

CRISP COUNTY, GEORGIA

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

CRISP COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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CRISP COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2018

ELECTED

Sam Farrow, Jr., Chairman

Authur James Nance, Vice Chairman

Wallace Mathis, County Commissioner

James R. Dowdy, III, County Commissioner

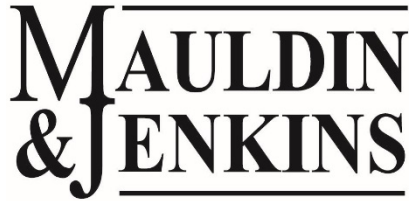
Larry Felton, County Commissioner

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, 2018, 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, 2018, 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 61 and 62) 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 19, 2018, 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 19, 2018

CRISP COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018. 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, 2018, by \$62,275,464 (net position). Of this amount, \$9,511,134 (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 \$531,113 for the fiscal year ended June 30, 2018.
- Included in the total net position of the Primary Government, is a net investment of \$44,697,967 in capital assets net of accumulated depreciation and related debt.
- The County's General Fund unassigned fund balance increased by \$1,031,104 to \$4,908,391 for the fiscal year. This equates to 34% of total General Fund expenditures.
- The fund balances of \$8,016,253 from the Special Service District Fund, SPLOST Funds and other governmental funds brings the County's combined ending fund balance to \$19,798,781 as of the close of fiscal year 2018. This represents a 4.24% increase in the total Governmental Funds fund balance from the previous fiscal year in the amount of \$805,991.
- Capital Leases, compensated absences, net pension liability, along with Landfill closure and post closure cost accounted for a total of \$17,202,630 in long-term debt at 6/30/18. This total represents a decrease of \$1,517,228 in long term debt over the last twelve (12) months and includes a reduction of \$471,901 in notes and revenue bonds payable.

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 (2) 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, 2018, the County maintained twenty one (21) individual governmental funds to account for the following activities: General Fund, Accounts Payable Fund, Law Library Fund, Asset Forfeiture Fund, DARE Fund, Jail Fund, E-911 Fund, Hotel/Motel Tax Fund, Employee Health Benefit Fund, Fixed Asset Fund, CDBG Revolving Loan Fund, Special Services District Fund, CDBG EIP Fund, CDBG Cedar Lake Sewer Project Fund, CDBG Willow Lake Water Project, 2000, 2005, 2011 and 2017 Special Local Option Sales Tax Funds, 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 2011 & 2017 Special Local Option Sales Tax Funds, all of which are considered to be major funds for Fiscal Year 2018. 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 (3) funds are considered major funds of the County.

The basic proprietary fund financial statements can be found on pages 24 – 28 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 29 of this report. The combining statement of assets and liabilities for agency funds is located on pages 71 and 72.

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 30 through 60 of this report.

Required Supplementary Information. The schedule of changes in the County's defined benefit retirement plan that is presented immediately following the notes to the financial statements on pages 61 and 62, shows the calculation of the County's net pension liability as a percentage of covered employee payroll as 103.4% at 6/30/18.

Other Information. The combining schedules and statements referred to earlier in connection with nonmajor governmental funds are presented next on pages 63 through 66 and include the fiscal year's activity for following funds: Law Library Fund; Asset Forfeiture Fund; DARE Fund; Jail Fund; E-911 Fund; Hotel/Motel Tax Fund; TSPLOST Special Revenue Fund; CDBG Revolving Loan Fund; CDBG Cedar Lake Sewer Project Fund; CDBG Willow Lake Water Project Fund; the 2000 and 2005 SPLOST Funds; and the TSPLOST Capital Project Fund.

Following that on pages 67 through 70 are the schedules of expenditures for Fiscal Year 6/30/18 on each of the County's Special Local Option Sales Tax Funds.

Government-Wide Financial Analysis

Net position amounts generally serve over time as a useful indicator of a government's financial status. In the case of Crisp County, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$62,275,464 at the close of the most recent fiscal year.

The largest portion of the County's net position (71%) 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, 2018

	Governmental Activities		Business-type Activities		Total	
	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018
Current and other assets	\$ 20,851,779	\$ 22,066,549	\$ 4,433,763	\$ 5,077,602	\$ 25,285,542	\$ 27,144,151
Capital assets	45,110,607	44,357,834	9,727,132	9,152,409	54,837,739	53,510,243
Total assets	\$ 65,962,386	\$ 66,424,383	\$ 14,160,895	\$ 14,230,011	\$ 80,123,281	\$ 80,654,394
Deferred outflows of resources	\$ 1,923,815	\$ 1,570,970	\$ 67,581	\$ 55,323	\$ 1,991,396	\$ 1,626,293
Long-term liabilities outstanding	\$ 4,800,077	\$ 2,239,726	\$ 6,128,633	\$ 5,738,983	\$ 10,928,710	\$ 7,978,709
Other liabilities	8,200,540	10,093,429	1,045,292	896,794	9,245,832	10,990,223
Total liabilities	\$ 13,000,617	\$ 12,333,155	\$ 7,173,925	\$ 6,635,777	\$ 20,174,542	\$ 18,968,932
Deferred inflows of resources	\$ 124,859	\$ 1,001,039	\$ 4,387	\$ 35,252	\$ 129,246	\$ 1,036,291
Net position:						
Net investment in capital assets	\$ 40,162,954	\$ 39,614,875	\$ 5,185,911	\$ 5,083,092	\$ 45,348,865	\$ 44,697,967
Restricted	8,165,185	8,021,626	43,309	44,737	8,208,494	8,066,363
Unrestricted	6,432,586	7,024,658	1,820,944	2,486,476	8,253,530	9,511,134
Total net position	\$ 54,760,725	\$ 54,661,159	\$ 7,050,164	\$ 7,614,305	\$ 61,810,889	\$ 62,275,464

The remaining balance of unrestricted net position of \$9,511,134 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 total revenues by approximately -0.40% resulting in a decrease in the amount of -\$99,566 in net position for the twelve-month period of July 1, 2017 through June 30, 2018.

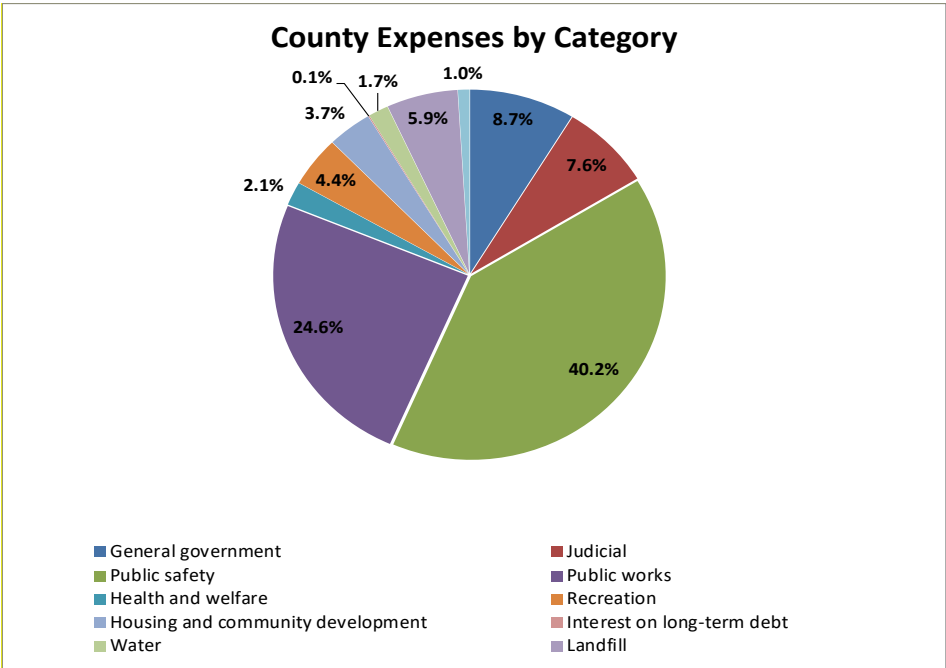
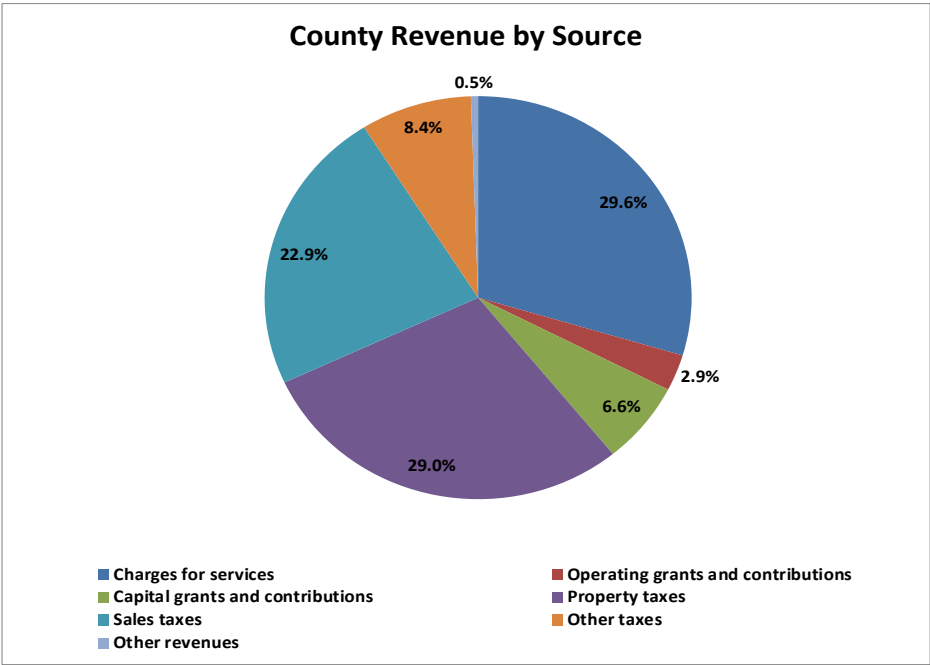
Business-type activities. Business-type activities increased the County's net position over the prior year by \$564,141 for fiscal year 2018. Charges for services represented 99.7% of the total revenues. The following table also indicates the changes in net position for business-type activities for the 2018 fiscal year:

CRISP COUNTY'S CHANGES IN NET POSITION June 30, 2018

	Governmental Activities		Business-type Activities		Total	
	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018
Revenues:						
Program revenues:						
Charges for services	\$ 4,791,944	\$ 5,354,440	\$ 5,745,236	\$ 2,926,720	\$ 10,537,180	\$ 8,281,160
Operating grants and contributions	1,570,410	812,651	-	-	1,570,410	812,651
Capital grants and contributions	961,482	1,841,654	-	-	961,482	1,841,654
General revenues:						
Property taxes	7,927,042	8,093,605	-	-	7,927,042	8,093,605
Sales taxes	6,225,074	6,412,790	-	-	6,225,074	6,412,790
Franchise taxes	1,131,451	1,053,496	-	-	1,131,451	1,053,496
Insurance premium tax	709,438	762,032	-	-	709,438	762,032
Other taxes	476,014	538,949	-	-	476,014	538,949
Unrestricted investment earnings	72,523	138,732	8,365	8,275	80,888	147,007
Gain on sale of capital assets	81,268	5,418	-	-	81,268	5,418
Transfers	-	26,692	-	(26,692)	-	-
Total revenues	<u>23,946,646</u>	<u>25,040,459</u>	<u>5,753,601</u>	<u>2,908,303</u>	<u>29,700,247</u>	<u>27,948,762</u>
Expenses:						
General government	3,692,684	2,402,420	-	-	3,692,684	2,402,420
Judicial	2,835,597	2,084,277	-	-	2,835,597	2,084,277
Public safety	8,996,044	11,056,605	-	-	8,996,044	11,056,605
Public works	6,336,547	6,772,165	-	-	6,336,547	6,772,165
Health and welfare	554,834	565,445	-	-	554,834	565,445
Recreation	1,260,859	1,218,423	-	-	1,260,859	1,218,423
Housing and community development	1,005,204	1,013,838	-	-	1,005,204	1,013,838
Interest on long-term debt	33,054	26,852	-	-	33,054	26,852
Water	-	-	389,721	456,039	389,721	456,039
Landfill	-	-	1,551,452	1,624,970	1,551,452	1,624,970
Self insurance health benefit	-	-	3,262,335	263,153	3,262,335	263,153
Total expenses	<u>24,714,823</u>	<u>25,140,025</u>	<u>5,203,508</u>	<u>2,344,162</u>	<u>29,918,331</u>	<u>27,484,187</u>
Total increase (decrease) in net position	<u>(768,177)</u>	<u>(99,566)</u>	<u>550,093</u>	<u>564,141</u>	<u>(218,084)</u>	<u>464,575</u>
Net position, beginning 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>
Net position, end of year	<u>\$ 54,760,725</u>	<u>\$ 54,661,159</u>	<u>\$ 7,050,164</u>	<u>\$ 7,614,305</u>	<u>\$ 61,810,889</u>	<u>\$ 62,275,464</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS

Approximately 29.6% of the County’s total revenue came from charges from services, 29.0% from property taxes, 22.9% from sales tax, while the remaining 18.5% came from various other revenues. The County’s expenses cover a range of services. The largest expenses, 40.2%, are related to providing public safety, which includes law enforcement, fire protection, E-911 services, ambulance services, animal control, coroner and detention facility services.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported an increase in combined ending fund balances from the previous year of \$805,991 pushing that number up to \$19,798,781.

The General Fund is the chief operating fund of Crisp County and ended the fiscal year with a fund balance of \$11,782,528, which is up \$1,538,493 over the previous year. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance of \$4,908,391 to the fund's total expenditures of \$14,650,242 as a percentage. Unassigned fund balance represents 34% 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 2011 and 2017 Special Local Option Sales Tax Funds, all considered major funds for FY 18, and the Nonmajor Governmental Funds have a combined total fund balance of \$8,016,253, of which \$8,044,602 is restricted for specific uses with -\$28,349 being 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 \$2,642,862. The Water Fund recorded an operating income of \$251,556 for fiscal year 2018. Combined with net non-operating expenses of \$39,339, this fund's net position increased by \$185,525 during this fiscal year.

Unrestricted net position of the Landfill Fund at the end of the year amounted to a negative \$158,798. The Landfill Fund's operating income of \$399,906 combined with net non-operating expenses of \$102,657 provided an increase of \$297,249 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, 2018, amounts to \$53,510,243 (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
	2018	2018	Total
Land	\$ 2,499,465	\$ 765,223	\$ 3,264,688
Construction in progress	1,309,559	115,435	1,424,994
Land improvements	5,648,071	-	5,648,071
Infrastructure	12,525,784	-	12,525,784
Plant and buildings	16,061,276	7,653,530	23,714,806
Furniture, machinery and equipment	6,313,679	560,540	6,874,219
System improvements	-	57,681	57,681
Total	\$ 44,357,834	\$ 9,152,409	\$ 53,510,243

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

- \$4.4 million was expended in SPLOST and GDOT Funds to complete various road paving and improvement projects throughout the County.
- An additional \$745,106 in SPLOST Funds were used to continue construction on Phase II of the Crisp County Youth Recreation Complex.
- \$765,359 in SPLOST and General Funds were expended on County Building projects, including renovations for the Crisp County Government Center, the Crisp County Showbarn and the Crisp County Health Department.
- \$564,453 in SPLOST, GDOT and FAA Funds to begin Phase I construction of the Crisp County Airfield Drainage project.
- Twenty-six items of new equipment totaling \$369,272 were purchased during the year some of which included: a new localizer and mowing equipment for the Airport; Breathing apparatus equipment, a cargo container, generators and an educational Robot for the Fire Department; Mowing equipment for Public Works; and commercial laundry equipment for the Detention Center.
- A new fire truck was purchased with SPLOST Funds in the amount of \$249,965.
- A total of \$236,567 in SPLOST, General and Asset Forfeiture funds were used to purchase seven new vehicles for the Crisp County Sheriff's Department.
- Additional information on the County's capital assets can be found in Note 6 on pages 46 and 47 of this report.

Long-Term Debt. As of June 30, 2018, Crisp County's long-term debt consisted of notes payable, capital lease payable, compensated absences, revenue bonds payable, pension liability and landfill closure and post-closure care.

The County recorded a net decrease in total long-term debt for its governmental funds of \$1,108,402. The business-type activities logged a net decrease in long term debt of \$408,826 during fiscal year ending June 30, 2018.

Additional information on the County's long-term debt can be found in Note 7 on pages 48 through 51 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors

- Crisp County's unemployment at 6/30/18 dropped over the last twelve months, from 5.6% down to 4.7%. This is slightly above the State of Georgia average of 4.2% and also exceeds the national average of 4.0%.

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, 2018

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Crisp County Power Commission	Crisp Regional Health Service, Inc.	Crisp County Board of Health
ASSETS						
Cash and cash equivalents	\$ 11,143,677	\$ 4,697,635	\$ 15,841,312	\$ 10,188,924	\$ 4,570,000	\$ 895,940
Investments	7,095,794	-	7,095,794	30,219,181	-	-
Taxes receivable	781,602	-	781,602	-	-	-
Accounts receivable, net of allowances	112,955	251,695	364,650	4,398,311	19,006,000	34,863
Notes receivable	1,481,768	-	1,481,768	-	775,000	-
Internal balances	39,562	(39,562)	-	-	-	-
Due from other governments	1,035,407	-	1,035,407	-	-	-
Due from component unit	25,372	-	25,372	-	-	-
Inventories	14,775	-	14,775	916,233	2,419,000	-
Prepaid items	335,637	18,361	353,998	179,963	-	-
Other assets	-	-	-	982,928	2,897,000	-
Restricted assets:						
Cash	-	149,473	149,473	-	-	-
Assets limited as to use	-	-	-	631,876	47,594,000	-
Goodwill	-	-	-	-	3,547,000	-
Investment in affiliated companies	-	-	-	-	431,000	-
Capital assets:						
Nondepreciable	3,809,024	880,658	4,689,682	1,017,408	4,384,000	-
Depreciable, net of accumulated depreciation	40,548,810	8,271,751	48,820,561	16,162,535	34,348,000	11,517
Total assets	66,424,383	14,230,011	80,654,394	64,697,359	119,971,000	942,320
DEFERRED OUTFLOWS OF RESOURCES						
Pension	1,570,970	55,323	1,626,293	2,134,460	-	86,536
Total deferred outflows of resources	1,570,970	55,323	1,626,293	2,134,460	-	86,536

(Continued)

