

Floyd County, Georgia

Auditor's Discussion & Analysis
Financial & Compliance Audit Summary
December 31, 2017



Presented by:

**MAULDIN
& JENKINS**

Floyd County, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2017

PURPOSE OF THE AUDITOR'S DISCUSSION & ANALYSIS

- ◆ Engagement Team and Firm Information.

- ◆ Overview of:
 - Audit Opinion;
 - Financial Statements, Footnotes and Supplementary Information;
 - Compliance Reports.

- ◆ Required Communications under Government Auditing Standards.

- ◆ Accounting Recommendations and Other Matters.

- ◆ Other Items and Closing Thoughts.

- ◆ Answer Questions.



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MAULDIN & JENKINS – GOVERNMENTAL PRACTICE

General Information:

- Founded in 1918. Large regional firm serving the Southeastern United States.
- Offices located in Atlanta, Macon, Albany, Bradenton, Columbia, Chattanooga, and Birmingham with approximately 290 personnel employed.

Governmental Sector:

- Largest specific industry niche served by Firm representing 25% of Firm practice.
- Serve more governmental entities in the Southeast than any other certified public accounting firm requiring over 85,000 hours of service on an annual basis.
- Approximately 90 professional staff persons with current governmental experience.
- In past three (3) years, have served approx. 400 governments in the Southeast, including:
 - ✓ 100 cities;
 - ✓ **45 counties;**
 - ✓ 50 school systems and 35 charter schools;
 - ✓ 40 state entities;
 - ✓ 100 special purpose entities (stand-alone entities: water/sewer, transit, gas, electric, airports, housing, development, other educational, retirement, libraries, etc.);
 - ✓ Inclusive of the above, we serve over 100 water and sewer enterprise operations;
 - ✓ **Inclusive of the above, we serve 105 governments receiving the GFOA's Certificate of Achievement for Excellence in Financial Reporting.**
- Experience performing forensic audit services and information technology consultations.
- Experience performing municipal bond debt issuance attestation services serving clients with over \$11.0 billion in aggregate publicly issued debt instruments.
- Experience performing an aggregation of Single Audits in excess of \$8 billion annually.
- Experience auditing a substantial part of the State of Georgia including approximately 30% of the State's General Fund, and a substantial number of the State's component units.

Engagement Team Leaders for Floyd County Include:

- Matt Hill – Engagement Lead Partner – over 18 years experience, 100% governmental
- Doug Moses – Quality Assurance Partner – over 19 years experience, 100% governmental
- Tim Lyons – Engagement Director – over 9 years experience, 100% governmental
- Justin Davis – Supervisor – over 4 years experience, 100% governmental

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MAULDIN & JENKINS – ADDITIONAL INFORMATION

Other Industries & Services by Mauldin & Jenkins:

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

Industries Served: Over the years our partners have developed expertise in certain industries representative of a cross section of the Georgia economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- SEC Registrants
- Wholesale Distribution
- Agri-Businesses
- Manufacturing
- Professional Services
- Employee Benefit Plans
- Financial Institutions (community banks, savings & loans, thrifts, credit unions, mortgage companies, and finance companies)
- Non-Profit Organizations
- Retail Businesses
- Long-term Healthcare
- Construction & Development
- Individuals, Estates and Trusts
- Real Estate Management

Services Provided: This diversity of practice enables our personnel to experience a wide variety of business, accounting and tax situations. We provide the traditional and not-so-traditional services such as:

- Financial Audit/Review/Compilation
- Compliance Audits & Single Audits
- Agreed-Upon Procedures
- Forensic Audits
- Bond Issuance Services
- Performance Audits
- State Sales Tax Matters
- International Tax Matters
- Business & Strategic Planning
- Profitability Consulting
- Budgeting
- Buy-Sell Agreements & Business Valuation Issues
- Income Tax Planning & Preparation
- Multi-State Income Tax Issues
- Information Systems Consulting
- Cost Accounting Analysis
- Healthcare Cost Reimbursement
- Outsourced Billing Services
- Fixed Asset Inventories
- Succession & Exit Strategy Consulting
- Estate Planning
- Management Information Systems
- Employee Benefit Plan Administration
- Merger/Acquisition & Expansion Financing

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INDEPENDENT AUDITOR'S REPORT

The independent auditor's report has specific significance to readers of the financial report.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of management.

Auditor's Responsibility

Our responsibility, as external auditors, is to express opinions on these financial statements based on our audit. 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. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We did not audit the financial statements of the Floyd County Department of Public Health (a component unit of the County). Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the Department of Public Health is based solely on the report of other auditors.

Opinions

We have issued an unmodified audit report (i.e., "clean opinion"). The respective financial statements are considered to present fairly the financial position and results of operations as of, and for the year ended December 31, 2017.

Other Matters

Certain required supplementary information and other information is included in the financial report, and as directed by relevant auditing standards, we have not expressed an opinion or provided any assurance on the respective information.

Other Reporting

Government Auditing Standards require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

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REVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

General Information About the CAFR

A Comprehensive Annual Financial Report (CAFR) goes beyond the normal financial reporting required by accounting principles generally accepted in the United States. A CAFR includes at a minimum the following elements/sections:

- **Introductory Section:** general information on the County's structure and the services it provides.
 - Letter of Transmittal
 - Organizational Chart
 - Directory of Officials
 - Certificate of Achievement for Excellence in Financial Reporting
- **Financial Section:** basic financial statements, footnotes and required supplementary information along with the auditor's report.
 - Independent Auditor's Report
 - Management Discussion & Analysis (MD&A)
 - Financial Statements and Footnotes
- **Statistical Section:** broad range of financial, demographic information useful in assessing the County's economic condition, and this information covers multiple years.
 - Financial Trends Information
 - Revenue Capacity Information
 - Debt Capacity Information
 - Operating Information

A CAFR goes far beyond the basic requirements of annual financial reporting, and the County should be commended for going beyond the minimum and providing such a report.

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Recognition and Award

Once completed, the fiscal year 2016 CAFR was submitted to the Government Finance Officers Association (GFOA) for determination if the report would merit the GFOA's Certificate of Achievement for Excellence in Financial Reporting. We are happy to inform everyone that the GFOA did indeed review the CAFR and awarded the County with the sought after Certificate.

The GFOA Certificate has been made a part of the County's 2017 fiscal year CAFR, and is included in the Introductory Section. The County is one of only a handful of local governments in the State to elect to report at such a high level and to obtain this distinguished award.



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OVERVIEW OF FINANCIAL STATEMENTS

The County's basic financial statements include three components:

- 1) Government-wide financial statements;
- 2) Fund financial statements; and
- 3) Notes to the financial statements.

The **government-wide financial statements** provide a broad overview of all of the County's funds, as well as its discretely presented component units – the Floyd County Department of Public Health and the Development Authority of Floyd County. The *Statement of Net Position* presents information on all assets (and deferred outflows) and liabilities (and deferred inflows) of the County, with the resulting difference reported as net position. The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. Revenues are categorized as program revenues or general revenues. Expenses are categorized by function.

The **fund financial statements** more closely resemble the financial statements as presented prior to the adoption of GASB Statement No. 34. All of the funds of the County can be divided into three (3) categories: governmental funds (includes the General Fund), business-type funds, and fiduciary funds.

The County also includes, as part of the CAFR, the following information:

- 1) Special Purpose Local Option Sales Tax (SPLOST) Schedules and Report

Government-Wide (Full-Accrual) Financial Statements

As noted above, the financial report of the Government includes two (2) entity-wide financial statements: a *Statement of Net Position*; and a *Statement of Activities*.

