

**TOOMBS COUNTY, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

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**Board of Commissioners  
of Toombs County, Georgia  
Lyons, 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 **Toombs County, Georgia** (the "County"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Toombs 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 the Toombs County Board of Health, which represents 5%, -5%, and 52%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Toombs County Board of Health, is based solely on the report 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.

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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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**Opinions**

In our opinion, based on our audit and the report 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 Toombs County, Georgia as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General 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 10), the Schedule of Changes in the County's Net Pension Liability and Related Ratios, the Schedule of County Contributions, the Schedule of the Proportionate Share of the Net Pension Liability – Toombs County Health Department, and the Schedule of Contributions – Toombs County Health Department (on pages 53 – 56) 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.

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*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Toombs County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of Toombs County, Georgia. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for the purpose of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the 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 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 and the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2017, on our consideration of Toombs County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Toombs County, Georgia's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
June 20, 2017

# TOOMBS COUNTY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2016

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This section of Toombs County, Georgia's ("the County") annual financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2016.

### Financial Highlights

- The assets of Toombs County exceeded its liabilities at December 31, 2016, by \$35,033,804 (net position). This represents a decrease of \$2,052,692 or 5.6% from the prior year. Of this amount, \$15,570,998 is classified as unrestricted net position, which is an increase in unrestricted net position from the prior year of \$776,305.
- At December 31, 2016, the County's total governmental fund balances were \$19,734,413, a decrease of \$1,478,602, or 7.5%, from the prior year. Of this amount, \$11,817,309 is unassigned and is reported in the General Fund. Unassigned fund balance increased \$468,828 or 4.1% from the prior year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Toombs County's basic financial statements. The County's basic financial statements are comprised of 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 financial statements themselves.

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

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two 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 funds' 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 most recent 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, recreation, and housing and development.

The government-wide financial statements include not only Toombs County itself (known as the primary government), but also the Toombs County Development Authority and the Toombs County Health Department. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

**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. Toombs 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 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.

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.

Toombs County maintains governmental funds to account for the following activities: **General**; **Special Revenue** (Emergency Telephone, Revolving Loan, Jail, Law Library, and Jail Commissary); and **Capital Projects** (SPLOST and T-SPLOST).

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 and SPLOST funds, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Toombs County adopts an annual appropriated budget for its general, special revenue and proprietary funds. A budgetary comparison statement has been provided for the General Fund within the basic financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary funds.** Services for which the government charges customers a fee are generally reported in proprietary funds. The Landfill and Ambulance Funds are major enterprise funds and their business-like activities are reported with detail including cash flows.

**Fiduciary funds.** Agency funds are custodial in nature; the only required financial statements are the balance sheet and statement of fiduciary assets and liabilities. Fiduciary funds are not reflected in the government-wide financial statements.

**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.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$35,024,341 at the close of the most recent fiscal year.

A large portion of the County's net position, 44.6%, 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.

**Toombs County's Statement of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 23,578,494	\$ 22,949,957	\$ 2,673,912	\$ 2,492,997	\$ 26,252,406	\$ 25,442,954
Capital assets	12,063,676	12,326,182	6,447,786	7,429,113	18,511,462	19,755,295
Total assets	<u>35,642,170</u>	<u>35,276,139</u>	<u>9,121,698</u>	<u>9,922,110</u>	<u>44,763,868</u>	<u>45,198,249</u>
Deferred outflow s of resources	610,620	267,241	196,023	75,377	806,643	342,618
Other liabilities	2,870,151	912,614	499,516	548,106	3,369,667	1,460,720
Long-term liabilities outstanding	906,034	596,927	6,255,716	6,396,724	7,161,750	6,993,651
Total liabilities	<u>3,776,185</u>	<u>1,509,541</u>	<u>6,755,232</u>	<u>6,944,830</u>	<u>10,531,417</u>	<u>8,454,371</u>
Deferred inflow s of resources	3,915	-	1,375	-	5,290	-
Net position:						
Net investment in capital assets	12,063,676	12,259,740	3,555,938	4,179,029	15,619,614	16,438,769
Restricted	4,265,524	5,853,034	-	-	4,265,524	5,853,034
Unrestricted	16,143,490	15,921,065	(994,824)	(1,126,372)	15,148,666	14,794,693
Total net position	<u>\$ 32,472,690</u>	<u>\$ 34,033,839</u>	<u>\$ 2,561,114</u>	<u>\$ 3,052,657</u>	<u>\$ 35,033,804</u>	<u>\$ 37,086,496</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

At the end of the current fiscal year, Toombs County is able to report positive balances in all categories of net position for the government activities.

### Toombs County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues						
Charges for services	\$ 1,707,224	\$ 1,667,474	\$ 3,578,294	\$ 3,394,625	\$ 5,285,518	\$ 5,062,099
Operating grants and contributions	1,171,858	170,227	-	-	1,171,858	170,227
Capital grants and contributions	3,155,341	10,283	-	-	3,155,341	10,283
General revenues:						
Property taxes	6,384,442	7,314,439	-	-	6,384,442	7,314,439
Sales taxes	6,738,530	6,831,801	-	-	6,738,530	6,831,801
Other taxes	812,570	774,556	-	-	812,570	774,556
Unrestricted investment earnings	17,464	22,590	1,015	2,520	18,479	25,110
Other revenues	4,740	-	-	-	4,740	-
<b>Total revenues</b>	<b>19,992,169</b>	<b>16,791,370</b>	<b>3,579,309</b>	<b>3,397,145</b>	<b>23,571,478</b>	<b>20,188,515</b>
Expenses:						
General government	7,396,101	5,874,121	-	-	7,396,101	5,874,121
Judicial	1,266,228	1,307,626	-	-	1,266,228	1,307,626
Public safety	4,147,342	4,013,333	-	-	4,147,342	4,013,333
Public works	7,998,033	2,492,427	-	-	7,998,033	2,492,427
Health and welfare	239,258	241,020	-	-	239,258	241,020
Culture and recreation	348,744	249,053	-	-	348,744	249,053
Housing and development	154,654	179,055	-	-	154,654	179,055
Interest on long-term debt	2,958	5,465	-	-	2,958	5,465
Ambulance	-	-	2,264,914	2,331,830	2,264,914	2,331,830
Landfill	-	-	1,805,938	1,694,245	1,805,938	1,694,245
<b>Total expenses</b>	<b>21,553,318</b>	<b>14,362,100</b>	<b>4,070,852</b>	<b>4,026,075</b>	<b>25,624,170</b>	<b>18,388,175</b>
Change in net position before transfers	(1,561,149)	2,429,270	(491,543)	(628,930)	(2,052,692)	1,800,340
Transfers	-	(132,394)	-	132,394	-	-
Change in net position	(1,561,149)	2,296,876	(491,543)	(496,536)	(2,052,692)	1,800,340
Net position, beginning of year, as restated	34,033,839	31,736,963	3,052,657	3,549,193	37,086,496	35,286,156
<b>Net position, end of year</b>	<b>\$ 32,472,690</b>	<b>\$ 34,033,839</b>	<b>\$ 2,561,114</b>	<b>\$ 3,052,657</b>	<b>\$ 35,033,804</b>	<b>\$ 37,086,496</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The changes in net position between fiscal years 2016 and 2015 were affected by the following:

- Net change in total revenues increased \$3,382,963 or 16.8%.
- Operating and capital grants and contributions revenue increased \$1,001,631 and \$3,145,058, respectively. This was primarily the result of the receipts of the Local Maintenance and Improvement grant and the Transportation Special Purpose Local Option Sales Tax funds in 2016, while there were no such receipts in 2015.
- Property tax revenue decreased \$929,997, or 12.7%, as a result of the decreased County-Wide collections.
- Sales tax revenue decreased \$93,271, or 1.4%, as a result of decreased collections.
- General government expenditures increased \$1,521,980 due to infrastructure projects.
- Public works expenditures increased \$5,505,606 due to the significant increase in road projects.

### **Business-type activities.**

- The Toombs County Landfill Fund produced an operating loss of \$424,640 before interest. This loss was increased by \$96,103 in net nonoperating expenses, resulting in a total decrease in net position of \$520,743 for the current fiscal year.
- The Toombs County Ambulance Fund produced operating income of \$29,200 due to increased services revenue and reduction in expenses.

### **Financial Analysis of the Government's Funds**

**Governmental funds.** The focus of Toombs 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.

#### **General Fund**

The General Fund is the chief operating fund of Toombs County. At the end of the current fiscal year, non-spendable fund balance was \$163,651 for prepaid items, assigned fund balance of the General Fund was \$3,456,874 for landfill post-closure care costs, and unassigned was \$11,817,309, resulting in a total fund balance of \$15,437,834.

As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Non-spendable fund balance represents 1.5% of total General Fund expenditures, assigned fund balance represents 31.26%, and unassigned fund balance represents 106%.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **SPLOST Fund**

The SPLOST (special purpose local option sales tax) referendum was passed on June 12, 2008. Proceeds of \$15,770,000 will fund multiple capital projects which began in 2009. At the end of the current fiscal year, SPLOST expenditures were approximately \$6.0 million, revenues approximately \$4.5 million, and the ending fund balance approximated \$2.7 million. Project spending for the SPLOST Fund is in its eighth year.

**Proprietary funds.** Toombs County's proprietary fund provides that same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary funds are the Landfill and Ambulance Funds. At the end of the current fiscal year, unrestricted net position for the Landfill and Ambulance funds were \$(921,898) and \$(72,926), respectively.

### **General Fund Budgetary Highlights**

Over the course of the year, the Board of Commissioners revised the County budget on multiple occasions to avoid budget overruns.

### **Capital Asset and Debt Administration**

**Capital assets.** Toombs County's investment in capital assets for its governmental activities as of December 31, 2016, amounts to \$12,063,676 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, and infrastructure.

