ELBERT COUNTY, GEORGIA

FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2017

WALKER, PIERCE & TUCK, CPA'S, PC

ELBERT COUNTY, GEORGIA
FISCAL YEAR ENDED JUNE 30, 2017
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Walker Pierce & Tuck
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Elbert County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Elbert County, Georgia, as of and for the year ended June 30, 2017, 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, 2017, 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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information. However, accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules of changes in net pension liability and contributions on pages 37-43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 combining and individual fund financial statements and 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, are presented for purposes of additional analysis and are 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2018, 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
August 2, 2018

ELBERT COUNTY, GEORGIA

Statement of Net Position

June 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Health Department
Assets				
Current Assets				
Cash and cash equivalents	$ 3,253,404	$ 483,054	$ 3,736,458	$ 457,075
Accounts Receivables (net)	894,642	59,261	953,903	34,942
Intergovernmental receivable	549,516	589,566	1,139,082	-
Prepaid expenditures	181,473	-	181,473	-
Interfund balances	94,540	(94,540)	-	-
Total Current Assets	4,973,575	1,037,341	6,010,916	492,017
Noncurrent Assets				
Capital assets				
Nondepreciable	1,667,511	193,190	1,860,701	-
Depreciable, net	15,666,873	346,225	16,013,098	42,031
Advances to other funds	349,664	(349,664)	-	-
Total Noncurrent Assets	17,684,048	189,751	17,873,799	42,031
Total Assets	22,657,623	1,227,092	23,884,715	534,048
Deferred Outflows of Resources	1,541,601	-	1,541,601	131,427
Total Assets and Deferred Outflows of Resources	24,199,224	1,227,092	25,426,316	665,475
Liabilities				
Current Liabilities				
Accounts payable	571,424	55,293	626,717	55,278
Accrued expenses	132,694	8,509	141,203	-
Lease payable	172,460	-	172,460	-
Notes payable	56,084	-	56,084	-
Intergovernmental payable	65,348	-	65,348	-
Landfill closure/postclosure cost	-	52,427	52,427	-
Total Current Liabilities	998,010	116,229	1,114,239	55,278
Long-term Liabilities				
Net pension liability	3,240,620	-	3,240,620	382,644
Lease payable	426,969	-	426,969	-
Notes payable	149,748	-	149,748	-
Compensated absences	76,726	6,768	83,494	29,266
Landfill closure/postclosure cost	-	996,104	996,104	-
Total Long-term Liabilities	3,894,063	1,002,872	4,896,935	411,910
Total Liabilities	4,892,073	1,119,101	6,011,174	467,188
Deferred Inflows of Resources	31,358	-	31,358	12,297
Total Liabilities and Deferred Inflows of Resources	4,923,431	1,119,101	6,042,532	479,485
Net Position				
Net Investment in Capital Assets	16,529,123	539,415	17,068,538	42,031
Restricted for:				
Capital projects	590,580	-	590,580	-
Public safety	584,845	-	584,845	-
Tourism	26,128	-	26,128	-
Health and welfare	237,951	-	237,951	-
Housing and development	71,502	-	71,502	-
Public works	374,713	-	374,713	-
Loan programs	34,722	-	34,722	-
Committed for:				
Fire insurance	251,579	-	251,579	-
Unrestricted	574,650	(431,424)	143,226	143,959
Total Net Position	$ 19,275,793	$ 107,991	$ 19,383,784	$ 185,990

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

ELBERT COUNTY, GEORGIA

Statement of Activities

For the Year Ended June 30, 2017

	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	$ 4,646,547	$ 179,468	$ 483,918	$ -	$ (3,983,161)	$ -	$ (3,983,161)	$ -
Judicial	1,835,872	1,036,472	-	151,725	(647,675)	-	(647,675)	-
Public safety	5,648,934	1,607,882	200,093	-	(3,840,959)	-	(3,840,959)	-
Public works	1,527,652	-	599,070	-	(928,582)	-	(928,582)	-
Health and welfare	503,974	13,656	163,548	-	(326,770)	-	(326,770)	-
Recreation and culture	373,782	18,564	-	-	(355,218)	-	(355,218)	-
Housing and development	659,100	53,305	-	261,109	(344,686)	-	(344,686)	-
Interest on Debt	22,066	-	-	-	(22,066)	-	(22,066)	-
Total Governmental Activities	15,217,927	2,909,347	1,446,629	412,834	(10,449,117)	-	(10,449,117)	-
Business-type Activities:								
Gas	666,433	601,674	8,668	-	-	(56,091)	(56,091)	
Public Transportation	292,074	9,649	345,318	39,760	-	102,653	102,653	
Bobby Brown Park	124,028	91,533	-	-	-	(32,495)	(32,495)	
Total Business-type Activities	1,082,535	702,856	353,986	39,760	-	14,067	14,067	
Total Primary Government	$ 16,300,462	$ 3,612,203	$ 1,800,615	$ 452,594	(10,449,117)	14,067	(10,435,050)	
Component Units:								
Health Department	$ 529,289	$ 167,217	$ 400,882	$ -				38,810
Total Component Units	$ 529,289	$ 167,217	$ 400,882	$ -				$ 38,810
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					6,471,410	-	6,471,410	-
Real estate transfer tax					19,658	-	19,658	-
Franchise fees					86,066	-	86,066	-
Business tax					858,278	-	858,278	-
Sales tax					3,148,402	-	3,148,402	-
Alcoholic beverage tax					77,289	-	77,289	-
Hotel/Motel tax					44,542	-	44,542	-
Interest and investment earnings					1,372	56	1,428	261
Miscellaneous					(31,869)	-	(31,869)	-
Gain on disposition of assets					4,114	-	4,114	-
Insurance refunds and recoveries					34,254	-	34,254	-
Transfers					(579)	579	-	-
Total General Revenues and Transfers					10,712,937	635	10,713,572	261
Change in Net Position					263,820	14,702	278,522	39,071
Net Position Beginning of Year					19,125,522	93,289	19,218,811	146,919
Prior Period Adjustment					(113,549)	-	(113,549)	-
Restated Beginning Net Position					19,011,973		19,011,973	
Ending Net Position					$ 19,275,793	$ 107,991	$ 19,383,784	$ 185,990

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

ELBERT COUNTY, GEORGIA

Balance Sheet

Governmental Funds

June 30, 2017

	General Fund	Senior Center	Capital Projects Fund	E-911 Fund	Multi-Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 1,375,767	$ 243,785	$ 279,703	$ 60,132	$ 582,376	$ 711,641	$ 3,253,404
Intergovernmental receivable	219,390	35,843	160,957	4,500	92,719	36,107	549,516
Receivables (net)	839,779	-	-	48,402	-	6,461	894,642
Prepaid expenditures	181,473	-	-	-	-	-	181,473
Due from other funds	409,369	-	450	115,250	-	4,550	529,619
Advances to other funds	350,264	-	-	-	-	-	350,264
Total Assets	3,376,042	279,628	441,110	228,284	675,095	758,759	5,758,918
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 3,376,042	$ 279,628	$ 441,110	$ 228,284	$ 675,095	$ 758,759	$ 5,758,918
Liabilities							
Accounts payable	$ 142,544	$ 1,639	$ 73,729	$ 5,499	$ 190,556	$ 157,457	$ 571,424
Accrued expenses	117,055	1,926	-	11,608	-	969	131,558
Due to other funds	121,748	38,112	96,406	137,061	15,097	26,655	435,079
Intergovernmental payable	-	-	65,348	-	-	-	65,348
Advances from other funds	-	-	-	-	400	200	600
Total Liabilities	381,347	41,677	235,483	154,168	206,053	185,281	1,204,009
Deferred Inflows of Resources	365,131	-	-	-	-	-	365,131
Total Liabilities and Deferred Inflows of Resources	746,478	41,677	235,483	154,168	206,053	185,281	1,569,140
Fund Balances							
Nonspendable:							
Prepaid expenditures	181,473	-	-	-	-	-	181,473
Advances to other funds	350,264	-	-	-	-	-	350,264
Restricted for:							
Capital projects	-	-	205,627	-	-	-	205,627
Public safety	-	-	-	74,116	67,827	361,972	503,915
Tourism	-	-	-	-	-	26,128	26,128
Health and Welfare	-	237,951	-	-	-	-	237,951
Housing and development	-	-	-	-	26,502	-	26,502
Public works	-	-	-	-	374,713	-	374,713
Loan program	-	-	-	-	-	34,722	34,722
Committed for:							
Fire insurance fund	-	-	-	-	-	150,656	150,656
Unassigned	2,097,827	-		-	-	-	2,097,827
Total Fund Balances	2,629,564	237,951	205,627	74,116	469,042	573,478	4,189,778
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,376,042	$ 279,628	$ 441,110	$ 228,284	$ 675,095	$ 758,759	$ 5,758,918

