ELBERT COUNTY, GEORGIA

FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2016

WALKER, PIERCE & TUCK, CPA'S, PC

ELBERT COUNTY, GEORGIA
FISCAL YEAR ENDED JUNE 30, 2016
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Walker Pierce & Tuck
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Elbert County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Elbert County, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County'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 Elbert County Board of Health, a discretely presented component unit, which represent a hundred percent, of the assets, net position, and revenues of the aggregate discretely presented component unit. 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 Elbert 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 the *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 we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of 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 unit, each major fund, and the aggregate remaining fund information of the Elbert County, Georgia, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof 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, budgetary comparison information, and schedules of changes in net pension liability and contributions on pages 3-8 and 41-46 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

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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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elbert County Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Special Local Option Sales Tax, as required by O.C.G.A 48-8-121 as listed in the table of contents, is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Special Local Option Sales Tax 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Special Local Option Sales Tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

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

Walker, Pierce & Tuck, CPA's P.C.

Walker, Pierce & Tuck, CPA's P.C.
Gainesville, Georgia
December 28, 2016

Management's Discussion and Analysis

Management's discussion and analysis provides a narrative overview and an analysis of the Government's financial activities. The analysis provides summary financial information for Elbert County and should be read in conjunction with the Government's financial statements.

FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by $19,125,522 (net position).

- The government's total net position increased by $283,559 due to prior period adjustments and decreased by $554,256 due to the current fiscal years operations.

- The General Fund had $2,435,989 in Total Fund Balance and a balance of $1,557,723 in Unassigned Fund Balance at the close of the fiscal year.

- The General Fund experienced a net increase of $353,166 in fund balance during the fiscal year and an increase of $283,559 due to a prior period adjustment.

- A significant transfer from the General Fund to the E-911 (Dispatch) Fund in the amount of $373,000 was made during the fiscal year. During the fiscal year, the cost of the E-911 current operations was $751,922. This cost was more than twice the amount of the revenues ($335,502). The administrative staff has noted that E-911 communication revenues have leveled off in part due to a change in the nature of communications technology.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Government's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements,
3. Notes to the financial statements.

The Government-wide financial statements present an overall picture of the Government's financial position and results of operations. The Fund financial statements present financial information for the Government's major funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Government-wide financial statements are the Statement of Net Position and the Statement of Activities. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by property taxes, sales taxes, other taxes, fines, charges for services and federal and state grants. The business-type activities include the Solid Waste operations, Transit operations and Bobby Brown Park operations.

The statement of net position presents the County's assets and liabilities, with the difference between the two reported as net position. Over time the change in net position is an indicator of the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

The statement of activities presents the revenues and expenses of the County. The difference between these is the change in net position for the year.

Both of the government-wide financial statements identify the various functions of Elbert County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through charges and user fees.

The governmental activities of Elbert County include:

- General government,
- Judicial,
- Public health and welfare,
- Public safety,
- Public works,
- Culture and recreation,
- Housing and development.

The government-wide financial statements include not only the County itself, but also the Elbert County Health department. The Elbert County Health department is a legally separate entity that is a component unit of the County due to the significance of its operational and financial relationship with the County. Financial information for this component unit is reported separately from the financial information presented for the primary government.

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. The 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 Elbert County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. These statements provide financial information for the major funds of Elbert County. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures) and current available resources. The proprietary funds financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources.

Fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances of all governmental funds. A statement of revenues, expenditures, and changes in fund balances-budget and actual, is provided for the Government's General Fund. For the proprietary funds (Solid Waste, Transportation and Bobby Brown Park), a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows are presented.

Fund financial statements provide more detailed information about the Government's activities. Individual funds are established to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to the County's own programs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements and the fund financial statements, provide different pictures of the Government. The government-wide financial statements provide an overall picture of the Government's financial standing, split between Governmental Activities and Business-type Activities. These statements are comparable to private-sector companies and give a good understanding of the Government's overall financial health and how the Government paid for the various activities or functions, provided by the Government

Net Position as of June 30, 2016 and June 30, 2015

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Capital Assets	$ 17,167,044	$ 17,580,854	$ 529,468	$ 581,337	$ 17,696,512	$ 18,162,191
Other Assets	4,514,644	4,856,477	630,829	643,082	5,145,473	5,499,559
Total Assets	21,681,688	22,437,331	1,160,297	1,224,419	22,841,985	23,661,750
Deferred outflows of resources	1,304,963	79,397	-	-	1,304,963	79,397
Long-term liabilities outstanding	3,072,023	403,578	989,373	973,586	4,061,396	1,377,164
Other liabilities	750,621	2,716,931	77,635	117,809	828,256	2,834,740
Total Liabilities	3,822,644	3,120,509	1,067,008	1,091,395	4,889,652	4,211,904
Deferred Inflows of Resources	38,485	-	-	-	38,485	-
Net Position:						
Invested in capital assets, net of related debt	16,763,466	17,036,680	529,468	581,337	17,292,934	17,618,017
Restricted	1,262,340	2,199,513	-	-	1,262,340	2,199,513
Unrestricted	1,099,716	160,026	(436,179)	(448,313)	663,537	(288,287)
Total Net Position:	$ 19,125,522	$ 19,396,219	$ 93,289	$ 133,024	$ 19,218,811	$ 19,529,243

The business-type activities deficit primarily results from the accrual of long-term expenses, including a required 30-year landfill post-closure care costs totaling $1,034,875. In the current year the county's business-type entities reported expenditures exceeding revenues and transfers by $39,735.

Changes in Net Position

The County's total revenues before transfers for the fiscal year ended June 30, 2016 totaled $16,364,081 with $15,172,982 in governmental activities, and $1,191,099 in business-type activities. Expenses were $16,958,072 in total, with $15,682,159 for governmental activities and $1,275,913 for business-type activities. The overall change in net position was ($310,432).

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues						
Charges for services	$ 2,621,528	$ 2,629,339	$ 830,117	$ 706,593	$ 3,451,645	$ 3,335,932
Operating grants and contributions	852,275	1,090,370	360,646	322,674	1,212,921	1,413,044
Capital grants and contributions	388,710	599,081	-	-	388,710	599,081
General Revenues:						
Property taxes	6,843,638	6,448,335	-	-	6,843,638	6,448,335
Sales tax	3,306,848	3,055,379	-	-	3,306,848	3,055,379
Other taxes	991,732	904,711	-	-	991,732	904,711
Interest and investment earnings	1,782	1,470	65	81	1,847	1,551
Gain on sale of capital assets	45,985	4,970	-	-	45,985	4,970
Miscellaneous	120,484	39,688	271	157,489	120,755	197,177
Total Revenues	15,172,982	14,773,343	1,191,099	1,186,837	16,364,081	15,960,180
Expenses:						
General Government	3,931,274	3,204,165	-	-	3,931,274	3,204,165
Judicial	1,751,495	-	-	-	1,751,495	-
Public Safety	5,674,885	7,306,598	-	-	5,674,885	7,306,598
Public Works	2,921,371	2,338,612	-	-	2,921,371	2,338,612
Health and welfare	554,731	568,282	-	-	554,731	568,282
Culture and recreation	381,274	378,261	-	-	381,274	378,261
Housing and development	448,006	453,897	-	-	448,006	453,897
Interest expense	19,123	26,326	-	-	19,123	26,326
Solid Waste	-	-	821,457	722,037	821,457	722,037
Bobby Brown Park	-	-	132,771	31,036	132,771	31,036
Public Transportation	-	-	321,685	255,992	321,685	255,992
Total Expenses	15,682,159	14,276,141	1,275,913	1,009,065	16,958,072	15,285,206
Increase in net position before transfers	(509,177)	497,202	(84,814)	177,772	(593,991)	674,974
Transfers	(45,079)	-	45,079	-	-	-
Change in net Position	(554,256)	497,202	(39,735)	177,772	(593,991)	674,974
Net Position, July 1	19,396,219	20,546,737	133,024	(44,748)	19,529,243	20,501,989
Prior Year Adjustments	283,559	(1,647,720)	-	-	283,559	(1,647,720)
Net Position, June 30	$ 19,125,522	$19,396,219	$ 93,289	$ 133,024	$ 19,218,811	$19,529,243

FUND FINANCIAL INFORMATION

Major Governmental Funds

General Fund

The General Fund is used to account for all governmental financial resources not restricted by local, state, or federal laws. As of June 30, 2016, the General Fund had assets and deferred outflows of $3,572,512 and liabilities and deferred inflows of $1,136,523. The liabilities included short-term debt of $469,072.

The expenditures budget for the General Fund increased by $465,610 from fiscal year 2015 to fiscal year 2016. The County continues to experience a slight overall decline in property values which affects the property tax revenues. The County is also experiencing a decline in retail sales and this affects the General Fund Budget and the Capital Project Budget.

Other Major Governmental Funds

As of July 1, 2011, the taxes under the 2011 Special Local Option Sales Tax began. The county projected the annual SPLOST collections to average $2,200,000 per year. During the fiscal year ended June 30, 2016 the SPLOST revenues were $1,992,078 or $207,922 less than projected. This difference can be attributed to a decline in the local economy and changes in the way taxes are determined under the Title Ad Valorem Taxes as approved by the Georgia Legislature.

Major Proprietary Funds

Solid Waste Fund
This fund is used to account for the operations of the sanitary transfer station. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $123,765 at June 30, 2016. The County continues to monitor the operations of the Solid Waste Fund and there have been some positive interim financials.

Budgetary Approval

Each year the board of commissioners approves annual budgets for the governmental funds and for the enterprise funds. At the conclusion of each month, a budgetary financial report is presented to the board for review. For the General Fund, the budgetary presentation is by department and is presented in both object detail and in summary format. The board usually concludes its review by examining whether the total of the General Fund expenditures is within the approved annual budget. In order to be in compliance with the applicable laws and regulations, it is necessary that the Board take official action instead of implied consent to make modifications to the budgetary categories for those items that are overspent.

In a related matter, the Board approved for certain capital projects to be started and completed with the intent that they would be paid for from the 2011 Special Local Option Sales Tax (SPLOST) Funds. These projects were completed prior to the 2011 SPLOST funds being collected and were financed by the General Fund. These activities resulted in an advance of funds from the General Fund to the SPLOST Capital Projects Fund and with the result that the SPLOST capital projects fund operated in a deficit during fiscal year 2012. The Board of Commissioners approved a reimbursement schedule for the SPLOST funds to pay back monthly to the General Fund until the advanced balance was paid off.

Capital Assets Activity

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 20, 2016 was $16,763,466 and $529,468 respectively. The change in net capital assets was a 1.60% decrease in governmental activities and an 8.92% decrease in business-type activities. Further detail on capital assets is provided in the notes to the financial statements.

Long-Term Debt

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Compensated Absences	$ 82,271	$ 85,735	$ -	$ 6,252	$ 82,271	$ 91,987
USDA Loan	259,508	311,546	-	-	259,508	311,546
Capital Leases	144,070	232,628	-	-	144,070	232,628
Solid Waste Post Closure Liability	-	-	1,034,875	1,024,827	1,034,875	1,024,827
	$ 485,849	$ 629,909	$ 1,034,875	$ 1,031,079	$ 1,520,724	$ 1,660,988

Additional information regarding the County's long-term debt can be found in Notes to the Financial Statements, Note 9.

ECONOMIC FACTORS AND FUTURE BUDGETS

Elbert County experienced a reduction in population from the 2000 census to the 2010 census. There has been a limited amount of new commercial construction during last fiscal year and currently. A railroad switch and new rail line was funded by loans from the State of Georgia. This switch connects the CSC line to that of Hartwell Railroad Company. It is anticipated that this connection will result in economic growth in the future.