Highlights of the government-wide statements notes total assets (and deferred outflows of resources) of approximately \$328 million offset by liabilities (and deferred inflows of resources) of approximately \$51 million. This results in the County reporting net position (or equity) of approximately \$277 million. Also, a substantial element of the net position is composed of a net investment in capital assets in the approximate amount of \$241 million. Restricted net position amounts to approximately \$26 million leaving unrestricted net position at just over \$10 million.

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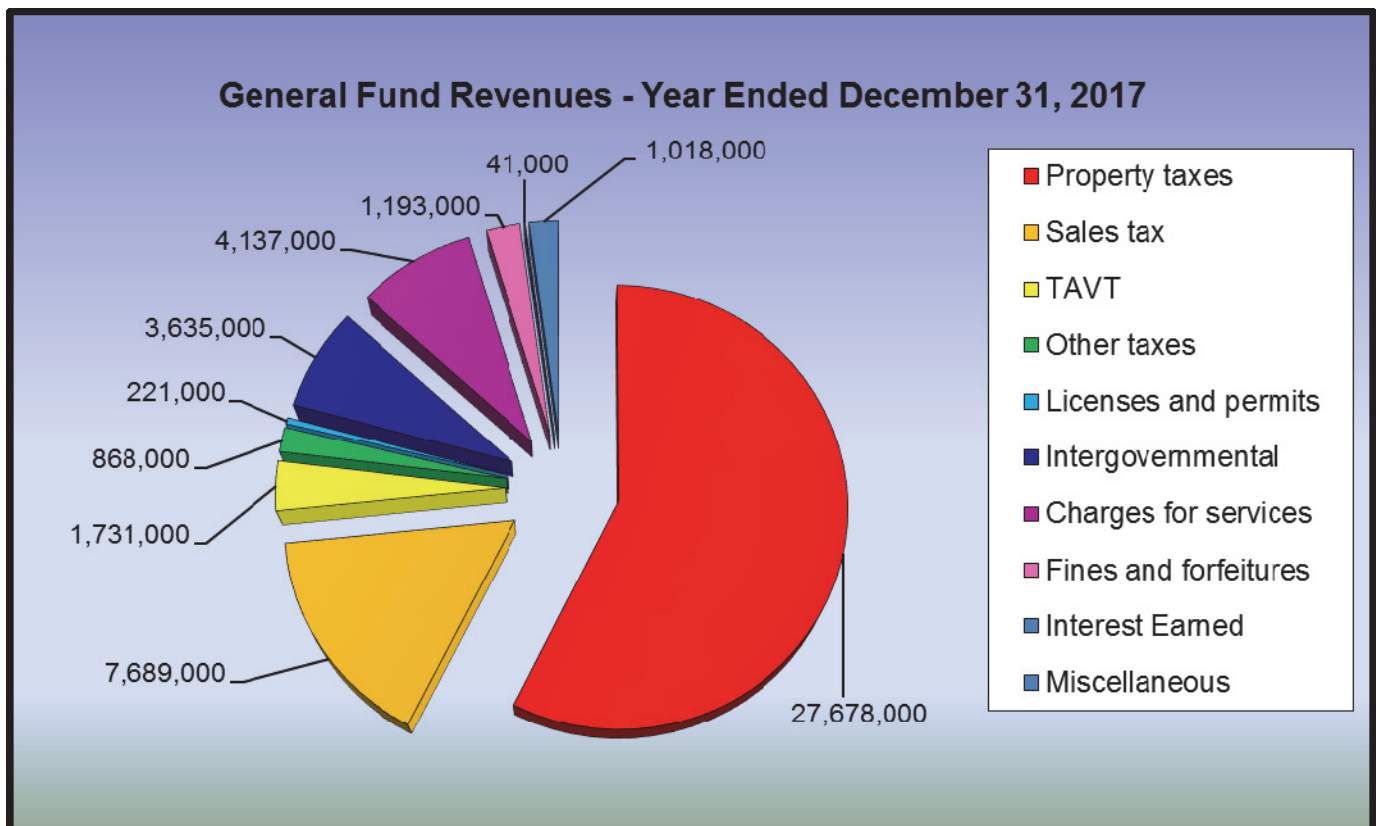
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The *Statement of Activities* attempts to report expenses in the first column with direct offsetting program revenues to the adjacent columns to arrive at a net cost of the functional areas of operation. General revenues (primarily property taxes and sales tax) come to the rescue of the net cost functional areas. However, the County reports a decrease in the change in net position of approximately \$8,000,000 for the year ended December 31, 2017.

General Fund

Of primary interest to the County is the **General Fund**, which accounts for the majority of revenues received and funds expended in the operations of the County, including general government activities, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development.

General Fund Revenues: The following chart depicts the primary revenue sources of the General Fund for 2017. Property taxes represent a key component of revenue.