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, 2017

Total Governmental Fund Balances		$ 4,189,778
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	$ 30,056,762	
Less: Accumulated depreciation	(12,722,378)	
Total capital assets		17,334,384
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		(76,726)
Accrued interest payable not reported in the governmental funds		(1,136)
Notes payable		(205,832)
Capital leases		(599,429)
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.		365,131
Pension items not included in fund financial statements.		
Deferred outflows of resources		1,541,601
Deferred inflows of resources		(31,358)
Net pension liability		(3,240,620)
Net Position of Governmental Activities		$ 19,275,793

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, 2017

	General Fund	Senior Center	Capital Projects Fund	E-911 Fund	Multi-Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property tax	$6,700,951	$ -	$ -	$ -	$ -	$ -	$ 6,700,951
Real estate transfer tax	19,658	-	-	-	-	-	19,658
Sales tax	1,251,060	-	1,897,342	-	-	-	3,148,402
Business tax	858,278	-	-	-	-	-	858,278
Franchise tax	86,066	-	-	-	-	-	86,066
Alcohol tax	77,289	-	-	-	-	-	77,289
Hotel/Motel tax	-	-	-	-	-	44,542	44,542
Intergovernmental	91,586	142,737	-	-	1,011,904	583,834	1,830,061
Licenses and permits	7,100	-	-	-	-	-	7,100
Fines and forfeitures	425,314	-	-	-	-	223,974	649,288
Charges for services	1,447,924	13,656	-	387,333	19,295	760	1,868,968
Contributions	-	20,811	-	-	-	250	21,061
Interest	1,035	36	-	90	2	209	1,372
Miscellaneous	11,621	-	-	-	-	10	11,631
Total Revenue	10,977,882	177,240	1,897,342	387,423	1,031,201	853,579	15,324,667
Expenditures							
Current:							
General government	2,559,608	-	29,340	-	-	-	2,588,948
Judicial	1,003,418	-	-	-	114,971	765,578	1,883,967
Public safety	4,739,516	-	6,119	725,698	-	207,203	5,678,536
Public works	1,016,155	-	183,030	-	224,498	-	1,423,683
Health and welfare	241,261	227,235	-	-	-	-	468,496
Recreation and culture	361,040	-	-	-	-	-	361,040
Housing and development	369,458	-	-	-	205,413	39,501	614,372
Intergovernmental	-	-	770,590	-	-	-	770,590
Debt Service:							
Interest Expenditure	4,166	-	11,410	5,354	-	-	20,930
Principal retirement	-	-	96,236	40,903	-	-	137,139
Capital Outlay	-	-	828,675	-	45,000	123	873,798
Total Expenditures	10,294,622	227,235	1,925,400	771,955	589,882	1,012,405	14,821,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	683,260	(49,995)	(28,058)	(384,532)	441,319	(158,826)	503,168
Other Financing Sources (Uses)							
Transfers in	-	-	-	450,000	-	75,000	525,000
Transfers out	(525,579)	-	-	-	-	-	(525,579)
Insurance refunds and recoveries	32,730	-	-	-	-	1,524	34,254
Proceeds from sale of assets	3,164	-	-	-	-	-	3,164
Proceeds from issuance of debt	-	-	538,822	-	-	-	538,822
Total Other Financing Sources (Uses)	(489,685)	-	538,822	450,000	-	76,524	575,661
Net Change in Fund Balances	193,575	(49,995)	510,764	65,468	441,319	(82,302)	1,078,829
Fund Balances Beginning of Year	2,435,989	287,946	(305,137)	8,648	116,906	680,146	3,224,498
Prior Period Adjustment	-	-	-	-	(89,183)	(24,366)	(113,549)
Fund Balances End of Year	$2,629,564	$237,951	$ 205,627	$ 74,116	$ 469,042	$ 573,478	$ 4,189,778

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, 2017

Net Changes in Fund Balances-Total Governmental Funds		$ 1,078,829
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	1,029,125	
Less: Current year depreciation	(862,735)	
		166,390
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		(42,550)
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.		(401,683)
Net pension liability is not available during the current period and therefore is not reported in the funds		
End of Fiscal Year	(3,240,620)	
Beginning of Fiscal Year	2,714,100	
		(526,520)
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	1,541,601	
Beginning of Fiscal Year	(1,304,963)	
		236,638
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	(31,358)	
Beginning of Fiscal Year	38,485	
		7,127
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, 2016	82,271	
Compensated absence liability at June 30, 2017	(76,726)	
		5,545
Accrued interest and amortization of deferred charges 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 governmental funds.		
Accrued interest at June 30, 2017	(1,136)	
		(1,136)
Revenues from the trade-in of assets in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		43,500
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, 2016	(667,451)	
Deferred revenue at June 30, 2017	365,131	
		(302,320)
Change in Net Position of Governmental Activities		$ 263,820

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

ELBERT COUNTY, GEORGIA

Statement of Net Position

Proprietary Funds

June 30, 2017

	Solid Waste Fund	Public Transportation Fund	Bobby Brown Park	Total
Current Assets				
Cash and cash equivalents	$ 101,692	$ 340,352	$ 41,010	$ 483,054
Accounts receivable (net)	59,261	-	-	59,261
Due from other governments	524,266	65,300	-	589,566
Due from other funds	-	7,724	-	7,724
Total Current Assets	685,219	413,376	41,010	1,139,605
Noncurrent Assets				
Capital assets				
Non-depreciable	193,190	-	-	193,190
Depreciable, net	244,831	101,394		346,225
Total Noncurrent Assets	438,021	101,394	-	539,415
Total Assets	1,123,240	514,770	41,010	1,679,020
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	1,123,240	514,770	41,010	1,679,020
Liabilities				
Current Liabilities				
Accounts payable	42,214	5,671	7,408	55,293
Accrued expenses	3,059	4,214	1,236	8,509
Due to other funds	22,672	79,592	-	102,264
Landfill closure/postclosure	52,427	-	-	52,427
Total Current Liabilities	120,372	89,477	8,644	218,493
Long-term Liabilities				
Advances from other funds	185,985	-	163,679	349,664
Landfill closure/postclosure	996,104	-	-	996,104
Compensated absences	-	6,768	-	6,768
Total Long-term Liabilities	1,182,089	6,768	163,679	1,352,536
Total Liabilities	1,302,461	96,245	172,323	1,571,029
Deferred Inflows of Resources	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	1,302,461	96,245	172,323	1,571,029
Net Position				
Net investment in capital assets	438,021	101,394	-	539,415
Unrestricted	(617,242)	317,131	(131,313)	(431,424)
Total Net Position	$ (179,221)	$ 418,525	$ (131,313)	$ 107,991

