	(3,532,335)	(4,243,230)
Payments to employees	(103,973)	(287,269)	-	(391,242)
Net cash provided by (used in) operating activities	<u>467,260</u>	<u>893,357</u>	<u>(247,183)</u>	<u>1,113,434</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(2,750)	-	(2,750)
Principal paid on bonds	(41,925)	-	-	(41,925)
Principal paid on notes payable	-	(415,552)	-	(415,552)
Interest paid	(46,143)	(119,735)	-	(165,878)
Net cash used in capital and related financing activities	<u>(88,068)</u>	<u>(538,037)</u>	<u>-</u>	<u>(626,105)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>4,471</u>	<u>2,035</u>	<u>1,859</u>	<u>8,365</u>
Net cash provided by investing activities	<u>4,471</u>	<u>2,035</u>	<u>1,859</u>	<u>8,365</u>
Increase (decrease) in cash and cash equivalents	383,663	357,355	(245,324)	495,694
Cash and cash equivalents:				
Beginning of year	<u>2,017,350</u>	<u>1,299,968</u>	<u>366,369</u>	<u>3,683,687</u>
End of year	<u>\$ 2,401,013</u>	<u>\$ 1,657,323</u>	<u>\$ 121,045</u>	<u>\$ 4,179,381</u>
Classified as:				
Cash and cash equivalents	\$ 2,252,574	\$ 1,657,323	\$ 121,045	\$ 4,030,942
Restricted assets, cash	148,439	-	-	148,439
	<u>\$ 2,401,013</u>	<u>\$ 1,657,323</u>	<u>\$ 121,045</u>	<u>\$ 4,179,381</u>

(Continued)

CRISP COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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 to net cash provided by (used in) operating activities				
Operating income	\$ 346,404	\$ 345,071	\$ 14,769	\$ 706,244
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation and amortization	190,814	408,254	-	599,068
(Increase) decrease in accounts receivable	1,016	(1,707)	8,048	7,357
Increase in due from other funds	-	(3,768)	-	(3,768)
Decrease in due from other governments	527	2,007	-	2,534
(Increase) decrease in prepaid expenses	125	(411)	-	(286)
Decrease in investment earnings difference	3,611	3,588	-	7,199
Increase in assumption change	(1,758)	(7,608)	-	(9,366)
Decrease in subsequent pension contributions	11,168	22,495	-	33,663
Increase in subsequent pension contributions	(5,567)	(12,958)	-	(18,525)
Increase (decrease) in accounts payable	(130)	8,564	-	8,434
Decrease in claims payable	-	-	(270,000)	(270,000)
Increase in accrued liabilities	1,987	4,075	-	6,062
Increase in customer deposits	480	2,100	-	2,580
Decrease in due to other funds	(4,026)	(7,771)	-	(11,797)
Increase (decrease) in compensated absences	(1,190)	169	-	(1,021)
Increase (decrease) in net pension liability	(76,201)	98,368	-	22,167
Increase in closure and postclosure costs	-	32,889	-	32,889
Net cash provided by (used in) operating activities	<u>\$ 467,260</u>	<u>\$ 893,357</u>	<u>\$ (247,183)</u>	<u>\$ 1,113,434</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, 2017

	ASSETS	<u>Agency Funds</u>
Cash and cash equivalents		\$ 994,107
Accounts receivable		15,873
Taxes receivable		<u>1,121,774</u>
Total assets		<u>\$ 2,131,754</u>
LIABILITIES		
Due to others		\$ 1,009,980
Uncollected taxes		<u>1,121,774</u>
Total liabilities		<u>\$ 2,131,754</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, 2017

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 **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

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, 2017.

Capital assets of the primary government 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

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 2017:

Intangible Plant	2.50%
Steam and Gas Plant	5.00%
Hydraulic Plant	4.00%
Transmission Plant	3.33%
Distribution Plant	4.00%
General Plant	2.00% - 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 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.

N. Tax Abatement Agreements

During the year ended June 30, 2017, the County implemented GASB Statement No. 77, Tax Abatement Disclosures. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues.