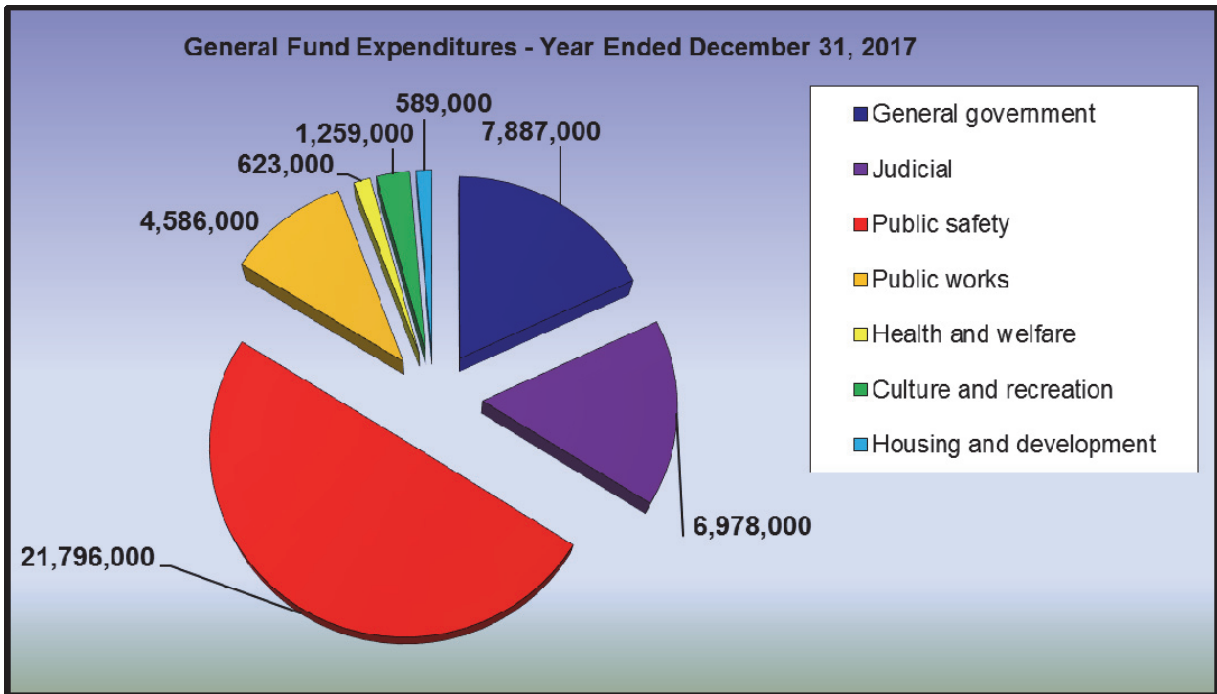


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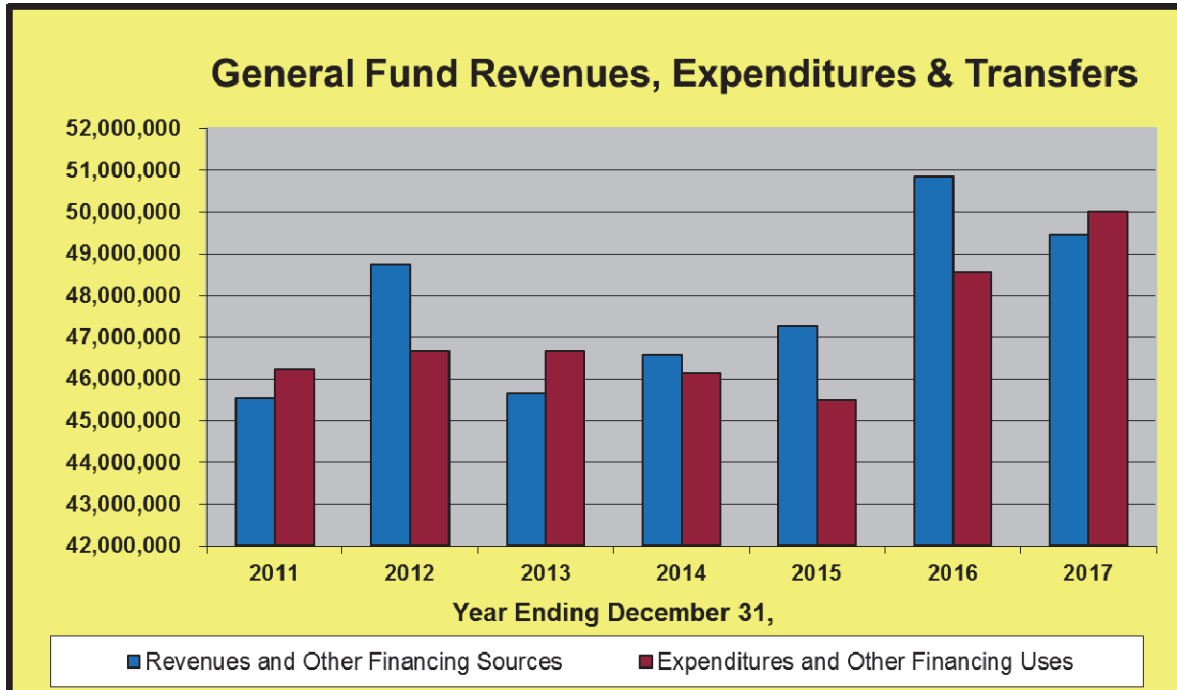
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General Fund Expenditures: The chart on the following page presents the General Fund's expenditures by major function for the year ended December 31, 2017:



Net Change in Fund Balance and the Revenues and Expenditures of the General Fund. The following chart demonstrates General Fund revenues versus expenditures over several years:

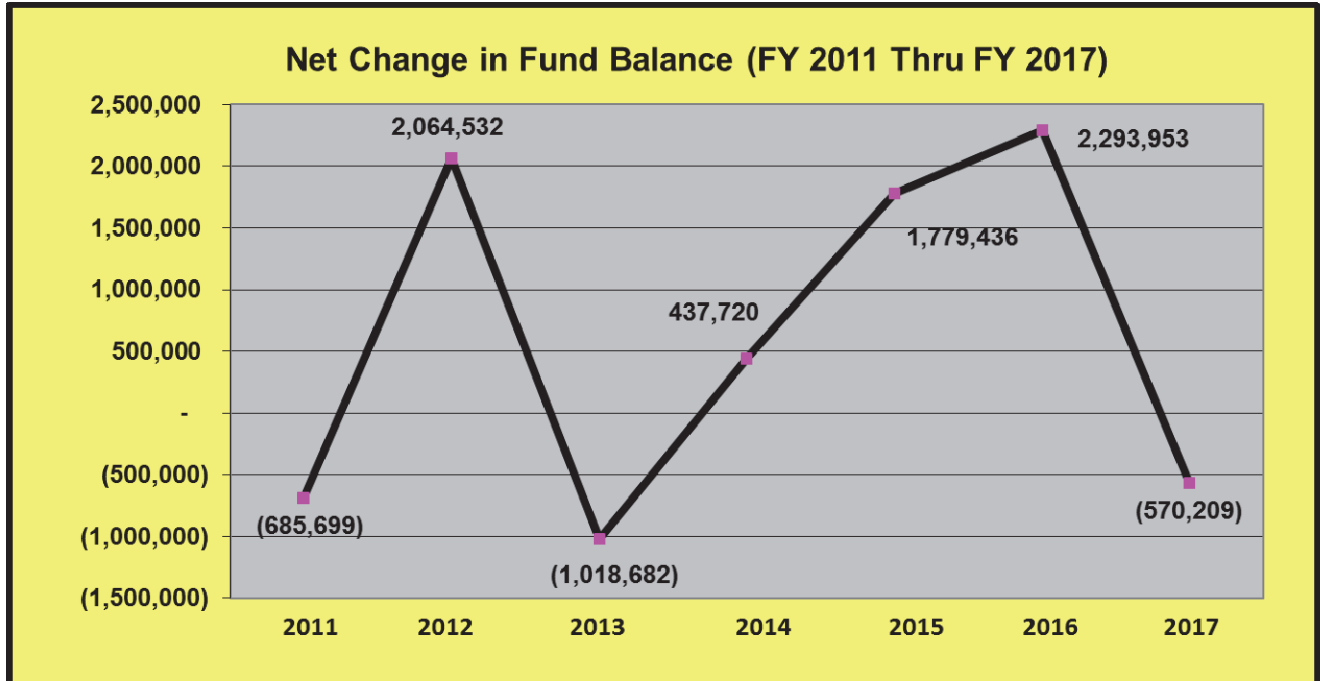


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The following chart presents the annual net change in fund balance of the General Fund for the past seven (7) years.



Other Governmental Funds

The County also maintains fifteen (15) *special revenue funds*. These funds account for revenues derived from specific sources which are legally restricted to finance particular functions or activities. *Debt service funds* are used to account for the accumulation of resources for payment of the County's long-term debt. The County maintains one (1) debt service fund. *Capital projects funds* are used to account for revenues and expenditures related to the renovation and/or construction of major capital assets. Six (6) capital projects funds are maintained by the County.

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Business-Type Funds

The County maintains four (4) *enterprise funds*, which are used to account for operations in a manner similar to private business enterprises. The enterprise funds maintained are the Water Fund, Recycling Center Fund, Forum River Center Fund, and Airport Fund.

The County also maintains two (2) *internal service funds* which are used to account for various programs and services for the benefit of the other funds of the County. The internal service funds maintained are the Insurance Fund and the Workers' Compensation Fund.

Business-Type Statement of Net Position

Assets: The County's assets recognized an increase during the year ended December 31, 2017. Assets increased approximately \$1,634,000 or 2.6% from \$62,447,000 to \$64,081,000. This increase can largely be attributed to the increase in capital assets resulting from ongoing construction in progress projects throughout the County.

Liabilities: The County's liabilities remained consistent during the year ended December 31, 2017. Total liabilities increased approximately \$470,000 or 4.1% from \$11,345,000 to \$11,815,000. The County recognized an increase which is attributed to entering into a new capital lease during the year.

Net Position: The County's equity position increased from approximately \$51,102,000 to \$52,266,000. This increase is reconciled on the County's "Statement of Revenues, Expenses and Changes in Net Position". It should be noted that a very large portion of the County's net position is capital assets net of related debt. While the County is reflecting approximately \$41,416,000 in net position (or equity), only \$3,271,000 is unrestricted and considered available for operations. In the end, the statement of net position reflects the fact that the County has invested heavily in itself over the history of the organization.