The Board of Commissioners continues to financially support and work with the Development Authority of Elbert, Elberton and Bowman in the area of economic growth.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Elbert County's finances for those interested. Questions should be addressed to the Finance Director at the following address:

Elbert County Board of Commissioners
Mr. Phil Pitts, Finance Director
PO Box 6109
Elberton, Georgia 30635

ELBERT COUNTY, GEORGIA

Statement of Net Position

June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Health Department
Assets				
Current Assets				
Cash and cash equivalents	$ 2,519,805	$ 307,906	$ 2,827,711	$ - $ 427,087
Accounts Receivables (net)	1,083,950	131,113	1,215,063	- 37,485
Intergovernmental receivable	394,881	567,767	962,648	- -
Prepaid expenditures	140,051	-	140,051	- -
Interfund balances	3,271	(3,271)	-	- -
Total Current Assets	4,141,958	1,003,515	5,145,473	- 464,572
Noncurrent Assets				
Capital assets				
Nondepreciable	1,667,511	193,190	1,860,701	- 40,007
Depreciable, net	15,499,533	336,278	15,835,811	- -
Advances to other funds	372,686	(372,686)	-	- -
Total Noncurrent Assets	17,539,730	156,782	17,696,512	- 40,007
Total Assets	21,681,688	1,160,297	22,841,985	- 504,579
Deferred Outflows of Resources	1,304,963	-	1,304,963	- 47,132
Total Assets and Deferred Outflows of Resources	22,986,651	1,160,297	24,146,948	- 551,711
Liabilities				
Current Liabilities				
Accounts payable	444,909	25,881	470,790	- -
Accrued expenses	111,970	-	111,970	- -
Lease payable	73,903	-	73,903	- -
Notes payable	54,023	-	54,023	- 25,262
Intergovernmental payable	65,816	-	65,816	- -
Landfill closure/postclosure cost	-	51,754	51,754	- -
Total Current Liabilities	750,621	77,635	828,256	- 25,262
Long-term Liabilities				
Net pension liability	2,714,100	-	2,714,100	- -
Lease payable	70,167	-	70,167	- -
Notes payable	205,485	-	205,485	- 292,106
Compensated absences	82,271	6,252	88,523	- -
Landfill closure/postclosure cost	-	983,121	983,121	- -
Total Long-term Liabilities	3,072,023	989,373	4,061,396	- 292,106
Total Liabilities	3,822,644	1,067,008	4,889,652	- 317,368
Deferred Inflows of Resources	38,485	-	38,485	- 87,424
Total Liabilities and Deferred Inflows of Resources	3,861,129	1,067,008	4,928,137	- 404,792
Net Position				
Net Investment in Capital Assets	16,763,466	529,468	17,292,934	- 40,007
Restricted for:				
Public safety	506,408	-	506,408	- -
Tourism	21,066	-	21,066	- -
Health and welfare	312,118	-	312,118	- -
Housing and development	35,013	-	35,013	- -
Culture and recreation	99,636	-	99,636	- -
Public works	139	-	139	- -
Loan programs	34,722	-	34,722	- -
Committed for:				
Fire insurance	253,238	-	253,238	- -
Unrestricted	1,099,716	(436,179)	663,537	106,912 106,912
Total Net Position	$ 19,125,522	$ 93,289	$ 19,218,811	$ 106,912 $ 146,919

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

ELBERT COUNTY, GEORGIA

Statement of Activities

For the Year Ended June 30, 2016

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Health Department
Primary Government:								
Governmental Activities:								
General government	$ 3,931,274	$ 10,633	$ 202,176	$ 15,812	$ (3,702,653)	$ -	$ (3,702,653)	$ -
Judicial	1,751,495	1,060,849	-	71,152	(619,494)	-	(619,494)	-
Public safety	5,674,885	1,468,761	4,816	154,503	(4,046,805)	-	(4,046,805)	-
Public works	2,921,371	-	486,772	-	(2,434,599)	-	(2,434,599)	-
Health and welfare	554,731	13,147	158,511	-	(383,073)	-	(383,073)	-
Recreation and culture	381,274	28,614	-	106,820	(245,840)	-	(245,840)	-
Housing and development	448,006	39,524	-	40,423	(368,059)	-	(368,059)	-
Interest on Debt	19,123	-	-	-	(19,123)	-	(19,123)	-
Total Governmental Activities	15,682,159	2,621,528	852,275	388,710	(11,819,646)	-	(11,819,646)	-
Business-type Activities:								
Solid Waste	821,457	756,473	8,730	-	-	(56,254)	(56,254)	
Bobby Brown Park	132,771	63,718	-	-	-	(69,053)	(69,053)	
Public Transportation	321,685	9,926	351,916	-	-	40,157	40,157	
Total Business-type Activities	1,275,913	830,117	360,646	-	-	(85,150)	(85,150)	
Total Primary Government	$ 16,958,072	$ 3,451,645	$ 1,212,921	$ 388,710	(11,819,646)	(85,150)	(11,904,796)	
Component Units:								
Health Department	369,645	530,190	-	-				160,545
Total Component Units	$ 369,645	$ 530,190	$ -	$ -				$ 160,545
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					6,843,638	-	6,843,638	-
Franchise fees					75,843	-	75,843	-
Business tax					804,103	-	804,103	-
Sales tax					3,306,848	-	3,306,848	-
Alcoholic beverage tax					79,686	-	79,686	-
Hotel/Motel tax					32,100	-	32,100	-
Interest and investment earnings					1,782	65	1,847	-
Miscellaneous					120,484	271	120,755	-
Gain on disposition of assets					45,985	-	45,985	-
Transfers					(45,079)	45,079	-	-
Total General Revenues and Transfers					11,265,390	45,415	11,310,805	-
Change in Net Position					(554,256)	(39,735)	(593,991)	160,545
Net Position Beginning of Year					19,396,219	133,024	19,529,243	(13,626)
Prior Period Adjustment					283,559	-	283,559	-
Restated Beginning net Position					19,679,778		19,679,778	
Ending Net Position					$ 19,125,522	$ 93,289	$ 19,218,811	$ 146,919

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

ELBERT COUNTY, GEORGIA

Balance Sheet

Governmental Funds

June 30, 2016

	General Fund	Senior Center	Capital Projects Fund	E-911 Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 1,200,625	$ 275,033	$ 164,265	$ 40,549	$ 839,333	$ 2,519,805
Intergovernmental receivable	109,451	16,489	162,107	4,500	102,334	394,881
Receivables (net)	1,050,769	-	-	-	33,181	1,083,950
Prepaid expenditures	140,051	-	-	-	-	140,051
Due from other funds	333,401	-	-	217,584	40,423	591,408
Advances to other funds	738,215	-	-	-	-	738,215
Total Assets	3,572,512	291,522	326,372	262,633	1,015,271	5,468,310
Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 3,572,512	$ 291,522	$ 326,372	$ 262,633	$ 1,015,271	$ 5,468,310
Liabilities						
Accounts payable	$ 99,096	$ 2,007	$ 209,064	$ 5,231	$ 129,511	$ 444,909
Accrued expenses	111,970	-	-	-	-	111,970
Due to other funds	258,006	1,569	-	248,754	79,808	588,137
Intergovernmental payable	-	-	65,816	-	-	65,816
Advances from other funds	-	-	356,629	-	8,900	365,529
Total Liabilities	469,072	3,576	631,509	253,985	218,219	1,576,361
Deferred Inflows of Resources	667,451	-	-	-	-	667,451
Total Liabilities and Deferred Inflows of Resources	1,136,523	3,576	631,509	253,985	218,219	2,243,812
Fund Balances						
Nonspendable:						
Prepaid expenditures	140,051	-	-	-	-	140,051
Advances to other funds	738,215	-	-	-	-	738,215
Restricted for:						
Public safety	-	-	-	8,648	451,421	460,069
Tourism	-	-	-	-	21,066	21,066
Health and Welfare	-	287,946	-	-	-	287,946
Housing and development	-	-	-	-	23,213	23,213
Culture and recreation	-	-	-	-	81,777	81,777
Public works	-	-	-	-	139	139
Loan program	-	-	-	-	34,722	34,722
Committed for:						
Fire insurance fund	-	-	-	-	184,714	184,714
Unassigned	1,557,723	-	(305,137)	-	-	1,252,586
Total Fund Balances	2,435,989	287,946	(305,137)	8,648	797,052	3,224,498
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,572,512	$ 291,522	$ 326,372	$ 262,633	$ 1,015,271	$ 5,468,310

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

ELBERT COUNTY, GEORGIA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2016

Total Governmental Fund Balances		$ 3,224,498
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 governmental funds.		
Governmental capital assets	$ 29,053,137	
Less: Accumulated depreciation	(11,886,093)	
Total capital assets		17,167,044
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Accrued compensated absences not reported in governmental funds		(82,271)
Notes payable		(259,508)
Capital leases		(144,070)
Some of the County's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		667,451
Pension items not included in fund financial statements.		
Deferred outflows of resources		1,304,963
Deferred inflows of resources		(38,485)
Net pension liability		(2,714,100)
Net Position of Governmental Activities		$ 19,125,522

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

ELBERT COUNTY, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2016

	General Fund	Senior Center	Capital Projects Fund	E-911 Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property tax	$ 6,716,976	$ -	$ -	$ -	$ -	$ 6,716,976
Sales tax	1,314,770	-	1,992,078	-	-	3,306,848
Business tax	804,103	-	-	-	-	804,103
Franchise tax	75,843	-	-	-	-	75,843
Alcohol tax	79,686	-	-	-	-	79,686
Hotel/Motel tax	-	-	-	-	32,100	32,100
Intergovernmental	56,776	138,878	-	-	1,212,443	1,408,097
Licenses and permits	9,100	-	-	-	-	9,100
Fines and forfeitures	477,211	-	-	-	214,716	691,927
Charges for services	1,205,940	13,147	-	335,364	11,272	1,565,723
Contributions	-	19,633	-	-	-	19,633
Interest	1,277	30	-	138	337	1,782
Miscellaneous	105,779	-	-	-	46	105,825
Total Revenue	10,847,461	171,688	1,992,078	335,502	1,470,914	14,817,643
Expenditures						
Current:						
General government	2,517,637	-	26,128	-	-	2,543,765
Judicial	1,015,283	-	-	-	777,487	1,792,770
Public safety	4,621,097	-	45,056	706,961	88,955	5,462,069
Public works	935,800	-	874,483	-	1,020,084	2,830,367
Health and welfare	213,838	306,786	-	-	-	520,624
Recreation and culture	358,661	-	-	-	363	359,024
Housing and development	352,676	-	-	-	43,428	396,104
Intergovernmental	-	-	755,120	-	-	755,120
Debt Service:						
Interest Expenditure	1,607	-	11,076	6,722	-	19,405
Principal retirement	-	-	102,074	38,239	-	140,313
Capital Outlay	-	24,172	264,141	-	106,283	394,596
Total Expenditures	10,016,599	330,958	2,078,078	751,922	2,036,600	15,214,157
Excess (Deficiency) of Revenues Over (Under) Expenditures	830,862	(159,270)	(86,000)	(416,420)	(565,686)	(396,514)
Other Financing Sources (Uses)						
Transfers in	-	45,079	-	373,000	84,207	502,286
Transfers out	(547,365)	-	-	-	-	(547,365)
Insurance refunds and recoveries	14,659	-	-	-	-	14,659
Proceeds from sale of assets	55,010	-	-	-	-	55,010
Total Other Financing Sources (Uses)	(477,696)	45,079	-	373,000	84,207	24,590
Net Change in Fund Balances	353,166	(114,191)	(86,000)	(43,420)	(481,479)	(371,924)
Fund Balances Beginning of Year	1,799,264	402,137	(219,137)	52,068	1,278,531	3,312,863
Prior Period Adjustment	283,559	-	-	-	-	283,559
Fund Balances End of Year	$ 2,435,989	$ 287,946	$ (305,137)	$ 8,648	$ 797,052	$ 3,224,498