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 \$5,175,238 difference are as follows:

Accrued interest payable	\$ (3,951)
Capital leases	(4,920,313)
Notes payable	(27,340)
Compensated absences	<u>(223,634)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at <i>net position - governmental activities</i>	<u><u>\$ (5,175,238)</u></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 \$4,302,622 difference are as follows:

Capital outlay	\$ 8,220,664
Depreciation expense	<u>(3,918,042)</u>
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><u>\$ 4,302,622</u></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 explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the payments made on notes payable and capital leases.” The details of this \$3,356,416 difference are as follows:

Issuance of capital leases	\$ (3,618,783)
Principal payments on note payable	26,716
Principal payments on capital lease	<u>235,651</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><u>\$ (3,356,416)</u></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 \$1,318,105 difference are as follows:

Compensated absences	\$ (4,394)
Change in net pension liability and related deferred inflows and outflows of resources	(1,314,906)
Accrued interest	<u>1,195</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><u>\$ (1,318,105)</u></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, 2017, expenditures exceeded budget as follows:

Department	Excess
General Fund:	
District Attorney	\$ 5
Economic opportunity	5
Fire	1
Health	1
Special Services District Fund:	
Fire	57
Solid waste collection	6,429

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

D. Fund Deficit

The Jail Fund reported a deficit fund balance of \$696 at June 30, 2017. The deficit is intended to be eliminated through transfers from the General Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

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

At June 30, 2017, the County had the following investments:

Investments	Maturities	Credit Rating	Fair Value
Primary government:			
Georgia Fund 1	26 day weighted average	AAAf	\$ 6,375,302
Certificates of deposit	1 year weighted average	(a)	311,051
			\$ 6,686,353

(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)

As of June 30, 2017, 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, 2017, none of the County deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

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 Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose its position in the Georgia Fund 1 of \$6,375,302 within the fair value hierarchy. Certificates of deposit are investments carried at cost. As a result, the County does not disclose its position in certificates of deposits of \$311,051 within the fair value hierarchy.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2017, for the County's individual major funds and nonmajor funds in the aggregate, are as follows:

	General Fund	Special Service District	2011 Sales Tax	Crisp County Water System
Receivables:				
Taxes	\$ 766,260	\$ 26,621	\$ 336,223	\$ -
Accounts	53,365	12,048	-	54,842
Notes	-	-	-	-
	819,625	38,669	336,223	54,842
Less allowance for uncollectibles	(38,313)	(1,331)	-	-
Total receivables	\$ 781,312	\$ 37,338	\$ 336,223	\$ 54,842
		Nonmajor Governmental Funds	Total	
Receivables:				
Taxes	\$ -	\$ 66,983	\$ 1,196,087	
Accounts	204,088	56,609	380,952	
Notes	-	2,781,351	2,781,351	
	204,088	2,904,943	4,358,390	
Less allowance for uncollectibles	(10,825)	(966,934)	(1,017,403)	
Total receivables	\$ 193,263	\$ 1,938,009	\$ 3,340,987	

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 2017 is as follows:

Levy date	July 31, 2016
Payment due date	December 20, 2016
Delinquency date	December 21, 2016

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, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,499,465	\$ -	\$ -	\$ -	\$ 2,499,465
Construction in progress	1,831,847	2,951,854	(9,045)	(1,822,802)	2,951,854
Total	<u>4,331,312</u>	<u>2,951,854</u>	<u>(9,045)</u>	<u>(1,822,802)</u>	<u>5,451,319</u>
Capital assets, being depreciated:					
Land improvements	8,269,951	336,981	-	1,822,802	10,429,734
Infrastructure	70,294,673	791,015	-	-	71,085,688
Plant and buildings	25,127,120	69,663	-	-	25,196,783
Furniture, machinery, and equipment	17,421,285	4,071,151	(629,543)	-	20,862,893
Total	<u>121,113,029</u>	<u>5,268,810</u>	<u>(629,543)</u>	<u>1,822,802</u>	<u>127,575,098</u>
Less accumulated depreciation for:					
Land improvements	(4,057,569)	(349,930)	-	-	(4,407,499)
Infrastructure	(58,923,260)	(1,448,805)	-	-	(60,372,065)
Plant and buildings	(8,252,302)	(795,674)	-	-	(9,047,976)
Furniture, machinery, and equipment	(13,394,180)	(1,323,633)	629,543	-	(14,088,270)
Total	<u>(84,627,311)</u>	<u>(3,918,042)</u>	<u>629,543</u>	<u>-</u>	<u>(87,915,810)</u>
Total capital assets, being depreciated, net	<u>36,485,718</u>	<u>1,350,768</u>	<u>-</u>	<u>1,822,802</u>	<u>39,659,288</u>
Governmental activities capital assets, net	<u>\$ 40,817,030</u>	<u>\$ 4,302,622</u>	<u>\$ (9,045)</u>	<u>\$ -</u>	<u>\$ 45,110,607</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (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	2,750	-	-	4,621,443
System improvements	342,454	-	-	-	342,454
Total	<u>21,294,975</u>	<u>2,750</u>	<u>-</u>	<u>-</u>	<u>21,297,725</u>
Less accumulated depreciation for:					
Plant and buildings	(8,153,313)	(260,542)	-	-	(8,413,855)
Furniture, machinery, and equipment	(3,441,098)	(324,843)	-	-	(3,765,941)
System improvements	(258,136)	(13,319)	-	-	(271,455)
Total	<u>(11,852,547)</u>	<u>(598,704)</u>	<u>-</u>	<u>-</u>	<u>(12,451,251)</u>
Total capital assets, being depreciated, net	<u>9,442,428</u>	<u>(595,954)</u>	<u>-</u>	<u>-</u>	<u>8,846,474</u>
Business-type activities capital assets, net	<u>\$ 10,323,086</u>	<u>\$ (595,954)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,727,132</u>