CRISP COUNTY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Crisp County Power Commission	Crisp Regional Health Service, Inc.	Crisp County Board of Health
LIABILITIES						
Accounts payable	\$ 1,376,084	\$ 101,429	\$ 1,477,513	\$ 2,657,547	\$ 2,810,000	\$ 33,715
Accrued liabilities	187,690	14,309	201,999	464,701	4,803,000	-
Customer deposits payable	-	63,722	63,722	631,876	-	-
Due to other governments	-	23,068	23,068	-	-	-
Capital leases due within one year	2,637,949	-	2,637,949	-	-	-
Capital leases due in more than one year	2,105,010	-	2,105,010	-	-	-
Notes payable due within one year	-	442,158	442,158	-	-	-
Notes payable due in more than one year	-	2,273,520	2,273,520	-	-	-
Bonds payable due within one year	-	44,737	44,737	-	810,000	-
Bonds payable due in more than one year	-	1,308,902	1,308,902	-	24,472,000	-
Compensated absences due within one year	133,678	4,598	138,276	-	-	9,635
Compensated absences due in more than one year	134,716	6,815	141,531	-	-	1,623
Closure and post-closure care costs	-	2,149,746	2,149,746	-	-	-
Net pension liability	5,758,028	202,773	5,960,801	3,546,489	-	270,891
Net OPEB liability	-	-	-	-	-	262,343
Total liabilities	12,333,155	6,635,777	18,968,932	7,300,613	32,895,000	578,207
DEFERRED INFLOWS OF RESOURCES						
Pension	1,001,039	35,252	1,036,291	-	-	229,523
Total deferred inflows of resources	1,001,039	35,252	1,036,291	-	-	229,523
NET POSITION						
Net investment in capital assets	39,614,875	5,083,092	44,697,967	17,179,943	13,450,000	11,517
Restricted for:						
Debt service	-	44,737	44,737	-	-	-
Judicial	176,392	-	176,392	-	-	-
Public safety	1,071,464	-	1,071,464	-	-	-
Economic development	2,146,846	-	2,146,846	-	-	-
Capital outlay	4,626,924	-	4,626,924	-	-	192,544
Unrestricted	7,024,658	2,486,476	9,511,134	42,351,263	73,626,000	17,065
Total net position	\$ 54,661,159	\$ 7,614,305	\$ 62,275,464	\$ 59,531,206	\$ 87,076,000	\$ 221,126

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

CRISP COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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	\$ 2,402,420	\$ 928,979	\$ 175,815	\$ 436,767	\$ (860,859)	\$ -	\$ (860,859)	\$ -	\$ -	\$ -
Judicial	2,084,277	57,773	-	72	(2,026,432)	-	(2,026,432)	-	-	-
Public safety	11,056,605	4,261,338	445,318	328,702	(6,021,247)	-	(6,021,247)	-	-	-
Public works	6,772,165	3,049	191,518	674,379	(5,903,219)	-	(5,903,219)	-	-	-
Health and welfare	565,445	-	-	-	(565,445)	-	(565,445)	-	-	-
Parks and recreation	1,218,423	94,251	-	102	(1,124,070)	-	(1,124,070)	-	-	-
Housing and development	1,013,838	9,050	-	401,632	(603,156)	-	(603,156)	-	-	-
Interest on long-term debt	26,852	-	-	-	(26,852)	-	(26,852)	-	-	-
Total governmental activities	25,140,025	5,354,440	812,651	1,841,654	(17,131,280)	-	(17,131,280)	-	-	-
Business-type activities:										
Water system	456,039	662,843	-	-	-	206,804	206,804	-	-	-
Landfill	1,624,970	1,919,582	-	-	-	294,612	294,612	-	-	-
Self-insurance health benefit	263,153	344,295	-	-	-	81,142	81,142	-	-	-
Total business-type activities	2,344,162	2,926,720	-	-	-	582,558	582,558	-	-	-
Total primary government	\$ 27,484,187	\$ 8,281,160	\$ 812,651	\$ 1,841,654	(17,131,280)	582,558	(16,548,722)	-	-	-
Component units:										
Crisp County Power Commission	\$ 37,860,094	\$ 42,086,679	\$ -	\$ -	-	-	-	4,226,585	-	-
Crisp Regional Health Services, Inc.	115,646,000	117,321,000	1,269,000	-	-	-	-	-	2,944,000	-
Crisp County Board of Health	454,620	341,399	460,009	-	-	-	-	-	-	346,788
Total component units	\$ 153,960,714	\$ 159,749,078	\$ 1,729,009	\$ -	-	-	-	4,226,585	2,944,000	346,788
General revenues:										
Property taxes					8,093,605	-	8,093,605	-	-	-
Sales taxes					6,412,790	-	6,412,790	-	-	-
Franchise fees					1,053,496	-	1,053,496	-	-	-
Business taxes					762,032	-	762,032	-	-	-
Other taxes					538,949	-	538,949	-	-	-
Unrestricted investment earnings					138,732	8,275	147,007	833,397	850,000	468
Gain on sale of capital assets					5,418	-	5,418	-	-	-
Transfers					26,692	(26,692)	-	-	-	-
Total general revenues and transfers					17,031,714	(18,417)	17,013,297	833,397	850,000	468
Change in net position					(99,566)	564,141	464,575	5,059,982	3,794,000	347,256
Net position, beginning of year					54,760,725	7,050,164	61,810,889	54,471,224	83,282,000	(126,130)
Net position, end of year	\$ 54,661,159	\$ 7,614,305	\$ 62,275,464	\$ 59,531,206	\$ 59,531,206	\$ 87,076,000	\$ 221,126			

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

CRISP COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	Special Service District Fund	2011 Sales Tax Fund	2017 Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,913,890	\$ 472,537	\$ 2,536,863	\$ 1,137,167	\$ 3,083,220	\$ 11,143,677
Investments	6,804,743	-	-	-	291,051	7,095,794
Receivables, net of allowance:						
Taxes	688,913	22,346	-	-	70,343	781,602
Accounts	30,521	11,488	-	-	70,946	112,955
Notes	-	-	-	-	1,481,768	1,481,768
Due from other funds	681,483	-	-	-	193	681,676
Due from other governments	575,547	-	-	332,281	127,579	1,035,407
Due from component unit	25,372	-	-	-	-	25,372
Prepaid items	268,198	30,307	-	-	37,132	335,637
Inventory	14,775	-	-	-	-	14,775
Total assets	<u>\$ 13,003,442</u>	<u>\$ 536,678</u>	<u>\$ 2,536,863</u>	<u>\$ 1,469,448</u>	<u>\$ 5,162,232</u>	<u>\$ 22,708,663</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 381,170	\$ 7,647	\$ 161,902	\$ 172,139	\$ 653,226	\$ 1,376,084
Accrued liabilities	154,472	17,736	-	-	12,115	184,323
Due to other funds	-	21,690	-	-	620,424	642,114
Total liabilities	<u>535,642</u>	<u>47,073</u>	<u>161,902</u>	<u>172,139</u>	<u>1,285,765</u>	<u>2,202,521</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - property taxes	685,272	22,089	-	-	-	707,361
Total deferred inflow of resources	<u>685,272</u>	<u>22,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>707,361</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	268,198	30,307	-	-	37,132	335,637
Inventory	14,775	-	-	-	-	14,775
Restricted for:						
General government	26,219	-	-	-	6,668	32,887
Judicial	-	-	-	-	176,392	176,392
Public safety	64,853	437,209	-	-	569,402	1,071,464
Public works	45,693	-	-	-	11,444	57,137
Recreation	9,098	-	-	-	2,278	11,376
Economic development	-	-	-	-	2,146,846	2,146,846
Capital outlay	-	-	2,374,961	1,297,309	954,654	4,626,924
Committed for:						
General government	966,795	-	-	-	-	966,795
Judicial	773,437	-	-	-	-	773,437
Public safety	2,384,762	-	-	-	-	2,384,762
Public works	1,675,778	-	-	-	-	1,675,778
Recreation	322,265	-	-	-	-	322,265
Economic development	322,264	-	-	-	-	322,264
Unassigned	4,908,391	-	-	-	(28,349)	4,880,042
Total fund balances	<u>11,782,528</u>	<u>467,516</u>	<u>2,374,961</u>	<u>1,297,309</u>	<u>3,876,467</u>	<u>19,798,781</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 13,003,442</u>	<u>\$ 536,678</u>	<u>\$ 2,536,863</u>	<u>\$ 1,469,448</u>	<u>\$ 5,162,232</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.	44,357,834
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	707,361
Deferred outflows of resources are not available to pay for current resources and, therefore, are not reported in the funds.	1,570,970
Certain long-term liabilities are not due and payable in the current period and are, therefore, not reported in the funds.	(5,014,720)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(5,758,028)
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.	(1,001,039)

Net position of governmental activities \$ 54,661,159

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

CRISP COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General	Special Service District Fund	2011 Sales Tax Fund
Revenues			
Property taxes	\$ 7,686,376	\$ 439,974	\$ -
Sales taxes	1,848,636	-	1,897,075
Franchise taxes	554,420	499,076	-
Business taxes	61,844	700,188	-
Other taxes	488,974	2,739	-
Licenses and permits	36,743	25,867	-
Intergovernmental	1,382,116	-	-
Charges for services	1,899,407	-	-
Fines and forfeitures	2,100,957	-	-
Interest income	95,802	-	12,599
Other revenues	288,179	70,066	-
Total revenues	16,443,454	1,737,910	1,909,674
Expenditures			
Current:			
General government	2,193,803	-	-
Judicial	2,074,038	-	-
Public safety	6,696,092	1,433,794	-
Public works	1,525,561	46,401	-
Health and welfare	512,473	-	-
Parks and recreation	977,618	-	-
Housing and development	640,657	179,040	-
Intergovernmental payments	-	-	1,167,519
Capital outlay	-	-	1,681,089
Debt service:			
Principal	30,000	-	247,799
Interest	-	-	27,436
Total expenditures	14,650,242	1,659,235	3,123,843
Excess (deficiency) of revenues over (under) expenditures	1,793,212	78,675	(1,214,169)
Other financing sources (uses)			
Proceeds from the sale of capital assets	5,418	-	-
Capital leases	73,105	-	-
Transfers in	30,655	-	-
Transfers out	(363,917)	-	-
Total other financing sources (uses)	(254,739)	-	-
Net change in fund balances	1,538,473	78,675	(1,214,169)
Fund balances, beginning of year	10,244,055	388,841	3,589,130
Fund balances, end of year	\$ 11,782,528	\$ 467,516	\$ 2,374,961