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

ELBERT COUNTY, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

Net Changes in Fund Balances-Total Governmental Funds		$ (371,924)
Amounts reported as governmental activities in the Statement of Activities are different from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance because:		
Capital outlays are reported as expenditures in Governmental Funds. However, in the Statement of Activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation.		
Capital outlay	525,332	
Less: Current year depreciation	(930,117)	
		(404,785)
In the statement of activities, only the gain/loss on the sale of various fixed assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the equipment sold.		
Net book value of fixed assets sold		(9,025)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.		140,596
Net pension liability is not available during the current period and therefore is not reported in the funds		
End of Fiscal Year	(2,714,100)	
Beginning of Fiscal Year	1,490,175	
		(1,223,925)
Contributions made after pension measurement date, changes in assumptions, and differences in expected and actual results of the defined benefit pension plan are reported as deferred outflows and not reported in the funds.		
End of Fiscal Year	1,304,963	
Beginning of Fiscal Year	(79,397)	
		1,225,566
Differences in expected and actual results of the defined benefit pension plan are reported as deferred inflows and not reported in the funds.		
End of Fiscal Year	(38,485)	
Beginning of Fiscal Year	-	
		(38,485)
Compensated absences are reported in the Statement of Activities, but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Compensated absence liability at June 30, 2015	83,335	
Compensated absence liability at June 30, 2016	(82,271)	
		1,064
Because some revenues will not be collected for several months after the County's fiscal year end, they are considered "available" revenues and are deferred in the governmental funds.		
Deferred revenue at June 30, 2015	(540,789)	
Deferred revenue at June 30, 2016	667,451	
		126,662
Change in Net Position of Governmental Activities		$ (554,256)

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

ELBERT COUNTY, GEORGIA

Statement of Net Position
Proprietary Funds
June 30, 2016

	Solid Waste Fund	Nonmajor Funds	Total
Current Assets			
Cash and cash equivalents	$ 77,802	$ 230,104	$ 307,906
Accounts receivable (net)	131,113	-	131,113
Due from other governments	517,536	50,231	567,767
Total Current Assets	726,451	280,335	1,006,786
Noncurrent Assets			
Capital assets			
Non-depreciable	193,190	-	193,190
Depreciable, net	267,616	68,662	336,278
Total Noncurrent Assets	460,806	68,662	529,468
Total Assets	1,187,257	348,997	1,536,254
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	1,187,257	348,997	1,536,254
Liabilities			
Current Liabilities			
Accounts payable	16,836	9,045	25,881
Due to other funds	-	3,271	3,271
Landfill closure/postclosure	51,754	-	51,754
Total Current Liabilities	68,590	12,316	80,906
Long-term Liabilities			
Advances from other funds	259,311	113,375	372,686
Landfill closure/postclosure	983,121	-	983,121
Compensated absences	-	6,252	6,252
Total Long-term Liabilities	1,242,432	119,627	1,362,059
Total Liabilities	1,311,022	131,943	1,442,965
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	1,311,022	131,943	1,442,965
Net Position			
Net investment in capital assets	460,806	68,662	529,468
Unrestricted	(584,571)	148,392	(436,179)
Total Net Position	$ (123,765)	$ 217,054	$ 93,289

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

ELBERT COUNTY, GEORGIA

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2016

	Solid Waste Fund	Nonmajor funds	Total
Operating Revenue			
Charges for services	$ 756,473	$ 73,644	$ 830,117
Miscellaneous income	-	271	271
Total Operating Revenue	756,473	73,915	830,388
Operating Expenses			
Personnel services:			
Salaries and wages	208,783	207,790	416,573
Employment Taxes	15,821	4,104	19,925
Benefits	16,506	-	16,506
Total Personnel Services	241,110	211,894	453,004
Purchased / contracted services:			
Professional and technical	14,790	19,377	34,167
Rentals	2,700	-	2,700
Other purchased services	449,065	46,972	496,037
Total Purchased / contracted services	466,555	66,349	532,904
Other operating expenses:			
Landfill closure/postclosure	13,850	-	13,850
Administrative	2,357	4,171	6,528
Supplies	19,207	66,435	85,642
Repairs and maintenance	16,140	38,581	54,721
Utilities	31,280	41,531	72,811
Engineering, lab fees and training	-	1,412	1,412
Depreciation	30,958	20,911	51,869
Marketing and advertising	-	3,172	3,172
Total other operating expenses	113,792	176,213	290,005
Total Operating Expenses	821,457	454,456	1,275,913
Operating Income (Loss)	(64,984)	(380,541)	(445,525)
Nonoperating Revenues (Expenses)			
Interest income	65	-	65
Total Nonoperating Revenues and (Expenses)	65	-	65
Income (Loss) Before Contributions and Transfers	(64,919)	(380,541)	(445,460)
Intergovernmental grant	8,730	351,916	360,646
Transfer in	-	45,079	45,079
Change in Net Position	(56,189)	16,454	(39,735)
Net Position Beginning of Year	(67,576)	200,600	133,024
Net Position End of Year	$ (123,765)	$ 217,054	$ 93,289

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

ELBERT COUNTY, GEORGIA
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2016

	Solid Waste Fund	Nonmajor Funds	Total
Cash flows from operating activities:			
Receipts from customers	$ 698,843	$ 80,411	$ 779,254
Payments to suppliers	(560,303)	(246,570)	(806,873)
Payments to employees	(243,539)	(218,077)	(461,616)
Net cash provided (used) by operating activities	(104,999)	(384,236)	(489,235)
Cash flows from noncapital financing activities:			
Transfer from other funds	-	45,079	45,079
Intergovernmental grants	8,730	351,916	360,646
Increase (decrease) in advances from other funds	138,014	76,786	214,800
Net cash provided (used) by noncapital financing activities	146,744	473,781	620,525
Cash flows from capital and related financing activities:			
Transfer from other funds	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-
Cash flows from investing activities:			
Interest income	65	-	65
Net cash provided (used) by investing activities	65	-	65
Net increase (decrease) in cash and cash equivalents	41,810	89,545	131,355
Cash and cash equivalents, June 30, 2015	35,992	140,559	176,551
Cash and cash equivalents, June 30, 2016	$ 77,802	$ 230,104	$ 307,906
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (64,984)	$ (380,541)	$ (445,525)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	30,958	20,911	51,869
Landfill closure/postclosure	10,048	-	10,048
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(61,432)	-	(61,432)
(Increase) decrease in due from other governments	3,802	6,496	10,298
Increase (decrease) in due to other funds	-	(20,058)	(20,058)
Increase (decrease) in accounts payable	(20,962)	(4,861)	(25,823)
Increase (decrease) in accrued expenses	(2,429)	(6,183)	(8,612)
Net cash provided (used) by operating activities	$ (104,999)	$ (384,236)	$ (489,235)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Elbert County, Georgia have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and Accounting Principles Board (APB) opinions, unless those pronouncements conflict with or contract GASB pronouncements, in which case GASB prevails. The more significant of the government's accounting policies are described below.

1-A The Reporting Entity

Elbert County, Georgia was incorporated in 1803 in the State of Georgia. The County operates under a six-member commission and County Administrator form of Government. Other officials elected by citizens of the county that manage various segments of the County's operations are the Clerk of Court, District Attorney, Chief Magistrate, Probate Judge, Sheriff, and Tax Commissioner. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire county.

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County. Component units are legally separate organizations for which the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt, or the levying of taxes.

Discretely Presented Component Units

The component unit column on the combined financial statements includes the financial data of the County's discretely presented component unit. It is reported in a separate column to emphasize it is legally separate from the County. Discretely presented component units include the following:

Elbert County Health Department – The Health Department was constituted and is operated in accordance with the Georgia Health Code, Chapter 88-2, Georgia Laws 1964. The District Health Director is the Executive Officer of the Elbert County Health Department and is responsible for the overall coordination of local health activities. The center operates under the supervision of the local Board of Health, which is appointed by the Elbert County Board of Commissioners and the City of Elberton. Elbert County provides the facilities for the Health Department and provides matching funds for its operation. The Health Department issues separately audited financial statements. Copies of the audit may be obtained from the Health Department at the following address:

Elbert County Public Health Department
618 Jones Street, SW, Elberton, GA. 30635

Other Entities

Other entities, which are excluded from the reporting entity because the County is unable to impose its will on the entities governing board or does not receive specific financial benefits or incur specific financial burdens from the entities, include the following:

- The Board of Education of Elbert County
- The Development Authority of Elbert County, Elberton and Bowman
- The Elbert County Hospital Authority
- The Department of Family and Children Services
- The City of Elberton Housing Authority
- The Elbert County Library Board

Related Organization

Elbert County Richard B. Russell Development Authority – The Authority is a related organization to the County. The Board of Commissioners appoints the board but is not financially or operationally accountable to the Authority. The Authority does not meet the criteria for inclusion as a component unit.

Joint Ventures - The County participates in the following joint venture:

Elbert County, in conjunction with cities and counties in the twelve county Northeast Georgia regions are members of the Northeast Georgia Regional Commission. Membership in the Commission is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the Commissions. Each county and municipality in the state is required by law to pay minimum annual dues. The Commission's board membership includes the chief elected official of each county and the chief elected official of each municipality. The county board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County. The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines Commissions as "public agencies and instrumentalities of their member". Georgia laws also provide that the member governments are liable for any debts or obligations of a Commission beyond its resources, (O.C.G.A. 50-8-39.1). Complete financial statements of the Northeast Georgia Regional Commission can also be obtained directly from their office at:

Northeast Georgia Regional Commission
305 Research Drive
Athens, Ga. 30605-2795

1-B Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the County at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid.

The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

- General Fund – This is the County's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the county for any purposes provided it is expended or transferred according to the general laws of Georgia.
- Senior Center Fund – The Senior Center fund is used to account for fees from senior adults to pay for activities and home delivered meals as well as on site meals. The Senior Center also receives various donations for individuals and organizations in the community.
- Capital Projects Fund – This fund is used to account for revenue and expenditures resulting from the Special Purpose Local Option Sales Tax referendum. The primary revenue sources are one percent (1%) sales taxes and the primary expenditures are capital outlay projects, primarily for road and bridge repairs, County facility improvements, County equipment purchases, City of Elberton projects, and City of Bowman projects.
- E-911 Fund – This fund is used to account for the monthly "911" charge to help fund the cost of providing the service as provided in title 46, Chapter 5 of the Official Code of Georgia Annotated.

The non-major governmental funds are combined and reported in a single column in the fund financial statements.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The County's proprietary funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Receivables from and payables to external parties are reported separately and not offset in the proprietary fund financial statements and business-type activities of the government-wide financial statements, unless a right of offset exists.

The County reports the following major proprietary fund:

- Solid Waste – This entity was established for the collection and disposal of solid waste. This entity is responsible for the closure care of the old landfill.

The non-major proprietary funds are combined and reported in a single column in the fund financial statements.

Fiduciary Funds

The County has five agency fiduciary funds, Probate Court, Magistrate Court, Sheriff, Clerk of Court, and the Tax Commissioner. These agency funds are unlike all other types of funds in that they report only assets and liabilities and do not have a measurement focus. The accrual basis of accounting is utilized in these funds to recognize receivables and payables.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the County are included on the Statement of Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Governmental fund financial statements, therefore, includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The

Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows reflects how the County finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide, proprietary and fiduciary fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses verses expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty-days after year end. Property taxes, sales taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, includes property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenses / Expenditures

On the accrual basis, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The procedures for establishing the General Fund budget are as follows:

Each department furnishes its budget request to the County Administrator. The County finance officer compiles these requests into a comprehensive general fund budget. The Commissioners review the budget requests in a budget workshop that is open to the public. The budget is adopted by the Board of Commissioners in a public meeting held by the Board prior to July 1st. All budgetary appropriations, except for open projects, lapse at year end. The level of budgetary control is at the department level.

1-C Assets, Liabilities, and Equity

Cash and Investments

Cash and cash equivalents are cash on hand as well as demand deposits, investments and certificates of deposit included in pooled cash and non-pooled investments with original maturities of three months or less. Cash and cash equivalents on the Statement of Cash Flows for proprietary funds represent available cash on hand and demand deposits. Investments include pooled investments and certificates of deposit (with original maturities of three months or greater). The County maintained no cash funds in investment accounts at June 30, 2016.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia, or of any other state
- Obligations of the United States Government or any corporation of the US government
- Obligations fully insured or guaranteed by the U.S. government or by a governmental agency of the U.S.
- Prime bankers' acceptances
- The State of Georgia local government investment pool
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Net Position

Net position represents the residual of all other elements presented in the Statement of Net Position. Net position is reported as Net investment in Capital Assets, balances restricted by enabling legislation and unrestricted balances. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted balances are available.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of the fund balance is reserved as this amount is not available for general appropriation.