**Toombs County's Capital Assets (net of accumulated depreciation)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	2015	<b>2016</b>	2015	<b>2016</b>	2015
Land	\$ 406,988	\$ 406,988	\$ 1,420,174	\$ 1,420,174	\$ 1,827,162	\$ 1,827,162
Land (landfill)	-	-	3,345,336	3,935,756	3,345,336	3,935,756
Buildings	2,815,148	2,932,656	582,497	632,719	3,397,645	3,565,375
Improvements	529,299	558,170	-	-	529,299	558,170
Infrastructure	5,874,556	6,040,254	-	-	5,874,556	6,040,254
Furniture and fixtures	99,196	113,160	-	-	99,196	113,160
Machinery and equipment	2,338,489	2,274,954	1,099,779	1,440,464	3,438,268	3,715,418
Total	\$ 12,063,676	\$ 12,326,182	\$ 6,447,786	\$ 7,429,113	\$ 18,511,462	\$ 19,755,295

Additional information on the County's capital assets can be found in Note 6 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term Debt.** Toombs County's long-term debt for the year ended December 31, 2016, is summarized below.

### Toombs County's Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Notes payable	\$ -	\$ 66,442	\$ -	\$ -	\$ -	\$ 66,442
Revenue bonds payable	-	-	2,891,848	3,250,084	2,891,848	3,250,084
Compensated absences	212,476	196,799	37,255	34,997	249,731	231,796
Landfill closure and post-closure costs	-	-	3,510,664	3,388,482	3,510,664	3,388,482
Net pension liability	906,034	596,927	276,969	168,364	1,183,003	765,291
Total	<u>\$ 1,118,510</u>	<u>\$ 860,168</u>	<u>\$ 6,716,736</u>	<u>\$ 6,841,927</u>	<u>\$ 7,835,246</u>	<u>\$ 7,702,095</u>

The Revenue bonds payable represent debt to a financial institution for landfill expansion.

Engineering and post-closure costs associated with closure and post-closure care costs of Toombs County's landfills are estimated to be approximately \$3,510,664 and are recorded as a long-term liability of the Landfill Fund.

Additional information regarding the County's long-term debt can be found in Note 7 and Note 10 of this report.

### Economic Factors and Next Year's Budgets

- The millage rate was reduced by 0.046% of a mill.
- Tax Digest increased approximately 2%.
- Local Option Sales Tax revenues were down approximately 1.2% as compared to 2015.
- No new revenue sources.
- Cash Reserves have increased.

These items were taken into account when adopting the general fund budget for 2016.

Most budgeted expenditures are expected to remain constant. The County departments will be expected to use a conservative approach to budgeting.

### Requests for Information

This Management Discussion and Analysis and the accompanying financial reports and notes are designed to provide our citizens, taxpayers and elected officials with a general overview and analysis of the County's financial and economic condition. The information contained herein includes analysis of current conditions and representations by the management of Toombs County and we are responsible for their content. It is our mission to ensure that the County be accountable for the revenues we receive from our citizens. If you have any questions or comments about this report, please contact our County Manager at P.O. Box 112, Lyons, GA 30436.

## **BASIC FINANCIAL STATEMENTS**

**TOOMBS COUNTY, GEORGIA**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2016**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
<b>ASSETS</b>					
Cash and cash equivalents	\$ 18,339,319	\$ 2,035,498	\$ 20,374,817	\$ 718,070	\$ 347,355
Restricted cash	-	506,545	506,545	-	-
Taxes receivable	1,596,134	-	1,596,134	428,807	-
Accounts receivable, net of allowances	68,424	484,741	553,165	530,404	-
Leases receivable	-	-	-	100,000	-
Due from other governments	2,143,809	16,348	2,160,157	-	64,195
Internal balances	369,220	(369,220)	-	-	-
Due from component unit	897,937	-	897,937	-	-
Prepaid items	163,651	-	163,651	6,847	-
Other current assets	-	-	-	7,500	-
Other noncurrent assets	-	-	-	247,500	-
Capital assets, non-depreciable	406,988	1,420,174	1,827,162	2,400,688	-
Capital assets, depreciable, net of accumulated depreciation	11,656,688	5,027,612	16,684,300	3,640,042	-
Total assets	<u>35,642,170</u>	<u>9,121,698</u>	<u>44,763,868</u>	<u>8,079,858</u>	<u>411,550</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension	610,620	196,023	806,643	-	99,772
<b>LIABILITIES</b>					
Accounts payable	2,361,065	29,734	2,390,799	-	-
Accrued liabilities	25,040	8,762	33,802	-	-
Unearned revenues	18,519	-	18,519	-	-
Due to other governments	253,051	-	253,051	-	-
Due to primary government	-	-	-	897,937	-
Borrowings under line of credit	-	-	-	400	-
Compensated absences due within one year	212,476	37,255	249,731	-	22,309
Compensated absences due in more than one year	-	-	-	-	22,308
Notes payable due in within one year	-	-	-	1,072,252	-
Notes payable due in more than one year	-	-	-	308,633	-
Bonds payable due within one year	-	369,975	369,975	-	-
Bonds payable due in more than one year	-	2,521,873	2,521,873	-	-
Landfill closure and post-closure care due within one year	-	53,790	53,790	-	-
Landfill closure and post-closure care costs due in more than one year	-	3,456,874	3,456,874	-	-
Net pension liability	906,034	276,969	1,183,003	-	673,180
Total liabilities	<u>3,776,185</u>	<u>6,755,232</u>	<u>10,531,417</u>	<u>2,279,222</u>	<u>717,797</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension	3,915	1,375	5,290	-	53,950
<b>NET POSITION</b>					
Net investment in capital assets	12,063,676	3,555,938	15,619,614	4,659,845	-
Restricted for:					
Judicial programs	37,380	-	37,380	-	-
Public safety	240,501	-	240,501	-	-
Economic development	897,937	-	897,937	-	-
Capital improvements	3,089,706	-	3,089,706	-	-
Prior year program income	-	-	-	-	153,972
Unrestricted (deficit)	16,143,490	(994,824)	15,148,666	1,140,791	(414,397)
Total net position (deficit)	<u>\$ 32,472,690</u>	<u>\$ 2,561,114</u>	<u>\$ 35,033,804</u>	<u>\$ 5,800,636</u>	<u>\$ (260,425)</u>

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

**TOOMBS COUNTY, GEORGIA**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Development	Health
								Authority	Department
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 7,396,101	\$ 569,660	\$ 1,171,858	\$ 7,087	\$ (5,647,496)	\$ -	\$ (5,647,496)	\$ -	\$ -
Judicial	1,266,228	403,837	-	-	(862,391)	-	(862,391)	-	-
Public safety	4,147,342	733,727	-	-	(3,413,615)	-	(3,413,615)	-	-
Public works	7,998,033	-	-	3,148,254	(4,849,779)	-	(4,849,779)	-	-
Health and welfare	239,258	-	-	-	(239,258)	-	(239,258)	-	-
Culture and recreation	348,744	-	-	-	(348,744)	-	(348,744)	-	-
Housing and development	154,654	-	-	-	(154,654)	-	(154,654)	-	-
Interest on long-term debt	2,958	-	-	-	(2,958)	-	(2,958)	-	-
Total governmental activities	<u>21,553,318</u>	<u>1,707,224</u>	<u>1,171,858</u>	<u>3,155,341</u>	<u>(15,518,895)</u>	<u>-</u>	<u>(15,518,895)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Toombs County Landfill	1,805,938	1,284,180	-	-	-	(521,758)	(521,758)	-	-
Toombs County Ambulance	2,264,914	2,294,114	-	-	-	29,200	29,200	-	-
Total business-type activities	<u>4,070,852</u>	<u>3,578,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(492,558)</u>	<u>(492,558)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 25,624,170</u>	<u>\$ 5,285,518</u>	<u>\$ 1,171,858</u>	<u>\$ 3,155,341</u>	<u>(15,518,895)</u>	<u>(492,558)</u>	<u>(16,011,453)</u>	<u>-</u>	<u>-</u>
<b>Component units:</b>									
Development Authority	\$ 597,364	\$ -	\$ 867,321	\$ -	-	-	-	269,957	-
Health Department	907,592	296,843	632,596	-	-	-	-	-	21,847
Total component units	<u>\$ 1,504,956</u>	<u>\$ 296,843</u>	<u>\$ 1,499,917</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,957</u>	<u>21,847</u>
General revenues:									
Property taxes					6,384,442	-	6,384,442	-	-
Sales taxes					6,738,530	-	6,738,530	-	-
Insurance premium tax					691,770	-	691,770	-	-
Alcoholic beverages tax					67,966	-	67,966	-	-
Other taxes					52,834	-	52,834	-	-
Unrestricted investment earnings					17,464	1,015	18,479	1,674	-
Gain on sale of capital assets					4,740	-	4,740	-	-
Total general revenues and transfers					<u>13,957,746</u>	<u>1,015</u>	<u>13,958,761</u>	<u>1,674</u>	<u>-</u>
Change in net position					(1,561,149)	(491,543)	(2,052,692)	271,631	21,847
Net position (deficit), beginning of year					34,033,839	3,052,657	37,086,496	5,529,005	(282,272)
Net position (deficit), end of year					<u>\$ 32,472,690</u>	<u>\$ 2,561,114</u>	<u>\$ 35,033,804</u>	<u>\$ 5,800,636</u>	<u>\$ (260,425)</u>