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Business-Type Statement of Revenues, Expenses and Changes in Net Position

Total operating revenues of the County increased from approximately \$9,116,000 to \$9,856,000. Total operating expenses of the County decreased slightly from approximately \$8,652,000 to \$8,605,000. The effect of the increased revenues and decreased expenses resulted in the County reporting an operating income of approximately \$1,164,000 compared to operating income of approximately \$368,000 in the prior year.

Fiduciary Funds

The County maintains the following *agency funds* - Tax Commissioner, Superior Court Office of Receiver, Sheriff's Office, Clerk of Superior Court, Magistrate Court, and the Juvenile Court – which are used to account for the collection and disbursement of funds by the County on behalf of other governments and individuals.

Footnotes

Note 1 – Accounting Policies: This footnote discusses the overall organization of the County, the nature of its operations, and other pertinent information regarding the governing body of the County.

This footnote continues by sharing with a reader of the financial statements the significant accounting policies and principles utilized in the preparation of the financial statements.

Note 2 – Stewardship, Compliance and Accountability: This footnote discloses the County's procedures in establishing its annual budget and discloses the County's excesses of actual expenditures over appropriations.

Note 3 – Detailed Notes On All Funds: This disclosure addresses all appropriate required disclosures of deposits and investments, receivables, property taxes, capital assets, interfund transactions, long-term debt, pension plans, contingent liabilities, other postemployment benefits, and tax abatements.

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COMPLIANCE REPORTS

The financial report package also contains a compliance report.

Yellow Book Report: The first compliance report is a report on our tests of the County's internal controls and compliance with laws, regulations, etc. The tests of internal controls were those we determined to be required as a basis for designing our financial statement auditing procedures. Such tests also considered the County's 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. In accordance with the respective standards, the report is **not** intended to provide an opinion, but to provide a form of negative assurance as to the County's internal controls and compliance with applicable rules and regulations.

REQUIRED COMMUNICATIONS

The Auditor's Responsibility Under Government Auditing Standards and Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of Floyd County, Georgia (the "County") for the year ended December 31, 2017, was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the County's internal control or compliance with laws and regulations.

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Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the County. There are several new accounting standards which will be required to be implemented in the coming years. These are discussed later in this document.

In considering the qualitative aspects of the County's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The County's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We considered this information and the qualitative aspects of management's calculations in evaluating the County's significant accounting policies. Estimates significant to the financial statements include such items as: the estimated lives of depreciable assets; actuarial assumptions and concepts relative to the benefit plans; deferred revenues; valuation of financial and non-financial instruments; the estimated incurred-but-not-reported liabilities; conservation commitments; extraordinary items; and the estimated allowance for uncollectible accounts.

Financial Statement Disclosures

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements, and the accounting policies described above are included in those disclosures. The overall neutrality, consistency, and clarity of the disclosures was considered as part our audit and in forming our opinion on the financial statements.

Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

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Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Representation from Management

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without a problem.

Management's Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.

Audit Adjustments

During our audit of the County's basic financial statements as of and for the year ended December 31, 2017, there were adjustments proposed to the funds of the County. The detail of these adjusting journal entries are included at the end of this report. All adjustments have been discussed with management of the County.

Uncorrected Misstatements

We proposed and passed on one (1) audit adjustment. The proposed adjustment was to pass on including the Rome-Floyd County Parks and Recreation Authority pension plan in County's CAFR. The amount of this passed adjustment was \$862,803. The proposed adjustment was considered to be immaterial and no other uncorrected misstatements were noted.

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Independence

We are independent of the County, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the County.

ACCOUNTING RECOMMENDATIONS AND RELATED MATTERS

Recommendations for Improvement and Other Matters

During our audit of the financial statements as of and for the year ended December 31, 2017, we noted some areas within the accounting and internal control systems that we believe can be improved. We did report one (1) finding (material weakness). Additionally, we noted certain items management should consider as part of its decision making process. Further, we noted other matters which we wish to communicate to you in an effort to keep the County abreast of accounting matters that could present challenges in financial reporting in future periods. Our recommendations and proactive thoughts and communications are presented in the following paragraphs.

Item Cited in the County's Financial Statements as Material Weaknesses

1) Segregation of Duties – Constitutional Officers

Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business. Appropriate segregation of duties does not exist between recording, distribution, and reconciliation of cash accounts and other operational functions in the following offices of the constitutional officers: Tax Commissioner, Superior Court Office of Receiver, Probate Court, Magistrate Court, Juvenile Court, Clerk of Superior Court, and Sheriff. Additionally, segregation of duties issues were noted with respect to accounts of the Law Library. Failure to properly segregate duties may allow for errors or irregularities to occur and not be detected in a timely manner by employees in the normal course of performing their assigned functions. The size of the constitutional officers' accounting and administrative staff precluded certain internal controls that would be preferred if the office were large enough to provide optimum segregation of duties. We recommend the constitutional officers segregate duties relative to their processes.

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Recommendations for Improvement (Management Points)

1) Elected Officials

In the Clerk of Superior Court's agency fund, we noted a difference of approximately \$4,000 between the liability reported as "Due to Others" in the general ledger and the detailed listing which comprises the amount. The difference arises from the Clerk's "Court Order" account which requires a judge approved court order to disburse the funds. We recommend the Clerk of Superior Court continue to work with the County to seek resolution to this item in order to ensure a complete reconciliation of the agency fund's assets and liabilities can be performed in accordance with generally accepted accounting principles.

During our testing of cash balances reported in the Sheriff's Office agency fund, we noted outstanding checks that are in excess of five (5) years old and should be escheated to the State in accordance with unclaimed property laws. Per review of the reconciliations, the Sheriff's Office is carrying 478 outstanding checks with a balance of approximately \$9,020 that meet these criteria. We recommend the Sheriff's Office complete the unclaimed property forms and remit these balances to the State of Georgia in accordance with applicable laws.

2) Special Revenue Funds

During our review of the County's special revenue funds, we noted several funds that were funded primarily by transfers rather than proceeds from specific revenue sources during the year ended December 31, 2017. We recommend the County monitor the inflows of the Animal Control Fund, Emergency Management Fund, Work Release Fund, and the Rome-Floyd County Parks and Recreation Authority Fund for proper reporting in accordance with the County's GASB 54 policy.

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Other Matters for Communication to the Board and Management

During our audit of the financial statements as of and for the year ended December 31, 2017, we noted other matters which we wish to communicate to you in an effort to keep the County abreast of accounting matters that could present challenges in financial reporting in future periods.

1) New Governmental Accounting Standards Board (GASB) Pronouncements



As has been the case for the past 10 years, GASB has issued several other new pronouncements which will be effective in future years. On the pages that follow are brief summaries of the new standards that have been issued by the GASB that will impact the County in future periods.

- a) **Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*** was issued in June of 2015, and is effective for financial statements for periods beginning after June 15, 2016, resulting in the County's fiscal year ending December 31, 2017. This statement could easily be described as the GASB No. 67 for postemployment benefit plans due to the fact that it will closely follow the provisions of GASB No. 67 for pension plans.

The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-

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employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The scope of this statement includes OPEB plans (defined benefit and defined contribution) administered through trusts that meet the following criteria:

- Contributions from employers and non-employer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

The requirements of this statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The new information will enhance the decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year.

The net OPEB liability information, including ratios, will offer an up-to-date indication of the extent to which the total OPEB liability is covered by the fiduciary net position of the OPEB plan. The comparability of the reported information for similar types of OPEB plans will be improved by the changes related to the attribution method used to determine the total OPEB liability.

The contribution schedule will provide measures to evaluate decisions related to the assessment of contribution rates in comparison with actuarially determined rates, if such rates are determined. In addition, new information about rates of return on OPEB plan investments will inform financial report users about the effects of market conditions on the OPEB plan's assets over time and provide information for users to assess the relative success of the OPEB plan's investment strategy and the relative contribution that investment earnings provide to the OPEB plan's ability to pay benefits to plan members when they come due.