Inventory

Expendable supplies are recorded as expenditures at the time the items are purchased. The County does not record inventories of supplies at year end in governmental funds due to the lack of materiality. The proprietary fund inventory is stated at the lower of cost or market on a first-in, first-out basis.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide Statement of Net Position, but does not report these assets in the governmental fund financial statements. Capital assets utilized by proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the proprietary funds' Statement of Net Position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County's capitalization threshold is $5,000. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are reported as expenses. The County has recorded the value of infrastructure assets (roads, bridges and water lines, etc.) for additions made since July 1, 2003.

All capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Assets	Years
Infrastructure	25-50
Buildings and improvements	10-50
Machinery and equipment	7-20
Vehicles	5

Interfund Receivables/Payables

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances" and eliminated on the Statement of Net Position.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Compensated Absences

Effective January 1, 2006, the County adopted a new policy for compensated absences. Under the new policy, an employee is awarded annual leave based on the number of years of continuous employment from 12 days up to 24 days leave. All unused leave remaining at the end of the calendar year is forfeited. Leave accrued under the old policy will be honored by the County and can be used by the employee in addition to all current leave awarded to that employee. Employees may purchase annual leave that they have accumulated under the old system once per year not to exceed $800. Upon termination, any remaining hours of accrued leave are to be paid out to the employee.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignation and retirements, or through the annual leave pay-out provision. On the government-wide financial statements, the balance of compensated absences is recorded as a noncurrent liability and disclosed as a long term debt.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. Loans and capital leases are recognized as a liability on the fund financial statements when due.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services in the Solid Waste Proprietary Fund and charges for public transportation in the Public Transportation Proprietary Fund. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of each fund. Revenues and expenses not meeting these definitions are reported as non-operating.

Interfund Transactions

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.

This government reports interfund transfers between several of its funds. Some of the transfers are considered immaterial and are aggregated into a single column or row titled *All Others*. The sum of all transfers presented in the table agrees with the sum of interfund

transfers presented in the governmental and proprietary fund financial statements. These transfers have been eliminated from the government- wide financial statements.

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

Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Tax Calendar

Property taxes were levied on September 8, 2016, billed on October 5, 2016, and were due on December 5, 2016. Unpaid property taxes were considered delinquent on December 6, 2016. Property taxes attach as an enforceable lien ninety days later on March 5, 2017, which is considered as the lien date.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section of 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 one item that qualifies for reporting in this category. This item consists of the deferred charges related to the County's defined benefit retirement plan. Note 4: Deferred Outflows of Resources for further disclosure.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a 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 the items is property tax. This item only arises under the modified accrual basis of accounting. Accordingly, this item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The second item that qualifies for reporting in this category consists of the deferred income related to the County's defined benefit retirement plan. See Note 5: Deferred Inflows of Resources for further disclosure.

1-D 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 current assets and current liabilities. 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:

Non-spendable - Fund balances are reported as non-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 contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed - Fund balances are reported as committed when it can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. The County Commission also may modify or rescind the commitment.

Assigned - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County's finance officer 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 balances only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

Committed
Assigned
Unassigned

NOTE 2: CASH AND CASH EQUIVALENTS

Primary Government

The County's cash balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the County or by its agent in its name, 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the County's name, and 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the County's name.

At June 30, 2016, the carrying amount of the County's deposits was $2,827,711, and the related bank balance totaled $3,139,964. Of these bank balances, $287,610 was fully covered by FDIC insurance. The remainder, $2,852,354, was collateralized.

Cash	$ 2,827,711
Agency Funds	$ 567,634

The County's custodial credit risk policy is to require all banks to collateralize the County's deposits at 110% of account balances and to have a perfected security agreement supporting the collateral agreement with the bank. The County does not have a foreign credit risk.

Component Unit

The Elbert County Health Department has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. The carrying amount of the Health Department's deposits as of June 30, 2016, was $427,087 and the bank balances were $434,654.

NOTE 3: RECEIVABLES

Primary Government

Receivables at June 30, 2016, at the fund level, consisted of taxes, accounts (billings for user charges), intergovernmental receivables arising from sales tax collections and interfund receivables.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation but also by a reasonable, systematic method of determining their existence, completeness, valuation and, in the case of receivables, collectability.

Receivables are reported net of an allowance for doubtful accounts.

Governmental Funds:		
Taxes receivables	$	730,421
Due from other governments		406,535
Accounts receivable - EMS service charges		182,043
Due from agencies		159,832
Total Governmental Receivables:	$	1,478,831
Business-type Funds:		
Due from other governments - GA DOT	$	6,572
Due from other governments - DHS		43,659
Due from other governments - City of Elberton		517,536
Accounts receivable - Solid waste service charges		131,113
Total Business-type Receivables:	$	698,880

Component Unit

The Elbert County Health Department has an amount due from the Georgia Department of Public Health of $25,155 which represents the May and June 2016 amount in aid reimbursement requests.

NOTE 4: DEFERRED OUTFLOWS OF RESOURCES

Government-Wide Financial Statements:

Deferred outflows of resources - governmental activities		
Defined benefit retirement plan - See Note 6	$	1,304,963
Total deferred outflows of resources - governmental activities	$	1,304,963

NOTE 5: DEFERRED INFLOWS OF RESOURCES

Governmental Fund Financial Statements:

Deferred inflows of resources			
Property taxes	$	667,451	Non-exchange transaction resource collected
Total deferred inflows of resources - governmental fund	$	667,451	beyond the City's period of availability.

Government-Wide Financial Statements:

Deferred inflows of resources - governmental activities		
Defined benefit retirement plan - See Note 6	$	38,485
Total deferred inflows of resources - governmental activities	$	38,485

NOTE 6: RETIREMENT PLANS

Defined Benefit Retirement Plan

Plan Description

The County contributes to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia as defined in the Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans.*

The specific benefit provisions of the Elbert County Defined Benefit Plan was established by an adoption agreement executed by the County Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met. The Board of Trustees for the ACCG Pension Plan and Trust oversees the administration, investment and funding of the ACCG Retirement Program for member employers. The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants. The pension plan's financial report is included in the report of the ACCG Elbert County Defined Benefit Plan prepared by GEBCorp.

A copy of the Pension Plan financial reports can be obtained from:

GEBCorp
191 Peachtree Street NE, Suite 700
Atlanta, Georgia 30303

Employee membership data related to the Plan, as of January 1, 2015 (the most recent actuarial valuation date are shown below:

Active participants	177
Deferred Vested Participants	91
Retirees, Beneficiaries and Disables Receiving Benefits	62
Total Number of Plan Participants	330

Funding Policy

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. The required annual contributions for Elbert County is $567,117 for FY 2015, which is 10.76% of fiscal year 2015's covered payroll.

The estimate of recommended contribution for fiscal year 2016 is shown below:

Estimate of Recommended Contribution

	1/1/2016	1/1/2015
Covered Compensation for Active Participants	$ 5,453,850	$ 5,403,013
Total Amortizations	338,293	317,014
Normal Cost for Plan Year	323,664	319,615
Pre-Retirement Death Benefit Expense	$ 15,366	$ 14,041
Administrative Expenses for Plan Year	$ 32,182	$ 28,453
Employer Contribution	556,010	525,030
Estimated Employee Contribution	$ 153,495	$ 154,093
Total Contribution	709,505	679,123
Employer Contribution as a Percentage of Payroll	10.2%	9.7%

Note: Cost estimate for budgeting purposes only, actual contributions requirements will be determined when January 1, 2016 actuarial valuation is completed. Actual contribution requirements will reflect actual plan experience with respect to newly eligible plan participants, salary increases, employee turnover, mortality and disability.

Plan Benefits and Eligibility

The Plan went effective on December 1, 1968 and was last amended and restated on January 1, 2011. Any full-time employee meeting the provisions as set out in the Adoption Agreement are eligible upon employment. The normal form of benefit is a straight life annuity.

Other forms of payment are available and are actuarially equivalent to the normal form. There have been no substantive changes since the last actuarial valuation.

Benefits

Normal Retirement	Attained age 65 & 5 years of service.
Late Retirement	Any date subsequent to Normal Retirement.
Early Retirement	Attained age 50 and 25 years of Service or age 60 & 10 years of Service. Prior Contributory Plan participants are eligible at age 55 with 25 years of Service at no reduction.
Disability Retirement	10 years of Service, deemed to be totally disabled by the Federal Social Security Adminisration.
Vested Termination	100% vested after 5 years of Service.
Pre-Retirement Death Benefit	Lump Sum for active Participants & terminated vested Participants receiving a Disability Retirement benefit and not yet age 65.
Post-Retirement Death Benefit	Termination of employment due to Early, Normal or Late Retirement. Participants receiving a Disability Retirement benefit and who have attained normal retirement age are also eligible.
Accrued Benefit	Effective January 1, 1993 through October 31, 2000: 2.00% of Average Annual compensation plus $36 multiplied by years of Service. Effective November 1, 2000: 2.5% of Average Annual compensation plus $36 multiplied by years of Service. No contributory plan participants: 1.25% of Average Annual Compensation for Credit Services after January 11, 2011.

Benefit Amounts

Normal Retirement	Benefit payable monthly for life - Participant's Accrued Benefit at Normal Retirement
Late Retirement	Benefit payable monthly for life - Participant's Accrued Benefit at Late Retirement
Early Retirement	Benefit payable monthly for life - Participant's Accrued Benefit actuarially reduce at Early Retirement Prior Contributory Plan: 25 years of Service with minimum age 55, unreduced benefit.
Disability Retirement	Benefit payable monthly for life equal to the Participant's Accrued Disability at Disability Retirement
Vested Termination	Benefit payable monthly for life equal to the Participant's Accrued Benefit at termination. Participants with 25 years of Service or 10 years of Service may elect to receive benefits at an early retirement date calculated in the same manner as an early retirement benefit.
Pre-Retirement Death Benefit	Lump-Sum (i) 100 times the projected monthly benefit based on level earnings and continued Service to Normal Retirement (ii) 50 times the participant's monthly pension benefit limited to $50,000
Post-Retirement Death Benefit	Termination of employment due to Early, Normal or Late Retirement. Participants receiving a Disability Retirement benefit and who have attained normal retirement age are also eligible.

The following chart shows the historical funding information. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Funding History

Actuarial Valuation Date	1/1/2015
Actuarial Value of Assets (a)	$ 14,220,861
Actuarial Accrued Liability (b)	$ 16,934,961
Underfunded/(Surplus) (b) - (a)	$ 2,714,100
Funded Ratio (a) / (b)	83.97%
Covered Payroll	$ 5,269,420
Underfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	51.51%

Actuarial Cost Method. Entry Age Normal: A method under which actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age(s).

Amortization Method. Closed level percentage of pay.

Asset Valuation Method. Smoothed market value with a 5-year smoothing period.

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

Expected Long-Term Rate of Return	7.50%
Future Salary Increases	3.50% per year with an age based scale
Future Payroll Growth	5.5% per year for level percentage compensation amortization
Mortality Rates	RP-2000, Combined
Cost of Living Adjustment	N/A

Based on an analysis performed by the Board of Trustees in 2014, the expected long-term rate of return is determined through a blend of using a building blocks approach based on a 20-year benchmarks (25%) and 30-year benchmarks (25%) presented below, as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by the UBS.