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

Governmental activities:	
General government	\$ 353,753
Judicial	14,426
Public safety	1,322,346
Public works	1,711,255
Health and welfare	48,128
Parks and recreation	282,194
Housing and development	185,940
Total depreciation expense - governmental activities	<u>\$ 3,918,042</u>
Business-type activities:	
Water system	\$ 190,814
Landfill	407,890
Total depreciation expense - business-type activities	<u>\$ 598,704</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, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Notes payable	\$ 54,056	\$ -	\$ 26,716	\$ 27,340	\$ 27,340
Capital leases payable	1,537,181	3,618,783	235,651	4,920,313	220,541
Compensated absences	219,240	296,181	291,787	223,634	123,329
Net pension liability	5,586,153	1,120,343	-	6,706,496	-
Governmental activities long-term liabilities	<u>\$ 7,396,630</u>	<u>\$ 5,035,307</u>	<u>\$ 554,154</u>	<u>\$ 11,877,783</u>	<u>\$ 371,210</u>
Business-type activities:					
Notes payable	\$ 3,559,825	\$ -	\$ 415,552	\$ 3,144,273	\$ 430,355
Revenue bonds payable	1,438,873	-	41,925	1,396,948	43,309
Compensated absences	9,932	10,171	11,192	8,911	4,190
Closure and postclosure care	2,023,466	32,889	-	2,056,355	-
Net pension liability	213,424	22,167	-	235,591	-
Business-type activities long-term liabilities	<u>\$ 7,245,520</u>	<u>\$ 65,227</u>	<u>\$ 468,669</u>	<u>\$ 6,842,078</u>	<u>\$ 477,854</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)

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, 2017:

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Balance at June 30, 2017</u>
Police Vehicle Camera Equipment	\$ 130,000	2.50%	2018	\$ 27,340
		Less current maturities		(27,340)
				\$ -

Notes payable debt service requirements to maturity are as follows as of June 30, 2017:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 28,020	\$ 27,340	\$ 680
	\$ 28,020	\$ 27,340	\$ 680

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Governmental Activities Debt (Continued)

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, 2017, is \$5,372,770, which is included in governmental activities capital assets on the statement of net position.

The County recorded depreciation expense of \$650,749 with accumulated depreciation of \$1,092,500 in the fiscal year ended June 30, 2017 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,	
2018	\$ 247,281
2019	1,453,542
2020	1,951,689
2021	1,331,519
Total minimum lease payments	<u>4,984,031</u>
Less amount representing interest	(63,718)
Present value of minimum lease payments	<u><u>\$ 4,920,313</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (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, 2017:

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Balance at June 30, 2017</u>
Landfill improvements	\$ 1,508,343	2.00%	2020	\$ 267,249
Landfill improvements	1,289,280	2.00%	2021	297,295
Landfill improvements	1,417,970	3.98%	2025	646,637
Landfill improvements	2,766,304	3.89%	2027	1,933,092
				<u>3,144,273</u>
		Less current maturities		<u>(430,355)</u>
				<u><u>\$ 2,713,918</u></u>