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, 2017

	Solid Waste Fund	Public Transportation Fund	Bobby Brown Park	Total
Operating Revenue				
Charges for services	$ 601,674	$ 9,649	$ 91,533	$ 702,856
Total Operating Revenue	601,674	9,649	91,533	702,856
Operating Expenses				
Personnel services:				
Salaries and wages	126,207	187,115	46,505	359,827
Employment Taxes	9,505	-	4,635	14,140
Benefits	14,300	-	-	14,300
Total Personnel Services	150,012	187,115	51,140	388,267
Purchased / contracted services:				
Professional and technical	14,890	17,656	-	32,546
Rentals	1,200	-	-	1,200
Other purchased services	431,984	-	7,263	439,247
Total Purchased / contracted services	448,074	17,656	7,263	472,993
Other operating expenses:				
Landfill closure/postclosure	6,926	-	-	6,926
Administrative	2,899	2,904	81	5,884
Supplies	7,089	22,914	33,016	63,019
Repairs and maintenance	14,439	15,521	8,677	38,637
Utilities	14,209	21,685	22,651	58,545
Engineering, lab fees and training	-	835	-	835
Depreciation	22,785	20,994	-	43,779
Marketing and advertising	-	1,560	1,200	2,760
Miscellaneous	-	890	-	890
Total other operating expenses	68,347	292,074	124,028	484,449
Total Operating Expenses	666,433	292,074	124,028	1,082,535
Operating Income (Loss)	(64,759)	(282,425)	(32,495)	(379,679)
Nonoperating Revenues (Expenses)				
Interest income	56	-	-	56
Total Nonoperating Revenues and (Expenses)	56	-	-	56
Income (Loss) Before Contributions and Transfers	(64,703)	(282,425)	(32,495)	(379,623)
Intergovernmental grant	8,668	385,078	-	393,746
Transfer in	579	-	-	579
Change in Net Position	(55,456)	102,653	(32,495)	14,702
Net Position Beginning of Year	(123,765)	315,872	(98,818)	93,289
Net Position End of Year	$ (179,221)	$ 418,525	$ (131,313)	$ 107,991

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, 2017

	Solid Waste Fund	Public Transportation Fund	Bobby Brown Park	Total
Cash flows from operating activities:				
Receipts from customers	$ 666,796	$ 1,925	$ 91,533	$ 760,254
Payments to suppliers	(431,930)	(6,699)	(69,799)	(508,428)
Payments to employees	(146,953)	(182,385)	(49,904)	(379,242)
Net cash provided (used) by operating activities	87,913	(187,159)	(28,170)	(127,416)
Cash flows from noncapital financing activities:				
Transfer from other funds	579	-	-	579
Intergovernmental grants	8,668	330,249	-	338,917
Increase (decrease) in advances from other funds	(73,326)	-	50,304	(23,022)
Net cash provided (used) by noncapital financing activities	(64,079)	330,249	50,304	316,474
Cash flows from capital and related financing activities:				
Transfer from other funds	-			-
Intergovernmental grants		39,760	-	39,760
Acquisition and construction of capital assets		(53,726)		(53,726)
Net cash provided (used) by capital and related financing activities	-	(13,966)	-	(13,966)
Cash flows from investing activities:				
Interest income	56	-	-	56
Net cash provided (used) by investing activities	56	-	-	56
Net increase (decrease) in cash and cash equivalents	23,890	129,124	22,134	175,148
Cash and cash equivalents, June 30, 2016	77,802	211,228	18,876	307,906
Cash and cash equivalents, June 30, 2017	$ 101,692	$ 340,352	$ 41,010	$ 483,054
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (64,759)	$ (282,425)	$ (32,495)	$ (379,679)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	22,785	20,994	-	43,779
Landfill closure/postclosure	13,656	-	-	13,656
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	71,852	-	-	71,852
(Increase) decrease in due from other governments	(6,730)	-	-	(6,730)
(Increase) decrease in due from other funds	-	(7,724)	-	(7,724)
Increase (decrease) in due to other funds	22,672	76,321	-	98,993
Increase (decrease) in accounts payable	25,378	945	3,089	29,412
Increase (decrease) in accrued expenses	3,059	4,214	1,236	8,509
Increase (decrease) in compensated absences	-	516	-	516
Net cash provided (used) by operating activities	$ 87,913	$ (187,159)	$ (28,170)	$ (127,416)

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

ELBERT COUNTY, GEORGIA

Statement of Fiduciary Assets and Liabilities

June 30, 2017

	Agency Funds
Assets	
Cash and cash equivalents	$ 437,476
Taxes receivable	781,695
Total Assets	$ 1,219,171
Liabilities	
Due to others	$ 1,219,171
Total Liabilities	$ 1,219,171

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 unit 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.
- Multi-Grant Fund – This fund is used for revenue and expenditures resulting from several grant projects that span several years. The grants are from federal, state and private sources and are for capital project and operational functions.

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.
- Transportation – This entity was formed to provide public transportation services to the citizens of Elbert County. Funding includes federal, state, local funds as well as charges for services.
- Bobby Brown Park – This entity was established in 2015 through a lease agreement with the Georgia Department of Natural Resources. Revenue is derived from the park's campsites rental fees.

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, 2017.

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, 2017, 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 20, 2017, billed on October 11, 2017, and were due on December 11, 2017. Unpaid property taxes were considered delinquent on December 12, 2017. Property taxes attach as an enforceable lien ninety days later on March 11, 2018, 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, 2017, the carrying amount of the County's deposits was $3,736,458, and the related bank balance totaled $4,075,402. Of these bank balances, $265,891 was fully covered by FDIC insurance. The remainder, $3,809,511, was collateralized.

Cash	$ 3,736,458
Agency Funds	$ 438,476

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, 2017, was $457,075 and the bank balances were $466,418.

NOTE 3: RECEIVABLES

Primary Government

Receivables at June 30, 2017, 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	$	599,344
Accounts receivable - EMS Charges for Services		246,146
Accounts receivable - Other Charges for Services		49,152
Due from other governments		549,516
Total Governmental Receivables:	$	1,444,158
Business-type Funds:		
Due from other governments - GA DOT	$	15,379
Due from other governments - DHS		49,921
Due from other governments - City of Elberton		524,266
Accounts receivable - Solid waste service charges		59,261
Total Business-type Receivables:	$	648,827

Component Unit

The Elbert County Health Department has an amount due from the Georgia Department of Public Health of $25,127 which represents the May and June 2017 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	$	1,541,601
Total deferred outflows of resources - governmental activities	$	1,541,601

NOTE 5: DEFERRED INFLOWS OF RESOURCES

Governmental Fund Financial Statements:

Deferred inflows of resources			
Property taxes	$	365,131	Non-exchange transaction resource collected
Total deferred inflows of resources - governmental fund	$	365,131	beyond the City's period of availability.

Government-Wide Financial Statements:

Deferred inflows of resources - governmental activities		
Defined benefit retirement plan - See Note 6	$	31,358
Total deferred inflows of resources - governmental activities	$	31,358

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, 2016 (the most recent actuarial valuation date are shown below:

Active participants	182
Deferred Vested Participants	89
Retirees, Beneficiaries and Disables Receiving Benefits	59
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 $593,350 for FY 2016, which is 11.3% of fiscal year 2016's covered payroll.