Discount Rate Building Blocks

Benchmark	Asset Allocation	Average 20 Yr Return	Weighted 20 Yr Return	Average 30 Yr Return	Weighted 30 Yr Return
S&P 500	30%	8.80%	2.64%	11%	3.22%
Barlay's Agg.	30%	5.75%	1.73%	8%	2.34%
MSCI EAFE	15%	5.44%	0.82%	10%	1.43%
Citi Non US WEBI	5%	5.48%	0.27%	5%	0.27%
NAREIT Equity	5%	9.91%	0.50%	11%	0.57%
Russell 2000	5%	8.96%	0.45%	9%	0.47%
Russell 3000	5%	8.89%	0.44%	11%	0.53%
S&P Mid Cap	5%	11.83%	0.59%	13%	0.66%
Weighted Return			7.44%		9.49%

Future salary increases 3.50% per year with an age based scale based on results of the February 2014 experience study as follows:

Age	Salary Increase
Under 30	3.5% rate plus 1.5%
30-39	3.5% rate plus 1.0%
40-49	3.5% rate plus 0.5%
50+	3.5% rate plus 1.0%

Termination rates were determined from an experienced based, age and service based set of rates; sample rates as follows:

Age	Probability of Termination
25	10.8%
35	8.3%
45	5.5%
55	0.0%

Years of Service	Probability of Termination
3 or less	175% of the age-based assumption
4	150% of the age-based assumption
5	125% of the age-based assumption
6	Same as the age-based assumption

Disability rates for both sexes were determined from a 1977 Social Security Administration study. For valuation purposes, rate are used with a one-year set forward. Incidence of disability resulting in eligibility for both disability benefits under the County retirement plan and the Social Security samples rates as follows:

Age	Probability of Disability
Under 20	0.0000%
20	0.0100%
25	0.1131%
30	0.1900%
35	0.2712%
40	0.4000%
45	0.6331%
50	1.0400%
55 & Over	0.0000%

Asset Allocation Policy. The Trustees shall rebalance the portfolio at least annually for asset allocation purposes. The guidelines for allocation are: equities shall not exceed 70% of total Plan assets, valued at cost. Fixed Income shall be targeted at 30% of total Plan assets, valued at cost. The Trustee's guidelines for asset allocation are as follows:

Asset Class	Target Allocation	Range
Fixed Income:	30%	25%-35%
Equities:	70%	65%-75%
Large Cap	30%	25%-35%
Mid Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. In projecting plan assets, the assumed contribution was based on the average contribution made to the plan over the prior five years. Projected assets are sufficient to pay all projected benefits promised to current plan participants. Therefore, the expected long-term rate of return (7.50 percent) was used to discount all projected benefit payments. The discount rate reflects the long-term expected rate of return on pension plan investments during the period in which the fiduciary net position is projected to be sufficient to pay benefits.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's net pension liability calculated using the discount rate of 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% Decrease	6.50%	$ 4,920,754
Current Discount Rate	7.50%	$ 2,714,100
1% Increase	8.50%	$ 871,352

Pension Expense for the Year Ended June 30, 2016

Service Cost	$ 301,083
Interest on TPL	1,153,856
Employee Contributions	(136,368)
Administrative Expenses	29,742
Expected Return on Assets	(1,066,380)
Other Changes - Investment Expense, Post-Retirement & Pre-Retirement Death Benefits	26,095
Amortization of:	
Liability Experience (Gain)/Loss	(7,127)
Change in Assumptions	80,407
Asset (Gain)/Loss	202,804
Current Year Recognition of Deferred Inflows and Outflows Established in Prior Years	19,849
Total Pension Expense	$ 603,961

For the year ended June 30, 2016, Elbert County, Georgia recognized pension expense of $603,961.

Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Plan Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at December 31, 2014	15,758,451	14,268,276	1,490,175
			-
Changes for the Year:			
Service Cost	$ 301,083	$ -	$ 301,083
Interest Expense	1,153,856	-	1,153,856
Benefit Changes (Changes of benefit terms)	-	-	-
Experience Losses (Gains)	(45,612)	-	(45,612)
(Amortized over avg remain svc period of actives & inactives)	-	-	
Changes of Assumptions	514,604	-	514,604
Contributions - Employer/Nonemployer	-	-	-
Contributions - Employee	-	567,117	(567,117)
Contributions - State	-	136,368	(136,368)
Other Changes - Contribution timing differences	-	-	-
Net Investment Income	-	(26,095)	26,095
Expected Return on Plan Investments	-	52,358	(52,358)
Amortized Portion of Current-period	-	-	-
Differences between Actual	-	-	-
and Expected Returns on Plan Investments	-	-	-
Refunds of Contributions	-	(23,823)	23,823
Benefits Paid	(747,421)	(723,598)	(23,823)
Plan Administrative Expenses	-	(29,742)	29,742
Contributions for Specific Liabilities	-	-	-
Other Changes	-	-	-
Amortization of or Change in Beginning Balances of Deferred Outflow	-	-	-
NET CHANGES:	$ 1,176,510	$ (47,415)	$ 1,223,925
Balances at December 31, 2015	$ 16,934,961	$ 14,220,861	$ 2,714,100

Net Pension Liability. The County's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. At June 30, 2016, the County reported a net pension liability. Changes in the County's net pension liability for the year ended December 31, 2015 were as follows:

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued GEBCorp financial report.

At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Inflow/Outflows of Resources Related to Pension

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Investment Earnings	870,766	-
Difference Betweem Expected and Actual Pension Liability	-	(38,485)
Changes in Assumption	434,197	-
County Contributions Subsequent to the Measurement Date	-	-
Total	$ 1,304,963	$ (38,485)

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the pension expense as follows:

Projected Recognition of Deferred Outflows/(Inflows)

	Year Established	Outstanding Balance at 1-Jul-15	Amount Recognized During FYE 30-Jun-16	Outstanding Balance at 30-Jun-16	Deferred Outflows/(Inflows) Recognized in Future Years 2017	2018	2019	2020	2021	2022 and thereafter
Fiscal Year Outflows										
Demographics	2015	-	-	-	-	-	-	-	-	-
Investment	2015	79,397	19,849	59,548	19,849	19,849	19,849	-	-	-
Investment	2016	1,014,022	202,804	811,218	202,804	202,804	202,804	202,804	-	-
Assumption Change	2016	514,604	80,407	434,197	80,407	80,407	80,407	80,407	-	-
Total Outflows		**$ 1,608,023**	**$ 303,060**	**$ 1,304,963**	**$ 303,060**	**$ 303,060**	**$ 303,060**	**$ 283,211**	**$ -**	**$ -**
Fiscal Year Inflows										
Pension Liability	2016	(45,612)	(7,127)	(38,485)	(7,127)	(7,127)	(7,127)	(7,127)	(7,127)	(2,851)
Total Inflows		**$ (45,612)**	**$ (7,127)**	**$ (38,485)**	**$ (7,127)**	**$ (7,127)**	**$ (7,127)**	**$ (7,127)**	**$ (7,127)**	**$ (2,851)**

Other Retirement Plans

Certain qualified employees of the County are included in one of the seven retirement plans in which the County participates. These retirement plan is the Georgia Firefighters' Pension Fund. The County does not maintain the accounting records, hold the investments or administer this retirement fund.

Plan Description

The Georgia Firefighters' Pension Fund was created in 1955 by an act of the Georgia General Assembly to provide retirement benefits for qualified firefighters. The fund administers a cost-sharing, multiple-employer define benefit pension plan as defined in the Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25.* Any person employed as a firefighter or enrolled as a volunteer firefighter within the State of Georgia or any regular employee of the Fund is eligible for membership in the Fund.

Contributions

Special Funding Situation. The State of Georgia provides non-employer contributions directly to the abovementioned retirement funds through the collection of insurance premium tax, court fines and filing fees, court fines and forfeitures as well as membership dues. The various county departments, as the employers of the Fund, do not make contributions to the Fund. The County is not legally responsible for contributions to the fund and does not recognize net pension liability. Therefore, these non-employer contributions are recognized as revenue and expenditures by the County. See Note 16: On-Behalf Payments for further disclosure.

Actuarial Valuation Date

The collective total pension liability used to calculate the net pension liability is based upon the June 30, 2015 actuarial valuation for the Georgia Firefighters' Pension Fund.

Pension Liabilities, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* requires participating employers and non-employers contributing entities to recognize their proportionate share of collective net pension liability and pension expense. As discussed above, the County departments, as employers of the Fund's members, do not make contributions to the Fund; therefore, the proportionate share of collective net pension liability for Elbert County, Georgia is 0%. Elbert County, Georgia does not recognize any net pension liability (asset) or deferred inflows or outflows of resources in the financial statements.

However, the County is required to disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability (asset) associated with the County as follows:

Retirement Plan	County's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liablity
Georgia Firefighters' Pension Fund	-	$ 1,219,100

The net pension liability was measured as of June 30, 2015.

In accordance with GASB 68, Elbert County, Georgia is required to disclose the deferred inflows and outflows of resources allocated to the County. The County does not recognize any amounts in the financial statements. The deferred inflows of resources and outflows of resources allocated to Elbert County, Georgia are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	
Retirement Plan	Changes in Assumptions	Difference Between Expected & Actual Experience	Difference Between Expected & Actual Investment Earnings
Georgia Firefighters' Pension Fund	$ 350,077	$ 72,902	$ 90,779

NOTE 7: CAPITAL ASSET

Capital asset activities for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Primary Government:					
Governmental Activities:					
Non-Depreciable Assets:					
Land	$ 1,596,847	$ 70,664	$ -	$ -	$ 1,667,511
Construction in Progress	89,161	17,859	107,020	-	-
Total non-depreciable capital assets	1,686,008	88,523	107,020	-	1,667,511
Depreciable Assets:					
Buildings & Improvements	13,251,084	170,245	-	-	13,421,329
Machinery & Equipment	10,026,908	176,884	94,176	-	10,109,616
Vehicles	886,665	196,700	-	-	1,083,365
Infrastructure	2,771,316	-	-	-	2,771,316
Total depreciable capital assets	26,935,973	543,829	94,176	-	27,385,626
Accumulated Depreciation:					
Buildings & Improvements	2,681,642	291,953	-	-	2,973,595
Machinery & Equipment	7,934,211	432,843	85,151	2	8,281,901
Vehicles	133,783	139,501	-	-	273,284
Infrastructure	291,491	65,820		(2)	357,313
Total accumulated depreciation	11,041,127	930,117	85,151	-	11,886,093
Total depreciable capital assets, net	15,894,846	(386,288)	9,025	-	15,499,533
Governmental activities capital assets, net	$ 17,580,854	$ (297,765)	$ 116,045	$ -	$ 17,167,044

Business-type Activities:					
Non-Depreciable Assets:					
Land	$ 193,190	$ -	$ -	$ -	$ 193,190
Total non-depreciable capital assets	193,190	-	-	-	193,190
Depreciable Assets:					
Buildings & Improvements	383,761	-	-	-	383,761
Machinery & Equipment	308,379	-	-	-	308,379
Vehicles	217,885		-	-	217,885
Total depreciable capital assets	910,025	-	-	-	910,025
Accumulated Depreciation:					
Buildings & Improvements	143,990	9,594	-	-	153,584
Machinery & Equipment	255,753	15,188	-	-	270,941
Vehicles	122,135	27,087	-	-	149,222
Total accumulated depreciation	521,878	51,869	-	-	573,747
Total depreciable capital assets, net	388,147	(51,869)	-	-	336,278
Business-type activities capital assets, net	$ 581,337	$ (51,869)	$ -	$ -	$ 529,468

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

Governmental Activities:	
General Government	$ 135,772
Judicial	5,905
Public Safety	471,715
Public Works	153,291
Health & Welfare	53,478
Culture & Recreation	33,688
Housing & Development	76,268
Total depreciation expense - governmental activities	$ 930,117
Business-type Activities:	
Solid Waste Fund	$ 30,958
Transportation Fund	20,911
Total depreciation expense - business-type activities	$ 51,869

Component Unit - Health Department

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Governmental Activities:					
Depreciable Assets:					
Office & Medical Equipment	$ 117,887	$ 11,152	$ -	$ -	$ 129,039
Total depreciable capital assets	117,887	11,152	-	-	129,039
Accumulated Depreciation:					
Office & Medical Equipment	80,742	8,290	-	-	89,032
Total accumulated depreciation	80,742	8,290	-	-	89,032
Governmental activities capital assets, net	$ 37,145	$ 2,862	$ -	$ -	$ 40,007

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

Governmental activities:	
Health	$ 8,290

NOTE 8: SHORT TERM DEBT

The County issues tax anticipation notes in advance of property tax collections, depositing the proceeds into its General Fund. The notes are necessary because the County does not currently possess sufficient resources to carry it from one year to the next. For the year ending June 30, 2016, the County had a no short term debt balance.