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

2017 Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 8,126,350
1,916,956	750,123	6,412,790
-	-	1,053,496
-	-	762,032
-	47,236	538,949
-	-	62,610
-	1,259,421	2,641,537
-	559,184	2,458,591
-	309,701	2,410,658
88	43,011	151,500
-	64,336	422,581
<u>1,917,044</u>	<u>3,033,012</u>	<u>25,041,094</u>
-	-	2,193,803
-	45,073	2,119,111
-	1,200,465	9,330,351
-	549,455	2,121,417
-	-	512,473
-	-	977,618
-	46,291	865,988
516,364	-	1,683,883
103,371	2,445,979	4,230,439
-	-	277,799
-	-	27,436
<u>619,735</u>	<u>4,287,263</u>	<u>24,340,318</u>
<u>1,297,309</u>	<u>(1,254,251)</u>	<u>700,776</u>
-	-	5,418
-	-	73,105
-	1,636,627	1,667,282
-	(1,276,673)	(1,640,590)
-	359,954	105,215
1,297,309	(894,297)	805,991
-	4,770,764	18,992,790
<u>\$ 1,297,309</u>	<u>\$ 3,876,467</u>	<u>\$ 19,798,781</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, 2018

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

Net change in fund balances - total governmental funds	\$ 805,991
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 depreciation exceeds outlay in the current period.	(752,773)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(32,745)
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.	204,694
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>(324,733)</u>
Net change in net position - governmental activities	<u>\$ (99,566)</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, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 7,328,000	\$ 7,686,300	\$ 7,686,376	\$ 76
Sales taxes	1,740,000	1,848,625	1,848,636	11
Franchise taxes	560,000	554,425	554,420	(5)
Business taxes	48,000	61,850	61,844	(6)
Other taxes	379,600	488,900	488,974	74
Licenses and permits	33,600	36,743	36,743	-
Intergovernmental	895,614	1,382,064	1,382,116	52
Charges for services	1,376,900	1,942,725	1,899,407	(43,318)
Fines and forfeitures	1,584,000	2,100,940	2,100,957	17
Interest revenue	25,000	95,800	95,802	2
Other revenues	208,000	288,146	288,179	33
Total revenues	<u>14,178,714</u>	<u>16,486,518</u>	<u>16,443,454</u>	<u>(43,064)</u>
Expenditures:				
Current:				
General government:				
Legislative	463,425	366,505	366,223	282
Executive	151,468	141,818	141,572	246
Elections	98,139	142,189	141,884	305
Financial administration	436,608	418,733	401,058	17,675
Data processing	15,000	11,250	11,220	30
Human resources	-	23,900	23,786	114
Tax commissioner	331,322	304,452	304,188	264
Tax assessor	374,409	347,309	347,060	249
General government buildings and plant	480,138	457,338	456,812	526
Total general government	<u>2,350,509</u>	<u>2,213,494</u>	<u>2,193,803</u>	<u>19,691</u>
Judicial:				
Judicial administration	105,146	107,246	107,225	21
Drug court	151,889	113,414	113,301	113
Clerk of superior court	431,744	429,290	429,018	272
District attorney	247,430	384,780	384,736	44
Magistrate court	262,301	244,901	244,710	191
Probate court	319,179	326,279	326,083	196
Juvenile court	56,385	65,660	65,646	14
Grand jury	40,500	34,675	34,645	30
Public defender	461,332	368,807	368,674	133
Total judicial	<u>2,075,906</u>	<u>2,075,052</u>	<u>2,074,038</u>	<u>1,014</u>
Public safety:				
Sheriff	3,430,106	3,614,481	3,609,075	5,406
Jail operations	2,410,713	2,538,188	2,537,804	384
Fire	11,462	11,837	11,809	28
EMS	215,741	217,491	217,407	84
Coroner	36,962	41,837	41,732	105
Other protection	228,324	278,599	278,265	334
Total public safety	<u>6,333,308</u>	<u>6,702,433</u>	<u>6,696,092</u>	<u>6,341</u>

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures: (Continued)				
Public works:				
Public works administration	\$ 1,403,086	\$ 1,426,411	\$ 1,426,017	\$ 394
Intergovernmental payments of energy excise tax	68,347	82,997	82,977	20
Other	-	16,700	16,567	133
Total public works	1,471,433	1,526,108	1,525,561	547
Health and welfare:				
Health	277,998	276,923	276,827	96
Welfare	14,750	12,275	12,260	15
Community services	238,726	222,176	222,091	85
Public education	1,300	1,300	1,295	5
Total health and welfare	532,774	512,674	512,473	201
Parks and recreation:				
Recreation	896,292	858,504	857,319	1,185
Parks	105,349	122,249	120,299	1,950
Total parks and recreation	1,001,641	980,753	977,618	3,135
Housing and development:				
Conservation	167,626	188,651	205,670	(17,019)
Economic development and assistance	436,543	433,243	433,141	102
Economic opportunity	2,400	1,850	1,846	4
Total housing and development	606,569	623,744	640,657	(16,913)
Debt service:				
Principal	-	30,000	30,000	-
Interest	-	-	-	-
Total debt service	-	30,000	30,000	-
Total expenditures	14,372,140	14,664,258	14,650,242	14,016
Excess (deficiency) of revenues over (under) expenditures	(193,426)	1,822,260	1,793,212	(29,048)
Other financing sources (uses)				
Proceeds from sale of assets	25,000	5,425	5,418	(7)
Capital leases	-	77,350	73,105	(4,245)
Transfers in	-	30,650	30,655	5
Transfers out	(412,114)	(355,789)	(363,917)	(8,128)
Total other financing uses	(387,114)	(242,364)	(254,739)	(12,375)
Net change in fund balances	(580,540)	1,579,896	1,538,473	(41,423)
Fund balance, beginning of year	10,244,055	10,244,055	10,244,055	-
Fund balance, end of year	\$ 9,663,515	\$ 11,823,951	\$ 11,782,528	\$ (41,423)

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, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 425,500	\$ 439,850	\$ 439,974	\$ 124
Franchise taxes	506,000	499,025	499,076	51
Business taxes	650,000	700,175	700,188	13
Other taxes	13,750	2,700	2,739	39
Licenses and permits	46,700	25,850	25,867	17
Other revenues	550	70,025	70,066	41
Total revenues	<u>1,642,500</u>	<u>1,737,625</u>	<u>1,737,910</u>	<u>285</u>
Expenditures:				
Current:				
Public safety:				
Fire	1,435,575	1,434,125	1,433,794	331
Total public safety	<u>1,435,575</u>	<u>1,434,125</u>	<u>1,433,794</u>	<u>331</u>
Public works:				
Solid waste collection	20,000	46,475	46,401	74
Total public works	<u>20,000</u>	<u>46,475</u>	<u>46,401</u>	<u>74</u>
Housing and development:				
Planning and zoning	171,882	179,282	179,040	242
Total housing and development	<u>171,882</u>	<u>179,282</u>	<u>179,040</u>	<u>242</u>
Total expenditures	<u>1,627,457</u>	<u>1,659,882</u>	<u>1,659,235</u>	<u>647</u>
Net change in fund balances	15,043	77,743	78,675	932
Fund balance, beginning of year	<u>388,841</u>	<u>388,841</u>	<u>388,841</u>	<u>-</u>
Fund balance, end of year	<u>\$ 403,884</u>	<u>\$ 466,584</u>	<u>\$ 467,516</u>	<u>\$ 932</u>

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

CRISP COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2018

	Crisp County Water System	Crisp County Landfill	(Nonmajor Fund) Self-Insurance Health Benefit Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,597,991	\$ 2,097,232	\$ 2,412	\$ 4,697,635
Accounts receivable, net of allowances	48,617	203,078	-	251,695
Prepaid expenses	5,194	13,167	-	18,361
Restricted assets, cash	149,473	-	-	149,473
Total current assets	2,801,275	2,313,477	2,412	5,117,164
NONCURRENT ASSETS				
Capital assets:				
Nondepreciable	-	880,658	-	880,658
Depreciable, net of accumulated depreciation	2,737,733	5,534,018	-	8,271,751
Total noncurrent assets	2,737,733	6,414,676	-	9,152,409
Total assets	5,539,008	8,728,153	2,412	14,269,573
DEFERRED OUTFLOWS OF RESOURCES				
Pension	15,026	40,297	-	55,323
Total deferred outflows of resources	15,026	40,297	-	55,323
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	3,070	98,359	-	101,429
Accrued liabilities	1,497	12,812	-	14,309
Due to other funds	6,803	32,759	-	39,562
Due to other governments	-	23,068	-	23,068
Notes payable, current portion	-	442,158	-	442,158
Compensated absences, current portion	355	4,243	-	4,598
Payable from restricted assets:				
Customer deposits	52,160	11,562	-	63,722
Revenue bonds payable, current portion	44,737	-	-	44,737
Total current liabilities	108,622	624,961	-	733,583
NONCURRENT LIABILITIES				
Notes payable, net of current portion	-	2,273,520	-	2,273,520
Revenue bonds payable, net of current portion	1,308,902	-	-	1,308,902
Compensated absences, net of current portion	167	6,648	-	6,815
Closure and postclosure care costs	-	2,149,746	-	2,149,746
Net pension liability	55,075	147,698	-	202,773
Total long-term liabilities	1,364,144	4,577,612	-	5,941,756
Total liabilities	1,472,766	5,202,573	-	6,675,339