The estimate of recommended contribution for fiscal year 2017 is shown below:

Estimate of Recommended Contribution

	1/1/2017	1/1/2016
Covered Compensation for Active Participants	$ 5,517,845	$ 5,453,850
Total Amortizations	379,775	338,293
Normal Cost for Plan Year	343,678	323,664
Pre-Retirement Death Benefit Expense	$ 14,438	$ 15,366
Administrative Expenses for Plan Year	$ 28,971	$ 32,182
Employer Contribution	621,976	556,010
Estimated Employee Contribution	$ 144,886	$ 153,495
Total Contribution	766,862	709,505
Employer Contribution as a Percentage of Payroll	11.3%	10.2%

Note: Cost estimate for budgeting purposes only, actual contributions requirements will be determined when January 1, 2017 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 1, 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	1/1/2016
Actuarial Value of Assets (a)	$ 15,092,886
Actuarial Accrued Liability (b)	$ 18,333,506
Underfunded/(Surplus) (b) - (a)	$ 3,240,620
Funded Ratio (a) / (b)	82.32%
Covered Payroll	$ 5,331,251
Underfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	60.79%

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, 2016 actuarial valuation date was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Expected Long-Term Rate of Return	7.5% per year. Revised to 7.25% as of December 31, 2016. *(Based on analysis performed by the Board of Trustees in 2016)*
Future Salary Increases	3.50% per year with an age based scale *(Based on results of the February 2014 experience study)*
Mortality Rates	RP-2000 projected with Scale AA
Cost of Living Adjustment	N/A

The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.34%), 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%	7.91%	2.37%	10.22%	3.07%
Barlay's Agg.	30%	5.60%	1.68%	6.56%	1.97%
MSCI EAFE	15%	4.29%	0.64%	5.73%	0.86%
Citi Non US WEBI	5%	4.66%	0.23%	5.98%	0.30%
NAREIT Equity	5%	10.79%	0.54%	10.44%	0.52%
Russell 2000	5%	8.06%	0.40%	9.33%	0.47%
Russell 3000	5%	8.03%	0.40%	10.14%	0.51%
S&P Mid Cap	5%	11.22%	0.56%	11.53%	0.58%
Weighted Return			6.82%		8.28%

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 7.25 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. As of December 31, 2016, the expected long term rate of return was revised to 7.25%. 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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% Decrease	6.25%	$ 5,609,606
Current Discount Rate	7.25%	$ 3,240,620
1% Increase	8.25%	$ 1,261,277

Pension Expense for the Year Ended June 30, 2017

Service Cost	$ 303,149
Interest on TPL	1,243,934
Employee Contributions	(134,994)
Administrative Expenses	32,487
Projected Earnings on Plan Investments	(1,046,677)
Other Changes - Investment Expense, Post-Retirement & Pre-Retirement Death Benefit Expense	85,719
Amortization of:	
Liability Experience (Gain)/Loss	(3,795)
Change in Assumptions	161,662
Asset (Gain)/Loss	241,270
Total Pension Expense	$ 882,755

For the year ended June 30, 2017, Elbert County, Georgia recognized pension expense of $882,755.

Net Pension Liability. The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. At June 30, 2017, the County reported a net pension liability. Changes in the County's net pension liability for the year ended December 31, 2016 were as follows:

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, 2015	16,934,961	14,220,861	2,714,100
			-
Changes for the Year:			
Service Cost	$ 303,149	$ -	$ 303,149
Interest Expense	1,243,934	-	1,243,934
Benefit Changes (Changes of benefit terms)	-	-	-
Experience Losses (Gains)	21,659	-	21,659
(Amortized over avg remain svc period of actives & inactives)	-	-	
Changes of Assumptions	528,158	-	528,158
Contributions - Employer/Nonemployer	-	600,000	(600,000)
Contributions - Employee	-	134,994	(134,994)
Other Changes - Contribution timing differences	-	(157,369)	157,369
Net Investment Income	-	1,025,242	(1,025,242)
Expected Return on Plan Investments	-	-	-
Amortized Portion of Current-period	-	-	-
Differences between Actual	-	-	-
and Expected Returns on Plan Investments	-	-	-
Refunds of Contributions	-	(138)	138
Benefits Paid	(698,355)	(698,217)	(138)
Plan Administrative Expenses	-	(32,487)	32,487
Contributions for Specific Liabilities	-	-	-
Other Changes	-		-
Amortization of or Change in Beginning Balances of Deferred Outflow	-	-	-
NET CHANGES:	**$ 1,398,545**	**$ 872,025**	**$ 526,520**
Balances at December 31, 2016	**$ 18,333,506**	**$ 15,092,886**	**$ 3,240,620**

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, 2016, 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	$ 722,581	$ -
Difference Betweem Expected and Actual Pension Liability	18,327	(31,358)
Changes in Assumption	800,693	-
Total	$ 1,541,601	$ (31,358)

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-16	Amount Recognized During FYE 30-Jun-17	Outstanding Balance at 30-Jun-17	Deferred Outflows/(Inflows) Recognized in Future Years 2018	2019	2020	2021	2022	2023 and thereafter
Fiscal Year Outflows										
Investment	2015	$ 59,548	$ 19,849	$ 39,699	$ 19,849	$ 19,850	$ -	$ -	$ -	$ -
Investment	2016	811,218	202,804	608,414	202,804	202,804	202,805	-	-	-
Investment	2017	93,085	18,617	74,468	18,617	18,617	18,617	18,617	-	-
Assumption Change	2016	434,197	80,407	353,790	80,407	80,407	80,407	80,407	32,162	-
Assumption Change	2017	528,158	81,255	446,903	81,255	81,255	81,255	81,255	81,255	40,628
Experience	2017	21,659	3,332	18,327	3,332	3,332	3,332	3,332	3,332	1,667
Total Outflows		**$ 1,947,865**	**$ 406,264**	**$ 1,541,601**	**$ 406,264**	**$ 406,265**	**$ 386,416**	**$ 183,611**	**$ 116,749**	**$ 42,295**
Fiscal Year Inflows										
Pension Liability	2016	$ (38,485)	$ (7,127)	$ (31,358)	$ (7,127)	$ (7,127)	$ (7,127)	$ (7,127)	$ (2,850)	$ -
Total Inflows		**$ (38,485)**	**$ (7,127)**	**$ (31,358)**	**$ (7,127)**	**$ (7,127)**	**$ (7,127)**	**$ (7,127)**	**$ (2,850)**	**$ -**

Other Retirement Plans

Certain qualified employees of the County are included in two of the seven retirement plans in which the County participates. These retirement plans are the Georgia Firefighters' Pension Fund and the Sheriff's Retirement Fund of Georgia. The County does not maintain the accounting records, hold the investments or administer these retirement funds.

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 defined 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.

The Sheriff's Retirement Fund of Georgia was created by an act of the Georgia General Assembly in 1963. The purpose of the Fund is to provide a source of revenue for the purpose of providing benefits to the elected officials serving in the capacity of Sheriff of the counties of Georgia. The fund administers a cost-sharing multiple employer defined 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.* Membership in the fund is available to those serving as a duly qualified and commissioned sheriff of a county of the State of Georgia, serving as a sheriff of the Superior Court of that county at the time the application is filed. Membership is voluntary and an application must be filed within 12 months of assuming the Office of Sheriff, or within the first 30 days of a newly elected term.

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 15: 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, 2017 actuarial valuation for the Georgia Firefighters' Pension Fund and the Sheriff's Retirement Fund of Georgia.

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	$ -	$ 1,348,453
Sheriff's Retirement Fund of Georgia	-	402,696
	$ -	$ 1,751,149

The net pension liability was measured as of June 30, 2017.