Notes payable debt service requirements to maturity are as follows as of June 30, 2017:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 535,289	\$ 430,355	\$ 104,934
2019	535,289	442,145	93,144
2020	510,214	429,056	81,158
2021	390,901	324,872	66,029
2022	346,874	292,451	54,423
2023 - 2027	1,328,648	1,225,394	103,254
	<u>\$ 3,647,215</u>	<u>\$ 3,144,273</u>	<u>\$ 502,942</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (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>
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	88,068	49,312	38,756
2023 - 2027	440,340	272,063	168,277
2028 - 2032	440,340	319,998	120,342
2033 - 2037	440,340	376,378	63,962
2038 - 2040	264,203	197,200	67,003
	<u>\$ 2,025,563</u>	<u>\$ 1,396,948</u>	<u>\$ 628,615</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2017 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water System Fund	\$ 2,005
General Fund	Special Service District	2,013
General Fund	Nonmajor Governmental Funds	126,429
General Fund	Landfill Fund	15,027
Special Service District	General Fund	47,626
Landfill Fund	General Fund	3,768
		<u>\$ 196,868</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>General Fund</u>	<u>Transfers Out Nonmajor Governmental Funds</u>	<u>Total</u>
Nonmajor Governmental Funds	\$ 471,242	\$ 375,376	\$ 846,618
General Fund	-	18,848	18,848
Total	<u>\$ 471,242</u>	<u>\$ 394,224</u>	<u>\$ 865,466</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, 2017. 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, 2017 for closure and postclosure care costs is as follows:

	Vertical Landfill	Subtitle D Landfill	Total
Estimated closure costs	\$ -	\$ 3,738,726	\$ 3,738,726
Estimated postclosure care costs	574,099	2,848,311	3,422,410
	574,099	6,587,037	\$ 7,161,136
Percentage of capacity filled, June 30, 2017	100%	22.50%	
Closure and postclosure care cost liability	\$ 574,099	\$ 1,482,256	\$ 2,056,355

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS

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, 2017, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	84
Inactive plan members entitled to but not receiving benefits	97
Active plan members	143
	<hr/>
	324
	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (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, 2017, the County's contribution rate was 18.09% of annual payroll. County contributions to the Plan were \$1,055,935 for the year ended June 30, 2017.

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, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

Actuarial Assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.00% - 5.50%, including inflation
Investment rate of return	7.25%, 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)

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for through December 31, 2016.

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, 2016 are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return *
S&P 500	30 %	3.07 %
Barlay's Agg.	30	1.97
MSCI EAFE	15	0.86
Citi Non US WEBl	5	0.30
NARREIT Equity	5	0.52
Russell 2000	5	0.47
Russell 3000	5	0.51
S&P Mid Cap	5	0.58
	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 7.25%. 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)

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, 2017, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2016	\$ 19,556,153	\$ 13,756,576	\$ 5,799,577
Changes for the year:			
Service cost	300,955	-	300,955
Interest	1,437,762	-	1,437,762
Experience differences	633,787	-	633,787
Assumption changes	627,846	-	627,846
Contributions - employer	-	1,055,935	(1,055,935)
Net investment income	-	963,499	(963,499)
Benefit payments, including refunds of employee contributions	(771,991)	(771,991)	-
Administrative expense	-	(34,721)	34,721
Other charges	-	(126,873)	126,873
Net changes	2,228,359	1,085,849	1,142,510
Balances at June 30, 2017	<u>\$ 21,784,512</u>	<u>\$ 14,842,425</u>	<u>\$ 6,942,087</u>

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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	\$ 9,758,062	\$ 6,942,087	\$ 4,589,409

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (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, 2016 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, 2017, the County recognized pension expense of \$1,491,211. At June 30, 2017, 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	\$ 722,674	\$ -
Pension assumption changes	797,444	-
Differences between expected and actual experience of economic/demographic (gains)/losses	471,278	129,246
	\$ 1,991,396	\$ 129,246

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:	
2018	\$ 657,122
2019	657,122
2020	529,362
2021	18,544
Total	\$ 1,862,150

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, 2017 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:

	2017	2016
Unpaid claims, beginning of fiscal year	\$ 470,000	\$ 230,000
Incurred claims (including IBNRs)	2,335,552	2,969,834
Claim payments and changes in estimates	(2,605,552)	(2,729,834)
Unpaid claims, end of fiscal year	<u>\$ 200,000</u>	<u>\$ 470,000</u>

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. Crisp Regional Health Services, Inc. Debt Guarantee

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 revenues 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 revenues and are guaranteed by Crisp County and an insurance policy. Crisp Regional Health Services, Inc.'s revenue bonds outstanding at June 30, 2017 total \$26,014,000, which are guaranteed by Crisp County, Georgia.

NOTE 13. JOINT VENTURES

A. River Valley Regional Commission

Under Georgia law, Crisp County, in conjunction with cities and counties in the 16-county west central Georgia area, is a member of the River Valley Regional Commission (RVRC). During its year ended June 30, 2017, the County paid \$11,427 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. JOINT VENTURES (CONTINUED)

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.

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.