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

**TOOMBS COUNTY, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2016**

	<u>General</u>	<u>SPLOST</u>	<u>T-SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 14,987,018	\$ 2,531,018	\$ 514,069	\$ 307,214	\$ 18,339,319
Taxes receivable	1,596,134	-	-	-	1,596,134
Accounts receivable	-	-	-	68,424	68,424
Due from other governments	200,930	432,566	1,510,313	-	2,143,809
Due from other funds	428,223	-	-	-	428,223
Due from component unit	-	-	-	897,937	897,937
Prepaid items	163,651	-	-	-	163,651
Total assets	<u>\$ 17,375,956</u>	<u>\$ 2,963,584</u>	<u>\$ 2,024,382</u>	<u>\$ 1,273,575</u>	<u>\$ 23,637,497</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 709,429	\$ 43,159	\$ 1,602,050	\$ 6,427	\$ 2,361,065
Accrued liabilities	23,529	-	-	1,272	24,801
Due to other governments	-	253,051	-	-	253,051
Due to other funds	-	-	-	59,003	59,003
Unearned revenue	18,519	-	-	-	18,519
Total liabilities	<u>751,477</u>	<u>296,210</u>	<u>1,602,050</u>	<u>66,702</u>	<u>2,716,439</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues					
Property taxes	1,186,645	-	-	-	1,186,645
Total deferred inflows of resources	<u>1,186,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,186,645</u>
<b>FUND BALANCES</b>					
Fund balances:					
Nonspendable:					
Prepaid items	163,651	-	-	-	163,651
Restricted for:					
Judicial programs	-	-	-	37,380	37,380
Public safety	-	-	-	240,501	240,501
Economic development	-	-	-	897,937	897,937
Capital improvements	-	2,667,374	422,332	-	3,089,706
Assigned for:					
Landfill post-closure care costs	3,456,874	-	-	-	3,456,874
Jail commissary activities	-	-	-	31,055	31,055
Unassigned (deficit)	11,817,309	-	-	-	11,817,309
Total fund balances	<u>15,437,834</u>	<u>2,667,374</u>	<u>422,332</u>	<u>1,206,873</u>	<u>19,734,413</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,375,956</u>	<u>\$ 2,963,584</u>	<u>\$ 2,024,382</u>	<u>\$ 1,273,575</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.					12,063,676
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					1,186,645
Deferred outflows and inflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.					606,705
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.					<u>(1,118,749)</u>
Net position of governmental activities					<u>\$ 32,472,690</u>

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

**TOOMBS COUNTY, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	<u>General</u>	<u>SPLOST</u>	<u>T-SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Property taxes	\$ 6,285,605	\$ -	\$ -	\$ -	\$ 6,285,605
Sales taxes	1,896,495	4,498,920	343,115	-	6,738,530
Other taxes	812,570	-	-	-	812,570
Licenses and permits	9,479	-	-	-	9,479
Intergovernmental	1,171,858	-	3,148,254	-	4,320,112
Charges for services	648,683	-	-	429,911	1,078,594
Fines and forfeitures	389,515	-	-	48,488	438,003
Interest income	7,988	7,087	-	9,476	24,551
Miscellaneous	165,299	-	-	15,849	181,148
Total revenues	<u>11,387,492</u>	<u>4,506,007</u>	<u>3,491,369</u>	<u>503,724</u>	<u>19,888,592</u>
<b>Expenditures</b>					
Current:					
General government	3,333,692	-	-	-	3,333,692
Judicial	1,267,547	-	-	3,159	1,270,706
Public safety	3,156,171	-	-	741,934	3,898,105
Public works	2,684,731	-	213,209	-	2,897,940
Health and welfare	192,794	-	-	-	192,794
Culture and recreation	268,847	-	-	-	268,847
Housing and development	154,654	-	-	-	154,654
Intergovernmental	-	2,630,852	-	-	2,630,852
Capital outlay	-	3,324,141	3,330,803	-	6,654,944
Debt service:					
Principal	-	66,442	-	-	66,442
Interest and fiscal charges	-	2,958	-	-	2,958
Total expenditures	<u>11,058,436</u>	<u>6,024,393</u>	<u>3,544,012</u>	<u>745,093</u>	<u>21,371,934</u>
Excess(deficiency) of revenues over (under) expenditures	<u>329,056</u>	<u>(1,518,386)</u>	<u>(52,643)</u>	<u>(241,369)</u>	<u>(1,483,342)</u>
<b>Other financing sources (uses):</b>					
Proceeds from sale of capital assets	4,740	-	-	-	4,740
Transfers in	-	-	-	230,183	230,183
Transfers out	(230,183)	-	-	-	(230,183)
Total other financing sources (uses)	<u>(225,443)</u>	<u>-</u>	<u>-</u>	<u>230,183</u>	<u>4,740</u>
Net change in fund balances	103,613	(1,518,386)	(52,643)	(11,186)	(1,478,602)
<b>Fund balances, beginning of year</b>	<u>15,334,221</u>	<u>4,185,760</u>	<u>474,975</u>	<u>1,218,059</u>	<u>21,213,015</u>
<b>Fund balances, end of year</b>	<u>\$ 15,437,834</u>	<u>\$ 2,667,374</u>	<u>\$ 422,332</u>	<u>\$ 1,206,873</u>	<u>\$ 19,734,413</u>

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

**TOOMBS 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 DECEMBER 31, 2016**

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

Net change in fund balances - total governmental funds	\$ (1,478,602)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(262,506)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	98,837
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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	66,442
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>14,680</u>
	<u><u>\$ (1,561,149)</u></u>

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

**TOOMBS COUNTY, GEORGIA**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 6,313,574	\$ 6,508,918	\$ 6,285,605	\$ (223,313)
Sales taxes	1,950,000	1,950,000	1,896,495	(53,505)
Other taxes	762,483	806,605	812,570	5,965
Licenses and permits	5,000	9,040	9,479	439
Intergovernmental	119,150	786,370	1,171,858	385,488
Charges for services	573,500	597,800	648,683	50,883
Fines and forfeitures	342,000	364,770	389,515	24,745
Investment income	10,000	10,000	7,988	(2,012)
Miscellaneous	64,736	129,736	165,299	35,563
Total revenues	<u>10,140,443</u>	<u>11,163,239</u>	<u>11,387,492</u>	<u>224,253</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
County commissioners	78,074	94,694	92,531	2,163
County manager	118,166	118,516	109,563	8,953
Elections	149,351	153,441	147,962	5,479
General administration	1,964,574	1,780,529	1,743,429	37,100
Financial administration	188,485	200,985	180,508	20,477
Law	50,000	50,000	39,808	10,192
Tax commissioner	258,935	258,935	247,798	11,137
Tax assessor	348,888	348,888	311,763	37,125
Board of equalization	5,000	5,000	1,119	3,881
Public buildings	467,777	467,777	459,211	8,566
Total general government	<u>3,629,250</u>	<u>3,478,765</u>	<u>3,333,692</u>	<u>145,073</u>
<b>Judicial:</b>				
Superior court	95,232	95,232	78,801	16,431
Clerk of superior court	358,185	365,535	332,911	32,624
District attorney	219,230	219,230	219,230	-
State court	101,494	101,494	90,467	11,027
Magistrate court	200,367	200,367	181,589	18,778
Probate court	118,812	122,362	114,615	7,747
Public defender	142,974	142,974	121,709	21,265
Solicitor	93,362	93,362	83,081	10,281
Juvenile court	42,554	45,954	45,144	810
Total judicial	<u>1,372,210</u>	<u>1,386,510</u>	<u>1,267,547</u>	<u>118,963</u>
<b>Public safety:</b>				
Sheriff	1,339,895	1,446,294	1,331,851	114,443
Jail	1,396,716	1,558,158	1,453,521	104,637
Court security	32,410	33,730	29,079	4,651
Fire	104,050	213,550	185,208	28,342
Coroner	26,890	26,890	16,113	10,777
Animal control	72,418	72,418	60,254	12,164
Emergency management	77,042	89,342	80,145	9,197
Total public safety	<u>3,049,421</u>	<u>3,440,382</u>	<u>3,156,171</u>	<u>284,211</u>
<b>Public works:</b>				
Highways and streets	1,117,789	1,785,009	2,250,034	(465,025)
Solid waste collection	394,118	394,118	362,783	31,335
Maintenance and shop	74,554	77,154	71,914	5,240
Total public works	<u>1,586,461</u>	<u>2,256,281</u>	<u>2,684,731</u>	<u>(428,450)</u>

(Continued)

**TOOMBS COUNTY, GEORGIA**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Expenditures (continued):</b>				
<b>Current (continued):</b>				
<b>Health and welfare:</b>				
Health department buildings	\$ 131,190	\$ 131,190	\$ 132,040	\$ (850)
DFCS	59,560	57,560	54,388	3,172
Community services	11,209	6,509	6,366	143
Total health and welfare	<u>201,959</u>	<u>195,259</u>	<u>192,794</u>	<u>2,465</u>
<b>Culture and recreation:</b>				
Recreation	95,950	194,750	222,847	(28,097)
Library	46,000	46,000	46,000	-
Total culture and recreation	<u>141,950</u>	<u>240,750</u>	<u>268,847</u>	<u>(28,097)</u>
<b>Housing and development:</b>				
Extension service	71,773	75,273	74,990	283
Georgia Forestry Commission	15,706	15,706	15,706	-
Code enforcement	44,134	46,734	36,656	10,078
Economic development	11,700	11,700	11,700	-
Community development	15,879	15,879	15,602	277
Total housing and development	<u>159,192</u>	<u>165,292</u>	<u>154,654</u>	<u>10,638</u>
Total expenditures	<u>10,140,443</u>	<u>11,163,239</u>	<u>11,058,436</u>	<u>104,803</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>329,056</u>	<u>329,056</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	-	(230,183)	(230,183)
Proceeds from sale of assets	-	-	4,740	4,740
Total other financing uses, net	<u>-</u>	<u>-</u>	<u>(225,443)</u>	<u>(225,443)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>103,613</u>	<u>103,613</u>
<b>Fund balance, beginning of year</b>	<u>15,334,221</u>	<u>15,334,221</u>	<u>15,334,221</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 15,334,221</u>	<u>\$ 15,334,221</u>	<u>\$ 15,437,834</u>	<u>\$ 103,613</u>

