GILMER COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2016

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GILMER COUNTY, GEORGIA
FINANCIAL REPORT
For the year ended December 31, 2016

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Independent Auditor's Report

Honorable Chairman and Members
of the Board of Commissioners
Gilmer 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 units, each major fund, and the aggregate remaining fund information of Gilmer County, Georgia, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Gilmer County Department of Public Health, a component unit of Gilmer County, Georgia. The Gilmer County Department of Public Health represents 99.9 percent, (100.1) percent, and 100 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Gilmer County Department of Public Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 units, each major fund, and the aggregate remaining fund information of Gilmer County, Georgia, as of December 31, 2016, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gilmer County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Gilmer County, Georgia's basic financial statements for the year ended December 31, 2015, which are not presented with the accompanying financial statements. In our report dated June 23, 2016, we expressed unmodified opinions on the respective 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gilmer County's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the 2015 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules related to the 2015 financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2015 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2015 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2017, on our consideration of Gilmer County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of that testing, and not to provide an opinion on the 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 Gilmer County's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 15, 2017

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GILMER COUNTY
BOARD OF COMMISSIONERS

Charlie Paris, Chairman
Dallas H. Miller, Post 1 Commissioner
Travis Crouch, Post 2 Commissioner

Edwina Daman**, County Clerk**
Sandi Holden**, Finance Officer**
David Clark, **County Attorney**

GILMER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

Our discussion and analysis of Gilmer County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2016.

USING THE DECEMBER 31, 2016 AUDIT

The audit of Gilmer County, Georgia for the fiscal year ended December 31, 2016 consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages 9-11) provide information about the activities of the County as a whole. The Fund financial statements begin on page 12. These statements provide a more detailed view of the governmental activities of the County and explain how these services were financed in the short term as well as what remains for future spending.

REPORTING THE COUNTY AS A WHOLE

The Statement of Net Position and Statement of Activities include all the County's assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All the fiscal year revenue and expenses are taken into account regardless of when cash is received or paid.

For purposes of implementing GASB 34, Gilmer County is considered a phase II government. The County retroactively added infrastructure, such as roads, rights of way, bridges and other similar type items in the December 31, 2006 financial statements.

REPORTING THE COUNTY'S FUNDS

The Fund Financial statements provide detailed information about the most significant funds. Some funds are required to be established by State law or by bond covenants. The County establishes and maintains many other funds to help control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

THE COUNTY AS A WHOLE

Condensed Statement of Net Position

Table 1 below presents the County's condensed Statement of Net Position as of December 31, 2016 as it compares to the previous fiscal year. On August 1, 2013, the County began operating the Whitepath Golf Course as a business type activity. The net position of the golf course is also presented below.

Table 1: Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets	$ 15,991,675	$ 13,603,817	$ (61,583)	$ (31,907)	$ 15,930,092	$ 13,571,910
Capital assets	78,096,626	79,058,197	93,739	67,616	78,190,365	79,125,813
Total assets	94,088,301	92,662,014	32,156	35,709	94,120,457	92,697,723
Deferred inflows of resources						
Deferred charges on refunding	1,452,146	1,150,422	0	0	1,452,146	1,150,422
Current liabilities	4,803,565	4,328,917	25,850	12,267	4,829,415	4,341,184
Noncurrent liabilities	46,859,418	47,836,979	0	0	46,859,418	47,836,979
Total liabilities	51,662,983	52,165,896	25,850	12,267	51,688,833	52,178,163
Net position:						
Net investment in capital assets	29,141,925	29,610,648	93,739	67,616	29,235,664	29,678,264
Restricted	7,336,836	5,303,398	0	0	7,336,836	5,303,398
Unrestricted	7,398,703	6,732,494	(87,433)	(44,174)	7,311,270	6,688,320
Total net position	$ 43,877,464	$ 41,646,540	$ 6,306	$ 23,442	$ 43,883,770	$ 41,669,982

The County uses its capital assets to provide services to the citizens and businesses in the County; consequently, this net position is not available for future spending.

Restricted net position is resources that are restricted in their use. The majority of restricted assets represent funds to construct capital projects outlined in the County's General Obligation Bond Capital Improvement Plan.

Condensed Statement of Activities

Table 2 below presents the County's condensed Statement of Activities for the fiscal year ended December 31, 2016 compared to the previous year.

Table 2: Condensed Statement of Activities

Revenues	Governmental Activities 2016	Governmental Activities 2015	Business-Type Activities 2016	Business-Type Activities 2015	Total 2016	Total 2015
Program revenues:						
Charges for services	$ 3,705,671	$ 3,401,882	$ 437,987	$ 401,302	$ 4,143,658	$ 3,803,184
Operating grants and contributions	463,760	369,198	0	0	463,760	369,198
Capital grants and contributions	1,528,138	705,244	0	0	1,528,138	705,244
General revenues:						
Property taxes	11,261,379	10,353,672	0	0	11,261,379	10,353,672
Sales tax	6,845,173	6,697,223	0	0	6,845,173	6,697,223
Hotel/Motel	556,304	489,359	0	0	556,304	489,359
Insurance Premium	1,463,428	1,375,325	0	0	1,463,428	1,375,325
Other taxes	493,301	295,939	0	0	493,301	295,939
Other revenue	294,146	255,464	89	121	294,235	255,585
Total revenues	26,611,300	23,943,306	438,076	401,423	27,049,376	24,344,729
Expenses						
General Government	3,326,609	3,187,101	0	0	3,326,609	3,187,101
Judicial	2,316,927	2,196,139	0	0	2,316,927	2,196,139
Public Safety	10,987,673	9,805,732	0	0	10,987,673	9,805,732
Public Works	3,737,083	2,990,350	0	0	3,737,083	2,990,350
Health and Welfare	337,756	370,182	0	0	337,756	370,182
Culture and Recreation	1,465,952	1,269,191	0	0	1,465,952	1,269,191
Housing and Development	784,462	582,541	0	0	784,462	582,541
Interest on long-term debt	1,581,271	1,941,689	0	0	1,581,271	1,941,689
White Path Golf Course	0	0	457,839	396,113	457,839	396,113
Total expenses	24,537,733	22,342,925	457,839	396,113	24,995,572	22,739,038
Increase (decrease) in net position before transfers	2,073,567	1,600,381	(19,763)	5,310	2,053,804	1,605,691
Transfers	(2,627)	(46,186)	2,627	46,186	0	0
Increase (decrease) in net position	2,070,940	1,554,195	(17,136)	51,496	2,053,804	1,605,691
Net position-beginning, original	41,646,540	40,730,032	23,442	(28,054)	41,669,982	40,701,978
Prior period adjustment	159,984	(637,687)	0	0	159,984	(637,687)
Net position-beginning, restated	41,806,524	40,092,345	23,442	(28,054)	41,829,966	40,064,291
Net position-ending	$ 43,877,464	$ 41,646,540	$ 6,306	$ 23,442	$ 43,883,770	$ 41,669,982

During the fiscal year ending December 31, 2016 the net position of Gilmer County's governmental activities increased $2,070,940. Revenues increased $2,667,994 from the previous fiscal year and expenditures increased $2,194,808 compared to FY 2015.

Approximately 42% of the County's revenue came from property taxes, 36% came from other taxes and revenues, and the balance of 22% came from charges for services, grants and other sources.

The County's expenses cover a wide range of services with 45% allotted to public safety, 15% to public works, 14% to general government services, and the remaining 26% to judicial, health and welfare, parks and recreation and other programs.

THE COUNTY'S FUNDS

The governmental funds statements provide information on inflows, outflows and ending fund balance resources available for spending. This information is useful in determining the County's financing requirements. The unassigned fund balance serves as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2016, the County's governmental funds reported a combined ending fund balance of $13,644,740, of which $4,782,508 is unassigned fund balance, $7,336,836 is restricted for specific purposes, and $1,525,396 is nonspendable fund balance.

The General Fund – the operating fund of the County – had a net increase in unassigned fund balance of $689,656 compared to FY 2015.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

At December 31, 2016, Gilmer County reported $78,096,626 in capital assets for governmental activities. Additional information on Gilmer County's capital assets can be found in Note 9 to the Financial Statements on pages 44-45 of this report.

At December 31, 2016, long-term debt was $49,412,660 for governmental activities compared to $50,023,921 at December 31, 2015. This long-term debt amount includes:

a) Repayment of capital lease through the Gilmer County Building Authority for the construction of a new Courthouse and Library

b) Repayment of $30 million General Obligation bonds for infrastructure and capital improvements

c) Repayment of $7.5 million 2008 revenue bonds to complete Phase II of the Courthouse, construct parking areas, and renovate the facility previously housing the Gilmer County Library for use as a satellite campus of Dalton State College.

d) Other capital leases for vehicles and equipment.

Additional information on Gilmer County's long-term debt can be found in Notes 11 and 12 to the Financial Statements on pages 46-51 of this report.

GENERAL FUND BUDGET HIGHLIGHTS

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. Budgeted expenditures in total increased from original to final budgets. Revenue budgets were expected to remain at or slightly above 2015 levels.

ECONOMIC CONDITION AND OUTLOOK

Gilmer County has fared relatively well under the still weakened economy that we've experienced over the past few years. Several factors were considered during preparation of the budget for fiscal year 2017, including the following:

a) Possible increases or decreases in revenues, particularly property, sales, and hotel/motel taxes.

b) Fluctuations in the price of fuel due to market instability.

c) Unforseen natural disasters, such as tornadoes, storms, etc.

d) Capital outlay requirements for vehicles, equipment and program expansions to improve public services to the community.

CONCLUSION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the County's financial condition and to show the County's accountability for the money it receives. If you have questions concerning this report or need additional financial information, please contact Gilmer County Board of Commissioners at 1 Broad Street, Suite 106, Ellijay, Georgia 30540.