CRISP COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 300,955	\$ 281,683	\$ 279,312
Interest on total pension liability	1,437,762	1,368,905	1,297,948
Changes of benefit terms	-	-	-
Differences between expected and actual experience	633,787	(246,743)	-
Changes of assumptions	627,846	631,117	-
Benefit payments, including refunds of employee contributions	<u>(771,991)</u>	<u>(730,879)</u>	<u>(631,169)</u>
Net change in total pension liability	2,228,359	1,304,083	946,091
Total pension liability - beginning	<u>19,556,153</u>	<u>18,252,070</u>	<u>17,305,979</u>
Total pension liability - ending (a)	<u>\$ 21,784,512</u>	<u>\$ 19,556,153</u>	<u>\$ 18,252,070</u>
 Plan fiduciary net position			
Contributions - employer	\$ 1,055,935	\$ 914,768	\$ 957,690
Net investment income	963,499	97,867	884,473
Benefit payments, including refunds of employee contributions	(771,991)	(704,462)	(608,356)
Administrative expenses	(34,721)	(31,198)	(28,961)
Other	<u>(126,873)</u>	<u>(76,070)</u>	<u>(90,130)</u>
Net change in plan fiduciary net position	1,085,849	200,905	1,114,716
Plan fiduciary net position - beginning	<u>13,756,576</u>	<u>13,555,671</u>	<u>12,440,955</u>
Plan fiduciary net position - ending (b)	<u>\$ 14,842,425</u>	<u>\$ 13,756,576</u>	<u>\$ 13,555,671</u>
 County's net pension liability - ending (a) - (b)	<u>\$ 6,942,087</u>	<u>\$ 5,799,577</u>	<u>\$ 4,696,399</u>
 Plan fiduciary net position as a percentage of the total pension liability	68.1%	70.3%	74.3%
 Covered-employee payroll	\$ 5,837,978	\$ 5,620,286	\$ 5,546,941
 County's net pension liability as a percentage of covered-employee payroll	118.9%	103.2%	84.7%

Notes to the Schedule

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

**CRISP COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT RETIREMENT PLAN (CONTINUED)
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,055,935	\$ 914,768	\$ 914,768
Contributions in relation to the actuarially determined contribution	<u>1,055,935</u>	<u>914,768</u>	<u>914,768</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,837,978	\$ 5,620,286	\$ 5,546,941
Contributions as a percentage of covered -employee payroll	18.1%	16.3%	16.5%

Notes to the Schedule

Valuation Date	January 1, 2016
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.25%
Projected Salary Increases	4% - 5.5% (including 3% 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.

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.

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 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, 2017

ASSETS	Special Revenue Funds					
	Law Library Fund	Asset Forfeiture Fund	DARE Fund	Jail Fund	E-911 Fund	Hotel/Motel Tax Fund
Cash and cash equivalents	\$ 163,692	\$ 174,054	\$ 126,244	\$ 78,639	\$ 9,224	\$ 433
Investments	-	311,051	-	-	-	-
Taxes receivable	-	-	-	-	-	4,537
Accounts receivable	-	500	-	-	47,183	-
Notes receivable	-	-	-	-	-	-
Due from other governments	-	-	208	1,575	18,659	-
Prepaid items	-	1,000	-	26,500	29,005	-
Total assets	\$ 163,692	\$ 486,605	\$ 126,452	\$ 106,714	\$ 104,071	\$ 4,970
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 59,546	\$ -	\$ 10,839	\$ 15,307	\$ 4,584
Accrued liabilities	-	-	-	-	7,620	-
Due to other funds	-	11,141	12,519	96,571	1,894	386
Total liabilities	-	70,687	12,519	107,410	24,821	4,970
FUND BALANCES (DEFICIT)						
Nonspendable:						
Prepaid items	-	1,000	-	26,500	29,005	-
Restricted for:						
General government	-	-	-	-	-	-
Judicial	163,692	-	-	-	-	-
Public safety	-	414,918	113,933	-	50,245	-
Public works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unassigned	-	-	-	(27,196)	-	-
Total fund balances (deficit)	163,692	415,918	113,933	(696)	79,250	-
Total liabilities and fund balances	\$ 163,692	\$ 486,605	\$ 126,452	\$ 106,714	\$ 104,071	\$ 4,970