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

**TOOMBS COUNTY, GEORGIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2016**

<b>ASSETS</b>	<b>Landfill</b>	<b>Ambulance</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>			
Cash	\$ 2,035,498	\$ -	\$ 2,035,498
Restricted cash	506,545	-	506,545
Accounts receivable	159,868	324,873	484,741
Due from other governments	-	16,348	16,348
Total current assets	<u>2,701,911</u>	<u>341,221</u>	<u>3,043,132</u>
<b>NONCURRENT ASSETS</b>			
Capital assets:			
Non-depreciable	1,420,174	-	1,420,174
Depreciable, net of accumulated depreciation	4,459,487	568,125	5,027,612
Total capital assets	<u>5,879,661</u>	<u>568,125</u>	<u>6,447,786</u>
Total noncurrent assets	<u>5,879,661</u>	<u>568,125</u>	<u>6,447,786</u>
Total assets	<u>8,581,572</u>	<u>909,346</u>	<u>9,490,918</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	<u>20,774</u>	<u>175,249</u>	<u>196,023</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 5,246	\$ 24,488	\$ 29,734
Accrued liabilities	4,539	4,223	8,762
Compensated absences payable, current	16,638	20,617	37,255
Due to other funds	79,500	289,720	369,220
Revenue bonds payable, current portion	369,975	-	369,975
Accrued closure / post-closure costs, current portion	53,790	-	53,790
Total current liabilities	<u>529,688</u>	<u>339,048</u>	<u>868,736</u>
<b>LONG-TERM LIABILITIES</b>			
Revenue bonds payable, net of current portion	2,521,873	-	2,521,873
Accrued closure / post-closure costs	3,456,874	-	3,456,874
Net pension liability	27,837	249,132	276,969
Total long-term liabilities	<u>6,006,584</u>	<u>249,132</u>	<u>6,255,716</u>
Total liabilities	<u>6,536,272</u>	<u>588,180</u>	<u>7,124,452</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	<u>159</u>	<u>1,216</u>	<u>1,375</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,987,813	568,125	3,555,938
Unrestricted	(921,898)	(72,926)	(994,824)
Total net position	<u>\$ 2,065,915</u>	<u>\$ 495,199</u>	<u>\$ 2,561,114</u>

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

**TOOMBS COUNTY, GEORGIA**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	<u>Landfill</u>	<u>Ambulance</u>	<u>Totals</u>
<b>Operating revenues:</b>			
Charges for services:			
Landfill use fees	\$ 1,275,125	\$ -	\$ 1,275,125
Ambulance services	-	2,081,926	2,081,926
Miscellaneous	9,055	200	9,255
Intergovernmental revenues	-	211,988	211,988
Total operating revenues	<u>1,284,180</u>	<u>2,294,114</u>	<u>3,578,294</u>
<b>Operating expenses:</b>			
Personal services	327,159	1,643,419	1,970,578
Purchased/contracted services	285,199	147,948	433,147
Supplies and materials	173,242	155,870	329,112
Repairs and maintenance	-	114,372	114,372
Utilities	58,063	87,135	145,198
Depreciation	865,157	116,170	981,327
Total operating expenses	<u>1,708,820</u>	<u>2,264,914</u>	<u>3,973,734</u>
Operating income (loss)	<u>(424,640)</u>	<u>29,200</u>	<u>(395,440)</u>
<b>Nonoperating revenue (expense):</b>			
Investment income	1,015	-	1,015
Interest expense	(97,118)	-	(97,118)
Total nonoperating expense, net	<u>(96,103)</u>	<u>-</u>	<u>(96,103)</u>
Change in net position	(520,743)	29,200	(491,543)
<b>Net position, beginning of year</b>	<u>2,586,658</u>	<u>465,999</u>	<u>3,052,657</u>
<b>Net position, end of year</b>	<u>\$ 2,065,915</u>	<u>\$ 495,199</u>	<u>\$ 2,561,114</u>

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

**TOOMBS COUNTY, GEORGIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	<u>Landfill</u>	<u>Ambulance</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,370,496	\$ 2,244,213	\$ 3,614,709
Payments to suppliers and service providers	(318,609)	(533,967)	(852,576)
Payments to employees	(331,139)	(1,710,246)	(2,041,385)
Net cash provided by operating activities	<u>720,748</u>	<u>-</u>	<u>720,748</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on revenue bonds	(358,235)	-	(358,235)
Interest paid on revenue bonds	(97,118)	-	(97,118)
Net cash used in capital and related financing activities	<u>(455,353)</u>	<u>-</u>	<u>(455,353)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	1,015	-	1,015
Net cash provided by investing activities	<u>1,015</u>	<u>-</u>	<u>1,015</u>
Net increase in cash and cash equivalents	266,410	-	266,410
<b>Cash and cash equivalents:</b>			
Beginning of year	<u>2,275,633</u>	<u>-</u>	<u>2,275,633</u>
End of year	<u>\$ 2,542,043</u>	<u>\$ -</u>	<u>\$ 2,542,043</u>
<b>Classified as:</b>			
Cash	2,035,498	-	2,035,498
Restricted cash	506,545	-	506,545
	<u>\$ 2,542,043</u>	<u>\$ -</u>	<u>\$ 2,542,043</u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (424,640)	\$ 29,200	\$ (395,440)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	865,157	116,170	981,327
(Increase) decrease in accounts receivable	86,316	(49,409)	36,907
Increase in due from other governments	-	(492)	(492)
Increase in deferred outflows of resources	(13,921)	(106,725)	(120,646)
Increase (decrease) in accounts payable	(2,556)	11,214	8,658
Decrease in accrued liabilities	(7,678)	(65,387)	(73,065)
Increase (decrease) in compensated absences	3,698	(1,440)	2,258
Due to other funds	79,500	289,720	369,220
Decrease in advances from other funds	-	(320,141)	(320,141)
Increase in accrued closure/post-closure costs	122,182	-	122,182
Increase in deferred inflows of resources-pension	159	1,216	1,375
Increase in net pension liability	12,531	96,074	108,605
Net cash provided by operating activities	<u>\$ 720,748</u>	<u>\$ -</u>	<u>\$ 720,748</u>

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

**TOOMBS COUNTY, GEORGIA**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2016**

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<b>ASSETS</b>	<b>Agency Funds</b>
Cash	\$ 2,655,380
Taxes receivable	1,808,757
Total assets	<u>\$ 4,464,137</u>
<b>LIABILITIES</b>	
Due to others	\$ 2,655,380
Uncollected taxes	1,808,757
Total liabilities	<u>\$ 4,464,137</u>

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

**TOOMBS COUNTY, GEORGIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Toombs County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Auditing 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. The Reporting Entity**

Toombs County was established under the provisions of an act of the General Assembly of Georgia on August 18, 1905. The County operates under a County Commissioner form of government (five commissioners are elected by district with the Chairman elected at large from the county), and provides the following services as authorized by state law: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, 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 Toombs County, Georgia (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 or financial relationship with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board Statement No. 14, as amended by Statements No. 39 and 61, the financial statements of the component units are discretely presented in the government-wide financial statements.

**Toombs County Health Department**

The Toombs County Health Department (the "Health Department") provides public health services to the residents of Toombs County under a contract with the Georgia Department of Human Resources. Although the County does not have the authority to approve or modify the budget of the Health Department, the County is obligated to provide financial support to the Health Department. The Health Department has a June 30<sup>th</sup> year-end. The Health Department's statements have been prepared separately and can be obtained by writing to the Toombs County Health Department, 714 NW Broad Street, Lyons, Georgia 30436.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. The Reporting Entity (Continued)

##### Development Authority of Toombs County, Georgia

The governing board of the Development Authority of Toombs County, Georgia (the "Development Authority") consists of seven members appointed by the Toombs County Board of Commissioners. The Development Authority is responsible for promoting industrial and commercial development within Toombs County. Although the County does not have the authority to approve or modify the budget of the Development Authority, the County does provide financial support to the Development Authority and is obligated to provide funding to repay the Development Authority's bonded debt. Separately issued financial statements are not available for the Development Authority.

#### 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 non-fiduciary 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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, which have no measurement focus. 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.

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, intergovernmental grants, 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.

## NOTES TO FINANCIAL STATEMENTS

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### 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 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 Purpose Local Option Sales Tax Fund** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for road and drainage improvements, public safety projects, recreation projects, public building projects, County administration projects, debt service, and other City projects within Toombs County.

The **T-SPLOST Fund** accounts for the proceeds of the Transportation Special Purpose Local Option Sales Tax. Funds are used for various transportation projects within Toombs County.

The County reports the following major proprietary funds:

The **Landfill Fund** accounts for the costs of providing solid waste management services to residents of the County through the operation of the Toombs County Landfill, sanitation services, and collection centers.

The **Ambulance Fund** accounts for the costs of providing transportation services to the citizens of Toombs County who are in need of medical assistance.

Additionally, the County reports the following fund types:

The **special revenue funds** account for specific revenues that are legally restricted to expenditures for particular purposes.

The **agency funds** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's solid waste functions and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

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 are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 and Cash Equivalents

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.

#### E. Prepaid Items

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.

#### F. 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. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds."

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### F. Interfund Receivables and Payables (Continued)

In the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances".

#### G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through back trending.

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

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

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>
Buildings	50
Improvements	40
Land (landfill)	4-6
Infrastructure	40
Furniture and Fixtures	5-10
Machinery and Equipment	5-20

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Capital Assets (Continued)

Capital assets of the Development Authority are depreciated using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Buildings	50
Infrastructure	10-50
Furniture and Fixtures	5-10
Machinery and Equipment	5-10

#### H. 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 amount when 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 governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

#### I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types report the face amount of the debt issued as other financing sources.

#### J. 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 has three items that qualify for reporting in this category. These items, relating to the County's retirement plan, qualify for reporting in this category and are combined in the Statement of Net Position under the heading "Pension". The County reports deferred outflow of resources for assumption changes which are amortized over pension expense over a five year period.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Also, differences between projected investment return on pension investments and actual return on those investments is deferred and amortized against pension expense over a four year period, resulting in recognition as a deferred outflow of resources. Additionally, any contribution made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

In addition to liabilities, the statement of net position and the governmental funds balance sheet 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. The County has two items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The other item, 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 member. These differences are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining life of the plan members.