Separately issued financial statements may be obtained for the Gilmer County Department of Public Health which is shown as a component unit of Gilmer County at the following address:

Georgia Department of Human Resources
Northwest Health District
111 Bryant Crossing, Suite AA
Dalton, Georgia 30720

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BASIC FINANCIAL STATEMENTS

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GILMER COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 11,608,724	$ 60,158	$ 11,668,882	$ 383,196
Restricted assets				
Cash and cash equivalents	405,157	0	405,157	0
Receivables (net)				
Accounts	330,704	761	331,465	31,254
Intergovernmental	80,693	0	80,693	4,351
Taxes	1,918,499	0	1,918,499	0
Inventories	8,520	0	8,520	691
Prepaids	1,516,876	0	1,516,876	0
Internal balances	122,502	(122,502)	0	0
Total current assets	15,991,675	(61,583)	15,930,092	419,492
Noncurrent assets				
Capital assets				
Non-depreciable	14,179,354	56,000	14,235,354	0
Depreciable (net)	63,917,272	37,739	63,955,011	998
Total noncurrent assets	78,096,626	93,739	78,190,365	998
Total assets	94,088,301	32,156	94,120,457	420,490
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	1,452,146	0	1,452,146	0
Pension experience differences	0	0	0	14,827
Pension contributions subsequent to measurement date	0	0	0	97,748
Total deferred outflows of resources	1,452,146	0	1,452,146	112,575
LIABILITIES				
Current liabilities				
Payables				
Accounts	741,855	15,727	757,582	0
Intergovernmental	576,568	0	576,568	13,962
Interest	437,328	0	437,328	0
Accrued salaries and payroll liabilities	494,572	6,097	500,669	0
Compensated absences	299,870	4,026	303,896	17,952
Capital leases payable	278,013	0	278,013	0
Bonds payable	1,955,000	0	1,955,000	0
Post-closure care costs	20,359	0	20,359	0
Total current liabilities	4,803,565	25,850	4,829,415	31,914
Noncurrent liabilities				
Compensated absences	0	0	0	17,951
Net pension liability	0	0	0	670,304
Capital leases payable	600,414	0	600,414	0
Bonds payable	45,915,000	0	45,915,000	0
Post-closure care costs	344,004	0	344,004	0
Total noncurrent liabilities	46,859,418	0	46,859,418	688,255
Total liabilities	51,662,983	25,850	51,688,833	720,169

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

Exhibit A-1, continued

GILMER COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2016

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
DEFERRED INFLOWS OF RESOURCES				
Pension investment return differences	$ 0	$ 0	$ 0	$ 53,720
NET POSITION				
Net investment in capital assets	29,141,925	93,739	29,235,664	998
Restricted for:				
Judicial	309,571	0	309,571	0
Public safety	170,705	0	170,705	0
Public works	766,033	0	766,033	0
Capital outlay	3,614,316	0	3,614,316	0
Debt service	2,476,211	0	2,476,211	0
Unrestricted	7,398,703	(87,433)	7,311,270	(241,822)
Total net position	$ 43,877,464	$ 6,306	$ 43,883,770	$ (240,824)

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

GILMER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 3,326,609	$ 500,160	$ 0	$ 0	$ (2,826,449)
Judicial	2,316,927	620,545	110,031	0	(1,586,351)
Public Safety	10,987,673	1,727,082	49,537	0	(9,211,054)
Public Works	3,737,083	519,413	200,022	1,528,154	(1,489,494)
Health and Welfare	337,756	0	101,057	0	(236,699)
Culture and Recreation	1,465,952	132,924	3,113	0	(1,329,915)
Housing and Development	784,462	205,547	0	0	(578,915)
Interest on long-term debt	1,581,271	0	0	0	(1,581,271)
Total governmental activities	24,537,733	3,705,671	463,760	1,528,154	(18,840,148)
Business-type activities					
White Path Golf Course	457,839	437,987	0	0	(19,852)
Total primary government	24,995,572	4,143,658	463,760	1,528,154	(18,860,000)
Component Units					
Industrial Development Authority of Gilmer County	0	0	0	0	0
Gilmer County Health Department Health and Welfare	870,083	460,303	289,916	0	(119,864)
Total component units	870,083	460,303	289,916	0	(119,864)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (18,840,148)	$ (19,852)	$ (18,860,000)	$ (119,864)
General revenues				
Taxes				
Property	11,261,379	0	11,261,379	0
Sales	6,845,173	0	6,845,173	0
Insurance premium	1,463,428	0	1,463,428	0
Franchise	179,283	0	179,283	0
Intangible	229,522	0	229,522	0
Occupational	19,949	0	19,949	0
Hotel/Motel	556,304	0	556,304	0
Other	64,547	0	64,547	0
Interest and investment earnings	5,066	89	5,155	0
Payments from Gilmer County	0	0	0	147,092
Other	289,064	0	289,064	16,940
Transfers	(2,627)	2,627	0	0
Total general revenues and transfers	20,911,088	2,716	20,913,804	164,032
Change in net position	2,070,940	(17,136)	2,053,804	44,168
Net position - beginning, original	41,646,540	23,442	41,669,982	(284,992)
Prior period adjustments	159,984	0	159,984	0
Net position - beginning, restated	41,806,524	23,442	41,829,966	(284,992)
Net position - ending	$ 43,877,464	$ 6,306	$ 43,883,770	$ (240,824)

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

GILMER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	General	Debt Service SPLOST	SPLOST 2014
ASSETS			
Cash and cash equivalents	$ 5,279,936	$ 2,346,670	$ 3,078,327
Receivables (net)			
Accounts	276,529	0	0
Intergovernmental	41,234	0	0
Taxes	1,204,038	222,113	389,377
Prepaids	216,210	0	0
Inventories	8,520	0	0
Due from other funds	226,724	48,409	0
Restricted Assets			
Cash and cash equivalents	405,004	12	0
Total assets	$ 7,658,195	$ 2,617,204	$ 3,467,704
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Payables			
Accounts	$ 467,038	$ 0	$ 174,469
Intergovernmental	546,781	0	29,787
Accrued salaries and payroll liabilities	475,009	0	0
Due to other funds	314,178	50,000	4,261
Total liabilities	1,803,006	50,000	208,517
Deferred inflows of resources			
Unavailable revenue-property taxes	442,947	90,993	0
Fund balances			
Nonspendable:			
Prepaids	216,210	0	0
Inventories	8,520	0	0
Restricted for:			
Judicial	309,571	0	0
Public safety	95,433	0	0
Public works	0	0	0
Capital outlay	0	0	3,259,187
Debt service	0	2,476,211	0
Unassigned	4,782,508	0	0
Total fund balances	5,412,242	2,476,211	3,259,187
Total liabilities, deferred inflows of resources, and fund balances	$ 7,658,195	$ 2,617,204	$ 3,467,704

Capital Projects	Nonmajor Governmental Funds	Totals
$ 0	$ 903,791	$ 11,608,724
0	54,175	330,704
0	39,459	80,693
0	102,971	1,918,499
1,300,666	0	1,516,876
0	0	8,520
261,906	232	537,271
141	0	405,157
$ 1,562,713	$ 1,100,628	$ 16,406,444

$ 0	$ 100,348	$ 741,855
0	0	576,568
0	19,563	494,572
0	46,330	414,769
0	166,241	2,227,764
0	0	533,940
1,300,666	0	1,516,876
0	0	8,520
0	0	309,571
0	75,272	170,705
0	766,033	766,033
262,047	93,082	3,614,316
0	0	2,476,211
0	0	4,782,508
1,562,713	934,387	13,644,740
$ 1,562,713	$ 1,100,628	$ 16,406,444

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

GILMER COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2016

Total fund balance - total governmental funds			$ 13,644,740
Amounts reported for governmental activities in the statement of net position are different because:			
Some assets are not financial resources and therefore are not reported in the funds. These are:			
Capital assets, net of accumulated depreciation			78,096,626
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds. These are:			
Property taxes			533,940
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:			
Bonds payable	$ (47,870,000)		
Deferred charges on bond refunding	1,452,146		
Accrued interest	(437,328)		
Compensated absences	(299,870)		
Capital leases payable	(878,427)		
Landfill closure/postclosure costs	(364,363)		(48,397,842)
Net position of governmental activities			$ 43,877,464

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

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GILMER COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2016

	General	Debt Service SPLOST	SPLOST 2014
REVENUES			
Taxes	$ 14,427,059	$ 1,809,431	$ 3,922,545
Licenses and permits	204,874	0	0
Fines, fees and forfeitures	623,045	0	0
Charges for services	2,217,336	112,556	0
Intergovernmental	1,085,180	0	0
Interest	4,696	1,201	2,246
Other	276,510	0	1,865
Total revenues	18,838,700	1,923,188	3,926,656
EXPENDITURES			
Current			
General Government	2,661,542	0	0
Judicial	2,307,568	0	0
Public Safety	8,860,107	0	0
Public Works	2,154,678	0	0
Health and Welfare	321,024	0	0
Culture and Recreation	845,430	0	0
Housing and Development	560,218	0	0
Capital outlay	0	0	1,613,830
Intergovernmental	0	0	298,116
Debt service	17,204	1,490,423	342,637
Total expenditures	17,727,771	1,490,423	2,254,583
Excess (deficiency) of revenues over (under) expenditures	1,110,929	432,765	1,672,073
Other financing sources (uses)			
Transfers in	508,559	695,000	3,252,730
Transfers out	(1,068,257)	(3,252,730)	(2,589,493)
Proceeds from capital leases	0	0	923,877
Payment to redunded bond escrow agent	0	(5,540,702)	0
Proceeds of refunding bonds	0	5,660,000	0
Sale of capital assets	28,493	0	0
Total other financing sources (uses)	(531,205)	(2,438,432)	1,587,114
Net change in fund balance	579,724	(2,005,667)	3,259,187
Fund balances, January 1, original	4,639,215	4,481,878	0
Prior period adjustment	193,303	0	0
Fund balances, January 1, restated	4,832,518	4,481,878	0
Fund balances, December 31	$ 5,412,242	$ 2,476,211	$ 3,259,187

Capital Projects	Nonmajor Governmental Funds	Totals
$ 0	$ 556,304	$ 20,715,339
0	0	204,874
0	0	623,045
0	462,658	2,792,550
0	1,004,904	2,090,084
0	386	8,529
0	2,201	280,576
0	2,026,453	26,714,997
0	0	2,661,542
0	0	2,307,568
0	838,356	9,698,463
0	2,375,979	4,530,657
0	0	321,024
0	140,306	985,736
0	389,426	949,644
346,265	5,339	1,965,434
0	0	298,116
0	0	1,850,264
346,265	3,749,406	25,568,448
(346,265)	(1,722,953)	1,146,549
0	2,960,123	7,416,412
0	(508,559)	(7,419,039)
0	0	923,877
0	0	(5,540,702)
0	0	5,660,000
0	0	28,493
0	2,451,564	1,069,041
(346,265)	728,611	2,215,590
1,908,978	239,095	11,269,166
0	(33,319)	159,984
1,908,978	205,776	11,429,150
$ 1,562,713	$ 934,387	$ 13,644,740