- b) **Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*** was issued in June of 2015, and is effective for financial statements for periods beginning after June 15, 2017 resulting in the County's fiscal year ending

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December 31, 2018. This statement could easily be described as the GASB No. 68 for postemployment benefit plans due to the fact that it will closely follow the provisions of GASB No. 68 for pension plans.

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This statement also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity.

In this statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

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- Contributions from employers and non-employer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, the OPEB plan administrator, and the plan members.

The requirements of this statement will improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information.

- c) **Statement No. 81, *Irrevocable Split-Interest Agreements*** was issued in March of 2016, and is effective for financial statements for periods beginning after December 15, 2016, resulting in the County's fiscal year ending December 31, 2017.

Irrevocable split-interest agreements (which are prevalent at colleges and universities) whereby split-interest agreements in which an asset is given to a government in trust. During the stated term of the trust the income generated by the trust goes to the donor and when the trust ends then the assets become the governments. We do not expect this pronouncement to affect the financial reporting of the County.

- d) **Statement No. 82, *Pension Plans*** was issued in April 2016, and is effective for the first reporting period in which the County's pension plan measurement date is on or after June 15, 2017. No real significant matters noted in this standard which addresses:

- Presentation of payroll-related measures in the Required Supplementary Information of the annual audited financial report. Covered payroll is defined as the payroll on which contributions are based.
- Selection of actuarial assumptions. Any deviation from guidance of Actuarial Standards Board is not in conformity with GASB No. 67 & 68.
- Classification of payments made by employers to satisfy contribution requirements:
 - Payments made by employer to satisfy contribution requirements that are identified as plan member contributions should be classified as "plan

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member contributions” for GASB No. 67, and as “employee contributions” for GASB No. 68.

- Expense to be classified as other compensation elements.

- e) **Statement No. 83, *Certain Asset Retirement Obligations*** was issued in November 2016, and is effective for the first reporting period beginning after June 15, 2018. An asset retirement obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset. This statement establishes the criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for ARO's. Timing could be based on the occurrence of external laws, regulations, contracts or court judgments. Examples include the closure of a nuclear reactor or a sewage treatment facility. This statement addresses the financial reporting and accounting as well as the respective disclosures relative to ARO's.
- f) **Statement No. 84, *Fiduciary Activities*** was issued in January 2017 and is effective for the first reporting period beginning after December 15, 2018. This statement establishes criteria for identifying fiduciary activities with a focus on: 1) whether a government is controlling the assets of the fiduciary activity; and, 2) the beneficiaries with whom a fiduciary relationship exists.

Further, this statement describes four (4) fiduciary funds that should be reported, if applicable: 1) pension and other employee benefit trust funds; 2) investment trust funds; 3) private-purpose trust funds; and, 4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

- g) **Statement No. 85, *Omnibus 2017*** was issued in March 2017 and is effective for the first reporting period beginning after June 15, 2017. This statement addresses a variety of topics including issues related to:
- Component Units - blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation;
 - Goodwill - reporting amounts previously reported as goodwill and “negative” goodwill;
 - Real Estate - classifying real estate held by insurance entities;
 - Fair Value Measurement and Application - measuring certain money market investments and participating interest earning investment contracts at amortized cost;
 - Postemployment benefits (pensions and other postemployment benefits [OPEB]):

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- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus;
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements;
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB;
- Classifying employer-paid member contributions for OPEB;
- Simplifying certain aspects of the alternative measurement method for OPEB; and,
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

h) Statement No. 86, *Certain Debt Extinguishment Issues* was issued in May 2017 and is effective for the first reporting period beginning after June 15, 2017. The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed into an irrevocable trust for the sole purpose of extinguishing debt. This statement also addresses prepaid insurance on debt that is extinguished and the notes to financial statements for debt that is in-substance defeased.

i) Statement No. 87, *Leases* was issued in June 2017 and is effective for the first reporting period beginning after December 15, 2019. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the principle that a lease is the financing of the right to use an underlying asset.

Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Definition of a Lease: A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this

Floyd County, Georgia

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definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Lease Term: The lease term is defined as the period during which a lessee has a non-cancelable right to use an underlying asset, plus the following periods, if applicable:

- Periods covered by a lessee's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessee will exercise that option;
- Periods covered by a lessee's option to terminate the lease if it is reasonably certain, based on all relevant factors, that the lessee will not exercise that option;
- Periods covered by a lessor's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessor will exercise that option;
- Periods covered by a lessor's option to terminate the lease if it is reasonably certain, based on all relevant factors, that the lessor will not exercise that option.

A fiscal funding or cancellation clause should affect the lease term only when it is reasonably certain that the clause will be exercised. Lessees and lessors should reassess the lease term only if one or more of the following occur:

- The lessee or lessor elects to exercise an option even though it was previously determined that it was reasonably certain that the lessee or lessor would not exercise that option;
- The lessee or lessor elects not to exercise an option even though it was previously determined that it was reasonably certain that the lessee or lessor would exercise that option;
- An event specified in the lease contract that requires an extension or termination of the lease takes place.

Short-Term Leases: A short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract.

Lessee Accounting: A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives).

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The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to the financial statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

Lessor Accounting: A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to financial statements should include a description of leasing arrangements and the total amount of inflows of resources recognized from leases.

Contracts with Multiple Components and Contract Combinations: Generally, a government should account for the lease and non-lease components of a lease as separate contracts. If a lease involves multiple underlying assets, lessees and lessors in certain cases should account for each underlying asset as a separate lease contract. To allocate the contract price to different components, lessees and lessors should use contract prices for individual components as long as they do not appear to be unreasonable based on professional judgment, or use professional judgment to determine their best estimate if there are no stated prices or if stated prices appear to be unreasonable. If determining a best estimate is not practicable, multiple components in a lease contract should be accounted for as a single lease unit. Contracts that are entered into at or near the same time with the same counterparty and that meet certain criteria should be considered part of the same lease contract and should be evaluated in accordance with the guidance for contracts with multiple components.

Floyd County, Georgia

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Lease Modifications and Terminations: An *amendment* to a lease contract should be considered a lease modification, unless the lessee's right to use the underlying asset decreases, in which case it would be a partial or full lease termination. A lease termination should be accounted for by reducing the carrying values of the lease liability and lease asset by a lessee, or the lease receivable and deferred inflows of resources by the lessor, with any difference being recognized as a gain or loss. A lease modification that does not qualify as a separate lease should be accounted for by re-measuring the lease liability and adjusting the related lease asset by a lessee and re-measuring the lease receivable and adjusting the related deferred inflows of resources by a lessor.

Subleases and Leaseback Transactions: Subleases should be treated as transactions separate from the original lease. The original lessee that becomes the lessor in a sublease should account for the original lease and the sublease as separate transactions, as a lessee and lessor, respectively.

A transaction qualifies for sale-leaseback accounting only if it includes a sale. Otherwise, it is a borrowing. The sale and lease portions of a transaction should be accounted for as separate sale and lease transactions, except that any difference between the carrying value of the capital asset that was sold and the net proceeds from the sale should be reported as a deferred inflow of resources or a deferred outflow of resources and recognized over the term of the lease.

A lease-leaseback transaction should be accounted for as a net transaction. The gross amounts of each portion of the transaction should be disclosed.