	Beginning Balances July 1, 2015	Issued	Redeemed	Ending Balance June 30, 2016
2015 Tax Anticipation Note:	$ -	$ 1,502,444	$ 1,502,444	$ -
	$ -	$ 1,502,444	$ 1,502,444	$ -

NOTE 9: LONG-TERM DEBT

The retirement cost of debt, pension liabilities, and compensated absences is typically charged to the general fund.

Governmental Activities-Capital Leases:

On June 12, 2013, the County financed the purchase of a John Deere 310SK Backhoe through a 36 month capital lease. The lease is payable in monthly installments of $1,574. The original lease was for $54,040 at an interest rate of 3.3% with a maturity in May 2016. The lease is secured by the equipment and payments are made out of the Capital Projects Fund. Interest expense paid in 2016 was $282.

On June 6, 2013, the County financed the purchase of an Interact E-911 System through a 60 month capital lease. The lease is payable in monthly installments of $6,497. The original lease was for $355,591 at an interest rate of 3.675% with a maturity in June 2018. The lease is secured by the equipment and payments will be made out of the Capital Projects Fund. Interest expense paid in 2016 was $6,722.

Expense resulting from amortization of assets recorded under capital leases is included with depreciation expense. The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Machinery and Equipment	$ 409,631
Less: Accumulated Depreciation	(177,795)
Total	$ 231,836

Payout schedule:

Year Ending	Total Payments	Principal	Interest
2017	77,960	73,903	4,057
2018	71,463	70,167	1,296
Total	$ 149,423	$ 144,070	$ 5,353

Governmental Activities-Intergovernmental loans:

On December 16, 2010, the County financed the purchase of fire trucks through a USDA loan. The original loan amount was $523,037 with an interest rate of 3.75% and matures January 16, 2021. The loan is amortized with 120 monthly payments of $5,236 each. The loan is secured by the fire trucks. Interest expense paid in 2016 was $10,794.

Asset:	Governmental Activities
Machinery and Equipment	$ 650,100
Less: Accumulated Depreciation	(650,100)
Total	$ -

Payout schedule:

Year Ending	Total Payments	Principal	Interest
2017	62,832	54,023	8,809
2018	62,832	56,084	6,748
2019	62,832	58,224	4,608
2020	62,832	60,445	2,387
2021	31,049	30,732	317
Total	$ 282,377	$ 259,508	$ 22,869

Changes in long-term debt:

	Balance as of June 30, 2015	Additions	Reductions	Balance as of June 30, 2016	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 85,735		$ (3,464)	$ 82,271	$ -
USDA Loan	311,546	-	(52,038)	259,508	54,023
Capital Leases	232,628	-	(88,558)	144,070	73,903
Total governmental activities	$ 629,909	$ -	$ (144,060)	$ 485,849	$ 127,926
Business-Type Activities:					
Compensated Absences	6,252	-	-	6,252	-
Closure Liability	1,024,827	10,048	-	1,034,875	51,754
Total business-type activities	$ 1,031,079	$ 10,048	$ -	$ 1,041,127	$ 51,754

Component Unit

	Balance as of June 30, 2015	Additions	Reductions	Balance as of June 30, 2016	Due Within One Year
Net Pension Liability	$ 294,273	$ -	$ (25,949)	$ 268,324	$ -
Compensated Absences	19,495	4,287	-	23,782	-
Total component unit liabilities	$ 313,768	$ 4,287	$ (25,949)	$ 292,106	$ -

NOTE 10: INTERFUND BALANCES AND TRANSFERS

Interfund Balances:

	Due From:								
Due To:	General Fund	Senior Center	E-911 Fund	Multi-Grant Fund	Victims Assistance Fund	Public Defender Fund	Rock Gym Fund	Public Transportation Fund	Total
General Fund	$ -	$ 1,569	$248,754	$ 50,010	$ 10,388	$ 19,210	$ 200	$ 3,271	$ 333,402
E-911 Fund	217,583	-	-	-	-	-	-	-	217,583
Multi-Grant Fund	40,423	-	-		-	-	-	-	40,423
	$ 258,006	$ 1,569	$248,754	$ 50,010	$ 10,388	$ 19,210	$ 200	$ 3,271	$ 591,408

Advances to/from Other Funds:

Due To:	Capital Projects Fund	Solid Waste Fund	Multi-Grant Fund	Revolving Loan Fund	Bobby Brown Park Fund	Total
General Fund	$ 356,629	$ 259,311	$ 8,700	$ 200	$ 113,375	$ 738,215
	$ 356,629	$ 259,311	$ 8,700	$ 200	$ 113,375	$ 738,215

Interfund balances at June 30, 2016, consisted of the following amounts and represent charges for services or reimbursable expenses and expenditures out of capital outlay (SPLOST) funds for operating expenses in the general fund occurring in prior years. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting records, and (3) payments between funds are made. The County expects to repay some of the interfund balances within one year. The General Fund receivables from the E-911, Airport Grant Fund and Solid Waste Funds are considered as being long term interfund receivables.

Interfund Transfers:

Transfer To:	Transfer From: General Fund
Senior Center	$ 45,079
E-911 Fund	373,000
Multi-Grant Fund	9,207
Fire Insurance Fund	75,000
Public Transportation Fund	45,079
Total	$ 547,365

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and provide unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is complete.

NOTE 11: LANDFILL CLOSURE AND POSTCLOSURE COST

Closure and Post-closure care is required by both federal and state regulations. The estimate for post closure liability is for the cost of monitoring for thirty years after landfill closure. In 2000, the County closed its solid waste landfill and is now in the post-closure phase. The post-closure estimate will be amortized over a 30 year period following closure. These costs and estimates are recognized in the government-wide financial statements. The actual post-closure cost will be met by resources out of the general fund. The unamortized balance of post-closure cost at June 30, 2016 was $1,034,875. The estimated costs are based on what it would cost to perform all closure and post-closure in 2016. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Should any problems occur during this period, the costs and time period required for maintenance and monitoring functions may increase.

NOTE 12: HOTEL/MOTEL TAX COMPLIANCE – PRIMARY GOVERNMENT

Elbert County, Georgia collects five percent (5%) hotel/motel tax. State statutes require the County to contract with a not for profit organization and fund that organization with a minimum of 40% of collections which must be expended on the promotion of tourism and trade. The County has a working relationship with Elbert County Chamber of Commerce and funds that organization with hotel/motel tax collections.

For the fiscal year ending June 30, 2016:

Tax collections	$ 32,100
Amounts provided to:	
Chamber of Commerce	$ 3,347
Promotion expenditures	10,100
Georgia DNR	21,239
Total tax and investment earnings disbursements:	$ 34,686

NOTE 13: 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 with Travelers Corporation in amounts deemed prudent by County management. The County participates in the Association of the County Commissioners of Georgia Group Self-Insurance Worker's Compensation Fund public entity risk pools, currently operating as a common risk management and insurance programs for member local governments. As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds. The funds are to

defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

NOTE 14: COMMITMENTS AND CONTINGENCIES

Litigation and Assessments

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

Grant Contingencies

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

NOTE 15: COMPLIANCE

At June 30, 2016, the County was not in compliance with the following statutes:

OCGA 36-81-3 Relating to expenditures in excess of budgeted amounts.

At June 30, 2016, the County was in compliance with O.C.G.A 36-81-7:

E-911 Funds: All E-911 funds collected by Elbert County were expended in accordance with state statutes.

NOTE 16. ON-BEHALF PAYMENTS

The County receives on-behalf payments from the State of Georgia to be used for the Georgia Firefighters' Pension Fund contributions. Such payments are recorded as intergovernmental revenue and expenditures in the GAAP basis government-wide and general fund financial statements, but are not budgeted and therefore are not included in the general fund budgetary basis financial statements. The County is not legally responsible for these contributions. On-behalf payments to the County totaled $168,033 for the fiscal year ended June 30, 2016.

Retirement Plan	Nonemployer Contribution Amount
Georgia Firefighters' Pension Fund	168,033

NOTE 17. PRIOR PERIOD ADJUSTMENT

During fiscal year 2015, the County erroneously accrued a liability of $283,559 due the County's pension plan. This accrual was not necessary due to the implementation of GASB Statement 69 for the Accounting and Reporting of Pensions during fiscal year 2015. As a result of this error, a prior period adjustment was recorded to reduce the County's liabilities and increase fund balance by $283,559 .

NOTE 18: SUBSEQUENT EVENT

Subsequent events have been evaluated through December 28, 2016.

NOTE 19: BUDGETS

The following are Governmental Funds for which expenditures exceeded appropriations:

Department	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Actual in Excess of Appropriations
General Fund			
Public Safety	$ 4,609,400	$ 4,660,880	$ 51,480
Public Works	905,100	943,260	38,160
Health & Welfare	213,700	216,325	2,625
Recreation & Culture	361,350	360,319	-
Housing & development	357,910	355,990	-
Debt Service - interest	1,650	1,607	-
Transfers Out	666,050	547,365	-
Senior Center			-
Health & Welfare	352,950	306,786	-
Capital Outlay	28,300	24,172	-
E-911 Fund			
Public Safety	750,350	706,961	-
Debt Service - interest	-	6,722	6,722
Debt service - principal	-	38,239	38,239
Law Library	6,000	1,301	-
Multi-Grant Fund	1,204,296	1,156,270	-
10% Fines Jail Fund	36,100	36,073	-
Special Drug Fund	24,800	10,681	-
Hotel/Motel Fund	38,500	34,768	-
Revolving Loan Fund	-	-	-
Fire Insurance Fund	100,950	118,825	17,875
Victims Assistance Fund	287,450	299,714	12,264
Public Defender Fund	405,300	378,968	-
Rock Gym Fund	$ -	$ -	$ -

The County's legal level of control is at the department level.

ELBERT COUNTY, GEORGIA
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Budget to GAAP Differences	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Over / (Under)	GAAP Basis	Final Budget
Revenues						
Property tax	6,927,077	6,927,077	6,716,976	-	6,716,976	(210,101)
Sales tax	1,100,000	1,100,000	1,314,770	-	1,314,770	214,770
Business tax	762,000	762,000	804,103	-	804,103	42,103
Franchise tax	68,000	68,000	75,843	-	75,843	7,843
Alcohol tax	84,000	84,000	79,686	-	79,686	(4,314)
Intergovernmental	6,971	6,971	56,776	-	56,776	49,805
Licenses and permits	5,500	5,500	9,100	-	9,100	3,600
Fines and forfeitures	395,000	395,000	477,211	-	477,211	82,211
Charges for services	1,282,500	1,282,500	1,205,940	-	1,205,940	(76,560)
Investment earnings	900	900	1,277	-	1,277	377
Miscellaneous	142,900	142,900	105,779	-	105,779	(37,121)
Total Revenues	10,774,848	10,774,848	10,847,461	-	10,847,461	72,613
Expenditures						
Current Operating:						
General government	2,660,700	2,688,050	2,517,637	-	2,517,637	(170,413)
Judicial	1,062,999	1,032,420	1,015,283	-	1,015,283	(17,137)
Public safety	4,889,109	4,609,400	4,621,097	-	4,621,097	11,697
Public works	853,040	905,100	935,800	-	935,800	30,700
Health and welfare	211,120	213,700	213,838	-	213,838	138
Recreation and culture	356,900	361,350	358,661	-	358,661	(2,689)
Housing and development	399,980	357,910	352,676	-	352,676	(5,234)
Debt service	8,000	1,650	1,607	-	1,607	(43)
Total Expenditures	10,441,848	10,169,580	10,016,599	-	10,016,599	(152,981)
Excess (Deficiency) of Revenues Over (Under) Expenditures	333,000	605,268	830,862	-	830,862	225,594
Other Financing Sources (Uses)						
Transfers in	100,000	100,000	-	-	-	(100,000)
Transfers out	(448,000)	(666,050)	(547,365)	-	(547,365)	118,685
Insurance refunds and recoveries	7,000	7,000	14,659	-	14,659	7,659
Proceeds from sale of assets	8,000	8,000	55,010	-	55,010	47,010
Total Other Financing Sources (Uses)	(333,000)	(551,050)	(477,696)	-	(477,696)	73,354
Net Change in Fund Balances	$ -	$ 54,218	353,166	$ -	353,166	$ 298,948
Fund Balance Beginning of Year			1,799,264		1,799,264	
Prior Period Adjustment			283,559		283,559	
Fund Balance End of Year			$ 2,435,989		$ 2,435,989	