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	Difference Between Expected & Actual Experience
Georgia Firefighters' Pension Fund	$ 279,876	$ 176,350	$ 53,851	$ -
Sheriff's Retirement Fund of Georgia	72,461	28,404		6,195
	$ 352,337	$ 204,754	$ 53,851	$ 6,195

NOTE 7: CAPITAL ASSET

Capital asset activities for the year ended June 30, 2017 were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Primary Government:				
Governmental Activities:				
Non-Depreciable Assets:				
Land	$ 1,667,511	$ -	-	$ 1,667,511
Construction in Progress	-	-	-	-
Total non-depreciable capital assets	1,667,511	-	-	1,667,511
Depreciable Assets:				
Buildings & Improvements	13,421,329	15,923	-	13,437,252
Machinery & Equipment	10,109,616	628,718	(69,000)	10,669,334
Vehicles	1,083,365	382,984	-	1,466,349
Infrastructure	2,771,316	45,000	-	2,816,316
Total depreciable capital assets	27,385,626	1,072,625	(69,000)	28,389,251
Accumulated Depreciation:				
Buildings & Improvements	2,973,595	296,211	-	3,269,806
Machinery & Equipment	8,281,901	316,282	(26,450)	8,571,733
Vehicles	273,284	184,234	-	457,518
Infrastructure	357,313	66,008	-	423,321
Total accumulated depreciation	11,886,093	862,735	(26,450)	12,722,378
Total depreciable capital assets, net	15,499,533	209,890	(42,550)	15,666,873
Governmental activities capital assets, net	$ 17,167,044	$ 209,890	$ (42,550)	$ 17,334,384
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	53,726	-	271,611
Total depreciable capital assets	910,025	53,726	-	963,751
Accumulated Depreciation:				
Buildings & Improvements	153,584	9,594	-	163,178
Machinery & Equipment	270,941	13,191	-	284,132
Vehicles	149,222	20,994	-	170,216
Total accumulated depreciation	573,747	43,779	-	617,526
Total depreciable capital assets, net	336,278	9,947	-	346,225
Business-type activities capital assets, net	$ 529,468	$ 9,947	$ -	$ 539,415

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

Governmental Activities:	
General Government	$ 142,094
Judicial	5,905
Public Safety	397,819
Public Works	169,969
Health & Welfare	53,478
Culture & Recreation	24,742
Housing & Development	68,728
Total depreciation expense - governmental activities	$ 862,735
Business-type Activities:	
Solid Waste Fund	$ 22,785
Transportation Fund	20,994
Total depreciation expense - business-type activities	$ 43,779

Component Unit - Health Department

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Governmental Activities:					
Depreciable Assets:					
Office & Medical Equipment	$ 129,039	$ 13,610	$ (14,133)	$ -	$ 128,516
Total depreciable capital assets	129,039	13,610	(14,133)	-	128,516
Accumulated Depreciation:					
Office & Medical Equipment	89,032	11,586	(14,133)	-	86,485
Total accumulated depreciation	89,032	11,586	(14,133)	-	86,485
Governmental activities capital assets, net	$ 40,007	$ 2,024	$ -	$ -	$ 42,031

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

Governmental activities:	
Health	$ 11,586

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. The note is with Northeast Georgia Bank and may not exceed $3 million. For the year ending June 30, 2017, the County had no short term debt balance.

	Beginning Balances July 1, 2016	Issued	Redeemed	Ending Balance June 30, 2017
2016 Tax Anticipation Note:	$ -	$ 900,000	$ 900,000	$ -
	$ -	$ 900,000	$ 900,000	$ -

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 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 2017 was $5,354.

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	$ 355,591
Less: Accumulated Depreciation	(207,428)
Total	$ 148,163

Payout schedule:

Year Ending	Total Payments	Principal	Interest
2018	$ 71,463	$ 70,167	$ 1,296
Total	$ 71,463	$ 70,167	$ 1,296

On November 9, 2016, the County financed the purchase of a Radio Communication System through a 60 month capital lease. The lease is payable in monthly installments of $9,560. The original lease was for $538,822 at an interest rate of 2.575% with a maturity in May 2022. The lease is secured by the equipment and payments will be made out of the Capital Projects Fund. Interest expense paid in 2017 was $3,390.

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

Asset:	Governmental Activities
Machinery and Equipment	$ 538,822
Less: Accumulated Depreciation	(4,490)
Total	$ 534,332

Payout schedule:

Year Ending	Total Payments	Principal	Interest
2018	$ 114,720	$ 102,293	$ 12,427
2019	114,720	104,958	9,762
2020	114,720	107,693	7,027
2021	114,720	110,499	4,221
2022	105,160	103,819	1,341
Total	$ 564,040	$ 529,262	$ 34,778

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 2017 was $9,156.

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

Payout schedule:

Year Ending	Total Payments	Principal	Interest
2018	62,832	56,084	6,748
2019	62,832	58,224	4,608
2020	62,832	60,445	2,387
2021	31,416	31,079	337
Total	$ 219,912	$ 205,832	$ 14,080

Changes in long-term debt:

	Balance as of June 30, 2016	Additions	Reductions	Balance as of June 30, 2017	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 82,271	$ -	$ (5,545)	$ 76,726	$ -
USDA Loan	259,508	-	(53,676)	205,832	56,084
Capital Leases	144,070	538,822	(83,463)	599,429	172,460
Total governmental activities	$ 485,849	$ 538,822	$ (142,684)	$ 881,987	$ 228,544
Business-Type Activities:					
Compensated Absences	$ 6,252	$ 516	$ -	$ 6,768	$ -
Closure Liability	1,034,875	13,656	-	1,048,531	52,427
Total business-type activities	$ 1,041,127	$ 14,172	$ -	$ 1,055,299	$ 52,427

Component Unit

	Balance as of June 30, 2016	Additions	Reductions	Balance as of June 30, 2017	Due Within One Year
Net Pension Liability	$ 268,324	$ 114,320	$ -	$ 382,644	$ -
Compensated Absences	23,782	23,822	(18,338)	29,266	-
Total component unit liabilities	$ 292,106	$ 138,142	$ (18,338)	$ 411,910	$ -

NOTE 10: INTERFUND BALANCES AND TRANSFERS

Interfund Balances:

Due To: \ Due From:	General Fund	Senior Center	Capital Projects Fund	E-911 Fund	Multi-Grant Fund	Solid Waste Fund	Public Transportation Fund	Hotel/Motel Fund	Victims Assistance Fund	Public Defender Fund	Total
General Fund	$ -	$38,112	$ 93,656	$137,061	$ 15,097	$ 22,672	$ 79,592	$ -	$ 5,293	$ 17,886	$ 409,369
Capital Projects Fund	-	-	-	-	-	-	-	450	-	-	450
E-911 Fund	112,500	-	2,750	-	-	-	-	-	-	-	115,250
Public Transportation Fund	7,724	-	-	-	-	-	-	-	-	-	7,724
Fire Insurance Fund	1,524	-	-	-	-	-	-	-	-	-	1,524
Victims Assistance Fund	-	-	-	-	-	-	-	-	-	3,026	3,026
	$ 121,748	$38,112	$ 96,406	$137,061	$ 15,097	$ 22,672	$ 79,592	$ 450	$ 5,293	$ 20,912	$ 537,343

Advances to/from Other Funds:

Due to: \ Due from:	Multi-Grant Fund	Solid Waste Fund	Bobby Brown Park	Revolving Loan Fund	Total
General Fund	$ 400	$ 185,985	$ 163,679	$ 200	$ 350,264
	$ 400	$ 185,985	$ 163,679	$ 200	$ 350,264

Interfund balances at June 30, 2017, 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 Multi-Grant, Solid Waste, Bobby Brown Park and Revolving Funds are considered as being long term interfund receivables.

Interfund Transfers:

	Transfer From:	
Transfer To:	General Fund	Total
E-911 Fund	$ 450,000	$ 450,000
Multi-Grant Fund	-	-
Solid Waste Fund	579	579
Fire Insurance Fund	75,000	75,000
	$ 525,579	$ 525,579

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, 2017 was $1,048,531. The estimated costs are based on what it would cost to perform all closure and post-closure in 2017. 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, 2017:

Tax collections	$ 44,542
Amounts provided to:	
Chamber of Commerce	$ 6,356
Promotion expenditures	10,716
Georgia DNR	22,429
Total tax and investment earnings disbursements:	$ 39,501

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. ON-BEHALF PAYMENTS

The County receives on-behalf payments from the State of Georgia to be used for the Georgia Firefighters' Pension Fund and Sheriff's Retirement Fund of Georgia 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 $465,111 for the fiscal year ended June 30, 2017.