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

GILMER 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 December 31, 2016

Net change in fund balances - total governmental funds		$ 2,215,590
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	$ 1,643,936	
Depreciation	(2,571,127)	(927,191)
In the statement of activities, the gain/loss on disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources. This is the amount by which the cost of disposed assets ($317,067) exceeded related accumulated depreciation $282,687.		(34,380)
The proceeds of debt issuance, net of premiums, discounts and issuance costs 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 reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.		
Proceeds from bonds	(5,660,000)	
Bond principal payments	6,930,000	
Net change in deferred bond refunding	301,724	
Proceeds from capital leases	(923,877)	
Capital lease payments	334,895	
Amortization of bond premiums	12,867	
Amortization of prepaid bond insurance	(29,428)	
Net change in interest payable	29,118	
Landfill closure/postclosure retirement	20,359	1,015,658
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include:		
Unavailable deferred revenue		(95,754)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. This includes the net change in compensated absences.		(102,983)
Change in net position of governmental activities		$ 2,070,940

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

Exhibit A-6

GILMER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2016

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 13,536,500	$ 14,404,432	$ 14,427,059	$ 22,627
Licenses and permits	417,500	204,874	204,874	0
Fines, fees and forfeitures	633,000	627,733	623,045	(4,688)
Charges for services	2,102,000	2,242,998	2,217,336	(25,662)
Intergovernmental	906,033	1,085,641	1,085,180	(461)
Interest	2,500	4,695	4,696	1
Other	55,050	276,506	276,510	4
Total revenues	17,652,583	18,846,879	18,838,700	(8,179)
EXPENDITURES				
Current				
General Government				
Board of Commissioners	577,568	639,416	639,361	55
County Administration	58,559	61,326	61,325	1
Elections/Registrar	266,375	202,353	202,235	118
Tax Commissioner	428,612	438,320	440,493	(2,173)
Tax Assessor	742,790	729,107	725,384	3,723
Facility Management	715,184	575,700	574,426	1,274
Board of Equalization	13,812	18,317	18,318	(1)
Judicial				
Superior Court	377,935	326,191	326,185	6
Clerk of Superior Court	575,680	565,651	564,774	877
District Attorney	403,267	388,299	388,299	0
Magistrate Court	225,269	217,985	217,982	3
Probate Court	296,861	293,666	289,193	4,473
Juvenile Court	328,396	269,693	269,847	(154)
Public Defender	211,455	254,291	251,288	3,003
Public Safety				
Sheriff	2,949,588	3,312,888	3,298,557	14,331
Detention Center	1,862,699	2,013,839	2,005,093	8,746
Appalachian DTF	45,000	42,142	42,142	0
Fire	2,771,833	3,200,786	3,194,515	6,271
Coroner	51,960	53,714	53,593	121
Emergency Management	49,888	67,751	67,748	3
Animal Control	196,321	198,701	198,459	242
Public Works				
Road Department	1,752,298	1,199,770	1,192,111	7,659
Landfill	590,282	743,134	727,471	15,663
Maintenance Shop	181,234	149,826	149,824	2
Airport	84,293	85,489	85,272	217
Health and Welfare				
Health Department	162,492	154,760	154,759	1
Bus Transportation	123,550	163,505	146,772	16,733
Senior Citizens Center	750	265	265	0
DFACS	18,000	18,000	18,000	0
Community Service	550	0	0	0
Family Connection	0	2,208	1,228	980
Culture and Recreation				
Parks and Recreation	517,545	514,681	512,367	2,314
Libraries	295,476	292,351	292,350	1
Civic Center	29,875	40,711	40,713	(2)

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

Exhibit A-7, continued

GILMER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2016

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Housing and Development				
Planning and Zoning	$ 310,851	$ 315,526	$ 314,939	$ 587
Code Enforcement	0	56,784	56,790	(6)
County Agent	41,744	38,491	38,489	2
Joint Development Authority	90,000	150,000	150,000	0
Debt service				
General Government				
Board of Commissioners	32,000	17,283	17,204	79
Total expenditures	17,379,992	17,812,920	17,727,771	85,149
Excess (deficiency) of revenues over expenditures	272,591	1,033,959	1,110,929	(76,970)
Other financing sources (uses)				
Transfers in	0	0	508,559	508,559
Transfers (out)	0	0	(1,068,257)	(1,068,257)
Contingency	(272,591)	(1,062,451)	0	1,062,451
Sale of capital assets	0	28,492	28,493	1
Total other financing sources (uses)	(272,591)	(1,033,959)	(531,205)	502,754
Net change in fund balance	0	0	579,724	579,724
Fund balances, January 1, original	0	0	4,639,215	4,639,215
Prior period adjustments	0	0	193,303	193,303
Fund balances, January 1, restated	0	0	4,832,518	4,832,518
Fund balances, December 31	$ 0	$ 0	$ 5,412,242	$ 5,412,242

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

Exhibit A-7, continued

GILMER COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2016

	White Path Golf Course
ASSETS	
Current assets	
Cash and cash equivalents	$ 60,158
Accounts receivable	761
Due from other funds	3,631
Total current assets	64,550
Noncurrent assets	
Capital assets	
Non-depreciable	56,000
Depreciable, net	37,739
Total noncurrent assets	93,739
Total assets	158,289
LIABILITIES	
Current liabilities	
Accounts payable	15,727
Accrued salaries and other payroll liabilities	6,097
Compensated absences	4,026
Due to other funds	126,133
Total liabilities	151,983
NET POSITION	
Investment in capital assets	93,739
Unrestricted	(87,433)
Total net position	$ 6,306

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

Exhibit A-8

GILMER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the year ended December 31, 2016

	White Path Golf Course
OPERATING REVENUES	
Charges for sales and services	$ 437,987
Total operating revenues	437,987
OPERATING EXPENSES	
Costs of sales and services	219,403
Personal services	235,815
Depreciation	2,621
Total operating expenses	457,839
Operating income (loss)	(19,852)
Non-operating revenues (expenses)	
Interest revenue	89
Net income (loss) before capital contributions and transfers	(19,763)
Capital contributions	
Contributions of capital assets from Governmental Activities	20,790
Net income (loss) before transfers	1,027
Transfer in	1,722
Transfer out	(19,885)
Total transfers in (out)	(18,163)
Change in net position	(17,136)
Net position, January 1	23,442
Net position, December 31	$ 6,306

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

Exhibit A-9

GILMER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the year ended December 31, 2016

	White Path Golf Course
Cash flows from operating activities:	
Receipts from customers	$ 437,226
Payments to suppliers	(205,382)
Payments to employees	(236,253)
Net cash provided (used) by operating activities	(4,409)
Cash flows from non-capital financing activities:	
Receipts from other funds	11,624
Payments to other funds	(20,459)
Net cash provided (uses) by non-capital financing activities	(8,835)
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(7,954)
Cash flows from investing activities:	
Interest received	89
Net increase (decrease) in cash and cash equivalents	(21,109)
Cash and cash equivalents, January 1	81,267
Cash and cash equivalents, December 31	$ 60,158
Reconciliation of operating income (loss) to to net cash provided (used) by operating activities:	
Operating income (loss)	$ (19,852)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	2,621
(Increase) decrease in accounts receivable	(761)
Increase (decrease) in accounts payable	14,021
Increase (decrease) in accrued payroll liabilities	(438)
Total adjustments	15,443
Net cash provided (used) by operating activities	$ (4,409)

Noncash capital and related financing activities:
Contributions of capital assets from other funds total $20,790 for the year ended December 31, 2016.

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

GILMER COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2016

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 1,317,747
LIABILITIES	
Due to others	$ 1,317,747

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

GILMER COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2016

	Industrial Development Authority of Gilmer County	Gilmer County Department of Public Health June 30, 2016	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 138	$ 383,058	$ 383,196
Accounts	0	31,254	31,254
Intergovernmental	0	4,351	4,351
Inventories	0	691	691
Total current assets	138	419,354	419,492
Noncurrent assets			
Capital assets			
Depreciable (net)	0	998	998
Total assets	138	420,352	420,490
DEFERRED OUTFLOWS OF RESOURCES			
Pension experience differences	0	14,827	14,827
Pension contributions subsequent to measurement date	0	97,748	97,748
Total deferred outflows of resources	0	112,575	112,575
LIABILITIES			
Current liabilities			
Payables			
Intergovernmental	0	13,962	13,962
Compensated absences	0	17,952	17,952
Total noncurrent liabilities	0	31,914	31,914
Noncurrent liabilities			
Compensated absences	0	17,951	17,951
Net pension liability	0	670,304	670,304
Total noncurrent liabilities	0	688,255	688,255
Total liabilities	0	720,169	720,169
DEFERRED INFLOWS OF RESOURCES			
Pension investment return differences	0	53,720	53,720
NET POSITION			
Investment in capital assets	0	998	998
Unrestricted	138	(241,960)	(241,822)
Total net position	$ 138	$ (240,962)	$ (240,824)

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

GILMER COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2016

	Industrial Development Authority of Gilmer County	Gilmer County Health Department June 30, 2016	Totals
Expenses			
Health and Welfare	$ 0	$ 870,083	$ 870,083
Total expenses	0	870,083	870,083
Program revenues			
Charges for services	0	460,303	460,303
Operating grants and contributions	0	289,916	289,916
Total program revenues	0	750,219	750,219
Net (expense) revenue	0	(119,864)	(119,864)
General revenues			
Payments from Gilmer County	0	147,092	147,092
Other	0	16,940	16,940
Total general revenues	0	164,032	164,032
Change in net position	0	44,168	44,168
Net position, January 1	138	(285,130)	(284,992)
Net position, December 31	$ 138	$ (240,962)	$ (240,824)

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

1. Description of Government Unit

Gilmer County, Georgia (the County) is located in the foothills of the North Georgia Mountains about eighty miles northeast of Atlanta.

The County provides a full range of governmental services, including public safety, health and welfare services, recreational programs, and solid waste services.

The government is governed by an elected Chairman and two elected Commissioners.

2. Summary of Significant Accounting Policies

The financial statements of Gilmer County, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Gilmer County (the primary government) and material component units. The component units discussed below are included in the County's reporting entity because of the significance of its operational and financial relationship with the County.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of component units have been included either as blended or discretely presented component units.