#### K. 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:

- **No spendable** – Fund balances are reported as no spendable 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Fund Equity (Continued)

- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County Manager 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 balance may be reported in all funds.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

**Net Position** – Net position represents the difference between assets and liabilities 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 position are available.

#### L. Use of 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.”

The details of this \$1,118,749 difference are as follows:

Accrued interest	\$ (239)
Compensated absences	(212,476)
Net pension liability	(906,034)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (1,118,749)

#### 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 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 estimated useful lives and reported as depreciation expense.” The details of this \$262,506 difference are as follows:

Capital outlay	\$ 648,822
Depreciation expense	(911,328)
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at change in net position - <i>governmental activities</i>	\$ (262,506)

## NOTES TO FINANCIAL STATEMENTS

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

#### B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states 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 \$14,680 difference are as follows:

Change in compensated absences	\$ (15,677)
Change in net pension liability	<u>30,357</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>\$ 14,680</u></u>

### NOTE 3. LEGAL COMPLIANCE – BUDGETS

#### A. Budgets and Budgetary Accounting

**Budgetary Data.** The annual budget document is the financial plan for the operation of Toombs County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). An annual operating budget is prepared for all governmental funds except the capital project funds, which use project-length budgets.

Department heads submit to the County Manager a proposed operating budget for the fiscal year commencing the following January 1. The proposed budgets are then submitted to the Board of Commissioners by the County Manager for study. Public hearings are conducted to obtain taxpayer comments. Prior to January 1, the budget is legally adopted by the Board of Commissioners.

The legal level of control for each legally adopted annual budget is the department level. Supplemental appropriations out of the County’s General Fund contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County’s governmental funds at any time during the year. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board of Commissioners at any level below the departmental level.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

#### A. Budgets and Budgetary Accounting (Continued)

All final budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budget during the year. The supplementary budgetary appropriations made were not material. All unexpended appropriations provided in the annual budget lapse at year-end.

#### B. Excess Expenditures over Appropriations

For the year ended December 31, 2016, expenditures exceeded budget in the applicable governmental funds, as follows:

<u>Department</u>	<u>Excess</u>
General Fund	
Highways and Streets	465,025
Recreation	28,097
Health and Welfare	850
Emergency Telephone System Fund	
Public Safety	42,912

These over expenditures were funded by additional unanticipated revenues.

## NOTES TO FINANCIAL STATEMENTS

### 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. It is the County's policy to limit its investments to those allowed and authorized by state law. As of yearend, the County held no investments.

**Custodial credit risk – deposits.** 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 December 31, 2016, the deposits of the County and its component units were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

**Interest rate risk.** The County's investment policy is a means of managing its exposure to fair value losses arising from increasing interest rates. As such, they adhere to the following criteria regarding investments as outlined in the County's policies and procedures manual: the investment must always be concerned with the preservation of principal; all investments must be relatively liquid; and there must be a realization of competitive interest rates relative to the risk assumed. The County Manager is authorized to make all investment decisions on behalf of the County.

### NOTE 5. RECEIVABLES

Receivables at December 31, 2016, consist of the following:

	General Fund	SPLOST Fund	T-SPLOST Fund	Landfill Fund	Ambulance Fund	Nonmajor Governmental Funds	Total
Receivables:							
Taxes	\$ 1,596,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,596,134
Accounts	-	-	-	159,868	324,873	68,424	553,165
Due from other governments	200,930	432,566	1,510,313	-	16,348	-	2,160,157
Gross receivables	1,797,064	432,566	1,510,313	159,868	341,221	68,424	4,309,456
Less allowance	-	-	-	-	-	-	-
Net receivables	<u>\$ 1,797,064</u>	<u>\$ 432,566</u>	<u>\$ 1,510,313</u>	<u>\$ 159,868</u>	<u>\$ 341,221</u>	<u>\$ 68,424</u>	<u>\$ 4,309,456</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. RECEIVABLES (CONTINUED)

Property taxes were levied on September 7, 2016. Bills are payable on or before December 20, 2016, after which the applicable property is subject to lien and penalties and interest are assessed. Property taxes attached as an enforceable lien on property as of December 20, 2016. The County bills and collects its own property taxes. Property taxes levied for 2016 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2016 and collected by February 28, 2017, are recognized as revenues in the year ended December 31, 2016. Net receivables estimated to be collected subsequent to February 28, 2017 are deferred as of December 31, 2016, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

### NOTE 6. CAPITAL ASSETS

#### A. Primary Government

Capital asset activity for the fiscal year ended December 31, 2016, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 406,988	\$ -	\$ -	\$ 406,988
Total	<u>406,988</u>	<u>-</u>	<u>-</u>	<u>406,988</u>
Capital assets, being depreciated:				
Buildings	5,801,387	-	-	5,801,387
Improvements	770,106	-	-	770,106
Infrastructure	15,239,631	6,362	-	15,245,993
Furniture and fixtures	436,076	-	-	436,076
Machinery and equipment	6,668,656	642,460	(46,699)	7,264,417
Total	<u>28,915,856</u>	<u>648,822</u>	<u>(46,699)</u>	<u>29,517,979</u>
Less accumulated depreciation for:				
Buildings	(2,868,731)	(117,508)	-	(2,986,239)
Improvements	(211,936)	(28,871)	-	(240,807)
Infrastructure	(9,199,377)	(172,060)	-	(9,371,437)
Furniture and fixtures	(322,916)	(13,964)	-	(336,880)
Machinery and equipment	(4,393,702)	(578,925)	46,699	(4,925,928)
Total	<u>(16,996,662)</u>	<u>(911,328)</u>	<u>46,699</u>	<u>(17,861,291)</u>
Total capital assets, being depreciated, net	<u>11,919,194</u>	<u>(262,506)</u>	<u>-</u>	<u>11,656,688</u>
Governmental activities capital assets, net	<u>\$ 12,326,182</u>	<u>\$ (262,506)</u>	<u>\$ -</u>	<u>\$ 12,063,676</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,420,174	\$ -	\$ -	\$ 1,420,174
Total	1,420,174	-	-	1,420,174
Capital assets, being depreciated:				
Land (landfill)	11,237,454	-	-	11,237,454
Buildings	1,640,197	-	-	1,640,197
Machinery and equipment	3,896,472	-	-	3,896,472
Total	16,774,123	-	-	16,774,123
Less accumulated depreciation for:				
Land (landfill)	(7,301,698)	(590,420)	-	(7,892,118)
Buildings	(1,007,478)	(50,222)	-	(1,057,700)
Machinery and equipment	(2,456,008)	(340,685)	-	(2,796,693)
Total	(10,765,184)	(981,327)	-	(11,746,511)
Total capital assets, being depreciated, net	6,008,939	(981,327)	-	5,027,612
Business-type activities capital assets, net	\$ 7,429,113	\$ (981,327)	\$ -	\$ 6,447,786

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

Governmental activities:	
General government	\$ 87,361
Judicial	379
Public safety	341,835
Public works	433,139
Health and welfare	46,464
Culture and recreation	2,150
Total depreciation expense - governmental activities	\$ 911,328
Business-type activities:	
Landfill	\$ 865,157
Ambulance Fund	116,170
Total depreciation expense - business-type activities	\$ 981,327

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. CAPITAL ASSETS (CONTINUED)**

**B. Discretely Presented Component Unit – Development Authority**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 2,400,688	\$ -	\$ -	\$ 2,400,688
Total	<u>2,400,688</u>	<u>-</u>	<u>-</u>	<u>2,400,688</u>
Capital assets, being depreciated:				
Buildings	3,811,054	-	-	3,811,054
Infrastructure	200,000	-	-	200,000
Equipment	100,000	-	-	100,000
Vehicles	50,701	-	-	50,701
Total	<u>4,161,755</u>	<u>-</u>	<u>-</u>	<u>4,161,755</u>
Less accumulated depreciation for:				
Buildings	(187,172)	(70,996)	-	(258,168)
Infrastructure	(128,334)	(20,000)	-	(148,334)
Equipment	(100,000)	-	-	(100,000)
Vehicles	(7,605)	(7,606)	-	(15,211)
Total	<u>(423,111)</u>	<u>(98,602)</u>	<u>-</u>	<u>(521,713)</u>
Total capital assets, being depreciated, net	<u>3,738,644</u>	<u>(98,602)</u>	<u>-</u>	<u>3,640,042</u>
Development Authority capital assets, net	<u>\$ 6,139,332</u>	<u>\$ (98,602)</u>	<u>\$ -</u>	<u>\$ 6,040,730</u>

**C. Discretely Presented Component Unit – Toombs County Health Department**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Machinery and equipment	\$ 252,635	\$ -	\$ (234,423)	\$ 18,212
Total capital assets, being depreciated	<u>252,635</u>	<u>-</u>	<u>(234,423)</u>	<u>18,212</u>
Less accumulated depreciation for:				
Machinery and equipment	(251,116)	(1,519)	234,423	(18,212)
Total accumulated depreciation	<u>(251,116)</u>	<u>(1,519)</u>	<u>234,423</u>	<u>(18,212)</u>
Total capital assets, net	<u>\$ 1,519</u>	<u>\$ (1,519)</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT

#### A. Primary Government

The following is a summary of long-term debt activity for the primary government for the year ended December 31, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Notes payable	\$ 66,442	\$ -	\$ (66,442)	\$ -	\$ -
Compensated absences	196,799	129,406	(113,729)	212,476	212,476
Net pension liability	596,927	624,801	(315,694)	906,034	-
Governmental activities Long-term liabilities	<u>\$ 860,168</u>	<u>\$ 754,207</u>	<u>\$ (495,865)</u>	<u>\$ 1,118,510</u>	<u>\$ 212,476</u>
<b>Business-type activities:</b>					
Landfill closure and post-closure costs	\$ 3,388,482	\$ 174,152	\$ (51,970)	\$ 3,510,664	\$ 53,790
Revenue bonds	3,250,084	-	(358,236)	2,891,848	369,975
Compensated absences	34,997	38,161	(35,903)	37,255	37,255
Net pension liability	168,364	176,225	(67,620)	276,969	-
Business-type activities Long-term liabilities	<u>\$ 6,841,927</u>	<u>\$ 388,538</u>	<u>\$ (513,729)</u>	<u>\$ 6,716,736</u>	<u>\$ 461,020</u>