ELBERT COUNTY, GEORGIA
Budgetary Comparison Schedule
Senior Center
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Budget to GAAP Differences	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Over / (Under)	GAAP Basis	Final Budget
Revenues						
Intergovernmental	145,700	145,700	138,878	-	138,878	(6,822)
Charges for services	11,800	11,800	13,147	-	13,147	1,347
Investment earnings	-	-	30	-	30	30
Contributions and donations	-	-	19,633	-	19,633	19,633
Total Revenues	157,500	157,500	171,688	-	171,688	14,188
Expenditures						
Current Operating:						
Health and welfare	342,770	352,950	306,786	-	306,786	(46,164)
Capital outlay	66,000	28,300	24,172	-	24,172	(4,128)
Total Expenditures	408,770	381,250	330,958	-	330,958	(50,292)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(251,270)	(223,750)	(159,270)	-	(159,270)	64,480
Other Financing Sources (Uses)						
Transfers in	-	-	45,079	-	45,079	(45,079)
Total Other Financing Sources (Uses)	-	-	45,079	-	45,079	(45,079)
Net Change in Fund Balances	$ (251,270)	$ (223,750)	(114,191)	$ -	(114,191)	$ 109,559
Fund Balance Beginning of Year			402,137		402,137	
Fund Balance End of Year			$ 287,946		$ 287,946	

ELBERT COUNTY, GEORGIA
Budgetary Comparison Schedule
E-911 Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Budget to GAAP Differences	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Over / (Under)	GAAP Basis	Final Budget
Revenues						
Charges for services	362,960	362,960	335,364	-	335,364	(27,596)
Investment earnings	-	-	138	-	138	138
Total Revenues	362,960	362,960	335,502	-	335,502	(27,458)
Expenditures						
Current Operating:						
Public safety	736,950	750,350	706,961	-	706,961	(43,389)
Debt service	-	-	44,961	-	44,961	44,961
Total Expenditures	736,950	750,350	751,922	-	751,922	1,572
Excess (Deficiency) of Revenues Over (Under) Expenditures	(373,990)	(387,390)	(416,420)	-	(416,420)	(29,030)
Other Financing Sources (Uses)						
Transfers in	373,000	373,000	373,000	-	373,000	-
Total Other Financing Sources (Uses)	373,000	373,000	373,000	-	373,000	-
Net Change in Fund Balances	$ (990)	$ (14,390)	(43,420)	$ -	(43,420)	$ (29,030)
Fund Balance Beginning of Year			52,068		52,068	
Fund Balance End of Year			$ 8,648		$ 8,648	

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

The County prepares its annual operating budget under the provisions of the official Code of Georgia. In accordance with those provisions, the following process is used to adopt the annual budget:

(a) Prior to June 1, the County Finance Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

(b) Public hearings are conducted at regular Commission meetings to obtain taxpayer comments. Public hearings are normally scheduled no later than 15 days prior to the beginning of the budget year.

(c) Subsequent to the public hearings, the budget is legally enacted through the passage of a resolution by the County Commissioners.

All governmental funds with revenues and/or expenditures as defined by State law are required to have annual budgets. The legal level of control at which expenditures may not legally exceed appropriations is at the department level within a fund.

Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end. The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Budget Requirements

Amendments to the original budget appropriations were properly approved by the County Commissioners.

Department	Original Budget	Supplemental Appropriations	Supplemental Decreases	Revised Appropriations
General Fund				
General Government	$ 2,660,700	$ 27,350	$ -	$ 2,688,050
Judicial	1,062,999	-	30,579	1,032,420
Public Safety	4,889,109	-	279,709	4,609,400
Public Works	853,040	52,060	-	905,100
Health & Welfare	211,120	2,580	-	213,700
Recreation & Culture	356,900	4,450	-	361,350
Housing & development	399,980	-	42,070	357,910
Debt Service - interest	8,000	-	6,350	1,650
Transfers Out	448,000	218,050	-	666,050
Senior Center	408,770	-	27,520	381,250
E-911	$ 736,950	13,400	-	$ 750,350
	$ 10,889,848	$ 304,490	$ 358,708	$ 10,835,630

ELBERT COUNTY, GEORGIA
Required Supplementary Information
Defined Benefit Retirement Plan
June 30, 2016

Schedule of Changes in the Net Pension Liability and Related Ratios
Elbert County, Georgia Retirement Plan
Last 10 Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service Cost	$ 301,083	$ 297,316								
Interest	1,153,856	1,101,101								
Differences Between Expected and Actual Experience	(45,612)	-								
Changes of Assumptions	514,604	-								
Changes of Benefit Terms	-	-								
Other Changes	-	-								
Benefit Payments, Including Refunds of Employee Contributions	(747,421)	(642,636)								
Net Change in Total Pension Liability	1,176,510	755,781								
Total Pension Liability - Beginning	15,758,451	15,002,670								
Total Pension Liability - Ending (a)	$ 16,934,961	$ 15,758,451								
Plan Fiduciary Net Position										
Contributions - Employer	$ 567,117	$ 640,583								
Contributions - Employee	136,368	148,882								
Net Investment Income	52,358	904,414								
Benefit Payments, Including Refunds of Employee Contributions	(747,421)	(688,101)								
Administrative Expense	(29,742)	(27,491)								
Other Changes	(26,095)	(64,961)								
Net Change in Fiduciary Net Position	(47,415)	913,326								
Plan Fiduciary Net Position - Beginning	14,268,276	13,354,950								
Plan Fiduciary Net Position - Ending (b)	$ 14,220,861	$ 14,268,276								
Net Pension Liability - Ending: (a)-(b)	$ 2,714,100	$ 1,490,175								
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	84.00%	90.50%								
Covered-Employee Payroll (Prior Year)	$ 5,269,420	$ 5,220,302								
Net Pension Liability as a Percentage of Covered-Employee Payroll	51.51%	28.55%								

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ELBERT COUNTY, GEORGIA
Required Supplementary Information
Defined Benefit Retirement Plan
June 30, 2016

Schedule of Contributions
Elbert County, Georgia Retirement Plan
Last 10 Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially Determined Contribution	$ 567,117	$ 640,583								
Contributions in Relation to the Actuarially	-	-								
Determined Contribution	567,117	640,583								
Contribtuion Deficiency (Excess)	-	-								
Covered-Employee Payroll	5,269,420	5,220,302								
Contributions as a Percentage of										
Covered-Employee Payroll	11%	12%								

Changes of Assumptions

There was an assumption change due to the change in mortality table for the measurement period ended December 31, 2015.

Benefit Changes

There has been no substantive changes in plan provisions since the last actuarial valuation.

ELBERT COUNTY, GEORGIA

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2016

	Law Library	Multi-Grant Fund	10% Fines Jail Fund	Special Drug Fund	Hotel/Motel Fund	Revolving Loan Fund	Fire Insurance Fund	Victims Assistance Fund	Public Defender Fund	Rock Gym Fund	Total Nonmajor Governmental Funds
Assets											
Cash and cash equivalents	$ 11,507	$ 95,473	$ 33,079	$ 66,370	$ 20,960	$ 34,922	$ 203,078	$ 352,722	$ 21,022	$ 200	$ 839,333
Accounts receivable (net)	461	24,366	2,106	2,798	2,500	-	-	950	-	-	33,181
Due from other governments	-	89,184	15	386	-	-	-	12,749	-	-	102,334
Due from other funds	-	40,423	-	-	-	-	-	-	-	-	40,423
Total Assets	11,968	249,446	35,200	69,554	23,460	34,922	203,078	366,421	21,022	200	1,015,271
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	11,968	249,446	35,200	69,554	23,460	34,922	203,078	366,421	21,022	200	1,015,271
Liabilities											
Accounts payable	-	73,830	-	86	2,394	-	18,364	34,491	346	-	129,511
Due to other funds	-	50,010	-	-	-	-	-	10,388	19,210	200	79,808
Advances from other funds	-	8,700	-	-	-	200	-	-	-	-	8,900
Total Liabilities	-	132,540	-	86	2,394	200	18,364	44,879	19,556	200	218,219
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	132,540	-	86	2,394	200	18,364	44,879	19,556	200	218,219
Fund Balance											
Restricted for:											
Law Enforcement	11,968	11,777	35,200	69,468	-	-	-	321,542	1,466	-	451,421
Tourism	-	-	-	-	21,066	-	-	-	-	-	21,066
Housing and Development	-	23,213	-	-	-	-	-	-	-	-	23,213
Culture and Recreation	-	81,777	-	-	-	-	-	-	-	-	81,777
Public Works	-	139	-	-	-	-	-	-	-	-	139
Loan Program	-	-	-	-	-	34,722	-	-	-	-	34,722
Committed for:											
Fire Insurance Fund	-	-	-	-	-	-	184,714	-	-	-	184,714
Total Fund Balance	11,968	116,906	35,200	69,468	21,066	34,722	184,714	321,542	1,466	-	797,052
Total Liabilities, Deferred Inflows and Fund Balance	$ 11,968	$ 249,446	$ 35,200	$ 69,554	$ 23,460	$ 34,922	$ 203,078	$ 366,421	$ 21,022	$ 200	$ 1,015,271

ELBERT COUNTY, GEORGIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2016

	Law Library	Multi-Grant Fund	10% Fines Jail Fund	Special Drug Fund	Hotel/Motel Fund	Revolving Loan Fund	Fire Insurance Fund	Victims Assistance Fund	Public Defender Fund	Total Nonmajor Governmental Funds
Revenues										
Hotel/Motel tax	$ -	$ -	$ -	$ -	$ 32,100	$ -	$ -	$ -	$ -	$ 32,100
Intergovernmental	-	698,346	-	-	-	-	4,816	154,503	354,778	1,212,443
Fines and forfeitures	6,123	-	36,266	40,969	-	-	-	131,358	-	214,716
Charges for services	-	9,772	-	-	-	-	1,500	-	-	11,272
Interest	-	13	34	47	25	-	218	-	-	337
Miscellaneous	-	36	-	-	-	-	10	-	-	46
Total Revenue	6,123	708,167	36,300	41,016	32,125	-	6,544	285,861	354,778	1,470,914
Expenditures										
Current:										
Judicial	1,301	97,504	-	-	-	-	-	299,714	378,968	777,487
Public safety	-	-	27,973	10,681	-	-	50,301	-	-	88,955
Public works	-	1,020,084	-	-	-	-	-	-	-	1,020,084
Recreation and culture	-	363	-	-	-	-	-	-	-	363
Housing and development	-	8,660	-	-	34,768	-	-	-	-	43,428
Capital Outlay	-	29,659	8,100	-	-	-	68,524	-	-	106,283
Total Expenditures	1,301	1,156,270	36,073	10,681	34,768	-	118,825	299,714	378,968	2,036,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,822	(448,103)	227	30,335	(2,643)	-	(112,281)	(13,853)	(24,190)	(565,686)
Other Financing Sources (Uses)										
Transfers in	-	9,207	-	-	-	-	75,000	-	-	84,207
Total Other Financing Sources (Uses)	-	9,207	-	-	-	-	75,000	-	-	84,207
Net Change in Fund Balances	4,822	(438,896)	227	30,335	(2,643)	-	(37,281)	(13,853)	(24,190)	(481,479)
Fund Balances Beginning of Year	7,146	555,802	34,973	39,133	23,709	34,722	221,995	335,395	25,656	1,278,531
Fund Balances End of Year	$ 11,968	$ 116,906	$ 35,200	$ 69,468	$ 21,066	$ 34,722	$ 184,714	$ 321,542	$ 1,466	$ 797,052