Capital Projects Funds

TSPLOST Special Revenue Fund	CDBG Revolving Loan Fund	CDBG Cedar Lake Sewer Project Fund	2000 Sales Tax Fund	TSPLOST Capital Projects Fund	Totals
\$ 1,007,831	\$ 260,146	\$ -	\$ 111,892	\$ -	\$ 1,932,155
-	-	-	-	-	311,051
62,446	-	-	-	-	66,983
-	8,926	-	-	-	56,609
-	1,814,417	-	-	-	1,814,417
-	-	-	-	-	20,442
3,039	-	-	-	-	59,544
<u>\$ 1,073,316</u>	<u>\$ 2,083,489</u>	<u>\$ -</u>	<u>\$ 111,892</u>	<u>\$ -</u>	<u>\$ 4,261,201</u>
\$ 11,256	\$ 380	\$ -	\$ -	\$ -	\$ 101,912
1,731	-	-	-	-	9,351
3,918	-	-	-	-	126,429
<u>16,905</u>	<u>380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237,692</u>
3,039	-	-	-	-	59,544
191,714	-	-	-	-	191,714
-	-	-	-	-	163,692
467,065	-	-	-	-	1,046,161
329,073	-	-	-	-	329,073
65,520	-	-	-	-	65,520
-	2,083,109	-	-	-	2,083,109
-	-	-	111,892	-	111,892
-	-	-	-	-	(27,196)
<u>1,056,411</u>	<u>2,083,109</u>	<u>-</u>	<u>111,892</u>	<u>-</u>	<u>4,023,509</u>
<u>\$ 1,073,316</u>	<u>\$ 2,083,489</u>	<u>\$ -</u>	<u>\$ 111,892</u>	<u>\$ -</u>	<u>\$ 4,261,201</u>

CRISP COUNTY, GEORGIA

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

	Special Revenue Funds					
	Law Library Fund	Asset Forfeiture Fund	DARE Fund	Jail Fund	E-911 Fund	Hotel/Motel Tax Fund
Revenues:						
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	44,815
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	547,514	-
Fines and forfeitures	53,165	75,316	47,481	168,463	-	-
Interest revenue	-	561	-	-	213	24
Other revenues	-	4,319	-	-	12,300	-
Total revenues	<u>53,165</u>	<u>80,196</u>	<u>47,481</u>	<u>168,463</u>	<u>560,027</u>	<u>44,839</u>
Expenditures:						
Current:						
Judicial	55,869	-	-	-	928,704	-
Public safety	-	91,078	14,777	205,679	-	-
Public works	-	-	-	-	-	-
Housing and development	-	-	-	-	-	43,800
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	20,236	-	-	-	-
Interest	-	1,139	-	-	-	-
Total expenditures	<u>55,869</u>	<u>112,453</u>	<u>14,777</u>	<u>205,679</u>	<u>928,704</u>	<u>43,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,704)</u>	<u>(32,257)</u>	<u>32,704</u>	<u>(37,216)</u>	<u>(368,677)</u>	<u>1,039</u>
Other financing sources (uses):						
Transfers in	-	17,940	-	37,223	368,672	-
Transfers out	-	(11,141)	(6,669)	-	-	(1,039)
Total other financing sources (uses)	<u>-</u>	<u>6,799</u>	<u>(6,669)</u>	<u>37,223</u>	<u>368,672</u>	<u>(1,039)</u>
Net change in fund balances	(2,704)	(25,458)	26,035	7	(5)	-
Fund balances (deficit), beginning of year	<u>166,396</u>	<u>441,376</u>	<u>87,898</u>	<u>(703)</u>	<u>79,255</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 163,692</u>	<u>\$ 415,918</u>	<u>\$ 113,933</u>	<u>\$ (696)</u>	<u>\$ 79,250</u>	<u>\$ -</u>

Capital Projects Funds

TSPLOST Special Revenue Fund	CDBG Revolving Loan Fund	CDBG Cedar Lake Sewer Project Fund	2000 Sales Tax Fund	TSPLOST Capital Projects Fund	Totals
\$ 729,467	\$ -	\$ -	\$ -	\$ -	\$ 729,467
-	-	-	-	-	44,815
-	-	430,550	-	200,000	630,550
-	-	-	-	-	547,514
-	-	-	-	-	344,425
2,983	29,022	-	293	-	33,096
-	25,296	-	-	200	42,115
<u>732,450</u>	<u>54,318</u>	<u>430,550</u>	<u>293</u>	<u>200,200</u>	<u>2,371,982</u>
-	-	-	-	-	984,573
-	-	-	-	-	311,534
382,586	-	477,958	-	-	860,544
-	3,249	-	-	-	47,049
-	-	-	14,846	575,575	590,421
-	-	-	-	-	20,236
-	-	-	-	-	1,139
<u>382,586</u>	<u>3,249</u>	<u>477,958</u>	<u>14,846</u>	<u>575,575</u>	<u>2,815,496</u>
<u>349,864</u>	<u>51,069</u>	<u>(47,408)</u>	<u>(14,553)</u>	<u>(375,375)</u>	<u>(443,514)</u>
-	-	47,408	-	375,375	846,618
<u>(375,375)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(394,224)</u>
<u>(375,375)</u>	<u>-</u>	<u>47,408</u>	<u>-</u>	<u>375,375</u>	<u>452,394</u>
(25,511)	51,069	-	(14,553)	-	8,880
<u>1,081,922</u>	<u>2,032,040</u>	<u>-</u>	<u>126,445</u>	<u>-</u>	<u>4,014,629</u>
<u>\$ 1,056,411</u>	<u>\$ 2,083,109</u>	<u>\$ -</u>	<u>\$ 111,892</u>	<u>\$ -</u>	<u>\$ 4,023,509</u>