(Continued)

CRISP COUNTY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

JUNE 30, 2018

	<u>Crisp County Water System</u>	<u>Crisp County Landfill</u>	<u>(Nonmajor Fund) Self-Insurance Health Benefit Fund</u>	<u>Totals</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	\$ 9,575	\$ 25,677	\$ -	\$ 35,252
Total deferred inflows of resources	<u>9,575</u>	<u>25,677</u>	<u>-</u>	<u>35,252</u>
NET POSITION				
Net investment in capital assets	1,384,094	3,698,998	-	5,083,092
Restricted for debt service	44,737	-	-	44,737
Unrestricted (deficit)	2,642,862	(158,798)	2,412	2,486,476
Total net position	<u>\$ 4,071,693</u>	<u>\$ 3,540,200</u>	<u>\$ 2,412</u>	<u>\$ 7,614,305</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, 2018

	Crisp County Water System	Crisp County Landfill	(Nonmajor Fund) Self-Insurance Health Benefit Fund	Totals
OPERATING REVENUES				
Charges for services	\$ 662,843	\$ 1,906,653	\$ -	\$ 2,569,496
Other revenue	-	12,929	344,295	357,224
Total operating revenues	<u>662,843</u>	<u>1,919,582</u>	<u>344,295</u>	<u>2,926,720</u>
OPERATING EXPENSES				
Personnel services	103,216	329,646	-	432,862
Cost of sales and services	44,351	599,682	236,510	880,543
Supplies	54,006	115,339	-	169,345
Administration	20,000	90,000	26,643	136,643
Depreciation	189,714	385,009	-	574,723
Total operating expenses	<u>411,287</u>	<u>1,519,676</u>	<u>263,153</u>	<u>2,194,116</u>
Operating income	<u>251,556</u>	<u>399,906</u>	<u>81,142</u>	<u>732,604</u>
NONOPERATING INCOME (EXPENSES)				
Interest income	5,413	2,637	225	8,275
Interest expense	<u>(44,752)</u>	<u>(105,294)</u>	-	<u>(150,046)</u>
Total nonoperating income (expenses)	<u>(39,339)</u>	<u>(102,657)</u>	<u>225</u>	<u>(141,771)</u>
Income before transfers	212,217	297,249	81,367	590,833
TRANSFERS				
Transfers out	<u>(26,692)</u>	-	-	<u>(26,692)</u>
Total transfers	<u>(26,692)</u>	-	-	<u>(26,692)</u>
Change in net position	185,525	297,249	81,367	564,141
NET POSITION, beginning of year	<u>3,886,168</u>	<u>3,242,951</u>	<u>(78,955)</u>	<u>7,050,164</u>
NET POSITION, end of year	<u>\$ 4,071,693</u>	<u>\$ 3,540,200</u>	<u>\$ 2,412</u>	<u>\$ 7,614,305</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, 2018

	Crisp County Water System	Crisp County Landfill	(Nonmajor Fund) Self-Insurance Health Benefit Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from other customers	\$ 674,496	\$ 1,914,192	\$ 344,295	\$ 2,932,983
Payments to suppliers	(116,052)	(623,487)	(463,153)	(1,202,692)
Payments to employees	(102,645)	(318,145)	-	(420,790)
Net cash provided by (used in) operating activities	<u>455,799</u>	<u>972,560</u>	<u>(118,858)</u>	<u>1,309,501</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	(26,692)	-	-	(26,692)
Net cash provided by noncapital financing activities	<u>(26,692)</u>	<u>-</u>	<u>-</u>	<u>(26,692)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on bonds	(43,309)	-	-	(43,309)
Principal paid on notes payable	-	(428,595)	-	(428,595)
Interest paid	(44,760)	(106,693)	-	(151,453)
Net cash used in capital and related financing activities	<u>(88,069)</u>	<u>(535,288)</u>	<u>-</u>	<u>(623,357)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	5,413	2,637	225	8,275
Net cash provided by investing activities	<u>5,413</u>	<u>2,637</u>	<u>225</u>	<u>8,275</u>
Increase (decrease) in cash and cash equivalents	346,451	439,909	(118,633)	667,727
Cash and cash equivalents:				
Beginning of year	2,401,013	1,657,323	121,045	4,179,381
End of year	<u>\$ 2,747,464</u>	<u>\$ 2,097,232</u>	<u>\$ 2,412</u>	<u>\$ 4,847,108</u>
Classified as:				
Cash and cash equivalents	\$ 2,597,991	\$ 2,097,232	\$ 2,412	\$ 4,697,635
Restricted assets, cash	149,473	-	-	149,473
	<u>\$ 2,747,464</u>	<u>\$ 2,097,232</u>	<u>\$ 2,412</u>	<u>\$ 4,847,108</u>

(Continued)

CRISP COUNTY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Crisp County Water System</u>	<u>Crisp County Landfill</u>	<u>(Nonmajor Fund) Self-Insurance Health Benefit Fund</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by (used in) operating activities				
Operating income	\$ 251,556	\$ 399,906	\$ 81,142	\$ 732,604
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation and amortization	189,714	385,009	-	574,723
(Increase) decrease in accounts receivable	6,225	(9,815)	-	(3,590)
Decrease in due from other funds	-	3,768	-	3,768
Decrease in prepaid expenses	1,104	76	-	1,180
Decrease in assumption change	4,026	8,232	-	12,258
Decrease in subsequent pension contributions	8,338	22,527	-	30,865
Increase in accounts payable	1,201	70,143	-	71,344
Decrease in claims payable	-	-	(200,000)	(200,000)
Increase (decrease) in accrued liabilities	(734)	192	-	(542)
Increase in customer deposits	630	657	-	1,287
Increase in due to other funds	4,798	17,732	-	22,530
Increase in compensated absences	284	2,217	-	2,501
Decrease in net pension liability	(11,343)	(21,475)	-	(32,818)
Increase in closure and post-closure costs	-	93,391	-	93,391
Net cash provided by (used in) operating activities	<u>\$ 455,799</u>	<u>\$ 972,560</u>	<u>\$ (118,858)</u>	<u>\$ 1,309,501</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, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,399,601
Accounts receivable	21,174
Taxes receivable	<u>1,052,445</u>
Total assets	<u>\$ 2,473,220</u>
LIABILITIES	
Due to others	\$ 1,420,775
Uncollected taxes	1,052,445
Total liabilities	<u>\$ 2,473,220</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, 2018

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 **2017 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.

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 ***enterprise fund*** accounts for the self-insurance health benefit plan provided for the employees of the County, Crisp County Power Commission, Solid Waste Management Authority, and Southwest Georgia Empowerment Zone, which was closed during the current year.

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 acquisition value.

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, 2018.

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>
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)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- **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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

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

Effective 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 difference are as follows:

Accrued interest payable	\$ (3,367)
Capital leases	(4,742,959)
Compensated absences	<u>(268,394)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at <i>net position - governmental activities</i>	<u>\$ (5,014,720)</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 difference are as follows:

Capital outlay	\$ 2,967,339
Depreciation expense	<u>(3,720,112)</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>\$ (752,773)</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 difference are as follows:

Issuance of capital leases	\$ (73,105)
Principal payments on note payable	27,340
Principal payments on capital lease	<u>250,459</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>\$ 204,694</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 difference are as follows:

Compensated absences	\$ (44,760)
Change in net pension liability and related deferred inflows and outflows of resources	(280,557)
Accrued interest	<u>584</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>\$ (324,733)</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, 2018, expenditures exceeded budget as follows:

Department	Excess
General Fund:	
Conservation	\$ 17,019

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, 2018. 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, 2018, the County had the following investments:

Investments	Maturities	Credit Rating	Fair Value
Primary government:			
Georgia Fund 1	10 day weighted average	AAAf	\$ 6,804,743
Certificates of deposit	10 month weighted average	(a)	291,051
			\$ 7,095,794

(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, 2018, the County's investment in Georgia Fund 1 was rated AAf 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, 2018, 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 prices 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 \$6,804,743 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 \$291,051 within the fair value hierarchy.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2018, for the County's individual major funds and nonmajor funds in the aggregate, are as follows:

	General Fund	Special Service District	Crisp County Water System
Receivables:			
Taxes	\$ 725,172	\$ 23,522	\$ -
Accounts	30,521	11,488	48,617
Notes	-	-	-
	755,693	35,010	48,617
Less allowance for uncollectibles	(36,259)	(1,176)	-
Total receivables	\$ 719,434	\$ 33,834	\$ 48,617
		Nonmajor	
	Crisp County Landfill	Governmental Funds	Total
Receivables:			
Taxes	\$ -	\$ 70,343	\$ 819,037
Accounts	213,903	70,946	375,475
Notes	-	2,423,407	2,423,407
	213,903	2,564,696	3,617,919
Less allowance for uncollectibles	(10,825)	(941,639)	(989,899)
Total receivables	\$ 203,078	\$ 1,623,057	\$ 2,628,020