- j) Other Pending or Current GASB Projects.** As noted by the numerous pronouncements issued by GASB over the past decade, the GASB continues to research various projects of interest to governmental units. Subjects of note include:
- a. **Re-Examination of the Financial Reporting Model.** GASB has added this project to its technical agenda to make improvements to the existing financial reporting model (established via GASB 34). Improvements are meant to enhance the effectiveness of the model in providing information for decision-making and assessing a government's accountability. GASB anticipates issuing an initial due process document on this project by the end of 2017.
 - b. **Conceptual Framework** is a constant matter being looked at by GASB. Current measurement focus statements (for governmental funds) to change to near-term financial resources measurement. May dictate a period (such as 60 days) for revenue and expenditure recognition. May expense thing such as supplies and prepaid assets at acquisition. Will look into which balances (at all statement levels)

Floyd County, Georgia

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are measured at acquisition and which need to be re-measured at year-end. Project placed on hold for now.

- c. **Economic Condition Reporting** is another long-term matter being looked into by GASB. Includes presentation of information on fiscal sustainability (including projections). Tabled for now pending resolution to issues raised on GASBs scope.

Summations of Thoughts Noted Above

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures.

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FREE QUARTERLY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

Free Continuing Education. We provide free continuing education (quarterly is the goal and objective) for all of our governmental clients. Each quarter we pick a couple of significant topics tailored to be of interest to governmental entities. In an effort to accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100 people per quarter. We obtain the input and services of experienced outside speakers along with providing the instruction utilizing our in-house professionals. We hope County staff and officials have been able to participate in this opportunity, and that it has been beneficial to you. Examples of subjects addressed in the past few quarters include:

- Accounting for Debt Issuances
- American Recovery & Reinvestment Act (ARRA) Updates
- Best Budgeting Practices, Policies and Processes
- CAFR Preparation (several times including a two (2) day hands-on course)
- Capital Asset Accounting Processes and Controls
- Collateralization of Deposits and Investments
- Evaluating Financial and Non-Financial Health of a Local Government
- GASB No. 51, Intangible Assets
- GASB No. 54, Governmental Fund Balance (subject addressed twice)
- GASB No. 60, Service Concession Arrangements (webcast)
- GASB No. 61, the Financial Reporting Entity (webcast)
- GASB No.'s 63 & 65, Deferred Inflows and Outflows (webcast)
- GASB No.'s 67 & 68, New Pension Stds. (presented several occasions)
- GASB Updates (ongoing and several sessions)
- Grant Accounting Processes and Controls
- Information Technology Security and Financial Reporting
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- Internal Revenue Service (IRS) Issues, Primarily Payroll Matters
- Legal Considerations for Debt Issuances & Disclosure Requirements
- Policies and Procedures Manuals
- Segregation of Duties
- Single Audits for Auditees
- Special Purpose Local Option Sales Tax (SPLOST) Accounting, Reporting & Compliance
- Uniform Grant Reporting Requirements and the New Single Audit

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Governmental Newsletters. We periodically produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers, and are not purchased from an outside agency. The newsletters are intended to keep you informed of current developments in the government finance environment.

Communication. In an effort to better communicate our free continuing education plans and newsletters, please email Paige Vercoe at pvercoe@mjcpa.com (send corresponding copy to mhill@mjcpa.com), and provide to her individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database.

CLOSING

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures. If you have any questions regarding any comments, suggestions or recommendations set forth in this memorandum, we will be pleased to discuss it with you at your convenience.

This information is intended solely for the use of the County's management, and others within the County's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve Floyd County, Georgia and look forward to serving the County in the future. Thank you.



Client:
Engagement:
Period Ending:
Workpaper:

Floyd County, Georgia
Floyd County, Georgia
12/31/2017
General Fund AJE Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1448				
100441-605-020-441-3326-52200	Repairs & Maintenance		31.50	
100441-605-020-441-3326-58200	Jail Buildings R&M			31.50
Total			31.50	31.50
Adjusting Journal Entries JE # 2		PBC		
To post JE 1451				
100490-600-015-490-1510-54901	Stop Loss Premium-Retirees		65,215.17	
100490-600-015-490-1510-54902	Claims-Retirees		52,468.20	
100490-600-015-490-1510-54902	Claims-Retirees		501,296.00	
100490-600-015-490-1510-66010	General and Admin-Retirees		23,223.04	
100490-600-015-490-1510-47100	County Contribution-Retirees			153,639.94
100490-600-015-490-1510-47115	Retirees Contribution			103,761.71
100720-710-135-720-9000-49223	Transfer from Insurance Fund			384,800.76
Total			642,202.41	642,202.41
Adjusting Journal Entries JE # 3		PBC		
To post JE 1458				
100012-10731	Taxes ReceivableDelq2017		1,982,227.76	
100012-10824	Allowance/Uncol Taxes-2010		36,079.46	
100012-10825	Allowance/Uncol Taxes-2011		21,474.69	
100012-10826	Allowance/Uncol Taxes-2012		19,851.71	
100012-10827	Allowance/Uncol Taxes-2013		12,780.91	
100012-10828	Allowance/Uncol Taxes-2014		28,684.88	
100012-10829	Allowance/Uncol Taxes-2015		34,148.99	
100012-10830	Allowance/Uncol Taxes-2016		475,942.14	
100225-21800	Deferred Revenue-Property Tax		314,713.67	
100225-21801	Def Rev-Prop Tax-Prior Yrs		190,035.01	
100369-44330	Tax Commissioner Street Light		18,967.08	
100012-10724	Taxes Receivable-Delq-2010			49,068.58
100012-10725	Taxes Receivable-Delq-2011			38,311.49
100012-10726	Taxes Receivable-Delq-2012			34,610.66
100012-10727	Taxes Receivable-Delq-2013			31,213.95
100012-10728	Taxes Receivable-Delq-2014			79,019.80
100012-10729	Taxes Receivable-Delq-2015			263,260.90
100012-10730	Taxes Receivable-Delq-2016			596,709.84
100012-10831	Allowance/Uncol Taxes 2017			65,253.03
100012-10901	Street Lights Receivable			18,967.08
100024-13121	Due from Tax Commissioner			1,226,699.60
100360-500-000-360-0000-41103	Property Taxes - Current Year			731,791.37
Total			3,134,906.30	3,134,906.30
Adjusting Journal Entries JE # 4		PBC		
To post JE 1462				
100360-500-000-360-0000-41103	Property Taxes - Current Year		307,315.38	
100203-20101	Accounts Payable			307,315.38
Total			307,315.38	307,315.38
Adjusting Journal Entries JE # 5		PBC		
To post JE 1465				
100029-13251	Due from Jail Inmate Store		17.48	
100441-605-020-441-3326-52200	Repairs & Maintenance		49.72	
100369-515-000-369-0000-44130	Sheriff-Fees & Services			42.20
100465-605-020-465-3326-53005	Inmate Medical			25.00
Total			67.20	67.20

Client: **Floyd County, Georgia**
 Engagement: **Floyd County, Georgia**
 Period Ending: **12/31/2017**
 Workpaper: **General Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 6				
To post JE 1474				
100378-530-000-378-0000-46528	Elections-Election Exp Reimb		18,419.52	
100369-515-000-369-0000-44152	Board of Registrars-Services			18,419.52
Total			<u>18,419.52</u>	<u>18,419.52</u>
Adjusting Journal Entries JE # 7				
To reclass the "Due from Chatooga County" out of the sheriff and into the General Fund.				
100027-13185	Due from Chatooga County		504,035.00	
100024-13131	Due from Sheriff			504,035.00
Total			<u>504,035.00</u>	<u>504,035.00</u>

Client: **0300341 - Floyd County, Georgia**
 Engagement: **0300341 - Floyd County, Georgia**
 Period Ending: **12/31/2017**
 Trial Balance: **0200.215 - E911 Fund Database**
 Workpaper: **0204.215 - E911 Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1453				
205015-13214	Due from Telephone Co.- E911		1,827.48	
205369-515-000-369-0000-49805	911 Fees-Land Line			1,827.48
Total			<u><u>1,827.48</u></u>	<u><u>1,827.48</u></u>