Each discretely presented component unit is reported in a separate column in the combined financial statements. The Gilmer County Industrial Development Authority, Gilmer County Health Department, and Gilmer County Building Authority are shown as discretely presented component units. Discretely presented component units are shown in a separate column on the combined financial statements to emphasize legal separation from the County.

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

Industrial Development Authority of Gilmer County – The Industrial Development Authority of Gilmer County (Development Authority) is a legally separate entity. The Industrial Development Authority consists of a seven member board, all of which are appointed by the County. The purpose of the Development Authority is to encourage economic development in Gilmer County. The Development Authority's year end is December 31. Separate financial statements are not issued.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Gilmer County Health Department – The Gilmer County Health Department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The County provides monthly supplements and pays a portion of operating costs directly. During the Health Department's fiscal year ending June 30, 2016, the Health Department received $147,092 from the County Board of Commissioners to subsidize annual operations. The Health Department's fiscal year end is June 30. A copy of the Gilmer County Health Department's financial statements can be obtained from 100 W. Walnut Avenue, Suite 92, Dalton, Georgia 30720.

Gilmer County Building Authority – The Gilmer County Building Authority (Building Authority) is a legally separate entity. The Building Authority consists of a three member board, all of which are appointed by the County. The purpose of the Building Authority is authorized to acquire, construct, equip, maintain, and operate certain projects, including buildings and facilities for use by Gilmer County for its governmental, proprietary, and administrative functions; and for other purposes. The Building Authority's year end is December 31. This entity was inactive during 2016.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has three discretely presented component units. While they are not considered to be major component units, they are nevertheless aggregated and shown in a separate column in the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation - Fund Financial Statements, continued

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements, with composite columns for non-major funds.

The County reports the following major governmental funds:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service SPLOST Fund – This fund accounts for the special purpose sales tax revenues which are collected for the purpose of payment of debt service and allocations to cities for capital projects. This fund was previously named Debt Service SPLOST 2009 and the County changed the name in 2015.

SPLOST 2014 – This fund accounts for financial resources to be used for the acquisition of capital assets financed by the passage of the special purpose local option sales tax.

Capital Projects Fund – accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The County reports the following major proprietary fund:

White Path Golf Course Fund – This fund accounts for the operations of the County owned golf facility.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Governmental Fund Types

Additionally, the County reports the following fund types:

Special Revenue Funds – accounts for the proceeds of specific revenue sources that are legally or donor restricted to be expended for specified purposes.

Capital Projects Funds – This fund type is used to account for financial resources to be used for the acquisition or construction of capital assets.

Fiduciary Fund Types

Agency Funds – Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held either for the County or for others.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information, continued

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

In the spring (May to June or earlier) of each year, all agencies of the government submit requests for appropriation to the Accounting and Budget Manager so that a budget may be prepared. The budget is prepared by fund, function and department, and line item and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Before December 1, the proposed budget is presented to the County's Board of Commissioners for review and adoption. The County's Board of Commissioners holds public hearings and may add to, subtract from, or change appropriations.

The Finance Officer may amend the line item budget within a department's appropriation as long as the total appropriation for that department is not changed. However, expenditures may not legally exceed budgeted appropriations at the department level without a resolution of the Board of Commissioners. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level.

During the year, the Board of Commissioners authorized amendments to include appropriations and revenues that were not originally budgeted and to reclassify certain expenditures.

H. Cash and Investments

Cash and equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents, and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts.

2. Summary of Significant Accounting Policies (continued)

I. Intergovernmental Receivables

Receivables from state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories are valued at cost on the first-in, first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASB Statement No. 34 required the County to report and depreciate new infrastructure assets effective with the fiscal year ended December 31, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are among the largest asset classes of the County. Neither their historical costs nor related depreciation has historically been reported in the financial statements

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years	Capitalization Threshhold
Land	N/A	$ 5,000
Intangibles	N/A	5,000
Buildings	50	5,000
Land improvements	6 - 50	5,000
Infrastructure	30	5,000
Machinery and equipment	3 - 20	5,000
Vehicles	2 - 15	5,000

The costs of normal maintenance and repairs that do not add value or materiality extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial 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 only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

2. Summary of Significant Accounting Policies (continued)

N. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted- net position is applied.

O. Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

P. Restricted Assets and Restricted Net Position

Restricted assets of the Enterprise Funds represent certain resources set aside for the repayment of revenue bonds because they are maintained in a separate bank account and their use is limited by applicable bond covenants.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of reserve.

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds

Gilmer County implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2012. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at December 31, 2016 by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Commissioners, the County's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number.

Assigned - consists of amounts that are intended to be used by the County for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent can only be expressed by the Board of Commissioners or their designee. Assigned Fund Balance differs from Committed Fund Balance in that assignments do not require a resolution. An assignment of fund balance requires the majority vote of the Board; however, the Board has authorized the County Manager or the Finance Officer to automatically assign fund balance in the following situations.

a. If upon passage of a budget resolution, any fund balance used to balance a future budget, the amount used will be automatically recorded as Assigned Fund Balance.
b. If any unspent funds for an ongoing capital project or donations for a specific purpose remain at fiscal year-end, these funds will be automatically recorded as Assigned Fund Balance until the project is complete or the donation has been spent for its intended purpose.

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds

c. Equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that should report this category of fund balance.

For the purposes of fund balance classification, the County considers restricted amounts spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Furthermore, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, then committed amounts are spent first, followed by assigned amounts, and then unassigned amounts.

R. Compensation for Future Absences

It is the County's policy to permit employees to accumulate up to 120 hours of earned but unused vacation benefits. The County pays unused vacation benefits to employees who leave employment in good standing and provide proper notice upon resignation. Accumulated unpaid vacation pay amounts are accrued when incurred by the County in the government-wide financial statements. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources. The County does not pay unused sick pay benefits to employees.

2. Summary of Significant Accounting Policies (continued)

S. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements of the governmental fund types, bond premiums and discounts are recognized during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

T. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

U. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned. The County has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. Gilmer County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The County has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The County has no formal policy on the amount the County may invest in any one issurer.

Foreign currency risk

The County has no investments denominated in a foreign currency.

4. Accounts Receivable

Net accounts receivable at December 31, 2016 consist of the following:

Primary Government:		
Major Funds		
General Fund	$ 1,561,897	
Less: Allowance for Uncollectibles	(1,285,368)	$ 276,529
White Path Golf Course Enterprise Fund		761
Nonmajor Funds		
Emergency 911 Telephone Services Special Revenue Fund		54,175
Total primary government		$ 331,465
Component Units		
Gilmer County Department of Public Health		$ 31,254

5. Intergovernmental Receivables

Intergovernmental receivables are considered fully collectible and are stated at gross amounts receivable.

Intergovernmental receivables at December 31, 2016 consist of the following:

Primary Government:	
Major Funds	
General Fund	
Georgia Department of Transportation	$ 41,234
Nonmajor Funds	
Multiple Grant Fund	
Georgia Department of Transportation	27,682
FEMA Grant Fund	
Federal Emergency Management Agency	11,777
Total primary government	$ 80,693
Component Units	
Gilmer County Department of Public Health	
Georgia Department of Public Health	$ 4,351

6. Property Taxes

Property tax rates are set by the Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2016, based upon the assessments as of January 1, 2016, were levied on August 29, 2016, billed on August 30, 2016, and due on November 21, 2016. Tax liens may be issued 90 days after the due date.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of December 31, 2016 is as follows:

	Due from:					
	Major Funds				Nonmajor Funds	
	General	Debt Service SPLOST	SPLOST 2014	White Path Golf Course	Governmental	Total
Due to:						
Major Funds						
General	$ 0	$ 50,000	$ 4,261	$ 126,133	$ 46,330	$ 226,724
Debt Service SPLOST	48,409	0	0	0	0	48,409
Capital Projects	261,906	0	0	0	0	261,906
White Path Golf Course	3,631	0	0	0	0	3,631
Nonmajor Funds						
Governmental	232	0	0	0	0	232
Total	$ 314,178	$ 50,000	$ 4,261	$ 126,133	$ 46,330	$ 540,902

The balances reported as Due to/Due from represent loans between the borrower funds and the General Fund. These balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made.

Amounts due to the General Fund are primarily for reimbursements for operating purposes.

The amount due from the General Fund to the Debt Service SPLOST Fund is due to collection of property taxes not yet paid over from the General Fund.

8. Interfund Transfers

A summary of interfund transfers as of December 31, 2016 is as follows:

	Transfers out:					
	Major Funds				Nonmajor Funds	
	General	Debt Service SPLOST	SPLOST 2014	White Path Golf Course	Governmental	Total
Transfers in:						
Major Funds						
General	$ 0	$ 0	$ 0	$ 0	$ 508,559	$ 508,559
Debt Service SPLOST	0	0	695,000	0	0	695,000
SPLOST 2014	0	3,252,730	0	0	0	3,252,730
White Path Golf Course	1,722	0	0	0	0	1,722
Nonmajor Funds						
Governmental	1,059,980	0	1,880,258	19,885	0	2,960,123
	1,061,702	3,252,730	2,575,258	19,885	508,559	7,418,134
Transfer of capital assets						
White Path Golf Course	6,555	0	14,235	0	0	20,790
Total	$ 1,068,257	$ 3,252,730	$ 2,589,493	$ 19,885	$ 508,559	$ 7,438,924

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements.

The transfer from the Debt Service SPLOST Fund to the SPLOST 2014 Fund was to separate out SPLOST 2014 into its own separate fund for 2016. The transfer from SPLOST 2014 to Nonmajor Governmental Funds was to cover combined debt service payments that qualify under 2003 and 2014 SPLOST.

9. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2016 was as follows:

	Balance 12/31/2015	Increases	Decreases	Balance 12/31/2016
Governmental activities				
Nondepreciable assets				
Land	$ 13,749,118	$ 0	$ 0	$ 13,749,118
Construction in progress	2,376,984	241,794	(2,188,542)	430,236
Total non-depreciable assets	16,126,102	241,794	(2,188,542)	14,179,354
Depreciable assets				
Buildings	50,455,003	1,626,092	(42,550)	52,038,545
Land improvements	2,825,341	0	0	2,825,341
Machinery, equipment, and vehicles	18,434,877	1,326,717	(274,517)	19,487,077
Infrastructure	25,962,015	637,875	0	26,599,890
Total depreciable assets	97,677,236	3,590,684	(317,067)	100,950,853
Less accumulated depreciation				
Buildings and improvements	(11,512,809)	(1,160,984)	13,616	(12,660,177)
Land improvements	(1,123,198)	(68,585)	0	(1,191,783)
Machinery, equipment, and vehicles	(16,084,087)	(668,645)	269,071	(16,483,661)
Infrastructure	(6,025,047)	(672,913)	0	(6,697,960)
Total accumulated depreciation	(34,745,141)	(2,571,127)	282,687	(37,033,581)
Total depreciable assets, net	62,932,095	1,019,557	(34,380)	63,917,272
Governmental activities capital assets, net	$ 79,058,197	$ 1,261,351	$ (2,222,922)	$ 78,096,626
Business-type activities				
Nondepreciable assets				
Land	$ 56,000	$ 0	$ 0	$ 56,000
Total non-depreciable assets	56,000	0	0	56,000
Depreciable assets				
Buildings and improvements	0	16,835	0	16,835
Land improvements	21,826	0	0	21,826
Machinery, equipment, and vehicles	11,616	11,909	0	23,525
Total depreciable assets	33,442	28,744	0	62,186
Less accumulated depreciation				
Land improvements	(21,826)	0	0	(21,826)
Machinery, equipment, and vehicles	0	(2,621)	0	(2,621)
Total accumulated depreciation	(21,826)	(2,621)	0	(24,447)
Total depreciable assets, net	11,616	26,123	0	37,739
Business-type activities capital assets, net	$ 67,616	$ 26,123	$ 0	$ 93,739

9. Capital Assets (continued)

Activity for the discretely presented component units for the year ended June 30, 2016 are as follows:

	Balance 6/30/2015	Increases	Decreases	Balance 6/30/2016
Gilmer County Department of Public Health				
Depreciable assets				
Vehicles	$ 17,518	$ 0	$ 0	$ 17,518
Computer Equipment	7,188	0	0	7,188
Total Depreciable Assets	24,706	0	0	24,706
Less accumulated depreciation				
Vehicles	(17,518)	0	0	(17,518)
Computer Equipment	(3,794)	(2,396)	0	(6,190)
Total accumulated depreciation	(21,312)	(2,396)	0	(23,708)
Total Health Department depreciable assets, net	$ 3,394	$ (2,396)	$ 0	$ 998

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 647,043
Judicial	3,246
Public Safety	808,591
Public Works	790,940
Health and Welfare	23,733
Culture and Recreation	171,063
Housing and Development	126,511
Total depreciation expense for governmental activities	$ 2,571,127
Business-type activities	
White Path Golf Course	$ 2,621
Discretely presented component units	
Gilmer County Department of Public Health	$ 2,396

10. Short-Term Debt

The County paid off a tax anticipation note for operating purposes of $1,550,000 at a financial institution. The note carried an interest rate of 2.88% and matured on December 31, 2016. As of December 31, 2016, the principal was paid in full.

The short-term borrowings interest incurred and expensed for the period ended December 31, 2016 was $10,283.

Short-term debt activity for the year ended December 31, 2016, is as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Tax anticipation note	$ 0	$ 1,550,000	$ (1,550,000)	$ 0

11. Capital and Operating Lease Agreements

The County has entered into agreements for the lease of certain facilities and equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at December 31, 2016 total $878,427 for governmental activities. The machinery and equipment has a 10-year useful life and the vehicles have a 5-year useful life. This year $179,761 was included in depreciation expense. Total assets leased under capital leases are $1,526,467 for governmental activities, consisting of:

	Cost	Accumulated Depreciation
Machinery and equipment	$ 681,009	$ 490,187
Vehicles	845,458	356,802
Total assets under capital leases	$ 1,526,467	$ 846,989

11. Capital and Operating Lease Agreements (continued)

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2016:

Year Ending December 31,	Governmental activities
2017	$ 297,546
2018	175,032
2019	175,032
2020	61,945
2021	54,706
2022-2025	178,280
Total minimum lease payments	942,541
Less amounts representing interest	(64,114)
Present value of minimum lease payments	$ 878,427

The County's lease agreements, other than such agreements described above, are relatively minor commitments and are in compliance with state law.

12. Long-Term Debt

Governmental Activities

Bonds Payable

General Obligation Sales Tax Bonds, Series 2007 - In 2007, the County issued general obligation bonds in the amount of $30,000,000. The bonds are issued as term bonds with interest rates from 4% to 5% maturing April 1, 2032. The purpose of the bonds is to finance the costs of acquiring, constructing, remodeling, and equipping of various capital improvement projects. The bonds are secured by a 1% local option sales tax approved by the voters on November 6, 2007 and then from the levy of an ad valorem tax. As of December 31, 2016, the bonds had an outstanding balance of $3,990,000.

12. Long-Term Debt (continued)

Governmental Activities, continued

Bonds Payable, continued

Building Authority Revenue Bonds, Series 2008 A & B - In 2008, the County issued refunding revenue bonds in the amount of $7,500,000. The bonds are issued as term bonds with interest rates from 3.75% to 4% maturing April 1, 2029. The purpose of the bonds is to finance the costs of Phase II of the new Courthouse and adjacent parking areas. The bonds are secured by sales tax proceeds and then from the levy of property tax. As of December 31, 2016, the bonds had an outstanding balance of $405,000.

Building Authority Refunding Revenue Bonds, Series 2014 - In 2014, the County issued refunding revenue bonds in the amount of $16,565,000. The bonds are issued as term bonds with interest rates from 3.09% maturing April 1, 2030. The purpose of the bonds was to refund the Building Authority Revenue Bonds, Series 2005. The bonds are secured by sales tax proceeds and then from the levy of property tax. As of December 31, 2016, the bonds had an outstanding balance of $15,495,000.

General Obligation Sales Tax Bonds, Series 2015 - On June 12, 2015, the County issued $22,900,000 in General Obligation Refunding Bonds, Series 2015, with interest rates of 2.37%. The Series 2015 bonds were issued to advance refund $24,770,000 of outstanding Series 2007 Bonds with an average interest rate of 4.65%. Net proceeds of $22,399,417 ($22,900,000 less $500,583 in underwriting fees and other costs of issuance) were applied to the $22,399,417 deposited into an irrevocable trust with an escrow agent. Principal and interest payments will be made based on the Series 2007 pay down schedule and the Series 2007 bonds will be called for redemption at 100% of the outstanding principal plus interest accrued to the redemption date. As of December 31, 2016, the bonds had an outstanding balance of $22,320,000.

12. Long-Term Debt (continued)

Governmental Activities, continued

Bonds Payable, continued

Building Authority Revenue Bonds, Series 2016 A - In 2016, the County issued refunding revenue bonds in the amount of $4,515,000. The bonds are issued as term bonds with interest rates from 3.09% maturing April 1, 2029. The purpose of the bonds was to refund the Building Authority Revenue Bonds, Series 2008 A. The bonds are secured by sales tax proceeds and then from the levy of property tax. As of December 31, 2016, the bonds had an outstanding balance of $4,515,000.

Building Authority Revenue Bonds, Series 2016 B - In 2016, the County issued refunding revenue bonds in the amount of $1,145,000. The bonds are issued as term bonds with interest rates from 1.85% maturing April 1, 2029. The purpose of the bonds was to refund the Building Authority Revenue Bonds, Series 2008 B. The bonds are secured by sales tax proceeds and then from the levy of property tax. As of December 31, 2016, the bonds had an outstanding balance of $1,145,000.

The annual requirements to amortize bonds payable as of December 31, 2016, are as follows:

Year Ending December 31,	Principal	Interest	Total
2017	$ 1,955,000	$ 1,338,024	$ 3,293,024
2018	2,725,000	1,463,882	4,188,882
2019	2,870,000	1,165,690	4,035,690
2020	2,935,000	1,092,486	4,027,486
2021	3,005,000	1,017,426	4,022,426
2022 - 2026	16,265,000	3,889,946	20,154,946
2027 - 2031	14,125,000	1,735,712	15,860,712
2032	3,990,000	99,750	4,089,750
Totals	$ 47,870,000	$ 11,802,916	$ 59,672,916

12. Long-Term Debt (continued)

Changes in Long - Term Debt

The following is a summary of changes in long-term debt of the County for the fiscal year ending December 31, 2016.

	Balance 12/31/2015	Additions	Deductions	Balance 12/31/2016	Due Within One Year
Governmental activities					
Bonds payable	$ 49,140,000	$ 5,660,000	$ 6,930,000	$ 47,870,000	$ 1,955,000
Unamortized bond premium	12,867	0	12,867	0	0
Capital leases	289,445	923,877	334,895	878,427	278,013
Landfill post-closure care costs	384,722	0	20,359	364,363	20,359
Compensated absences	196,887	299,870	196,887	299,870	299,870
Total governmental activities	$ 50,023,921	$ 6,883,747	$ 7,495,008	$ 49,412,660	$ 2,553,242
Business-type activities					
Compensated absences	$ 4,902	$ 4,026	$ 4,902	$ 4,026	$ 4,026

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. In prior years, long-term liabilities, such as compensated absences of the governmental activities were liquidated in the General Fund. The landfill post-closure care costs are paid for by the General Fund. The total interest incurred and charged to expense for the year ended December 31, 2016 was $1,581,271 for the governmental activities.

12. Long-Term Debt (continued)

Changes in Long - Term Debt, continued

Long-term liability activity for the Gilmer County Department of Public Health Component Unit for the year ended June 30, 2016, was as follows:

	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016	Due Within One Year
Health Department					
Compensated absences	$ 37,077	$ 28,881	$ (30,055)	$ 35,903	$ 17,952

13. Bond Refunding

On April 1, 2016, the County issued $5,660,000 in Building Authority Revenue Refunding Bonds, Series 2016 A and 2016 B, with interest rates of 1.85%. The Series 2016 A&B bonds were issued to advance refund $5,565,000 of outstanding Series 2008 A&B bonds with an average interest rate of 4.13%. Net proceeds of $5,540,703 ($5,660,000 less $119,297 in underwriting fees and other costs of issuance) were applied to the $5,540,703 deposited into an irrevocable trust with an escrow agent. Principal and interest payments will be made based on the Series 2008 A&B pay down schedule and the Series 2008 A&B bonds will be called for redemption at 100% of the outstanding principal plus interest accrued to the redemption date. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $397,264. This difference, reported in the financial statements as a Deferred Outflows of Resources, net of current year amortization expense of $15,279, is being charged to operations through the year 2029 using the effective interest method. The County completed the current refunding to reduce its total debt service payments over the next 13 years by $530,801 and to obtain an economic gain (the difference between the present value of the old debt and new debt service payments) of $522,557.

14. Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require the County to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for up to thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports an estimated portion of these closure and post closure care costs as a current operating expenditure in each period based on landfill capacity used as of each balance sheet date. The estimated costs are subject to adjustment due to changes in inflation or deflation, technology, or applicable laws or regulations. The current amount of post closure care costs remaining as of December 31, 2016 is $364,363, which is recognized in the government-wide financial statements. The landfill was officially closed April 8, 1994.

15. Restricted, Committed, and Assigned Fund Balances

The following is a summary of restricted, committed, and assigned fund balances of the governmental funds for the fiscal year ended December 31, 2016:

	General	Debt Service SPLOST	SPLOST 2014	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:						
Judicial						
Drug Treatment	$ 26,999	$ 0	$ 0	$ 0	$ 0	$ 26,999
Crime victims assistance	13,591	0	0	0	0	13,591
Juvenile court	88,492	0	0	0	0	88,492
Clerk of court equipment	180,489	0	0	0	0	180,489
Public Safety						
E911 facilities and equipment	0	0	0	0	75,272	75,272
Detention center	93,317	0	0	0	0	93,317
Fire department	2,116	0	0	0	0	2,116
Public Works						
Capital projects	0	0	0	0	766,033	766,033
Capital projects	0	0	3,259,187	262,047	93,082	3,614,316
Debt Service	0	2,476,211	0	0	0	2,476,211
	$ 405,004	$ 2,476,211	$ 3,259,187	$ 262,047	$ 934,387	$ 7,336,836

16. Changes in Beginning Balances

Governmental Activities

A prior period adjustment has been made to remove a liability that was recorded in error. This adjustment increased beginning net position by $193,303.

A prior period adjustment has been made to record an accounts payable for an amount that was not accrued at December 31, 2015. This adjustment decreased beginning net position by $33,319.

These adjustments increased beginning net position by $159,984.

Governmental Funds

General Fund

A prior period adjustment has been made to remove a liability that was recorded in error in prior years. The prior period adjustment for the year ended December 31, 2015 was $92,122. The December 31, 2015 amounts were restated for the effect on years ending prior to December 31, 2015 in the amount of $101,181. These adjustments increased beginning fund balance by $193,303.

Hotel/Motel Fund

A prior period adjustment has been made to record an accounts payable for an amount that was not accrued at December 31, 2015. This adjustment decreased beginning fund balance by $33,319.

17. Retirement Plans

Defined Contribution Pension Plan

Plan Description: Gilmer County sponsors two Section 457 deferred compensation plans and a 401(k) plan. These plans are named collectively as the Gilmer County Board of Commissioners Retirement Plan (the Plan) and are defined contribution pension plans. The plans are administered by the Hartford Life Insurance Company and AIG-Valic. Changes to plan benefits or contribution levels may be requested by the County but must be approved by the respective administrator. The plans cover all employees upon date of hire. Employees may defer up to the Section 502(g) limit and are 100% vested in such deferral amounts. During the year ended December 31, 2016, the County contributed $24,370 and plan member voluntary contributions were $114,891.

Other Plans. In addition to the plan above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports.

18. Hotel/Motel Lodging Tax

The County levies a 5% lodging tax. A summary of the transactions for the fiscal year ending December 31, 2016 follows:

Lodging Tax Receipts	$ 556,304	
Disbursements for trade and tourism	$ 389,426	70% of tax receipts

19. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northwest Georgia area, is a member of the Northwest Georgia Regional Commission (NWGRC) and is required to pay annual dues thereto. During the year ended December 31, 2016, the County paid $27,164 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the NWGRC financial statements can be obtained from NWGRC, 1 Jackson Hill Drive, Rome, Georgia 30162.

Gilmer County also entered into an agreement creating a multijurisdictional drug task force known as the Zell Miller Mountain Parkway Drug Task Force (ZMPDTF). This task force was established to cover the counties of Fannin, Gilmer, and Pickens. The Board of Directors include the District Attorney, the Sheriff of the three counties and a Georgia State Trooper. During the year ended December 31, 2016, the County paid $42,142 to the ZMPDTF. A copy of the ZMPDTF financial statements can be obtained from the Pickens County Sheriff's Office, 2985 Camp Road, Jasper, Georgia 30143.

Gilmer County also entered into an agreement creating the Joint Development Authority of Gilmer County and the Cities of Ellijay and East Ellijay. This Authority was established to promote development within Gilmer County and the cities of Ellijay and East Ellijay. The Board of Directors are appointed equally by the County and Cities. During the year ended December 31, 2016, the County paid $90,000 to the Authority. A copy of the Authority's financial statements can be obtained from the Authority's Office, 696 First Ave., East Ellijay, Georgia 30540.

20. Risk Management

The County is exposed to various risks in terms of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has not decreased any of its insurance coverage from the prior year, and there have been no claims in excess of insurance coverage over the past three years.

Other

The County joined the Georgia Interlock Risk Management Agency (GIRMA). The County management, based on anticipated needs, selects insurance coverage and deductible options for property, casualty and crime under the policy. The County is required to pay all premiums, applicable deductibles and assessments billed by GIRMA, as well as following loss reductions and prevention procedures established by GIRMA. GIRMA's responsibility includes paying claims, and representing the County in defense and settlement of claims. GIRMA's basis for estimating the liabilities for unpaid claims in "IBNR" is established by an actuary. The County has not completed a record of the claims paid up to the applicable deductible for the prior year or the current fiscal year. The County is unaware of any claims that the County is liable (up to the applicable deductible) which were outstanding and unpaid at December 31, 2016. No provisions have been made in the financial statements for the twelve months ended December 31, 2016 or any estimate of potential unpaid claims.

The County participates in the Association County Commissioners of Georgia (ACCG) Group Self-Insurance Workers' Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees made up of representatives from participating counties. Losses are paid by the fund.

Excess losses, if any, are covered by reinsurance and would be paid by the reinsurer. The members of the Fund are assessable if the losses that the Fund must pay exceed the assets of the pool. At December 31, 2016, there was no need for such an assessment. Therefore, no liability for this has been included in these financial statements.

20. Risk Management (continued)

Other, continued

As part of these risk pools (GIRMA & GSIWCF), the County is obligated to pay all contributions and assessments to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the funds to pay any type of loss. The County is also to allow all pools' agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the County.

As part of these risk pools (GIRMA & GSIWCF), the County is obligated to pay all contributions and assessments to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the funds to pay any type of loss. The County is also to allow all pools' agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the County.

Workers' Compensation

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 worker's compensation law of Georgia. The funds are to pay all costs assessed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverage.

21. Commitments and Contingencies

Contingencies

The County is involved in civil lawsuits filed in the normal course of its activities. The majority of these claims are considered minimal with a favorable outcome expected. The County's position is to vigorously defend its position or seek an out of court settlement. These particular cases are covered by the County's liability insurance less the applicable deductible amount of $15,000 for each case.

22. Subsequent Event

On April 25, 2017, the County issued $3,750,000 in General Obligation Refunding Bonds, Series 2017, with interest rates of 2.00%. The Series 2017 bonds were issued to advance refund $4,003,854 of outstanding Series 2007 Bonds with average interest rates of 4.00% and 5.00%, respectively. Net proceeds of $4,093,177 ($3,750,000 plus $380,677 premium less $37,500 in underwriter's discount) were applied to the $4,093,177 deposited into an irrevocable trust with an escrow agent with $4,003,854 to be used to pay off remaining Series 2007 Bonds and $89,323 to be used to pay issue costs. Principal and interest payments will be made based on the Series 2007 pay down schedule and the Series 2017 bonds will be called for redemption at 100% of the outstanding principal plus interest accrued to the redemption date.

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COMBINING STATEMENTS

Nonmajor Governmental Funds

GILMER COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

	Special Revenue		
	Emergency 911 Telephone Services	**Hotel/ Motel Tax**	**Multiple Grant**
ASSETS			
Cash and cash equivalents	$ 42,845	$ 0	$ 419,885
Receivables			
Accounts	54,175	0	0
Intergovernmental	0	0	27,682
Taxes	0	102,971	0
Due from other funds	232	0	0
Total assets	$ 97,252	$ 102,971	$ 447,567
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 2,417	$ 72,080	$ 22,547
Accrued salaries	19,563	0	0
Due to other funds	0	30,891	9,248
Total liabilities	21,980	102,971	31,795
Fund balances			
Restricted for:			
Public safety	75,272	0	0
Public works	0	0	415,772
Capital outlay	0	0	0
Total fund balances	75,272	0	415,772
Total liabilities and fund balances	$ 97,252	$ 102,971	$ 447,567

Special Revenue	Capital Projects		
FEMA Grant	SPLOST 2001	SPLOST 2003	Total Nonmajor Governmental Funds
$ 347,979	$ 0	$ 93,082	$ 903,791
0	0	0	54,175
11,777	0	0	39,459
0	0	0	102,971
0	0	0	232
$ 359,756	$ 0	$ 93,082	$ 1,100,628
$ 3,304	$ 0	$ 0	$ 100,348
0	0	0	19,563
6,191	0	0	46,330
9,495	0	0	166,241
0	0	0	75,272
350,261	0	0	766,033
0	0	93,082	93,082
350,261	0	93,082	934,387
$ 359,756	$ 0	$ 93,082	$ 1,100,628

GILMER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2016

	Special Revenue		
REVENUES	**Emergency 911 Telephone Services**	**Hotel/ Motel Tax**	**Multiple Grant**
Taxes	$ 0	$ 556,304	$ 0
Charges for services	462,658	0	0
Intergovernmental	0	0	610,270
Interest	51	0	203
Other	1,784	0	401
Total revenues	464,493	556,304	610,874
EXPENDITURES			
Current			
Public Safety	838,356	0	0
Public Works	0	0	415,441
Culture and Recreation	0	0	60,816
Housing and Development	0	389,426	0
Capital Outlay	0	0	0
Total expenditures	838,356	389,426	476,257
Excess (deficiency) of revenues over (under) expenditures	(373,863)	166,878	134,617
Other financing sources (uses)			
Transfers in	565,086	0	307,134
Transfers (out)	(175,000)	(133,559)	(200,000)
Total other financing sources (uses)	390,086	(133,559)	107,134
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	16,223	33,319	241,751
Fund balances, January 1, original	59,049	0	174,021
Prior period adjustment	0	(33,319)	0
Fund balances, January 1, restated	59,049	(33,319)	174,021
Fund balances, December 31	$ 75,272	$ 0	$ 415,772

Special Revenue	Capital Projects		
FEMA Grant	SPLOST 2001	SPLOST 2003	Total Nonmajor Governmental Funds
$ 0	$ 0	$ 0	$ 556,304
0	0	0	462,658
394,634	0	0	1,004,904
116	0	16	386
16	0	0	2,201
394,766	0	16	2,026,453
0	0	0	838,356
191,060	0	1,769,478	2,375,979
79,490	0	0	140,306
0	0	0	389,426
0	5,339	0	5,339
270,550	5,339	1,769,478	3,749,406
124,216	(5,339)	(1,769,462)	(1,722,953)
226,045	0	1,861,858	2,960,123
0	0	0	(508,559)
226,045	0	1,861,858	2,451,564
350,261	(5,339)	92,396	728,611
0	5,339	686	239,095
0	0	0	(33,319)
0	5,339	686	205,776
$ 350,261	$ 0	$ 93,082	$ 934,387

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GENERAL FUND

The general operating fund of the County is used to account for all financial resources except those required to be accounted for in another fund.