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 2018 is as follows:

Levy date	July 31, 2017
Payment due date	December 20, 2017
Delinquency date	December 21, 2017

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, 2018, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,499,465	\$ -	\$ -	\$ -	\$ 2,499,465
Construction in progress	2,951,854	1,471,119	-	(3,113,414)	1,309,559
Total	<u>5,451,319</u>	<u>1,471,119</u>	<u>-</u>	<u>(3,113,414)</u>	<u>3,809,024</u>
Capital assets, being depreciated:					
Land improvements	10,429,734	-	-	-	10,429,734
Infrastructure	71,085,688	-	-	2,945,229	74,030,917
Plant and buildings	25,196,783	765,359	-	-	25,962,142
Furniture, machinery and equipment	20,862,893	730,861	(197,617)	168,185	21,564,322
Total	<u>127,575,098</u>	<u>1,496,220</u>	<u>(197,617)</u>	<u>3,113,414</u>	<u>131,987,115</u>
Less accumulated depreciation for:					
Land improvements	(4,407,499)	(374,164)	-	-	(4,781,663)
Infrastructure	(60,372,065)	(1,133,068)	-	-	(61,505,133)
Plant and buildings	(9,047,976)	(852,890)	-	-	(9,900,866)
Furniture, machinery and equipment	(14,088,270)	(1,359,990)	197,617	-	(15,250,643)
Total	<u>(87,915,810)</u>	<u>(3,720,112)</u>	<u>197,617</u>	<u>-</u>	<u>(91,438,305)</u>
Total capital assets, being depreciated, net	<u>39,659,288</u>	<u>(2,223,892)</u>	<u>-</u>	<u>3,113,414</u>	<u>40,548,810</u>
Governmental activities capital assets, net	<u>\$ 45,110,607</u>	<u>\$ (752,773)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,357,834</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	4,621,443	-	(17,992)	-	4,603,451
System improvements	342,454	-	-	-	342,454
Total	<u>21,297,725</u>	<u>-</u>	<u>(17,992)</u>	<u>-</u>	<u>21,279,733</u>
Less accumulated depreciation for:					
Plant and buildings	(8,413,855)	(266,443)	-	-	(8,680,298)
Furniture, machinery and equipment	(3,765,941)	(294,962)	17,992	-	(4,042,911)
System improvements	(271,455)	(13,318)	-	-	(284,773)
Total	<u>(12,451,251)</u>	<u>(574,723)</u>	<u>17,992</u>	<u>-</u>	<u>(13,007,982)</u>
Total capital assets, being depreciated, net	<u>8,846,474</u>	<u>(574,723)</u>	<u>-</u>	<u>-</u>	<u>8,271,751</u>
Business-type activities capital assets, net	<u>\$ 9,727,132</u>	<u>\$ (574,723)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,152,409</u>

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

Governmental activities:	
General government	\$ 391,502
Judicial	29,740
Public safety	1,343,098
Public works	1,440,604
Health and welfare	52,972
Parks and recreation	234,440
Housing and development	227,756
Total depreciation expense - governmental activities	<u>\$ 3,720,112</u>
Business-type activities:	
Water system	\$ 189,714
Landfill	385,009
Total depreciation expense - business-type activities	<u>\$ 574,723</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, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Notes payable	\$ 27,340	\$ -	\$ 27,340	\$ -	\$ -
Capital leases payable	4,920,313	73,105	250,459	4,742,959	2,637,949
Compensated absences	223,634	321,022	276,262	268,394	133,678
Net pension liability	6,706,496	-	948,468	5,758,028	-
Governmental activities long-term liabilities	<u>\$ 11,877,783</u>	<u>\$ 394,127</u>	<u>\$ 1,502,529</u>	<u>\$ 10,769,381</u>	<u>\$ 2,771,627</u>
Business-type activities:					
Notes payable	\$ 3,144,273	\$ -	\$ 428,595	\$ 2,715,678	\$ 442,158
Revenue bonds payable	1,396,948	-	43,309	1,353,639	44,737
Compensated absences	8,911	10,563	8,061	11,413	4,598
Closure and post-closure care	2,056,355	93,391	-	2,149,746	-
Net pension liability	235,591	-	32,818	202,773	-
Business-type activities long-term liabilities	<u>\$ 6,842,078</u>	<u>\$ 103,954</u>	<u>\$ 512,783</u>	<u>\$ 6,433,249</u>	<u>\$ 491,493</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

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, 2018, is \$5,450,122, which is included in governmental activities capital assets on the statement of net position.

The County recorded depreciation expense of \$717,508 with accumulated depreciation of \$1,810,008 in the fiscal year ended June 30, 2018 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,	
2019	\$ 1,477,218
2020	1,975,320
2021	<u>1,331,033</u>
Total minimum lease payments	4,783,571
Less amount representing interest	<u>(40,612)</u>
Present value of minimum lease payments	<u><u>\$ 4,742,959</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, 2018:

Purpose	Original Amount	Interest Rate	Due Date	Balance at June 30, 2018
Landfill improvements	\$ 1,508,343	2.00%	2020	\$ 171,679
Landfill improvements	1,289,280	2.00%	2021	214,437
Landfill improvements	1,417,970	3.98%	2025	568,057
Landfill improvements	2,766,304	3.89%	2027	1,761,533
				2,715,678
		Less current maturities		(442,158)
				\$ 2,273,520

Notes payable debt service requirements to maturity are as follows as of June 30, 2018:

Fiscal Year Payable	Total	Principal	Interest
2019	\$ 535,302	\$ 442,158	\$ 93,144
2020	537,087	430,854	106,233
2021	390,912	324,870	66,042
2022	346,874	292,451	54,423
2023	346,873	304,105	42,768
2024 - 2027	981,726	921,240	60,486
	\$ 3,138,774	\$ 2,715,678	\$ 423,096

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>
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	88,068	50,939	37,129
2024 - 2028	440,340	281,038	159,302
2029 - 2033	440,340	330,554	109,786
2034 - 2038	440,340	388,794	51,546
2039 - 2040	176,136	114,314	61,822
	<u>\$ 1,937,496</u>	<u>\$ 1,353,639</u>	<u>\$ 583,857</u>

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2018, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water System Fund	\$ 6,610
General Fund	Special Service District	21,690
General Fund	Nonmajor Governmental Funds	620,424
General Fund	Landfill Fund	32,759
Nonmajor Governmental Funds	Water System Fund	193
		<u>\$ 681,676</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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

Transfers In	Transfers Out			Total
	General Fund	Nonmajor Governmental Funds	Crisp County Water System	
Nonmajor Governmental Funds	\$ 355,757	\$ 1,254,178	\$ 26,692	\$ 1,636,627
General Fund	8,160	22,495	-	30,655
Total	\$ 363,917	\$ 1,276,673	26,692	\$ 1,667,282

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.

NOTE 9. LANDFILL CLOSURE AND POST-CLOSURE 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 post-closure 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 post-closure 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, 2018. 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 22 years.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LANDFILL CLOSURE AND POST-CLOSURE CARE COST (CONTINUED)

A summary of the liability recorded at June 30, 2018 for closure and post-closure care costs is as follows:

	Vertical Landfill	Subtitle D Landfill	Total
Estimated closure costs	\$ -	\$ 3,806,023	\$ 3,806,023
Estimated post-closure care costs	576,564	2,899,581	3,476,145
	576,564	6,705,604	\$ 7,282,168
Percentage of capacity filled, June 30, 2018	100%	23.46%	
Closure and post-closure care cost liability	\$ 576,564	\$ 1,573,182	\$ 2,149,746

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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	93
Inactive plan members entitled to but not receiving benefits	101
Active plan members	<u>138</u>
	<u><u>332</u></u>

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, 2018, the County's contribution rate was 18.09% of annual payroll. County contributions to the Plan were \$1,157,954 for the year ended June 30, 2018.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.	

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, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return *</u>
S&P 500	30 %	3.07 %
Barlay's Agg.	30	1.97
MSCI EAFE	15	0.86
Citi Non US WEBI	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
	<u>100 %</u>	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

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, 2018, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2017	\$ 21,784,512	\$ 14,842,425	\$ 6,942,087
Changes for the year:			
Service cost	317,004	-	317,004
Interest	1,547,263	-	1,547,263
Experience differences	439,165	-	439,165
Assumption changes	46,511	-	46,511
Contributions - employer	-	1,157,954	(1,157,954)
Net investment income	-	2,322,374	(2,322,374)
Benefit payments, including refunds of employee contributions	(885,892)	(885,892)	-
Administrative expense	-	(30,744)	30,744
Other charges	-	(118,355)	118,355
Net changes	1,464,051	2,445,337	(981,286)
Balances at June 30, 2018	<u>\$ 23,248,563</u>	<u>\$ 17,287,762</u>	<u>\$ 5,960,801</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 multi-year 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	\$ 8,930,276	\$ 5,960,801	\$ 3,476,875

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, 2017, 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, 2018, the County recognized pension expense of \$1,448,815. At June 30, 2018, 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	\$ 480,565	\$ 965,792
Pension assumption changes	519,784	-
Differences between expected and actual experience of economic/demographic (gains)/losses	625,944	70,499
	\$ 1,626,293	\$ 1,036,291

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:	
2019	\$ 550,584
2020	111,375
2021	163,741
2022	(235,698)
Total	\$ 590,002

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, 2018 were estimated based on the loss analysis report provided by a third-party administrator and pending specific stop loss reimbursements. This plan was closed during the fiscal year ended June 30, 2018.