Retirement Plan	Nonemployer Contribution Amount	
Georgia Firefighters' Pension Fund	$	303,322
Sheriffs' Retirement Fund of Georgia		161,789
	$	465,111

NOTE 16: COMPLIANCE

At June 30, 2017, 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 17: BUDGETS

The following are Governmental Funds for which expenditures exceeded appropriations:

Department	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Variance with Final Budget Over (Under)
General Fund			
General Government	$ 2,559,608	$ 2,559,608	$ -
Judicial	1,016,297	1,003,418	(12,879)
Public Safety	4,739,516	4,739,516	-
Public Works	1,028,800	1,016,155	(12,645)
Health & Welfare	244,600	241,261	(3,339)
Recreation & Culture	366,900	361,040	(5,860)
Housing & development	388,900	369,458	(19,442)
Debt Service - interest	4,400	4,166	(234)
Transfers Out	525,579	525,579	-
Senior Center			
Health & Welfare	227,235	227,235	-
E-911 Fund			
Public Safety	791,133	725,698	(65,435)
Debt Service - interest	5,354	5,354	-
Debt service - principal	40,903	40,903	-
Multi-Grant Fund			
Judicial	115,800	114,971	(829)
Public Works	224,560	224,498	(62)
Housing & Development	205,413	205,413	-
Capital Outlay	202,820	45,000	(157,820)
Law Library	1,500	1,441	(59)
10% Fines Jail Fund	36,200	35,961	(239)
Special Drug Fund	60,000	59,664	(336)
Hotel/Motel Fund	44,540	39,501	(5,039)
Revolving Loan Fund	-	-	-
Fire Insurance Fund	112,000	111,701	(299)
Victims Assistance Fund	403,400	393,963	(9,437)
Public Defender Fund	$ 371,300	$ 370,174	$ (1,126)

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

NOTE 18. PRIOR PERIOD ADJUSTMENT

During fiscal year 2017, the County recorded a prior period adjustment of $89,183 to remove a receivable balance that should have been reversed in 2016. As a result of this error, a prior period adjustment was recorded to decrease the governmental activities and Multi-Grant Fund's assets and decrease the governmental activities net assets and Multi-Grant Fund's fund balance by $89,183 as of June 30, 2016.

During fiscal year 2017, the County recorded a prior period adjustment of $24,366 to correct a revenue that was recorded in the Victim's Assistance Fund in error in 2016. As a result of this error, a prior period adjustment was recorded to increase the governmental activities and Victim's Assistance Fund's liabilities and decrease the governmental activities net assets and Victim's Assistance Fund's fund balance by $23,366 as of June 30, 2016.

NOTE 19: SUBSEQUENT EVENT

Subsequent events have been evaluated through August 2, 2018.

ELBERT COUNTY, GEORGIA

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2017

	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	$ 6,835,050	$ 6,561,240	$ 6,700,951	$ -	$ 6,700,951	$ 139,711
Real estate transfer tax	18,000	19,650	19,658	-	19,658	8
Sales tax	1,250,000	1,251,060	1,251,060	-	1,251,060	-
Business tax	822,000	858,270	858,278	-	858,278	8
Franchise tax	75,000	85,960	86,066	-	86,066	106
Alcohol tax	84,000	77,280	77,289	-	77,289	9
Intergovernmental	86,800	91,570	91,586	-	91,586	16
Licenses and permits	6,500	7,100	7,100	-	7,100	-
Fines and forfeitures	422,500	370,620	425,314	-	425,314	54,694
Charges for services	1,407,350	1,518,740	1,447,924	-	1,447,924	(70,816)
Investment earnings	1,200	1,030	1,035	-	1,035	5
Miscellaneous	11,150	7,080	11,621	-	11,621	4,541
Total Revenues	11,019,550	10,849,600	10,977,882	-	10,977,882	128,282
Expenditures						
Current Operating:						
General government	2,645,060	2,559,608	2,559,608	-	2,559,608	-
Judicial	1,079,389	1,016,297	1,003,418	-	1,003,418	(12,879)
Public safety	4,819,454	4,739,516	4,739,516	-	4,739,516	-
Public works	1,054,150	1,028,800	1,016,155	-	1,016,155	(12,645)
Health and welfare	224,920	244,600	241,261	-	241,261	(3,339)
Recreation and culture	344,970	366,900	361,040	-	361,040	(5,860)
Housing and development	428,607	388,900	369,458	-	369,458	(19,442)
Debt service	8,000	4,400	4,166	-	4,166	(234)
Total Expenditures	10,604,550	10,349,021	10,294,622	-	10,294,622	(54,399)
Excess (Deficiency) of Revenues Over (Under) Expenditures	415,000	500,579	683,260	-	683,260	182,681
Other Financing Sources (Uses)						
Transfers in	100,000	-	-	-	-	-
Transfers out	(525,000)	(525,579)	(525,579)	-	(525,579)	-
Insurance refunds and recoveries	10,000	2,010	32,730	-	32,730	30,720
Proceeds from sale of assets	-	-	3,164	-	3,164	3,164
Budgeted Fund Balance	-	22,990	-	-	-	(22,990)
Total Other Financing Sources (Uses)	(415,000)	(500,579)	(489,685)	-	(489,685)	10,894
Net Change in Fund Balances	$ -	$ -	193,575	$ -	193,575	$ 193,575
Fund Balance Beginning of Year			2,435,989		2,435,989	
Fund Balance End of Year			$ 2,629,564		$ 2,629,564	

ELBERT COUNTY, GEORGIA
Budgetary Comparison Schedule
Senior Center
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Budget to GAAP Differences	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Over / (Under)	GAAP Basis	Final Budget
Revenues						
Intergovernmental	$ 120,300	$ 137,780	$ 142,737	$ -	$ 142,737	$ 4,957
Charges for services	12,800	13,650	13,656	-	13,656	6
Investment earnings	-	30	36	-	36	6
Contributions and donations	-	8,560	20,811	-	20,811	12,251
Total Revenues	133,100	160,020	177,240	-	177,240	17,220
Expenditures						
Current Operating:						
Health and welfare	342,770	227,235	227,235	-	227,235	-
Capital outlay	66,000	-	-	-	-	-
Total Expenditures	408,770	227,235	227,235	-	227,235	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(275,670)	(67,215)	(49,995)	-	(49,995)	17,220
Other Financing Sources (Uses)						
Budgeted Fund Balance	275,670	67,215	-	-	-	(67,215)
Total Other Financing Sources (Uses)	275,670	67,215	-	-	-	(67,215)
Net Change in Fund Balances	$ -	$ -	(49,995)	$ -	(49,995)	$ (49,995)
Fund Balance Beginning of Year			287,946		287,946	
Fund Balance End of Year			$ 237,951		$ 237,951	

ELBERT COUNTY, GEORGIA
Budgetary Comparison Schedule
E-911 Fund
For the Year Ended June 30, 2017

	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	$ 329,260	$ 387,310	$ 387,333	$ -	$ 387,333	$ 23
Investment earnings	-	80	90	-	90	10
Total Revenues	329,260	387,390	387,423	-	387,423	33
Expenditures						
Current Operating:						
Public safety	736,950	791,133	725,698	-	725,698	(65,435)
Debt service	-	46,257	46,257	-	46,257	-
Total Expenditures	736,950	837,390	771,955	-	771,955	(65,435)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(407,690)	(450,000)	(384,532)	-	(384,532)	(65,468)
Other Financing Sources (Uses)						
Transfers in	450,000	450,000	450,000	-	450,000	-
Budgeted Fund Balance	(42,310)	-	-	-	-	-
Total Other Financing Sources (Uses)	407,690	450,000	450,000	-	450,000	-
Net Change in Fund Balances	$ -	$ -	65,468	$ -	65,468	$ 65,468
Fund Balance Beginning of Year			8,648		8,648	
Fund Balance End of Year			$ 74,116		$ 74,116	