GILMER COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
December 31, 2016 and 2015

ASSETS	**2016**	**2015**
Cash and cash equivalents	$ 5,279,936	$ 4,834,586
Receivables (net)		
Accounts	276,529	308,669
Intergovernmental	41,234	47,243
Taxes	1,204,038	1,170,756
Due from other funds	226,724	217,419
Prepaids	216,210	219,298
Inventories	8,520	6,687
Restricted assets		
Cash	405,004	320,378
Total assets	$ 7,658,195	$ 7,125,036
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Payables		
Accounts	$ 467,038	$ 303,709
Intergovernmental	546,781	688,322
Accrued salaries and payroll liabilities	475,009	433,701
Due to other funds	314,178	315,194
Total liabilities	1,803,006	1,740,926
Deferred inflows of resources		
Unavailable revenue - property taxes	442,947	551,592
Fund balances		
Nonspendable:		
Prepaids	216,210	219,298
Inventories	8,520	6,687
Restricted for:		
Judicial	309,571	279,105
Public Safety	95,433	40,795
Public Works	0	478
Unassigned	4,782,508	4,286,155
Total fund balances	5,412,242	4,832,518
Total liabilities, deferred inflows of resources and fund balances	$ 7,658,195	$ 7,125,036

GILMER COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2016 and 2015

REVENUES	**2016**	**2015**
Taxes	$ 14,427,059	$ 13,898,755
Licenses and permits	204,874	193,123
Fines, fees and forfeitures	623,045	629,669
Charges for services	2,217,336	1,951,581
Intergovernmental	1,085,180	951,044
Interest	4,696	2,943
Other	276,510	140,767
Total revenues	18,838,700	17,767,882
EXPENDITURES		
Current		
General Government	2,661,542	2,687,012
Judicial	2,307,568	2,187,487
Public Safety	8,860,107	8,662,440
Public Works	2,154,678	2,374,076
Health and Welfare	321,024	346,597
Culture and Recreation	845,430	786,261
Housing and Development	560,218	386,643
Total Current	17,710,567	17,430,516
Debt Service		
General Government	17,204	53,722
Public Safety	0	139,556
Public Works	0	11,608
Total Debt Service	17,204	204,886
Total expenditures	17,727,771	17,635,402
Excess of revenues over expenditures	1,110,929	132,480
Other financing sources (uses)		
Transfers in	508,559	466,295
Transfers out	(1,068,257)	(588,554)
Proceeds from capital leases	0	193,201
Sale of capital assets	28,493	28,286
Total other financing sources (uses)	(531,205)	99,228
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	579,724	231,708
Fund balances, January 1, original	4,832,518	4,508,688
Prior period adjustment	0	92,122
Fund balances, January 1, restated	4,832,518	4,600,810
Fund balances, December 31	$ 5,412,242	$ 4,832,518

GILMER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(with comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Real and personal tax	$ 8,155,552	$ 8,155,551	$ (1)	$ 7,707,345
Motor vehicle tax	1,056,850	1,056,850	0	1,243,421
Mobile home tax	68,325	68,324	(1)	68,271
Timber tax	4,934	4,934	0	3,665
Cost, penalties and interest	262,043	262,043	0	311,146
Total general property taxes	9,547,704	9,547,702	(2)	9,333,848
Local option sales tax	2,900,000	2,922,628	22,628	2,869,458
Insurance premium tax	1,458,548	1,458,548	0	1,370,611
Franchise tax	179,283	179,283	0	0
Intangibles tax	182,788	182,789	1	159,459
Real estate transfer tax	46,734	46,733	(1)	65,435
Beer and wine tax	57,744	57,745	1	54,190
Railroad equipment tax	4,879	4,880	1	4,715
Occupational tax	19,949	19,949	0	24,184
Other tax	6,803	6,802	(1)	16,855
Total taxes	14,404,432	14,427,059	22,627	13,898,755
Licenses and permits				
Building permits	143,462	143,461	(1)	140,015
Business licenses	61,412	61,413	1	53,108
Total licenses and permits	204,874	204,874	0	193,123
Fines, fees and forfeitures	627,733	623,045	(4,688)	629,669
Charges for Services				
Emergency services	1,003,650	977,988	(25,662)	786,172
Sheriff services	137,030	137,030	0	146,660
Prisoner board	0	0	0	300
Recreation fees	119,358	119,358	0	114,130
Landfill fees	462,390	462,391	1	403,622
Airport fees	51,823	51,822	(1)	54,263
Collections on commissions	436,492	436,492	0	416,023
Other charges for services	32,255	32,255	0	30,411
Total charges for services	2,242,998	2,217,336	(25,662)	1,951,581
Intergovernmental	1,085,641	1,085,180	(461)	951,044
Interest	4,695	4,696	1	2,943

GILMER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(with comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Other				
Rental income	$ 41,740	$ 41,740	$ 0	$ 50,722
Miscellaneous	234,766	234,770	4	90,045
Total other	276,506	276,510	4	140,767
Total revenues	$ 18,846,879	$ 18,838,700	$ (8,179)	$ 17,767,882

GILMER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(with comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Board of Commissioners				
Personal services	$ 364,101	$ 364,025	$ 76	$ 389,925
Contract services	245,768	245,717	51	165,461
Materials and supplies	23,547	23,619	(72)	24,317
Capital outlay	0	0	0	33,599
Payment to others	6,000	6,000	0	2,000
Total Board of Commissioners	639,416	639,361	55	615,302
County Administration				
Personal services	18,621	18,619	2	16,683
Contract services	41,705	41,706	(1)	34,328
Payment to others	1,000	1,000	0	4,317
Total County Administration	61,326	61,325	1	55,328
Elections/Registrar				
Personal services	88,850	88,853	(3)	46,140
Contract services	108,966	108,845	121	20,303
Materials and supplies	4,537	4,537	0	9,119
Total Elections/Registrar	202,353	202,235	118	75,562
Tax Commissioner				
Personal services	330,002	332,338	(2,336)	321,987
Contract services	90,865	90,866	(1)	75,041
Materials and supplies	17,453	17,289	164	22,908
Total Tax Commissioner	438,320	440,493	(2,173)	419,936
Tax Assessor				
Personal services	612,904	609,143	3,761	563,444
Contract services	102,005	102,209	(204)	105,726
Materials and supplies	14,198	14,032	166	28,136
Capital outlay	0	0	0	77,000
Total Tax Assessor	729,107	725,384	3,723	774,306
Facility Management				
Personal services	158,372	158,374	(2)	164,844
Contract services	208,482	207,297	1,185	313,992
Materials and supplies	208,846	208,755	91	225,220
Capital outlay	0	0	0	25,000
Total Facility Management	575,700	574,426	1,274	729,056
Board of Equalization				
Personal services	13,342	13,343	(1)	11,831
Contract services	4,009	4,009	0	5,691
Materials and supplies	966	966	0	0
Total Board of Equalization	18,317	18,318	(1)	17,522
Total General Government	2,664,539	2,661,542	2,997	2,687,012

GILMER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(with comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Judicial				
Superior Court				
Personal services	$ 91,810	$ 91,805	$ 5	$ 104,116
Contract services	198,115	198,115	0	226,558
Materials and supplies	36,266	36,265	1	38,851
Total Superior Court	326,191	326,185	6	369,525
Clerk of Superior Court				
Personal services	478,632	478,630	2	446,132
Contract services	42,346	42,346	0	31,496
Materials and supplies	44,673	43,798	875	45,684
Total Clerk of Superior Court	565,651	564,774	877	523,312
District Attorney				
Personal services	341,642	341,641	1	341,402
Contract services	4,632	4,633	(1)	4,509
Materials and supplies	42,025	42,025	0	42,094
Total District Attorney	388,299	388,299	0	388,005
Magistrate Court				
Personal services	197,013	197,010	3	189,273
Contract services	11,384	11,383	1	10,546
Materials and supplies	9,588	9,589	(1)	8,195
Total Magistrate Court	217,985	217,982	3	208,014
Probate Court				
Personal services	238,684	238,683	1	198,387
Contract services	23,708	23,707	1	24,082
Materials and supplies	31,274	26,803	4,471	18,470
Total Probate Court	293,666	289,193	4,473	240,939
Juvenile Court				
Personal services	193,586	193,739	(153)	189,153
Contract services	59,215	59,216	(1)	30,932
Materials and supplies	16,892	16,892	0	13,498
Total Juvenile Court	269,693	269,847	(154)	233,583
Public Defender				
Contract services	53,670	50,668	3,002	107,572
Materials and supplies	7,494	7,493	1	7,917
Payments to other agencies	193,127	193,127	0	108,620
Total Public Defender	254,291	251,288	3,003	224,109
Total Judicial	2,315,776	2,307,568	8,208	2,187,487