CRISP COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Project Description</u>	<u>Original and Current Estimated Costs</u>	<u>Expenditures</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>2000 REFERENDUM</u>				
Airport	\$ 375,000	\$ 399,383	\$ 4,000	\$ 403,383
County Buildings	1,517,655	1,562,534	9,170	1,571,704
EMS	224,000	333,527	-	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	1,676	683,653
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	3,526,835	-	3,526,835
Totals	<u>\$ 16,000,000</u>	<u>\$ 17,378,444</u>	<u>\$ 14,846</u>	<u>\$ 17,393,290</u>

(Continued)

CRISP COUNTY, GEORGIA

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Project Description</u>	<u>Original and Current Estimated Costs</u>	<u>Expenditures</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>2005 REFERENDUM</u>				
Judicial Center Project	\$ 6,000,000	\$ 9,725,296	\$ 16,306	\$ 9,741,602
Recreational Department Project	1,000,000	685,594	-	685,594
Airport Project	270,000	7,646	391,958	399,604
Sheriff Department Project	920,000	1,261,694	-	1,261,694
County Buildings Project	835,000	744,399	5,467	749,866
EMS Project	340,000	133,792	-	133,792
Emergency Management Project	200,000	418,066	-	418,066
Jail Project	295,000	106,715	-	106,715
Contingency Project	430,000	154,051	-	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	1,512,129	3,003,976	4,516,105
Totals	<u>\$ 20,000,000</u>	<u>\$ 20,552,934</u>	<u>\$ 3,417,707</u>	<u>\$ 23,970,641</u>

(Continued)

CRISP COUNTY, GEORGIA

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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	425,165	60,760	485,925
Health Department Project	90,000	10,921	31,829	42,750
Industrial Development Authority Project	9,000,000	5,907,976	1,582,619	7,490,595
Public Safety Project	456,029	304,604	-	304,604
EMS Project	711,000	324,253	-	324,253
Fire Department Project	1,152,683	449,047	32,160	481,207
Recreation Project	2,275,210	378,069	43,722	421,791
County Roads Project	1,000,000	-	306,494	306,494
Public Works Project	1,011,500	2,595,414	24,067	2,619,481
Sheriff's Department Project	697,000	679,724	13,344	693,068
Sanitary Solid Waste Project	607,000	-	-	-
City of Cordele Project	4,025,000	2,777,852	602,001	3,379,853
City of Arabi Project	290,000	183,145	43,358	226,503
Water/Storm Water Project	247,000	-	-	-
Contingency Project	570,278	-	-	-
Totals	<u>\$ 25,275,000</u>	<u>\$ 16,138,882</u>	<u>\$ 2,740,354</u>	<u>\$ 18,879,236</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.	\$ 2,740,354
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>\$ 3,015,595</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

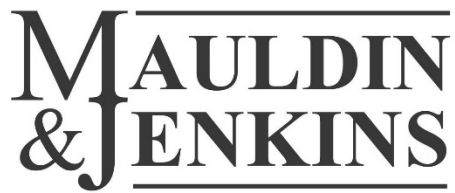
**COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS**

JUNE 30, 2017

ASSETS	Clerk of Superior Court	Probate Court	Sheriff's Office
Cash and cash equivalents	\$ 95,077	\$ 237,979	\$ 301,166
Accounts receivable	-	15,873	-
Taxes receivable	-	-	-
Total assets	\$ 95,077	\$ 253,852	\$ 301,166
 LIABILITIES			
Due to others	\$ 95,077	\$ 253,852	\$ 301,166
Uncollected taxes	-	-	-
Total liabilities	\$ 95,077	\$ 253,852	\$ 301,166