For governmental activities, compensated absences are generally liquidated by the General Fund and the E911 Fund. For business-type activities, compensated absences are liquidated by the Landfill Fund and the Ambulance Fund.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

**Landfill Closure and Post-closure Costs.** Effective June 1998, the Toombs County Landfill Phase II was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate post-closure costs of approximately \$1,110,510 over the remaining 16-year period. These costs are based on what it would cost to perform all post-closure care in 1994, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

State and federal laws and regulations require the County to place a final cover on its Construction and Demolition Landfill and on its Landfill Phase III site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, which occurred in 2014 for the Construction and Demolition Landfill and in 2026 for the Landfill Phase III, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

While the total estimated liability for closure and post-closure care of the Construction and Demolition Landfill and the Landfill Phase III is \$711,941 and \$3,124,414, respectively, at December 31, 2016, the cumulative amount of the liability at December 31, 2016, which is based on the use of approximately 95.6% of the Construction and Demolition Landfill and 55.04% of the Landfill Phase III, is \$680,605 and \$1,719,547, respectively. The County will recognize the remaining estimated cost of closure and post-closure care of \$31,336 and \$1,404,867 respectively, as the remaining estimated capacity is filled. These costs are based on what it would cost to perform all closure and post-closure care in 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulation. Should any problems occur during the period, the costs and time period required for maintenance and monitoring functions may increase.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

**Revenue Bonds Payable.** In 2014 the County issued Toombs County Solid Waste Revenue Bonds, Series 2014 to fund the expansion of the municipal solid waste landfill. The bonds were issued as a draw-down bond issue such that the principal amount of the bonds will increase as advances are made to the County to fund the costs of the project, not to exceed \$5,000,000. The expansion project was completed as of December 31, 2016. The interest rate on the bonds is variable and is based on the Federal Reserve's ten year swap rate plus .45% not to exceed 6.0% per annum.

The annual requirements for debt service on the Solid Waste Revenue Bonds drawn down at December 31, 2016, are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 369,975	85,854	\$ 455,829
2018	381,811	74,018	455,829
2019	394,026	61,803	455,829
2020	406,486	49,343	455,829
2021	419,636	36,193	455,829
2022 - 2024	919,914	31,793	951,707
	<u>\$ 2,891,848</u>	<u>\$ 339,004</u>	<u>\$ 3,230,852</u>

#### B. Discretely Presented Component Unit – Development Authority

The following is a summary of long-term debt activity for the Development Authority for the year ended December 31, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Development Authority</b>					
Notes payable	\$ 1,791,001	\$ -	\$ (410,116)	\$ 1,380,885	\$ 1,072,252
Line of credit	400	-	-	400	400
Development Authority Long-term liabilities	<u>\$ 1,791,401</u>	<u>\$ -</u>	<u>\$ (410,116)</u>	<u>\$ 1,381,285</u>	<u>\$ 1,072,652</u>

**Notes Payable.** Included within notes payable is a note due to the One Georgia Authority. This note had an original balance of \$500,000 and was used to construct a new speculative building for future economic development. Quarterly installments of \$6,250 are due beginning in January 2027, maturing in January 2032. This note does not bear interest. This note was paid in full as of December 31, 2016.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### B. Discretely Presented Component Unit – Development Authority (Continued)

Included within notes payable is a note obtained in December 2010 due to an individual. This note had an original balance of \$900,000 and was used to purchase land for future economic development. Monthly payments of \$9,112 including interest at 4% are due through maturity in December 2020. As of December 31, 2016, the principal balance of this note was \$403,563.

Included within notes payable is a note obtained in May 2014 due to a financial institution. This note represents a construction loan with a maximum principal balance of \$2,200,000 of which \$977,322 had been drawn by the Development Authority as of December 31, 2016. The entire outstanding balance plus accrued interest is due on or before June 4, 2016. Interest on the note is variable based on 80% of the prime rate. As of the date of the loan this rate was 2.60% per annum.

The Authority's notes payable debt service requirements to maturity are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,072,252	\$ 14,415	\$ 1,086,667
2018	98,798	10,547	109,345
2019	102,823	6,522	109,345
2020	107,012	2,332	109,344
	<u>\$ 1,380,885</u>	<u>\$ 33,816</u>	<u>\$ 1,414,701</u>

#### C. Discretely Presented Component Unit – Health Department

The following is a summary of long-term debt activity for the Development Authority for the year ended December 31, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Health Department</b>					
Compensated absences	\$ 44,197	\$ 22,519	\$ (22,099)	\$ 44,617	\$ 22,309
Net pension liability	636,892	196,659	(160,371)	673,180	-
Health Department					
Long-term liabilities	<u>\$ 681,089</u>	<u>\$ 219,178</u>	<u>\$ (182,470)</u>	<u>\$ 717,797</u>	<u>\$ 22,309</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivable and payable balances as of December 31, 2016, are as follows:

<b>Due To</b>	<b>Due From</b>	<b>Amount</b>
General Fund	Ambulance Fund	\$ 289,720
General Fund	Landfill Fund	79,500
General Fund	Emergency 911 Fund	59,003
		\$ 428,223

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. Advances to/from other funds represent amounts not expected to be repaid within one year from the date of the financial statements.

Interfund transfers as of December 31, 2016, are as follows:

<b>Transfers In</b>	<b>Transfers Out</b>
	<b>General Fund</b>
Emergency Telephone System	\$ 230,183

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) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) to transfer funds for debt service.

**NOTE 9. JOINT VENTURE**

Under Georgia law, the County is a participating member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2016, the County paid \$12,218 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts and obligations of an RC. Separate financial statements may be obtained from: Heart of Georgia Altamaha Regional Commission, 5405 Oak Street, Eastman, Georgia 31023.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RETIREMENT PLANS

#### A. Primary Government

##### Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Toombs County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by the Government Employee Benefits Corporation of Georgia, (GenCorp). The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County, through its Board of Commissioners, 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. A separately issued financial report for the ACCG Plan may be obtained by writing to GenCorp at 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Plan membership as of January 1, 2015, (the most recent actuarial valuation date) is as follows.

Inactive plan members or beneficiaries currently receiving benefits	57
Inactive plan members entitled to but not receiving benefits	57
Active plan members	<u>124</u>
Total	<u><u>238</u></u>

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. The County's required contribution for the 2016 Plan year is \$376,183 or 9.1% of covered payroll. No contributions are required of or permitted by Plan members. The County meets all costs of the Plan.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### A. Primary Government (Continued)

##### Net Pension Liability of the County

The County is required to contribute an actuarially determined amount annually to The Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10. RETIREMENT PLANS (CONTINUED)**

**A. Primary Government (Continued)**

**Net Pension Liability of the County (Continued)**

*Actuarial Assumptions (Continued).* Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Fixed income	30%	6.78%
Large cap equity	30%	9.77%
International equity	15%	7.48%
Other equity	20%	9.23%
Real estate	5%	10.63%
Total	100%	

\* Rates shown are net of the 3.0% assumed rate of inflation

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### A. Primary Government (Continued)

##### Net Pension Liability of the County (Continued)

*Changes in the Net Pension Liability of the County.* The changes in the components of the net pension liability of the County for the year ended December 31, 2016, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	\$ 5,192,421	\$ 4,427,130	\$ 765,291
<i>Changes for the year:</i>			
Service cost	154,438	-	154,438
Interest	381,285	-	381,285
Liability experience (Gain)/Loss	(6,288)	-	(6,288)
Assumption change	200,759	-	200,759
Contributions-employer	-	314,178	(314,178)
Net investment income	-	54,701	(54,701)
Benefit payments, including refunds of employee contributions	(217,240)	(217,240)	-
Administrative expense	-	(22,589)	22,589
Other changes	-	(33,808)	33,808
<i>Net changes</i>	<u>512,954</u>	<u>95,242</u>	<u>417,712</u>
Balances at December 31, 2016	<u>\$ 5,705,375</u>	<u>\$ 4,522,372</u>	<u>\$ 1,183,003</u>

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's net pension liability	\$ 1,994,445	\$ 1,183,003	\$ 513,070

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### A. Primary Government (Continued)

##### Net Pension Liability of the County (Continued)

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

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

For the year ended December 31, 2016, the County recognized pension expense of \$335,160. At December 31, 2016, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment earnings difference	\$ 261,568	\$ -
Contributions subsequent to the measurement date	376,183	-
Assumption Changes	168,892	-
Experience Differences	-	5,290
<b>Total</b>	<b>\$ 806,643</b>	<b>\$ 5,290</b>

County contributions subsequent to the measurement date of \$376,183 are reported as a deferred outflow of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. The remaining deferred outflows and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	\$ 98,038
2017	98,038
2018	98,038
2019	90,928
2020	40,128
2021-22	\$ 425,170
Total	

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### B. Discretely Presented Component Unit – Health Department

*Plan Description.* All employees of the Health Department participate in the Georgia State Employees Retirement System (ERS), a cost-sharing multi-employer public employee retirement system covering employees of local boards of health and various agencies and departments of the State of Georgia. ERS is funded through employer and employee contributions and the Health Department has no legal obligation for paying benefits. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities.

GASB 68 requires that governmental employers report their share of the plan net pension liability and related pension expense and deferrals in their financial statements beginning June 30, 2015. 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 ERS and additions to/deductions from ERS' fiduciary net position have been determined on the same basis they are reported by ERS. 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.