Client: **0300341 - Floyd County, Georgia**
 Engagement: **0300341 - Floyd County, Georgia**
 Period Ending: **12/31/2017**
 Trial Balance: **0200.234 - Jail Inmate Benefit Fund Database**
 Workpaper: **0204.234 - Jail Inmate Benefit Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1452				
226003-10145	Operating Checking-United		27,460.16	
226441-000-000-000-0000-5100	Supplies		8,408.94	
226441-000-000-000-0000-5200	Equipment		10,541.00	
226441-000-000-000-0000-5220	Repairs & Maintenance		6,250.17	
226441-000-000-000-0000-5990	All Other		10,732.50	
226369-515-000-000-0000-4422	Charges for Services			63,392.77
Total			63,392.77	63,392.77
Adjusting Journal Entries JE # 2		PBC		
To post JE 898				
226003-10145	Operating Checking-United		2,030.70	
226203-20101	Accounts Payable		23,838.42	
226441-000-000-000-0000-5100	Supplies		12,923.68	
226441-000-000-000-0000-5200	Equipment		1,062.00	
226441-000-000-000-0000-5220	Repairs & Maintenance		15,006.73	
226441-000-000-000-0000-5990	All Other		4,631.23	
226369-515-000-000-0000-4422	Charges for Services			59,492.75
226375-525-000-000-0000-4610	Interest Earned-Checking Acct			0.01
Total			59,492.76	59,492.76
Adjusting Journal Entries JE # 3		PBC		
To post JE 901				
226441-000-000-000-0000-5200	Equipment		990.00	
226003-10145	Operating Checking-United			990.00
Total			990.00	990.00
Adjusting Journal Entries JE # 4		PBC		
To post JE913				
226003-10145	Operating Checking-United		19,818.44	
226441-000-000-000-0000-5100	Supplies		9,860.47	
226441-000-000-000-0000-5200	Equipment		13,810.00	
226441-000-000-000-0000-5220	Repairs & Maintenance		28,996.29	
226441-000-000-000-0000-5990	All Other		174.00	
226369-515-000-000-0000-4422	Charges for Services			72,659.20
Total			72,659.20	72,659.20
Adjusting Journal Entries JE # 5		PBC		
To post JE 935				
226003-10145	Operating Checking-United		12,701.17	
226441-000-000-000-0000-5100	Supplies		9,866.16	
226441-000-000-000-0000-5200	Equipment		16,560.00	
226441-000-000-000-0000-5220	Repairs & Maintenance		30,948.01	
226441-000-000-000-0000-5990	All Other		30.00	
226369-515-000-000-0000-4422	Charges for Services			70,105.34
Total			70,105.34	70,105.34

Client: *Floyd County, Georgia*
 Engagement: *Floyd County, Georgia*
 Period Ending: *12/31/2017*
 Workpaper: *Fire Fund A JE Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
To post JE 1459				
		PBC		
200012-10731	Taxes Receivable-Delq2017		220,060.95	
200012-10824	Allowance/Uncol Taxes-2010		4,023.27	
200012-10825	Allowance/Uncol Taxes-2011		1,565.52	
200012-10826	Allowance/Uncol Taxes-2012		2,157.86	
200012-10827	Allowance/Uncol Taxes-2013		1,702.51	
200012-10828	Allowance/Uncol Taxes-2014		2,818.34	
200012-10829	Allowance/Uncol Taxes-2015		3,265.84	
200012-10830	Allowance/Uncol Taxes-2016		67,514.93	
200225-21800	Deferred Revenue-Property Tax		17,607.31	
200225-21801	Def Rev-Prop Tax-Prior Yrs		18,642.10	
200012-10724	Taxes Receivable-Delq-2010			5,368.78
200012-10725	Taxes Receivable-Delq-2011			2,855.33
200012-10726	Taxes Receivable-Delq-2012			4,000.97
200012-10727	Taxes Receivable-Delq-2013			4,068.03
200012-10728	Taxes Receivable-Delq-2014			7,697.28
200012-10729	Taxes Receivable-Delq-2015			25,521.50
200012-10730	Taxes Receivable-Delq-2016			49,124.01
200012-10831	Allowance/Uncol Taxes2017			6,091.40
200024-13121	Due from Tax Commissioner			156,423.64
200360-500-000-360-0000-41103	Property Tax on Digest-Current			78,207.69
Total			339,358.63	339,358.63

Client: *Floyd County, Georgia*
 Engagement: *Floyd County, Georgia*
 Period Ending: *12/31/2017*
 Workpaper: *Fire Fund AJE Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 2				
To post JE 1462				
		PBC		
200360-500-000-360-0000-41103	Property Tax on Digest-Current		23,890.30	
200203-20101	Accounts Payable			23,890.30
Total			23,890.30	23,890.30

Client: **Floyd County, Georgia**
 Engagement: **Floyd County, Georgia**
 Period Ending: **12/31/2017**
 Workpaper: **Solid Waste Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1460				
220012-10731	Taxes ReceivableDelq2017		87,490.65	
220012-10824	Allowance/Uncol Taxes-2010		1,600.63	
220012-10825	Allowance/Uncol Taxes-2011		622.84	
220012-10826	Allowance/Uncol Taxes-2012		271.32	
220012-10827	Allowance/Uncol Taxes-2013		677.35	
220012-10828	Allowance/Uncol Taxes-2014		1,121.92	
220012-10829	Allowance/Uncol Taxes-2015		1,305.58	
220012-10830	Allowance/Uncol Taxes-2016		26,860.34	
220225-21800	Deferred Revenue-Property Tax		7,023.32	
220225-21801	Def Rev-Prop Tax-Prior Yrs		7,460.42	
220012-10724	Taxes Receivable-Delq-2010			2,135.92
220012-10725	Taxes Receivable-Delq-2011			1,135.98
220012-10726	Taxes Receivable-Delq-2012			1,591.77
220012-10727	Taxes Receivable-Delq-2013			1,618.44
220012-10728	Taxes Receivable-Delq-2014			3,064.11
220012-10729	Taxes Receivable-Delq-2015			10,775.41
220012-10730	Taxes Receivable-Delq-2016			19,543.59
220012-10831	Allowance/Uncol Taxes2017			2,421.89
220024-13121	Due from Tax Commissioner			62,231.05
220360-500-000-360-0000-41103	Property Tax on Digest-Current			29,916.21
Total			134,434.37	134,434.37

Adjusting Journal Entries JE # 2		PBC		
To post JE 1462				
220360-500-000-360-0000-41103	Property Tax on Digest-Current		9,498.21	
220203-20101	Accounts Payable			9,498.21
Total			9,498.21	9,498.21

Client: **0300341 - Floyd County, Georgia**
 Engagement: **0300341 - Floyd County, Georgia**
 Period Ending: **12/31/2017**
 Trial Balance: **0200.324 - SPLOST 2013 Fund Database**
 Workpaper: **0204.324 - SPLOST 2013 Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1449				
318638-530-000-	County Infrastructure Imp		4,965.39	
318638-530-000-	County Infrastructure Imp		7,586.86	
318203-20101	Accounts Payable			12,552.25
Total			<u>12,552.25</u>	<u>12,552.25</u>
Adjusting Journal Entries JE # 2		PBC		
To post JE 1449 (duplicate of AJE #1; keyed as all zeroes so as not to delete the entry).				
318203-20101	Accounts Payable			
8-530-000-638-7500-	County Infrastructure Imp			
8-530-000-638-7500-	County Infrastructure Imp			
Total			<u>0.00</u>	<u>0.00</u>
Adjusting Journal Entries JE # 3		PBC		
To post JE 1455				
8-530-000-638-7500-	Airport Runway 1-19 Extension		49,676.85	
318203-20101	Accounts Payable			49,676.85
Total			<u>49,676.85</u>	<u>49,676.85</u>