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

	2018	2017
Unpaid claims, beginning of fiscal year	\$ 470,000	\$ 230,000
Incurred claims (including IBNRs)	236,510	2,969,834
Claim payments and changes in estimates	(706,510)	(2,729,834)
Unpaid claims, end of fiscal year	\$ -	\$ 470,000

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

A. Litigation

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

B. Grant Contingencies

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

C. 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, 2018 total \$25,282,000, 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, 2018, 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.

REQUIRED SUPPLEMENTARY INFORMATION

CRISP COUNTY, GEORGIA

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service cost	\$ 317,004	\$ 300,955	\$ 281,683	\$ 279,312
Interest on total pension liability	1,547,263	1,437,762	1,368,905	1,297,948
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	439,165	633,787	(246,743)	-
Changes of assumptions	46,511	627,846	631,117	-
Benefit payments, including refunds of employee contributions	<u>(885,892)</u>	<u>(771,991)</u>	<u>(730,879)</u>	<u>(631,169)</u>
Net change in total pension liability	1,464,051	2,228,359	1,304,083	946,091
Total pension liability - beginning	<u>21,784,512</u>	<u>19,556,153</u>	<u>18,252,070</u>	<u>17,305,979</u>
Total pension liability - ending (a)	<u>\$ 23,248,563</u>	<u>\$ 21,784,512</u>	<u>\$ 19,556,153</u>	<u>\$ 18,252,070</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,157,954	\$ 1,055,935	\$ 914,768	\$ 957,690
Net investment income	2,322,374	963,499	97,867	884,473
Benefit payments, including refunds of employee contributions	(885,892)	(771,991)	(704,462)	(608,356)
Administrative expenses	(30,744)	(34,721)	(31,198)	(28,961)
Other	<u>(118,355)</u>	<u>(126,873)</u>	<u>(76,070)</u>	<u>(90,130)</u>
Net change in plan fiduciary net position	2,445,337	1,085,849	200,905	1,114,716
Plan fiduciary net position - beginning	<u>14,842,425</u>	<u>13,756,576</u>	<u>13,555,671</u>	<u>12,440,955</u>
Plan fiduciary net position - ending (b)	<u>\$ 17,287,762</u>	<u>\$ 14,842,425</u>	<u>\$ 13,756,576</u>	<u>\$ 13,555,671</u>
County's net pension liability - ending (a) - (b)	<u>\$ 5,960,801</u>	<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	74.4%	68.1%	70.3%	74.3%
Covered-employee payroll	\$ 5,763,308	\$ 5,837,978	\$ 5,620,286	\$ 5,546,941
County's net pension liability as a percentage of covered-employee payroll	103.4%	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 SCHEDULE OF COUNTY CONTRIBUTIONS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,157,954	\$ 1,055,935	\$ 914,768	\$ 957,690
Contributions in relation to the actuarially determined contribution	<u>1,157,954</u>	<u>1,055,935</u>	<u>914,768</u>	<u>957,690</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,763,308	\$ 5,837,978	\$ 5,620,286	\$ 5,546,941
Contributions as a percentage of covered -employee payroll	20.1%	18.1%	16.3%	17.3%

Notes to the Schedule

Valuation Date	January 1, 2017
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return on Investments	7.25%
Projected Salary Increases	3% - 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 T-SPLOST 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.

CDBG Willow Lake Water Fund is used to account for activities related to the Willow Lake water project in Crisp County and improvements to the water 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.

2005 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, 2018

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	\$ 176,392	\$ 156,165	\$ 146,978	\$ 127,763	\$ 457,344	\$ 478
Investments	-	291,051	-	-	-	-
Taxes receivable	-	-	-	-	-	5,212
Accounts receivable	-	-	-	-	46,941	-
Notes receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	464	1,412	18,659	-
Prepaid items	-	1,000	-	27,653	6,384	-
Total assets	\$ 176,392	\$ 448,216	\$ 147,442	\$ 156,828	\$ 529,328	\$ 5,690
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 95,953	\$ -	\$ 12,284	\$ 3,484	\$ 5,270
Accrued liabilities	-	-	-	-	9,624	-
Due to other funds	-	7,089	11,323	145,240	436,971	420
Total liabilities	-	103,042	11,323	157,524	450,079	5,690
FUND BALANCES (DEFICIT)						
Nonspendable:						
Prepaid items	-	1,000	-	27,653	6,384	-
Restricted for:						
General government	-	-	-	-	-	-
Judicial	176,392	-	-	-	-	-
Public safety	-	344,174	136,119	-	72,865	-
Public works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unassigned	-	-	-	(28,349)	-	-
Total fund balances (deficit)	176,392	345,174	136,119	(696)	79,249	-
Total liabilities and fund balances	\$ 176,392	\$ 448,216	\$ 147,442	\$ 156,828	\$ 529,328	\$ 5,690

Capital Projects Funds

TSPLOST Special Revenue Fund	CDBG Revolving Loan Fund	CDBG Cedar Lake Sewer Project Fund	CDBG Willow Lake Water Project Fund	2000 Sales Tax Fund	2005 Sales Tax Fund	TSPLOST Capital Projects Fund	Totals
\$ 291,298	\$ 663,536	\$ -	\$ -	\$ -	\$ 400,151	\$ 663,115	\$ 3,083,220
-	-	-	-	-	-	-	291,051
65,131	-	-	-	-	-	-	70,343
22,463	1,542	-	-	-	-	-	70,946
-	1,481,768	-	-	-	-	-	1,481,768
-	-	-	193	-	-	-	193
-	-	-	-	-	107,044	-	127,579
2,095	-	-	-	-	-	-	37,132
<u>\$ 380,987</u>	<u>\$ 2,146,846</u>	<u>\$ -</u>	<u>\$ 193</u>	<u>\$ -</u>	<u>\$ 507,195</u>	<u>\$ 663,115</u>	<u>\$ 5,162,232</u>
\$ 320,386	\$ -	\$ -	\$ 193	\$ -	\$ 56,424	\$ 159,232	\$ 653,226
2,491	-	-	-	-	-	-	12,115
19,381	-	-	-	-	-	-	620,424
<u>342,258</u>	<u>-</u>	<u>-</u>	<u>193</u>	<u>-</u>	<u>56,424</u>	<u>159,232</u>	<u>1,285,765</u>
2,095	-	-	-	-	-	-	37,132
6,668	-	-	-	-	-	-	6,668
-	-	-	-	-	-	-	176,392
16,244	-	-	-	-	-	-	569,402
11,444	-	-	-	-	-	-	11,444
2,278	-	-	-	-	-	-	2,278
-	2,146,846	-	-	-	-	-	2,146,846
-	-	-	-	-	450,771	503,883	954,654
-	-	-	-	-	-	-	(28,349)
<u>38,729</u>	<u>2,146,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,771</u>	<u>503,883</u>	<u>3,876,467</u>
<u>\$ 380,987</u>	<u>\$ 2,146,846</u>	<u>\$ -</u>	<u>\$ 193</u>	<u>\$ -</u>	<u>\$ 507,195</u>	<u>\$ 663,115</u>	<u>\$ 5,162,232</u>

CRISP COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	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	-	-	-	-	-	47,236
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	559,184	-
Fines and forfeitures	57,773	3,360	41,305	207,263	-	-
Interest revenue	-	563	-	-	205	38
Other revenues	-	3,911	-	-	2,286	-
Total revenues	<u>57,773</u>	<u>7,834</u>	<u>41,305</u>	<u>207,263</u>	<u>561,675</u>	<u>47,274</u>
Expenditures:						
Current:						
Judicial	45,073	-	-	-	-	-
Public safety	-	68,660	7,796	225,688	898,321	-
Public works	-	-	-	-	-	-
Housing and development	-	-	-	-	-	46,020
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>45,073</u>	<u>68,660</u>	<u>7,796</u>	<u>225,688</u>	<u>898,321</u>	<u>46,020</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,700</u>	<u>(60,826)</u>	<u>33,509</u>	<u>(18,425)</u>	<u>(336,646)</u>	<u>1,254</u>
Other financing sources (uses):						
Transfers in	-	-	-	18,425	336,645	-
Transfers out	-	(9,918)	(11,323)	-	-	(1,254)
Total other financing sources (uses)	<u>-</u>	<u>(9,918)</u>	<u>(11,323)</u>	<u>18,425</u>	<u>336,645</u>	<u>(1,254)</u>
Net change in fund balances	12,700	(70,744)	22,186	-	(1)	-
Fund balances (deficit), beginning of year	<u>163,692</u>	<u>415,918</u>	<u>113,933</u>	<u>(696)</u>	<u>79,250</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 176,392</u>	<u>\$ 345,174</u>	<u>\$ 136,119</u>	<u>\$ (696)</u>	<u>\$ 79,249</u>	<u>\$ -</u>