ELBERT COUNTY, GEORGIA
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2016

	Public Transportation Fund	Bobby Brown Park Fund	Total Nonmajor Proprietary Funds
Assets			
Current Assets			
Cash and cash equivalents	$ 211,228	$ 18,876	$ 230,104
Due from other governments	50,231	-	50,231
Total Current Assets	261,459	18,876	280,335
Noncurrent Assets:			
Capital assets			
Depreciable, net	68,662	-	68,662
Total Noncurrent Assets	68,662	-	68,662
Total Assets	330,121	18,876	348,997
Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	330,121	18,876	348,997
Liabilities			
Current Liabilities:			
Accounts payable	4,726	4,319	9,045
Due to other funds	3,271	-	3,271
Total Current Liabilities	7,997	4,319	12,316
Long-term Liabilities:			
Compensated absences	6,252	-	6,252
Advances from other funds	-	113,375	113,375
Total Long-term Liabilities	6,252	113,375	119,627
Total Liabilities	14,249	117,694	131,943
Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	14,249	117,694	131,943
Net Position			
Net investment in capital assets	68,662	-	68,662
Unrestricted	247,210	(98,818)	148,392
Total Net Position	$ 315,872	$ (98,818)	$ 217,054

ELBERT COUNTY, GEORGIA

Combining Statement of Revenues, Expenses, and Changes in Net Position

Nonmajor Proprietary Funds

For the Year Ended June 30, 2016

	Public Transportation Fund	Bobby Brown Park Fund	Total Nonmajor Proprietary Funds
Operating Revenue:			
Sales	$ 9,926	$ 63,718	$ 73,644
Miscellaneous income	-	271	271
Total Operating Revenue	9,926	63,989	73,915
Operating Expenses:			
Personnel services:			
Salaries and wages	160,520	47,270	207,790
Employment taxes	-	4,104	4,104
Total Personnel services	160,520	51,374	211,894
Purchased / contracted services:			
Professional and technical	19,377	-	19,377
Other purchased services	45,082	1,890	46,972
Total Purchased / contracted services	64,459	1,890	66,349
Other operating expenses:			
Administrative	4,171	-	4,171
Supplies	24,919	41,516	66,435
Repairs and maintenance	22,195	16,386	38,581
Utilities	20,826	20,705	41,531
Engineering, lab fees, and training	1,412	-	1,412
Depreciation	20,911	-	20,911
Marketing and advertising	2,272	900	3,172
Total other operating expenses	96,706	79,507	176,213
Total Operating Expenses	321,685	132,771	454,456
Operating Income (Loss)	(311,759)	(68,782)	(380,541)
Nonoperating Revenues (Expenses)			
Interest income	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	-
Income (Loss) Before Contributions and Transfers			
Intergovernmental grant	351,916	-	351,916
Transfer In	45,079	-	45,079
Change in Net Position	85,236	(68,782)	16,454
Net Position Beginning of Year	230,636	(30,036)	200,600
Net Position End of Year	$ 315,872	$ (98,818)	$ 217,054

ELBERT COUNTY, GEORGIA

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

For The Year Ended June 30, 2016

	Public Transportation Fund	Bobby Brown Park Fund	Total Nonmajor Proprietary
Cash flows from operating activities:			
Receipts from customers	$ 16,422	$ 63,989	$ 80,411
Payments to suppliers	(166,375)	(80,195)	(246,570)
Payments to employees	(166,290)	(51,787)	(218,077)
Net cash provided (used) by operating activities	(316,243)	(67,993)	(384,236)
Cash flows from noncapital financing activities:			
Transfer from other funds	45,079	-	45,079
Intergovernmental grants	351,916	-	351,916
Increase (decrease) in advances from other funds	-	76,786	76,786
Net cash provided (used) by noncapital financing activities	396,995	76,786	473,781
Cash flows from capital and related financing activities:			
Transfer from other funds	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	80,752	8,793	89,545
Cash and cash equivalents, June 30, 2015	130,476	10,083	140,559
Cash and cash equivalents, June 30, 2016	$ 211,228	$ 18,876	$ 230,104
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ (311,759)	$ (68,782)	$ (380,541)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	20,911	-	20,911
Changes in assets and liabilities:			
(Increase) decrease in due from other governments	6,496	-	6,496
Increase (decrease) in due to other funds	(20,058)	-	(20,058)
Increase (decrease) in accounts payable	(6,063)	1,202	(4,861)
Increase (decrease) in accrued expenses	(5,770)	(413)	(6,183)
Net cash provided by operating activities	$ (316,243)	$ (67,993)	$ (384,236)

ELBERT COUNTY, GEORGIA

Combining Statement of Fiduciary Assets and Liabilities

All Agency Funds

June 30, 2016

	Tax Commissioner	Probate Court	Magistrate Court	Clerk of Court	Sheriff	Totals
Assets						
Cash and cash equivalents	$ 430,358	$ 52,725	$ 9,221	$ 61,589	$ 13,741	$ 567,634
Taxes receivable	928,017	-				928,017
Total Assets	1,358,375	52,725	9,221	61,589	13,741	1,495,651
Liabilities						
Due to others	928,017	52,725	9,221	61,589	13,741	1,065,293
Total Liabilities	$ 928,017	$ 52,725	$ 9,221	$ 61,589	$ 13,741	$ 1,065,293

Walker Pierce & Tuck
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

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*

To the Board of Commissioners
Elbert County, Georgia

We have audited, in accordance with the 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 Elbert County, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Elbert County, Georgia's basic financial statements and have issued our report thereon dated December 28, 2016. Our report also makes reference to other auditors who audited the financial statements of the Elbert County Health Department, as described in our report on the County's financial statements. This report does not include the results of the other auditor's 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 Elbert 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 Elbert County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Elbert 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.

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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses as items 2016-1 thru 2016-4.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Elbert 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2016-5.

Elbert County, Georgia's Response to Findings

Elbert County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Elbert 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 results 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.

Walker, Pierce & Tuck CPA's P.C.

Walker, Pierce & Tuck CPA's P.C.
Gainesville, Georgia
December 28, 2016

Internal Control

2016-1

Condition:	The County finance department staff performs duties that are conflicting from an internal control perspective. Overlapping of duties exists in the areas of cash receipts, cash disbursements and payroll.
Criteria:	An individual employee's duties should not include all aspects of a transaction.
Cause:	The County's finance department has limited staff to perform all accounting functions.
Effect:	Inadequate segregation of duties presents a risk of unauthorized or incorrect transactions occurring and not being detected within a timely period.
Recommendation:	Compensating controls should be established and documented to reduce the inherent risks created by the lack of segregation of duties. These controls may include items such as continual supervision of employees, rotation of duties and periodic internal review by others not directly involved in the daily operations.
Response:	The County agrees with this finding but is unable to make changes due to staffing levels.

2016-2

Condition:	The Tax Commissioner's office does not employ written internal control procedures to track the status of refunds and over payments due to tax payers.
Criteria:	Written internal control procedures should be in place to require the status tracking of refunds and over payments due to taxpayers.
Cause:	There are no written procedures in place to require the documenting and tracking of the status of overpayments and refunds due to tax payers.
Effect:	The Tax Commissioner's office is unable to readily identify the status of refunds and over payments due to taxpayers.
Recommendation:	Written policies and procedures should be developed to require the use of the refund and over payment documentation functionality within the software as part of the procedure for issuing refund and over payment checks to tax payers.
Response:	The County agrees with this finding. Management will discuss this finding with the Clerk.

2016-3

Condition:	The Tax Commissioner's office does not employ internal control procedures to verify receipts, deposits and changes in the tax accounts due the County.
Criteria:	Written internal control procedures should be in place that provide reasonable assurance that all changes in the tax balances due to the County and third parties are reconciled on a monthly basis.
Cause:	There are no written procedures in place to require the reconciliations.
Effect:	Due to the lack of reconciliation procedures, the Tax Commissioner's office does not possess the ability to detect errors and omissions in a timely manner.
Recommendation:	Written policies and procedures should be developed and training provided to the Tax Commissioner's staff on how to reconcile receipts, bank deposits, and authorized changes in outstanding tax accounts to changes in tax receivable on a monthly basis.
Response:	The County agrees with this finding. Management will discuss this finding with the Tax Commissioner.

2016-4

Condition: Monthly bank reconciliations were not performed on cash the accounts under the control and management of the Sheriff's office.

Criteria: Every cash account should have a monthly bank reconciliation performed to insure all activity is properly recorded and variances are discovered and corrected on a timely basis.

Cause: The Sheriff's office did not perform monthly bank reconciliations on cash accounts during the audit period.

Effect: Errors and fraudulent activity could occur on the Sheriff's office managed cash accounts without being detected in a timely manner by management.

Recommendation: The Sheriff's office should implement written policies and procedures to insure a monthly bank reconciliation is performed on every cash account under their control and management.

Response: The County agrees with this finding. Management will discuss this finding with the Sheriff.

Compliance

2016-5

Condition: The County had expenditures in excess of appropriations in the General Fund, E-911 Fund, Fire Insurance Fund and Victim's Assistance Fund.

Criteria: Georgia code OCGA 36-81-3 requires limiting expenditures to the legally approved budget amounts.

Cause: Although the original budget was amended, the increase was not sufficient to cover the total expenditures.

Effect: At June 30, 2016, the County was not in compliance with OCGA 36-81-3.

Recommendation: We recommend the County comply with all relevant statues concerning the operation of a local government in order to reduce the risk of litigation and other unforeseen actions.

Response: The County agrees with this finding and will amend the 2016 budget to correct this issue.

ELBERT COUNTY, GEORGIA

Schedule of Special Purpose Local Option Sales Tax
Estimated Cost and Expenditure Summary
For the Year Ended June 30, 2016

Project Description	Estimated Cost		Expenditures			
	Original	Current	Prior Years	Current Year	Total	Completion
SPLOST 2011						
Capital Projects						
Road, Street & Bridges	$ 4,800,000	$ 4,800,000	$ 3,249,081	$ 1,041,311	$ 4,290,392	89%
Total Capital Projects	4,800,000	4,800,000	3,249,081	1,041,311	4,290,392	
Vehicles and Equipment						
Computer Equipment & Software	130,000	130,000	38,792	7,887	46,679	36%
Parks & Recreation	110,000	110,000	34,032	28,135	62,167	57%
Fire Department	250,000	250,000	277,761	-	277,761	111%
Emergency Services	997,000	997,000	850,557	5,239	855,796	86%
E911 Department	165,000	165,000	82,536	67,953	150,489	91%
Shariff's Department	396,000	396,000	205,312	57,284	262,596	66%
Senior Center	40,000	40,000	40,000	-	40,000	100%
Building & Maintenance	32,000	32,000	9,684	-	9,684	30%
Cooperative Extension / 4-H	61,000	61,000	10,652	26,033	36,685	60%
Board of Assessors	145,000	145,000	65,510	18,241	83,751	58%
Total Vehicles and Equipment	2,326,000	2,326,000	1,614,836	210,772	1,825,608	
Repayment of Debt						
Firs Station Construction Loan	800,000	800,000	225,151	62,832	287,983	36%
Total Repayment of Debt	800,000	800,000	225,151	62,832	287,983	
County Facilities and Infrastructure						
Construct/Improve Complex & Courthouse	60,000	60,000	64,876	8,043	72,919	122%
Total County Facilities and Infrastructure	60,000	60,000	64,876	8,043	72,919	
Total County Projects	7,986,000	7,986,000	5,153,944	1,322,958	6,476,902	
Elberton Projects	3,828,000	3,828,000	2,296,112	531,905	2,828,017	74%
Elberton Projects County Hospital Authority	726,000	726,000	377,229	131,507	508,736	70%
Bowman Projects	660,000	660,000	395,879	91,708	487,587	74%
Total:	$13,200,000	$13,200,000	$ 8,223,164	$ 2,078,078	$10,301,242	