Client: **0300341 - Floyd County, Georgia**
 Engagement: **0300341 - Floyd County, Georgia**
 Trial Balance: **0200.540 - Recycling Center Fund Database**
 Workpaper: **0204.540 - Recycling Center Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1466				
10-615-070-475-4500-	Interest Expense		8,565.00	
5-615-070-475-4500-	Interest Expense			8,565.00
Total			8,565.00	8,565.00

Client: *Floyd County, Georgia*
 Engagement: *Floyd County, Georgia*
 Period Ending: *12/31/2017*
 Workpaper: *Forum Fund AJE Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
		PBC		
	To reclass Hotel/Motel from City of Rome to Due from Other Govts.			
510027-13115	Due from City of Rome		11,291.70	
510015-11500	Accounts Receivable			11,291.70
Total			<u>11,291.70</u>	<u>11,291.70</u>

Client: **0300341 - Floyd County, Georgia**
 Engagement: **0300341 - Floyd County, Georgia**
 Period Ending: **12/31/2017**
 Trial Balance: **0200.605 - Insurance Fund Database**
 Workpaper: **0204.605 - Insurance Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1446				
600203-20106	Claims Payable		609,813.17	
0715-600-116-715-1510-54	Claims		583,106.16	
0715-600-116-715-1510-54	HRA Payments		29,469.22	
600203-20106	Claims Payable			612,575.38
0715-600-116-715-1510-54	Claims			603,081.65
0715-600-116-715-1510-54	HRA Payments			6,731.52
Total			<u>1,222,388.55</u>	<u>1,222,388.55</u>
Adjusting Journal Entries JE # 2		PBC		
To post JE 1451				
0369-515-000-369-0000-471	County Contribution		153,639.94	
0369-515-000-369-0000-471	Retirees Contribution		103,761.71	
600721-69900	Transfer to General Fund		384,800.76	
0715-600-116-715-1510-54	Claims			52,468.20
0715-600-116-715-1510-54	Claims			501,296.00
0715-600-116-715-1510-54	Stop Loss Premium			65,215.17
0715-600-116-715-1510-66	General and Administrative Exp			23,223.04
Total			<u>642,202.41</u>	<u>642,202.41</u>

Client: **0300341 - Floyd County, Georgia**
 Engagement: **0300341 - Floyd County, Georgia**
 Period Ending: **12/31/2017**
 Workpaper: **0204.710 - Tax Commissioner Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1444				
710221-21260	Due to Others - Unpaid Taxes		9,702,010.67	
710012-10700	Taxes Receivable			9,702,010.67
Total			<u>9,702,010.67</u>	<u>9,702,010.67</u>

Client: **0300341 - Floyd County, Georgia**
 Engagement: **0300341 - Floyd County, Georgia**
 Period Ending: **12/31/2017**
 Trial Balance: **0200.720 - Sheriff Fund Database**
 Workpaper: **0204.720 - Sheriff Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1450				
720215-20901	Due to Other		1,902.41	
720003-10101	Operating Checking Account			257.94
720003-10132	Sheriff's Posse Account			1,644.47
Total			<u>1,902.41</u>	<u>1,902.41</u>
Adjusting Journal Entries JE # 2		PBC		
To post JE 1457				
720003-10200	Checking Account-UCB Sheriff		28,958.77	
720027-13115	Due from City of Rome		15,196.34	
720027-13117	Due from Cave Spring		30.00	
720027-13185	Due from Chattooga County		343,175.00	
720221-21023	Due to Cave Spring		30.00	
720027-13117	Due from Cave Spring			30.00
720027-13304	Due from State of Georgia			360.00
720215-20824	Due to General Fund			346,658.50
720215-20901	Due to Other			40,341.61
Total			<u>387,390.11</u>	<u>387,390.11</u>
Adjusting Journal Entries JE # 3				
To reclass the "Due from Chattooga County" out of cash and record in the General Fund.				
720215-20824	Due to General Fund		504,035.00	
720027-13185	Due from Chattooga County			504,035.00
Total			<u>504,035.00</u>	<u>504,035.00</u>

Client: **0300341 - Floyd County, Georgia**
 Engagement: **0300341 - Floyd County, Georgia**
 Period Ending: **12/31/2017**
 Trial Balance: **0200.730 - Magistrate Court Fund Database**
 Workpaper: **0204.730 - Magistrate Court Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1447				
730003-10101	Operating Checking Account		24,492.73	
730215-20824	Due to General Fund			24,492.73
Total			<u>24,492.73</u>	<u>24,492.73</u>

Client: **0300341 - Floyd County, Georgia**
 Engagement: **0300341 - Floyd County, Georgia**
 Trial Balance: **0200.740 - Probate Court Fund Database**
 Workpaper: **0204.740 - Probate Court Fund AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To post JE 1445				
740221-20901	Due to Other		143.04	
740003-10145	Operating Checking-United			143.04
Total			143.04	143.04

Client: **0300341 - Floyd County, Georgia**
 Engagement: **0300341 - Floyd County, Georgia**
 Period Ending: **12/31/2017**
 Trial Balance: **0200.910 - Development Authority Fund Database**
 Workpaper: **0204.910 - Development Authority AJE Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
To post JE 1454 for DA activity.				
		PBC		
990003-10101	2010 Projects RFCDA & DAFC		302.76	
990003-10145	Operating Ckg-UCB & RCB		49,328.55	
990015-11500	Accounts Receivable		366.03	
990042-10150	Sinking Fund RFCDA & DAFC		4.37	
990244-27505	Bond Premium		6,387.32	
990273-21857	Bonds Payable-Long Term		280,000.00	
'8-530-000-378-0000-	Loss on sale of asset		41,850.00	
I2-637-105-502-7500-	Repairs & Maintenance		13,100.00	
I2-637-105-502-7500-	Legal Fees		23,727.59	
I2-637-105-502-7500-	Professional Fees		7,715.00	
I2-637-105-502-7500-	Post Office Box Rental		112.00	
I2-637-105-502-7500-	Interest Expense		122,747.50	
I2-637-105-502-7500-	Tower rent		2,196.18	
I2-637-105-502-7500-	Promotions/Advertising		375.00	
I2-637-105-502-7500-	Payment to Floyd County		35,883.10	
990027-13138	Due from Floyd County			270,000.00
990045-16520	Land Held for Resale			83,700.00
990203-20101	Accounts Payable			4,092.58
990221-21026	Due to RFCDA			1,126.66
990252-21902	Bonds Payable-Current			10,000.00
I9-309-000-502-0000-	Contributions from Governments			122,901.07
i6-510-000-366-0000-	PILOT Fees			61,715.64
i9-515-000-369-0000-	Rents-Tower Lease			22,642.92
'5-525-000-375-0000-	Interest Earned-Checking Acct			29.21
'8-530-000-378-0000-	Miscellaneous Revenue			1,500.00
I2-637-105-502-7500-	Amortization			6,387.32
Total			584,095.40	584,095.40
Adjusting Journal Entries JE # 2				
To post JE 1479				
		PBC		
990045-16520	Land Held for Resale		500.00	
I9-309-000-502-0000-	Contributions from Governments			500.00
Total			500.00	500.00
Adjusting Journal Entries JE # 3				
To post JE 1478				
		PBC		
990045-16520	Land Held for Resale		107,868.78	
990045-16520	Land Held for Resale		1,236,000.00	
I9-309-000-502-0000-	Contributions from Governments			1,343,868.78
Total			1,343,868.78	1,343,868.78