Capital Projects Funds							
TSPLOST Special Revenue Fund	CDBG Revolving Loan Fund	CDBG Cedar Lake Sewer Project Fund	CDBG Willow Lake Water Project Fund	2000 Sales Tax Fund	2005 Sales Tax Fund	TSPLOST Capital Projects Fund	Totals
\$ 750,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,123
-	-	-	-	-	-	-	47,236
-	-	-	-	159,776	436,530	663,115	1,259,421
-	-	-	-	-	-	-	559,184
-	-	-	-	-	-	-	309,701
2,985	38,712	-	-	92	416	-	43,011
32,843	25,296	-	-	-	-	-	64,336
<u>785,951</u>	<u>64,008</u>	<u>-</u>	<u>-</u>	<u>159,868</u>	<u>436,946</u>	<u>663,115</u>	<u>3,033,012</u>
-	-	-	-	-	-	-	45,073
-	-	-	-	-	-	-	1,200,465
549,455	-	-	-	-	-	-	549,455
-	271	-	-	-	-	-	46,291
-	-	686	26,692	271,760	1,271,593	875,248	2,445,979
<u>549,455</u>	<u>271</u>	<u>686</u>	<u>26,692</u>	<u>271,760</u>	<u>1,271,593</u>	<u>875,248</u>	<u>4,287,263</u>
236,496	63,737	(686)	(26,692)	(111,892)	(834,647)	(212,133)	(1,254,251)
-	-	686	26,692	-	538,163	716,016	1,636,627
<u>(1,254,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,276,673)</u>
<u>(1,254,178)</u>	<u>-</u>	<u>686</u>	<u>26,692</u>	<u>-</u>	<u>538,163</u>	<u>716,016</u>	<u>359,954</u>
(1,017,682)	63,737	-	-	(111,892)	(296,484)	503,883	(894,297)
<u>1,056,411</u>	<u>2,083,109</u>	<u>-</u>	<u>-</u>	<u>111,892</u>	<u>747,255</u>	<u>-</u>	<u>4,770,764</u>
<u>\$ 38,729</u>	<u>\$ 2,146,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,771</u>	<u>\$ 503,883</u>	<u>\$ 3,876,467</u>

CRISP COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<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	\$ 403,383	\$ 103,460	\$ 506,843
County Buildings	1,517,655	1,571,704	114	1,571,818
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	683,653	168,186	851,839
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>\$ 17,393,290</u>	<u>\$ 271,760</u>	<u>\$ 17,665,050</u>

(Continued)

CRISP COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<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	\$ 9,741,602	\$ -	\$ 9,741,602
Recreational Department Project	1,000,000	685,594	-	685,594
Airport Project	270,000	399,604	564,452	964,056
Sheriff Department Project	920,000	1,261,694	-	1,261,694
County Buildings Project	835,000	749,866	168,977	918,843
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	4,516,105	538,164	5,054,269
Totals	<u>\$ 20,000,000</u>	<u>\$ 23,970,641</u>	<u>\$ 1,271,593</u>	<u>\$ 25,242,234</u>

(Continued)

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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	485,925	359,119	845,044
Health Department Project	90,000	42,750	42,935	85,685
Industrial Development Authority Project	9,000,000	7,490,595	837,797	8,328,392
Public Safety Project	456,029	304,604	-	304,604
EMS Project	711,000	324,253	-	324,253
Fire Department Project	1,152,683	481,207	416,949	898,156
Recreation Project	2,275,210	421,791	783,793	1,205,584
County Roads Project	1,000,000	306,494	78,294	384,788
Public Works Project	1,011,500	2,619,481	-	2,619,481
Sheriff's Department Project	697,000	693,068	-	693,068
Sanitary Solid Waste Project	607,000	-	-	-
City of Cordele Project	4,025,000	3,379,853	307,569	3,687,422
City of Arabi Project	290,000	226,503	22,152	248,655
Water/Storm Water Project	247,000	-	-	-
Contingency Project	570,278	-	-	-
Totals	<u>\$ 25,275,000</u>	<u>\$ 18,879,236</u>	<u>\$ 2,848,608</u>	<u>\$ 21,727,844</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.	\$ 2,848,608
Payment of principal and interest for expenditures previously included.	<u>275,235</u>
Total expenditures, per the statement of revenues, expenditures and changes in fund balance.	<u><u>\$ 3,123,843</u></u>

(Continued)

CRISP COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<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>2017 REFERENDUM</u>				
Airport Project	\$ 90,000	\$ -	\$ 74,971	\$ 74,971
County Buildings Project	380,000	-	-	-
Detention Center Project	2,100,000	-	-	-
E911 Project	572,300	-	-	-
Public Safety Project	90,000	-	-	-
EMS Project	9,000,000	-	-	-
Fire Department Project	456,029	-	-	-
Finance Project	711,000	-	-	-
Recreation Project	1,152,683	-	-	-
Roads Project	2,275,210	-	8,900	8,900
Public Works Project	1,000,000	-	-	-
Sheriff's Department Project	1,011,500	-	19,500	19,500
Solid Waste Porject	697,000	-	-	-
Water/Storm Water Project	607,000	-	-	-
City of Cordele Project	5,168,955	-	492,629	492,629
City of Arabi Project	249,000	-	23,735	23,735
Totals	<u>\$ 25,560,677</u>	<u>\$ -</u>	<u>\$ 619,735</u>	<u>\$ 619,735</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, 2018

ASSETS	Clerk of Superior Court	Probate Court	Sheriff's Office
Cash and cash equivalents	\$ 507,120	\$ 127,299	\$ 300,543
Accounts receivable	-	21,174	-
Taxes receivable	-	-	-
Total assets	<u>\$ 507,120</u>	<u>\$ 148,473</u>	<u>\$ 300,543</u>
LIABILITIES			
Due to others	\$ 507,120	\$ 148,473	\$ 300,543
Uncollected taxes	-	-	-
Total liabilities	<u>\$ 507,120</u>	<u>\$ 148,473</u>	<u>\$ 300,543</u>

Jail Inmate	Tax Commissioner	Magistrate Court	Total
\$ 57,901	\$ 376,553	\$ 30,185	\$ 1,399,601
-	-	-	21,174
-	1,052,445	-	1,052,445
<u>\$ 57,901</u>	<u>\$ 1,428,998</u>	<u>\$ 30,185</u>	<u>\$ 2,473,220</u>
\$ 57,901	\$ 376,553	\$ 30,185	\$ 1,420,775
-	1,052,445	-	1,052,445
<u>\$ 57,901</u>	<u>\$ 1,428,998</u>	<u>\$ 30,185</u>	<u>\$ 2,473,220</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, 2018, 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 19, 2018. 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 have not been 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 2018-001 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 19, 2018



**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, 2018. Crisp County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Crisp County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2018.

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 19, 2018

CRISP COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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	2016-BUBX-16084526	\$ 249	\$ -
Bulletproof Vest Partnership Program	16.607	2016-BUBX-16084526	848	-
Bulletproof Vest Partnership Program	16.607	2017-BUBX-1790627	1,275	-
Bulletproof Vest Partnership Program	16.607	2017-BUBX-1790627	2,502	-
Bulletproof Vest Partnership Program	16.607	2017-BUBX-1790627	1,686	-
Total Bulletproof Vest Partnership Program			<u>6,560</u>	<u>-</u>
Passed through Criminal Justice Coordinating Council				
Crime Victims Assistance Program-VOCA Prosecution	16.575	C15-8-392	145,429	-
Crime Victims Assistance Program-VOCA Prosecution	16.575	C16-8-001	47,721	-
Crime Victims Assistance Program-VOCA Prosecution	16.575	C16-8-195	31,013	-
Total Crime Victims Assistance Program-VOCA Prosecution			<u>224,163</u>	<u>-</u>
Violence Against Women Act (VAWA Prosecution)	16.588	W16-8-030	35,083	-
Violence Against Women Act (VAWA Prosecution)	16.588	W17-8-009	34,940	-
Total Violence Against Women Act (VAWA Prosecution)			<u>70,023</u>	<u>-</u>
Justice Assistance Grant (JAG) MSNTF	16.803	2016-DJ-BX-0104	27,537	-
Justice Assistance Grant (JAG) MSNTF	16.803	2014-DJ-BX-0808	16,732	-
Total Justice Assistance Grant (JAG) MSNTF			<u>44,269</u>	<u>-</u>
Total U.S. Department Justice			<u>345,015</u>	<u>-</u>
U.S. Department of Transportation				
Passed through Georgia Department of Transportation				
Formula Grants for Rural Areas - Section 5311 Operating	20.509	T006152	213,370	213,370
Airport Improvement Program	20.106	AP018-033-31(081)	230,874	-
Total U.S. Department of Transportation			<u>444,244</u>	<u>213,370</u>
U.S. Department of Homeland Security				
Passed through Georgia Emergency Management Agency				
Georgia Emergency Management Agency	97.042	GEMA-EOM17-162S01	34,439	-
Georgia Emergency Management Agency	97.067	EMW-2015-SS-00065-S01	10,000	-
Georgia Emergency Management Agency	97.067	EMW-2017-SS-00015-S01	3,725	-
Office of Planning and Budgeting	97.036	FEMA-4338-DR-GA	134,478	-
Office of Planning and Budgeting	97.036	FEMA-4297-DR-GA	79,914	-
Total U.S. Department of Homeland Security			<u>262,556</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,051,816</u>	<u>\$ 213,370</u>

CRISP COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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 10% de minimus cost rate for the year ended June 30, 2018.

CRISP COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
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 No

CRISP COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION II FINANCIAL STATEMENTS FINDINGS AND RESPONSES

2018-001. 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, 2018, we noted a lack of proper segregation of duties within several areas of Crisp County, Georgia's operations, including the Clerk of Court, Magistrate Court, Probate Court, Tax Commissioner's office, Sheriff's office, and County finance department. Examples of segregation of duties issues are as follows:

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

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

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

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

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

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

CRISP COUNTY, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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, 2018

2017-001. 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, 2017, 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 2018-001.

CRISP COUNTY, GEORGIA

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-001. 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.