ELBERT COUNTY, GEORGIA
Budgetary Comparison Schedule
Multi-Grant Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Budget to GAAP Differences	Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Over / (Under)	GAAP Basis	Final Budget
Revenues						
Intergovernmental	$ 560,500	$ 967,950	$ 1,011,904	$ -	$ 1,011,904	$ 43,954
Charges for services	10,000	19,290	19,295	-	19,295	5
Investment earnings	-	-	2	-	2	2
Total Revenues	570,500	987,240	1,031,201	-	1,031,201	43,961
Expenditures						
Current Operating:						
Judicial	76,200	115,800	114,971	-	114,971	(829)
Public works	563,777	224,560	224,498	-	224,498	(62)
Housing and development	-	205,413	205,413	-	205,413	-
Capital outlay	25,000	202,820	45,000	-	45,000	(157,820)
Total Expenditures	664,977	748,593	589,882	-	589,882	(158,711)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(94,477)	238,647	441,319	-	441,319	202,672
Other Financing Sources (Uses)						
Budgeted Fund Balance	94,477	(238,647)	-	-	-	238,647
Total Other Financing Sources (Uses)	94,477	(238,647)	-	-	-	238,647
Net Change in Fund Balances	$ -	$ -	441,319	$ -	441,319	$ 441,319
Fund Balance Beginning of Year			116,906		116,906	
Prior Period Adjustment			(89,183)		(89,183)	
Fund Balance End of Year			$ 469,042		$ 469,042	

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	$ 2,645,060	$ -	$ 85,452	$ 2,559,608
Judicial	1,079,389	-	63,092	1,016,297
Public Safety	4,819,454	-	79,938	4,739,516
Public Works	1,054,150	-	25,350	1,028,800
Health & Welfare	224,920	19,680	-	244,600
Recreation & Culture	344,970	21,930	-	366,900
Housing & development	428,607	-	39,707	388,900
Debt Service - interest	8,000	-	3,600	4,400
Transfers Out	525,000	579	-	525,579
Senior Center	408,770	-	181,535	227,235
E-911	779,260	58,130	-	837,390
Multi-Grant Fund	$ 664,977	83,616	-	748,593
	$ 12,982,557	$ 183,935	$ 478,674	$ 12,687,818

ELBERT COUNTY, GEORGIA
Required Supplementary Information
Defined Benefit Retirement Plan
June 30, 2017

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service Cost	$ 303,149	$ 301,083	$ 297,316							
Interest	1,243,934	1,153,856	1,101,101							
Differences Between Expected and Actual Experience	21,659	(45,612)	-							
Changes of Assumptions	528,158	514,604	-							
Changes of Benefit Terms		-	-							
Other Changes		-	-							
Benefit Payments, Including Refunds of		-	-							
Employee Contributions	(698,355)	(747,421)	(642,636)							
Net Change in Total Pension Liability	1,398,545	1,176,510	755,781							
Total Pension Liability - Beginning	16,934,961	15,758,451	15,002,670							
Total Pension Liability - Ending (a)	$ 18,333,506	$ 16,934,961	$ 15,758,451							
Plan Fiduciary Net Position										
Contributions - Employer	$ 600,000	$ 567,117	$ 640,583							
Contributions - Employee	134,994	136,368	148,882							
Net Investment Income	1,025,242	52,358	904,414							
Benefit Payments, Including Refunds of										
Employee Contributions	(698,355)	(747,421)	(688,101)							
Administrative Expense	(32,487)	(29,742)	(27,491)							
Other Changes	(157,369)	(26,095)	(64,961)							
Net Change in Fiduciary Net Position	872,025	(47,415)	913,326							
Plan Fiduciary Net Position - Beginning	14,220,861	14,268,276	13,354,950							
Plan Fiduciary Net Position - Ending (b)	$ 15,092,886	$ 14,220,861	$ 14,268,276							
Net Pension Liability - Ending: (a)-(b)	$ 3,240,620	$ 2,714,100	$ 1,490,175							
Plan's Fiduciary Net Position as a Percentage of										
the Total Pension Liability	82.32%	84.00%	90.50%							
Covered-Employee Payroll (Prior Year)	$ 5,331,251	$ 5,269,420	$ 5,220,302							
Net Pension Liability as a Percentage of										
Covered-Employee Payroll	60.79%	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, 2017

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially Determined Contribution	$ 593,350	$ 567,117	$ 640,583							
Contributions in Relation to the Actuarially	-	-	-							
Determined Contribution	$ 593,350	567,117	640,583							
Contribtuion Deficiency (Excess)	-	-	-							
Covered-Employee Payroll	5,331,251	5,269,420	5,220,302							
Contributions as a Percentage of										
Covered-Employee Payroll	11%	11%	12%							

Changes of Assumptions

There was an assumption change due to the change in mortality table for the measurement period ended December 31, 2016. The Society of Actuaries are developing a new mortality table for governmental employees. As the mortality rates in Georgia are in highest quartile in the nation, in the opinion of the actuary use of the RP-2014 mortality table with full generational projection of future mortality improvements would not appropriately reflect anticipated plan experience. Until such time as the mortality table for governmental employees is released, the RP-2000 mortality table shall be used, as it represents the most up to date table pending this release. Once the mortality table for governmental employees is released, the table will be reviewed in light of the mortality rates experienced in the state of Georgia. The RP-2000 mortality table projects mortality improvements with Scale AA.

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, 2017

	Law Library	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
Assets									
Cash and cash equivalents	$ 18,303	$ 29,247	$ 48,537	$ 24,167	$ 34,922	$ 148,381	$ 369,659	$ 38,425	$ 711,641
Accounts receivable (net)	-	-	-	5,711	-	750	-	-	6,461
Due from other governments	661	3,082	3,787	-	-	-	28,577	-	36,107
Due from other funds	-	-	-	-	-	1,524	3,026	-	4,550
Total Assets	18,964	32,329	52,324	29,878	34,922	150,655	401,262	38,425	758,759
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	18,964	32,329	52,324	29,878	34,922	150,655	401,262	38,425	758,759
Liabilities									
Accounts payable	-	-	1,346	3,300	-	-	151,551	1,260	157,457
Accrued expenses	-	-	-	-	-	-	-	969	969
Due to other funds	-	-	-	450	-	-	5,293	20,912	26,655
Advances from other funds	-	-	-	-	200	-	-	-	200
Total Liabilities	-	-	1,346	3,750	200	-	156,844	23,141	185,281
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	1,346	3,750	200	-	156,844	23,141	185,281
Fund Balance									
Restricted for:									
Law Enforcement	18,964	32,330	50,977	-	-	-	244,418	15,283	361,972
Tourism	-	-	-	26,128	-	-	-	-	26,128
Loan Program	-	-	-	-	34,722	-	-	-	34,722
Committed for:									
Fire Insurance Fund	-	-	-	-	-	150,656	-	-	150,656
Total Fund Balance	18,964	32,330	50,977	26,128	34,722	150,656	244,418	15,283	573,478
Total Liabilities, Deferred Inflows and Fund Balance	$ 18,964	$ 32,330	$ 52,323	$ 29,878	$ 34,922	$ 150,656	$ 401,262	$ 38,424	$ 758,759