Jail Inmate	Tax Commissioner	Magistrate Court	Total
\$ 41,116	\$ 289,923	\$ 28,846	\$ 994,107
-	-	-	15,873
-	1,121,774	-	1,121,774
<u>\$ 41,116</u>	<u>\$ 1,411,697</u>	<u>\$ 28,846</u>	<u>\$ 2,131,754</u>
\$ 41,116	\$ 289,923	\$ 28,846	\$ 1,009,980
-	1,121,774	-	1,121,774
<u>\$ 41,116</u>	<u>\$ 1,411,697</u>	<u>\$ 28,846</u>	<u>\$ 2,131,754</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, 2017, 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 13, 2017. 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 2017-001 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 are required to be reported under *Government Auditing Standards*.

Crisp County, Georgia's Response to the Finding

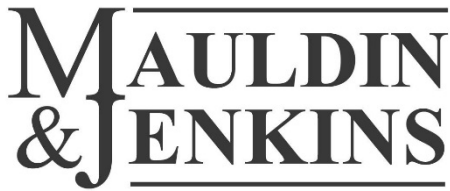
Crisp County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Crisp County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express 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

Macon, Georgia
December 13, 2017



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, 2017. Crisp County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and responses.

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, 2017.

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

Macon, Georgia
December 13, 2017

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Justice				
Direct Award				
Bulletproof Vest Partnership Program	16.607	2014-BU-BX-14074431	\$ 735	\$ -
Bulletproof Vest Partnership Program	16.607	2015-BU-BX-15080028	2,572	-
Total Bulletproof Vest Partnership Program			<u>3,307</u>	<u>-</u>
Passed through Criminal Justice Coordinating Council				
Crime Victims Assistance Program-VOCA Prosecution	16.575	C14-8-109	129,431	-
Crime Victims Assistance Program-VOCA Prosecution	16.575	C16-8-001	32,424	-
Total Crime Victims Assistance Program-VOCA Prosecution			<u>161,855</u>	<u>-</u>
Violence Against Women Act (VAWA Prosecution)	16.588	W15-8-008	32,883	-
Violence Against Women Act (VAWA Prosecution)	16.588	W16-8-008	34,917	-
Total Violence Against Women Act (VAWA Prosecution)			<u>67,800</u>	<u>-</u>
Drug Court Discretionary Grant Program	16.585	J16-8-044	60,694	-
Justice Assistance Grant (JAG) MSNTF	16.803	2014-DJ-BX-0808	29,281	-
Justice Assistance Grant (JAG) MSNTF	16.803	2016-DJ-BX-0808	39,390	-
Total Justice Assistance Grant (JAG) MSNTF			<u>68,671</u>	<u>-</u>
Total U.S. Department Justice			<u>362,327</u>	<u>-</u>
U.S. Department of Transportation				
Passed through Georgia Department of Transportation				
Formula Grants for Rural Areas - Section 5311 Operating	20.509	T005532	10,766	-
Formula Grants for Rural Areas - Section 5311 Operating	20.509	T005904	196,498	196,498
Total Section 5311 Operating Assistance			<u>207,264</u>	<u>196,498</u>
Airport Improvement Program	20.106	AP015-9026-28(081)	183,518	-
Total U.S. Department of Transportation			<u>390,782</u>	<u>196,498</u>
U.S. Department of Homeland Security				
Passed through Georgia Emergency Management Agency				
Pre-Disaster Mitigation	97.047	FEMA-4297-DR-GA	36,163	-
Hazard Mitigation Assistance	97.067	EMW-2016-SS-00007-501	10,850	-
Total U.S. Department of Homeland Security			<u>47,013</u>	<u>-</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	430,550	-
Total CDBG/State's program and Non-Entitlement Grants in Hawaii			<u>430,550</u>	<u>-</u>
Total U.S. Department of Housing & Urban Development			<u>430,550</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,230,672</u>	<u>\$ 196,498</u>

CRISP COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017.

CRISP COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued Unmodified

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

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

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

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

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

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

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.106	U.S. Department of Transportation - Airport Improvement Program
20.509	U.S. Department of Transportation - Formula Grants for Rural Areas – Section 5311 Operating

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

Auditee qualified as low-risk auditee? Yes None

CRISP COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

SECTION II FINANCIAL STATEMENTS FINDINGS AND RESPONSES

2017-001. 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, 2017, 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 RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017

2016-001. 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, 2016, 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 2017-001.

CRISP COUNTY, GEORGIA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

2017-001. 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.