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employee who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

All full-time employees who are hired for Merit System classified positions are eligible to participate in ERS. Participants have a partial vested right to retirement benefits after 10 years of service and become fully vested after 30 years of service. Employees are required to pay 1.25% of gross earnings to the retirement account. The Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for the old and new plan members and 21.69% for GSEPS members. The Health Departments contributions during the year totaled \$96,203. Contributions by employees are withheld by the Health Department.

*Pension Plan Fiduciary Net Position.* Detailed information regarding the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at [www.ers.ga.gov](http://www.ers.ga.gov).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### B. Discretely Presented Component Unit – Health Department (Continued)

*Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At June 30, 2016, the Health Department reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015, the Health Department's proportion was .016616%, which was a decrease of .000365% from the proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Health Department recognized pension expense of \$44,796. At June 30, 2016, the Health Department 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
Differences between expected and actual experience	\$ -	\$ 5,379
Net difference between projected and actual earnings on pension plan investments	-	48,571
Employer contributions subsequent to the measurement date	99,772	-
Total	\$ 99,772	\$ 53,950

Department contributions subsequent to the measurement date of \$99,772 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### B. Discretely Presented Component Unit – Health Department (Continued)

*Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued).* Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2017	\$ (21,868)
2018	(26,848)
2019	(21,649)
2020	16,415
Total	<u>\$ (53,950)</u>

*Actuarial Assumptions.* The total pension liability as of June 30, 2015, was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.45% - 9.25%, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period of July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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 assets allocation percentage and by adding expected inflation.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. RETIREMENT PLANS (CONTINUED)

#### B. Discretely Presented Component Unit – Health Department (Continued)

*Actuarial Assumptions (Continued).* The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target allocation	Long-term expected real rate of return *
Fixed income	30.0%	3%
Domestic large equities	39.7%	6.5%
Domestic mid equities	3.7%	10.0%
Domestic small equities	1.6%	13.0%
International developed market equities	18.9%	6.5%
International emerging market equities	6.1%	11.0%
	100.0%	

\* Rates shown are net of the 3.0% assumed rate of inflation

*Discount rate.* The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at the current contribution rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, 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 periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Health Department's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Health Department's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Health Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Health Department's net pension liability	\$ 954,257	\$ 673,180	\$ 433,551

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation law of Georgia. The fund is 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.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

### NOTE 12. CONTINGENCIES AND COMMITMENTS

The County had various contractual commitments of \$881,859 at December 31, 2016 for construction projects.

#### **Grant Contingencies:**

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

**Litigation:** The County is involved in a pending lawsuit. 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.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOOMBS COUNTY, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY  
AND RELATED RATIOS**

**FOR THE YEARS ENDED DECEMBER 31,**

	<b>2016</b>	<b>2015</b>
<b>Total pension liability</b>		
Service cost	\$ 154,438	\$ 142,347
Interest on total pension liability	381,285	367,105
Liability experience (Gain)/Loss	(6,288)	-
Assumption change	200,759	-
Benefit payments, including refunds of employee contributions	(217,240)	(211,765)
<b>Net change in total pension liability</b>	512,954	297,687
<b>Total pension liability - beginning</b>	5,192,421	4,894,734
<b>Total pension liability - ending (a)</b>	\$ 5,705,375	\$ 5,192,421
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 314,178	\$ 306,238
Net investment income	54,701	295,000
Benefit payments, including refunds of employee contributions	(217,240)	(204,111)
Administrative expenses	(22,589)	(20,003)
Other	(33,808)	(62,117)
<b>Net change in fiduciary net position</b>	95,242	315,007
<b>Plan fiduciary net position - beginning</b>	4,427,130	4,112,123
<b>Plan fiduciary net position - ending (b)</b>	\$ 4,522,372	\$ 4,427,130
<b>County's net pension liability - ending (a) - (b)</b>	\$ 1,183,003	\$ 765,291
<b>Plan fiduciary net position as a percentage of total pension liability</b>	79.3%	85.3%
<b>Covered-employee payroll</b>	4,125,116	3,985,619
<b>County's net pension liability as a percentage of covered-employee payroll</b>	28.7%	19.2%

**Notes to the Schedule**

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

The assumptions used in the preparation of the above schedule are disclosed in Note 10 in the Notes to the Financial Statements.

**TOOMBS COUNTY, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF COUNTY CONTRIBUTIONS**

**FOR THE YEARS ENDED DECEMBER 31,**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 376,183	\$ 314,178	\$ 306,238
Contributions in relation to the actuarially determined contribution	<u>376,183</u>	<u>314,178</u>	<u>306,238</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	4,125,116	3,985,619	3,556,210
Contributions as a percentage of covered-employee payroll	9.1%	7.9%	8.6%

**Notes to the Schedule**

Valuation Date	January 1, 2015
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return On Investments	7.50%
Projected Salary Increases	3.50% - 5.50% (including 3.0% inflation)
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

**TOOMBS COUNTY, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
TOOMBS COUNTY HEALTH DEPARTMENT  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
EMPLOYEES RETIREMENT SYSTEM OF GEORGIA  
FOR THE FISCAL YEARS ENDED JUNE 30,**

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	2016	2015
Health Department's proportion of the net pension liability	0.016616 %	0.016981
Health Department's proportionate share of the net pension liability	\$ 673,180	\$ 636,892
Health Department's covered-employee payroll	\$ 403,442	\$ 387,694
Health Department's proportionate share of the net pension liability as a percentage of its covered payroll	166.9 %	164.3
Plan fiduciary net position as a percentage of the total pension liability	78.0 %	76.2

**Notes to the Schedule**

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

**TOOMBS COUNTY, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
TOOMBS COUNTY HEALTH DEPARTMENT  
SCHEDULE OF CONTRIBUTIONS  
EMPLOYEES RETIREMENT SYSTEM OF GEORGIA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 70,457	\$ 83,363
Contributions in relation to the contractually required contribution	<u>70,585</u>	<u>83,425</u>
Contribution deficiency (excess)	<u>\$ (128)</u>	<u>\$ (62)</u>
Health Department's covered employee payroll	\$ 403,442	\$ 403,442
Contributions as a percentage of covered employee payroll	17.50 %	20.7 %

**Notes to the Schedule**

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

**TOOMBS COUNTY, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS**

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**Special Revenue Funds**

**Emergency Telephone System Fund** is used to account for the cost of operating and maintaining the Toombs County E-911 System. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in the areas served by the Toombs County E-911 system and by a transfer from the General Fund.

**Revolving Loan Fund** is used to account for residual Employment Incentive Grant Funds awarded to the County to loan for economic development with principle retained for future development activities. The fund is administered by contract with the Toombs County Development Authority.

**Jail Fund** is used to account for the expenditures made towards maintenance and operations of the County jail.

**Law Library Fund** is used to account for costs of operating and maintaining the County Law Library. Financing is provided from a charge added to and collected on all costs in civil and criminal cases.

**Jail Commissary Fund** is used to account for proceeds from jail inmate commissary sales.

**TOOMBS COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2016**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Emergency Telephone System	Revolving Loan Fund	Jail Fund	Law Library	Jail Commissary	
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ 240,501	\$ 37,259	\$ 29,454	\$ 307,214
Accounts receivable	66,702	-	-	121	1,601	68,424
Due from component unit	-	897,937	-	-	-	897,937
Total assets	<u>\$ 66,702</u>	<u>\$ 897,937</u>	<u>\$ 240,501</u>	<u>\$ 37,380</u>	<u>\$ 31,055</u>	<u>\$ 1,273,575</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 6,427	\$ -	\$ -	\$ -	\$ -	\$ 6,427
Accrued liabilities	1,272	-	-	-	-	1,272
Due to other funds	59,003	-	-	-	-	59,003
Total liabilities	<u>66,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,702</u>
<b>FUND BALANCES</b>						
Restricted for:						
Judicial programs	-	-	-	37,380	-	37,380
Public safety	-	-	240,501	-	-	240,501
Economic development	-	897,937	-	-	-	897,937
Assigned for:						
Jail commissary activities	-	-	-	-	31,055	31,055
Total fund balances	<u>-</u>	<u>897,937</u>	<u>240,501</u>	<u>37,380</u>	<u>31,055</u>	<u>1,206,873</u>
Total liabilities and fund balances	<u>\$ 66,702</u>	<u>\$ 897,937</u>	<u>\$ 240,501</u>	<u>\$ 37,380</u>	<u>\$ 31,055</u>	<u>\$ 1,273,575</u>

**TOOMBS COUNTY, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	<b>Special Revenue Funds</b>					<b>Total Nonmajor Governmental Funds</b>
	<b>Emergency Telephone System</b>	<b>Revolving Loan Fund</b>	<b>Jail Fund</b>	<b>Law Library</b>	<b>Jail Commissary</b>	
<b>Revenues:</b>						
Fines and forfeitures	\$ -	\$ -	\$ 34,376	\$ 14,112	\$ -	\$ 48,488
Charges for services	429,911	-	-	-	-	429,911
Interest income	-	9,462	-	-	14	9,476
Miscellaneous	-	-	-	-	15,849	15,849
Total revenues	<u>429,911</u>	<u>9,462</u>	<u>34,376</u>	<u>14,112</u>	<u>15,863</u>	<u>503,724</u>
<b>Expenditures:</b>						
Current:						
Judicial	-	-	-	3,159	-	3,159
Public safety	<u>728,922</u>	-	<u>2,444</u>	-	<u>10,568</u>	<u>741,934</u>
Total expenditures	<u>728,922</u>	<u>-</u>	<u>2,444</u>	<u>3,159</u>	<u>10,568</u>	<u>745,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(299,011)</u>	<u>9,462</u>	<u>31,932</u>	<u>10,953</u>	<u>5,295</u>	<u>(241,369)</u>
<b>Other financing sources:</b>						
Transfers in	<u>230,183</u>	-	-	-	-	<u>230,183</u>
Total other financing sources	<u>230,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,183</u>
Net change in fund balances	(68,828)	9,462	31,932	10,953	5,295	(11,186)
<b>Fund balances, beginning of year</b>	<u>68,828</u>	<u>888,475</u>	<u>208,569</u>	<u>26,427</u>	<u>25,760</u>	<u>1,218,059</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 897,937</u>	<u>\$ 240,501</u>	<u>\$ 37,380</u>	<u>\$ 31,055</u>	<u>\$ 1,206,873</u>