ELBERT COUNTY, GEORGIA

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2017

	Law Library	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	$ -	$ -	$ -	$ 44,542	$ -	$ -	$ -	$ -	$ 44,542
Intergovernmental	-	-	-	-	-	-	199,843	383,991	583,834
Fines and forfeitures	8,437	33,064	41,111	-	-	-	141,362	-	223,974
Charges for services	-	-	-	-	-	760	-	-	760
Contributions	-	-	-	-	-	250	-	-	250
Interest	-	27	62	21	-	99	-	-	209
Miscellaneous	-	-	-	-	-	10	-	-	10
Total Revenue	8,437	33,091	41,173	44,563	-	1,119	341,205	383,991	853,579
Expenditures									
Current:									
Judicial	1,441	-	-	-	-	-	393,963	370,174	765,578
Public safety	-	35,961	59,664	-	-	111,578	-	-	207,203
Housing and development	-	-	-	39,501	-	-	-	-	39,501
Capital Outlay	-	-	-	-	-	123	-	-	123
Total Expenditures	1,441	35,961	59,664	39,501	-	111,701	393,963	370,174	1,012,405
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,996	(2,870)	(18,491)	5,062	-	(110,582)	(52,758)	13,817	(158,826)
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	75,000	-	-	75,000
Insurance refunds and recoveries	-	-	-	-	-	1,524	-	-	1,524
Total Other Financing Sources (Uses)	-	-	-	-	-	76,524	-	-	76,524
Net Change in Fund Balances	6,996	(2,870)	(18,491)	5,062	-	(34,058)	(52,758)	13,817	(82,302)
Fund Balances Beginning of Year	11,968	35,200	69,468	21,066	34,722	184,714	321,542	1,466	680,146
Prior Period Adjustment	-	-	-	-	-	-	(24,366)	-	(24,366)
Fund Balances End of Year	$ 18,964	$ 32,330	$ 50,977	$ 26,128	$ 34,722	$ 150,656	$ 244,418	$ 15,283	$ 573,478

ELBERT COUNTY, GEORGIA

Combining Statement of Fiduciary Assets and Liabilities

All Agency Funds

June 30, 2017

	Tax Commissioner	Probate Court	Magistrate Court	Clerk of Court	Sheriff	Totals
Assets						
Cash and cash equivalents	$ 314,234	$ 51,007	$ 2,141	$ 59,384	$ 10,710	$ 437,476
Taxes receivable	781,695	-				781,695
Total Assets	1,095,929	51,007	2,141	59,384	10,710	1,219,171
Liabilities						
Due to others	1,095,929	51,007	2,141	59,384	10,710	1,219,171
Total Liabilities	$ 1,095,929	$ 51,007	$ 2,141	$ 59,384	$ 10,710	$ 1,219,171

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, 2017, 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 August 2, 2018. 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 2017-1 thru 2017-4.

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 2017-5.

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
August 2, 2018

Elbert County, Georgia
Schedule of Findings and Responses
For the Year Ended June 30, 2017

Internal Control

2017-1

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.

2017-2

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 Tax Commissioner.

2017-3

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, School Board or state of Georgia.

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.

2017-4

Condition: The Tax Commissioner's office does not employ internal control procedures to reconcile and track funds held in the property tax bank account verify receipts, deposits and changes in the tax accounts due the County, School Board or state of Georgia.

Criteria: Written internal control procedures should be to in place and followed to insure an accurate accounting of all funds held by the tax commissioner can be produced at all times.

Cause: There are no procedures in place to require the reconciliations.

Effect: Due to the lack of reconciliation procedures, the Tax Commissioner's office is unable to identify the appropriate party to remit approximately $37k in property tax funds held at June 30, 2017.

Recommendation: Written policies and procedures should be promptly created and implemented to insure the Tax Commissioner's office is able to reconcile and remit all fund collected to the appropriate parties on a monthly basis.

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

Compliance

2017-5

Condition: The County used SPLOST proceeds for expenditures not authorized by the SPLOST resolution and created an interfund loan to denote the need to get these funds.

Criteria: SPLOST funds are restricted for the purchase of items approved by the Elbert County voters.

Cause: The County used SPLOST proceeds for expenditures not included in the SPLOST referendum approved by Elbert County voters.

Effect: The County incurred SPLOST expenditures not allowed by SPLOST referendum.

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 its budget.

ELBERT COUNTY, GEORGIA

Schedule of Special Purpose Local Option Sales Tax
Estimated Cost and Expenditure Summary
For the Year Ended June 30, 2017

SPLOST 2011

Project Description	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Capital Projects					
Road, Street & Bridges	$ 4,800,000	$ 4,800,000	$ 4,290,392	$ 196,718	$ 4,487,110
Total Capital Projects	4,800,000	4,800,000	4,290,392	196,718	4,487,110
Vehicles and Equipment					
Computer Equipment & Software	130,000	130,000	46,679	43,293	89,972
Parks & Recreation	110,000	110,000	62,167	2,789	64,956
Fire Department	250,000	250,000	277,761	142,972	420,733
Emergency Services	997,000	997,000	855,796	11,297	867,093
E911 Department	165,000	165,000	150,489	34,100	184,589
Sheriff's Department	396,000	396,000	262,596	78,531	341,127
Senior Center	40,000	40,000	40,000	-	40,000
Building & Maintenance	32,000	32,000	9,684	-	9,684
Cooperative Extension / 4-H	61,000	61,000	36,685	-	36,685
Board of Assessors	145,000	145,000	83,751	-	83,751
Total Vehicles and Equipment	2,326,000	2,326,000	1,825,608	312,982	2,138,590
Repayment of Debt					
Fire Station Construction Loan	800,000	800,000	287,983	62,832	350,815
Total Repayment of Debt	800,000	800,000	287,983	62,832	350,815
County Facilities and Infrastructure					
Construct/Improve Complex & Courthouse	60,000	60,000	72,919	-	72,919
Total Facilities & Infrastructure	60,000	60,000	72,919		72,919
Total County Projects	7,986,000	7,986,000	6,476,902	572,532	7,049,434
Elberton Projects	3,828,000	3,828,000	2,828,017	550,499	3,378,516
Hospital Authority Projects	726,000	726,000	508,736	125,224	633,960
Bowman Projects	660,000	660,000	487,587	94,867	582,454
Total:	$13,200,000	$13,200,000	$ 10,301,242	$ 1,343,122	$11,644,364

ELBERT COUNTY, GEORGIA

Schedule of Special Purpose Local Option Sales Tax

Estimated Cost and Expenditure Summary

For the Year Ended June 30, 2017

Project Description	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST 2017					
Capital Projects					
Roads & Bridges	$ 4,036,240	$ 4,036,240	$ -	$ -	$ -
Total Capital Projects	4,036,240	4,036,240			
Vehicles and Equipment					
Computer Equipment & Software	150,000	150,000	-	-	-
Parks & Recreation	80,000	80,000	-	-	-
Fire Department	730,000	730,000	-	-	-
Emergency Services	450,000	450,000	-	550,636	550,636
E911 Department	900,000	900,000	-	-	-
Sheriff's Department	400,000	400,000	-	31,642	31,642
Senior Center	40,000	40,000	-	-	-
Building & Maintenance	35,000	35,000	-	-	-
Cooperative Extension / 4-H	55,000	55,000	-	-	-
Board of Assessors	95,000	95,000	-	-	-
Solid Waste Department	225,000	225,000	-	-	-
Animal Control / Code Enforcement	75,000	75,000	-	-	-
Bobby Brown Park	54,000	54,000	-	-	-
Total Vehicles and Equipment	3,289,000	3,289,000		582,278	582,278
Repayment of Debt					
Fire Station Construction Loan	365,560	365,560	-	-	-
Total Repayment of Debt	365,560	365,560			
County Facilities and Infrastructure					
Construct/Improve Complex & Courthouse	150,000	150,000	-	-	-
Total Facilities and Infrastructure	150,000	150,000			
Total County Projects	7,840,800	7,840,800		582,278	582,278
Elberton Projects	3,445,200	3,445,200	-	-	-
Bowman Projects	594,000	594,000	-	-	-
Total:	$11,880,000	$11,880,000	$ -	$ 582,278	$ 582,278
Total SPLOST Current Year Expenditures:	$25,080,000	$25,080,000	$ 10,301,242	$ 1,925,400	$12,226,642

SPLOST 2017 Current Year Expenditures:

Funds from SPLOST revenue sources	$ 11,814
Funds from other revenue sources (bond proceeds)	538,822
Total SPLOST Expenditures reported at June 30, 2017	$ 550,636