**TOOMBS COUNTY, GEORGIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	<b>Emergency Telephone System Fund</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ -	\$ -
Charges for services	460,000	429,911	(30,089)
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>460,000</u>	<u>429,911</u>	<u>(30,089)</u>
<b>EXPENDITURES</b>			
Public safety	<u>686,010</u>	<u>728,922</u>	<u>(42,912)</u>
Total expenditures	<u>686,010</u>	<u>728,922</u>	<u>(42,912)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(226,010)</u>	<u>(299,011)</u>	<u>(73,001)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>226,010</u>	<u>230,183</u>	<u>4,173</u>
Total other financing sources	<u>226,010</u>	<u>230,183</u>	<u>4,173</u>
Net changes in fund balance	<u>-</u>	<u>(68,828)</u>	<u>(68,828)</u>
Fund balance, beginning of year	<u>68,828</u>	<u>68,828</u>	<u>-</u>
Fund balance, end of year	<u>\$ 68,828</u>	<u>\$ -</u>	<u>\$ (68,828)</u>

Revolving Loan Fund			Jail Fund		
Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ 35,000	\$ 34,376	(624)
-	-	-	-	-	-
10,000	9,462	(538)	-	-	-
-	-	-	-	-	-
<u>10,000</u>	<u>9,462</u>	<u>(538)</u>	<u>35,000</u>	<u>34,376</u>	<u>(624)</u>
-	-	-	10,000	2,444	7,556
-	-	-	10,000	2,444	7,556
10,000	9,462	(538)	25,000	31,932	6,932
-	-	-	-	-	-
-	-	-	-	-	-
10,000	9,462	(538)	25,000	31,932	6,932
888,475	888,475	-	208,569	208,569	-
<u>\$ 898,475</u>	<u>\$ 897,937</u>	<u>\$ (538)</u>	<u>\$ 233,569</u>	<u>\$ 240,501</u>	<u>\$ 6,932</u>

(Continued)

**TOOMBS COUNTY, GEORGIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	<b>Law Library Fund</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Fines and forfeitures	\$ 15,000	\$ 14,112	\$ (888)
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>15,000</u>	<u>14,112</u>	<u>(888)</u>
<b>EXPENDITURES</b>			
Judicial	15,000	3,159	11,841
Public safety	-	-	-
Total expenditures	<u>15,000</u>	<u>3,159</u>	<u>11,841</u>
Net changes in fund balance	<u>-</u>	<u>10,953</u>	<u>10,953</u>
Fund balance, beginning of year	<u>26,427</u>	<u>26,427</u>	<u>-</u>
Fund balance, end of year	<u>\$ 26,427</u>	<u>\$ 37,380</u>	<u>\$ 10,953</u>

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**Jail Commissary Fund**

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<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ -	\$ -	\$ -
-	14	14
<u>15,000</u>	<u>15,849</u>	<u>849</u>
<u>15,000</u>	<u>15,863</u>	<u>863</u>
-	-	-
<u>15,000</u>	<u>10,568</u>	<u>4,432</u>
<u>15,000</u>	<u>10,568</u>	<u>4,432</u>
-	5,295	5,295
<u>25,760</u>	<u>25,760</u>	<u>-</u>
<u>\$ 25,760</u>	<u>\$ 31,055</u>	<u>\$ 5,295</u>

**TOOMBS COUNTY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Landfill Cell Construction	\$ 105,000	\$ 1,347,937	\$ 1,347,937	\$ -	\$ 1,347,937
Convenience Center Construction	108,096	2,000,000	529,245	-	529,245
Roads, Bridges, and Sidewalks	-	2,200,000	1,431,074	2,649,596	4,080,670
Sheriff Annex	-	2,800,000	615,717	-	615,717
Machinery and Equipment	67,189	3,000,000	4,312,676	323,213	4,635,889
Vehicles	76,962	76,962	1,410,728	291,332	1,702,060
Recreation Allocations	74,833	1,000,000	461,440	60,000	521,440
City of Vidalia	15,770,000	15,770,000	13,351,317	1,866,308	15,217,625
City of Lyons	6,080,000	6,080,000	5,147,495	719,370	5,866,865
City of Santa Claus	380,000	380,000	321,738	45,174	366,912
<b>Total</b>	<b>\$ 22,662,080</b>	<b>\$ 34,654,899</b>	<b>\$ 28,929,367</b>	<b>5,954,993</b>	<b>\$ 34,884,360</b>

Reconciliation of SPLOST schedule to financial statements:  
Total of SPLOST expenditures above

\$ 5,954,993

Total Expenditures - SPLOST Fund  
Debt Service Payments

\$ 6,024,393

(69,400)

\$ 5,954,993

**TOOMBS COUNTY, GEORGIA  
AGENCY FUNDS**

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**Tax Commissioner** – To account for the collection and payment to Toombs County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Toombs County and other taxing units.

**Clerk of Superior Court** – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Probate Court** – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Magistrate Court** – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Sheriff** – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

**TOOMBS COUNTY, GEORGIA**

**COMBINING BALANCE SHEET  
AGENCY FUNDS  
DECEMBER 31, 2016**

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<b>ASSETS</b>	<b>Tax Commissioner</b>	<b>Clerk of Superior Court</b>	<b>Probate Court</b>	<b>Magistrate Court</b>	<b>Sheriff</b>	<b>Total</b>
Cash	\$ 2,416,540	\$ 73,061	\$ 1,661	\$ 21,189	\$ 142,929	\$ 2,655,380
Taxes receivable	1,808,757	-	-	-	-	1,808,757
Total assets	<u>\$ 4,225,297</u>	<u>\$ 73,061</u>	<u>\$ 1,661</u>	<u>\$ 21,189</u>	<u>\$ 142,929</u>	<u>\$ 4,464,137</u>
 <b>LIABILITIES</b>						
Due to others	\$ 2,416,540	\$ 73,061	\$ 1,661	\$ 21,189	\$ 142,929	\$ 2,655,380
Uncollected taxes	1,808,757	-	-	-	-	1,808,757
Total liabilities	<u>\$ 4,225,297</u>	<u>\$ 73,061</u>	<u>\$ 1,661</u>	<u>\$ 21,189</u>	<u>\$ 142,929</u>	<u>\$ 4,464,137</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**

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**Board of Commissioners  
of Toombs County, Georgia  
Lyons, 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 Toombs County, Georgia as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Toombs County, Georgia's basic financial statements, and have issued our report thereon dated June 20, 2017. Our report includes a reference to other auditors who audited the financial statements of the Toombs County Health Department, as described in our report on the County'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 Toombs County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Toombs County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Toombs County, Georgia'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.

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

### **Compliance and Other Matters**

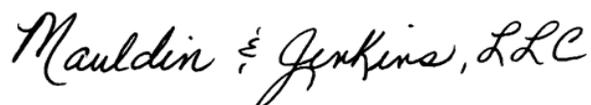
As part of obtaining reasonable assurance about whether Toombs County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Toombs County, Georgia's Responses to Findings**

Toombs County, Georgia's responses to the finding identified in our audit is described in the accompanying schedule of findings and responses. Toombs 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Macon, Georgia  
June 20, 2017

# TOOMBS COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

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### SECTION I SUMMARY OF AUDIT RESULTS

#### Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes  None Reported

Significant deficiencies identified not considered  
to be material weaknesses?

Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

#### Federal Awards

There was not an audit of major federal award programs as of December 31, 2016 due to the total amount expended being less than \$750,000.

### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

#### **2016-1. 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: Appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions does not exist within the offices of the Sheriff, Tax Commissioner, Clerk of Court, Probate Court, and the Magistrate Court.

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

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

Cause: The lack of segregation of duties is due to the failure to properly develop an integrated work plan with appropriate controls and an improper allocation of available resources.

Recommendation: The duties of recording, distribution, and reconciliation of accounts should be segregated among employees.

**TOOMBS COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)**

**2016-1. Segregation of Duties (Continued)**

Views of Responsible Officials and Planned Corrective Action: We concur. 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.

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not applicable.

# TOOMBS COUNTY, GEORGIA

## SUMMARY OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

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### **2015-1. 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: Appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions does not exist within the offices of the Sheriff, Tax Commissioner, Clerk of Court, Probate Court, and the Magistrate Court.

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

### **2015-2. Management of Accounts Receivable and Revenue**

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the County should review all revenue transactions to determine reporting in the proper period.

Condition: Appropriate reconciliation procedures were not followed, resulting in an understatement of revenue and accounts receivable in the T-SPLOST Fund and an overstatement of revenue and accounts receivable in the SPLOST Fund.

Auditee Response/Status: Resolved.

### **2015-3. Management of Capital Assets**

Criteria: Generally accepted accounting principles require items purchased with a measurable future economic value to be recorded as capital assets and depreciated over their useful life.

Condition: Capital assets were improperly recorded in the Ambulance Fund. Also, depreciation expense was incorrectly recorded in the Landfill and Ambulance Funds.

Auditee Response/Status: Resolved.

### **2015-4. Management of Accounts Payable**

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The County did not properly address the above criteria as of December 31, 2015 as it relates to accounts payable within the General, SPLOST, Landfill, and Ambulance Funds.

Auditee Response/Status: Resolved.

# TOOMBS COUNTY, GEORGIA

## SUMMARY OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

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### **2015-5. Management of Prepaid Expenditures**

Criteria: Generally accepted accounting principles require reporting of all expenditures paid in advance of receiving the benefit as an asset, which is then expensed over time as the benefit is received.

Condition: The County did not properly record prepaid expenditures as of December 31, 2015 within the General Fund.

Auditee Response/Status: Resolved.