GILMER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(with comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Public Safety				
Sheriff				
Personal services	$ 2,594,562	$ 2,594,564	$ (2)	$ 2,419,947
Contract services	418,055	416,154	1,901	358,891
Materials and supplies	300,271	287,839	12,432	310,413
Capital outlay	0	0	0	143,500
Total Sheriff	3,312,888	3,298,557	14,331	3,232,751
Detention Center				
Personal services	1,278,346	1,278,349	(3)	1,284,139
Contract services	450,191	441,813	8,378	414,883
Materials and supplies	285,302	284,931	371	295,596
Capital outlay	0	0	0	130,173
Total Detention Center	2,013,839	2,005,093	8,746	2,124,791
Appalachian DTF				
Contract services	42,142	42,142	0	30,467
Fire				
Personal services	2,449,247	2,449,248	(1)	2,334,179
Contract services	457,697	453,883	3,814	358,116
Materials and supplies	254,140	251,682	2,458	268,626
Capital outlay	0	0	0	26,728
Payments to others	39,702	39,702	0	19,851
Total Fire	3,200,786	3,194,515	6,271	3,007,500
Coroner				
Personal services	36,869	36,747	122	25,728
Contract services	13,644	13,644	0	20,983
Materials and supplies	3,201	3,202	(1)	2,340
Total Coroner	53,714	53,593	121	49,051
Emergency Management				
Personal services	33,297	33,294	3	34,436
Contract services	24,983	24,983	0	16,393
Materials and supplies	9,471	9,471	0	855
Total Emergency Management	67,751	67,748	3	51,684
Animal Control				
Personal services	138,869	138,866	3	113,512
Contract services	9,525	9,525	0	14,108
Materials and supplies	50,307	50,068	239	38,576
Total Animal Control	198,701	198,459	242	166,196
Total Public Safety	8,889,821	8,860,107	29,714	8,662,440

GILMER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(with comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Public Works				
Road Department				
Personal services	$ 512,475	$ 512,475	$ 0	$ 687,602
Contract services	428,355	427,182	1,173	155,442
Materials and supplies	252,790	252,454	336	336,268
Capital outlay	6,150	0	6,150	337,670
Total Road Department	1,199,770	1,192,111	7,659	1,516,982
Landfill				
Personal services	284,310	284,311	(1)	248,427
Contract services	458,824	443,160	15,664	367,100
Total Landfill	743,134	727,471	15,663	615,527
Maintenance Shop				
Personal services	139,760	139,758	2	165,040
Contract services	857	857	0	165
Materials and supplies	9,209	9,209	0	5,387
Total Maintenance Shop	149,826	149,824	2	170,592
Airport				
Personal services	30,305	30,087	218	24,167
Contract services	24,977	24,977	0	11,992
Materials and supplies	26,713	26,713	0	34,816
Payments to others	3,494	3,495	(1)	0
Total Airport	85,489	85,272	217	70,975
Total Public Works	2,178,219	2,154,678	23,541	2,374,076
Health and Welfare				
Health Department				
Contract services	7,614	7,614	0	7,063
Materials and supplies	12,311	12,311	0	12,099
Payments to others	134,835	134,834	1	134,834
Total Health Department	154,760	154,759	1	153,996
Bus Transportation				
Contract services	154,715	137,982	16,733	149,337
Materials and supplies	8,790	8,790	0	0
Total Bus Transportation	163,505	146,772	16,733	149,337
Senior Citizens Center				
Materials and supplies	265	265	0	261
DFACS				
Payments to others	18,000	18,000	0	18,000
Community Service				
Personal services	0	0	0	18,415
Contract services	0	0	0	439
Materials and supplies	0	0	0	3,538
Total Community Service	0	0	0	22,392
Family Connection				
Personal services	1,860	879	981	2,137
Contract services	348	349	(1)	474
Total Family Connection	2,208	1,228	980	2,611
Total Health and Welfare	338,738	321,024	17,714	346,597

GILMER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(with comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Culture and Recreation				
Parks and Recreation				
Personal services	$ 303,976	$ 303,746	$ 230	$ 265,496
Contract services	81,544	79,820	1,724	87,173
Materials and supplies	124,161	123,801	360	110,037
Capital outlay	5,000	5,000	0	0
Total Parks and Recreation	514,681	512,367	2,314	462,706
Libraries				
Contract services	5,426	5,426	0	4,090
Materials and supplies	37,349	37,348	1	39,976
Payments to others	249,576	249,576	0	233,532
Total Libraries	292,351	292,350	1	277,598
Civic Center				
Contract services	4,767	4,768	(1)	16,102
Materials and supplies	35,944	35,945	(1)	29,855
Total Civic Center	40,711	40,713	(2)	45,957
Total Culture and Recreation	847,743	845,430	2,313	786,261
Housing and Development				
Planning and Zoning				
Personal services	236,265	236,264	1	229,442
Contract services	71,319	70,733	586	59,081
Materials and supplies	7,942	7,942	0	14,464
Total Planning and Zoning	315,526	314,939	587	302,987
Code Enforcement				
Personal services	41,338	41,341	(3)	0
Contract services	14,467	14,469	(2)	0
Materials and supplies	979	980	(1)	0
Total Code Enforcement	56,784	56,790	(6)	0
County Agent				
Personal services	30,884	30,883	1	30,599
Contract services	4,998	4,997	1	5,494
Materials and supplies	2,609	2,609	0	2,563
Total County Agent	38,491	38,489	2	38,656
Joint Development Authority				
Payments to others	150,000	150,000	0	45,000
Total Housing and Development	560,801	560,218	583	386,643
Total Current	17,795,637	17,710,567	85,070	17,430,516

GILMER COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(with comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Debt Service				
General Government				
Board of Commissioners	$ 17,283	$ 17,204	$ 79	$ 26,728
Tax Assessor	0	0	0	26,994
Total General Government	17,283	17,204	79	53,722
Public Safety				
Sheriff	0	0	0	139,556
Public Works				
Road Department	0	0	0	11,608
Total Debt Service	17,283	17,204	79	204,886
Total Expenditures	$ 17,812,920	$ 17,727,771	$ 85,149	$ 17,635,402

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Emergency 911 Fund – This fund is used to account for the County's share of telephone fees for the operation of the 911 emergency system.

Hotel/Motel Tax Fund – This fund is used to account for Hotel/Motel tax collections which are used to support tourism in Gilmer County.

Multiple Grant Fund – This fund is used to account for grants received restricted for special purposes.

FEMA Grant Fund – This fund is used to account for FEMA grants received restricted for special purposes.

GILMER COUNTY, GEORGIA
EMERGENCY 911 TELEPHONE SERVICES
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2016 and 2015

ASSETS	**2016**	**2015**
Cash and cash equivalents	$ 42,845	$ 32,790
Accounts receivable	54,175	48,416
Due from other funds	232	1,822
Total assets	$ 97,252	$ 83,028
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 2,417	$ 4,159
Accrued salaries	19,563	19,295
Due to other funds	0	525
Total liabilities	21,980	23,979
Fund balances		
Restricted for Public Safety	75,272	59,049
Total liabilities and fund balances	$ 97,252	$ 83,028

GILMER COUNTY, GEORGIA
EMERGENCY 911 TELEPHONE SERVICES
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 462,658	$ 462,658	$ 0	$ 456,277
Interest	51	51	0	55
Other	1,784	1,784	0	0
Total revenues	464,493	464,493	0	456,332
EXPENDITURES				
Current				
Public Safety				
Personal services	710,161	710,161	0	613,565
Contract services	114,958	114,919	39	100,241
Supplies	20,709	13,276	7,433	14,110
Total expenditures	845,828	838,356	7,472	727,916
Excess (deficiency) of revenues over (under) expenditures	(381,335)	(373,863)	7,472	(271,584)
Other financing sources (uses)				
Transfers in	556,335	565,086	8,751	498,554
Transfers out	(175,000)	(175,000)	0	(275,000)
Total other financing sources (uses)	381,335	390,086	8,751	223,554
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	16,223	16,223	(48,030)
Fund balance, January 1	0	59,049	59,049	107,079
Fund balances, December 31	$ 0	$ 75,272	$ 75,272	$ 59,049

GILMER COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2016 and 2015

ASSETS	**2016**	**2015**
Taxes receivable	$ 102,971	$ 47,600
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 72,080	$ 33,319
Due to other funds	30,891	47,600
Total liabilities	102,971	80,919
Fund balances		
Assigned to housing and development	0	(33,319)
Total liabilities and fund balances	$ 102,971	$ 47,600

GILMER COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 556,300	$ 556,304	$ 4	$ 489,358
EXPENDITURES				
Current				
Housing and Development				
Payments to others	456,000	389,426	66,574	342,036
Total expenditures	456,000	389,426	66,574	342,036
Excess (deficiency) of revenues over (under) expenditures	100,300	166,878	66,578	147,322
Other financing sources (uses)				
Transfers out	(100,300)	(133,559)	(33,259)	(180,641)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	33,319	33,319	(33,319)
Fund balance, January 1, restated	0	(33,319)	(33,319)	0
Fund balances, December 31	$ 0	$ 0	$ 0	$ (33,319)

GILMER COUNTY, GEORGIA
MULTIPLE GRANT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2016 and 2015

ASSETS	**2016**	**2015**
Cash and cash equivalents	$ 419,885	$ 184,521
Intergovernmental receivable	27,682	0
Total assets	$ 447,567	$ 184,521
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 22,547	$ 7,437
Due to other funds	9,248	3,063
Total liabilities	31,795	10,500
Fund balances		
Restricted for public works	415,772	174,021
Total liabilities and fund balances	$ 447,567	$ 184,521

GILMER COUNTY, GEORGIA
MULTIPLE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 655,460	$ 610,270	$ (45,190)	$ 217,353
Interest	203	203	0	253
Other	400	401	1	0
Total revenues	656,063	610,874	(45,189)	217,606
EXPENDITURES				
Current				
Public Works				
Personal services	199,076	199,083	(7)	0
Contract Services	123,075	123,192	(117)	0
Supplies	28,075	28,076	(1)	0
Capital outlay	65,100	65,090	10	67,485
Culture and Recreation				
Contract services	17,590	3,020	14,570	3,019
Capital outlay	57,800	57,796	4	438,558
Total expenditures	490,716	476,257	14,459	509,062
Excess (deficiency) of revenues over (under) expenditures	165,347	134,617	(30,730)	(291,456)
Other financing sources (uses)				
Transfers in	0	307,134	(307,134)	90,000
Transfers out	0	(200,000)	200,000	0
Contingency	(165,347)	0	(165,347)	0
Total other financing sources (uses)	(165,347)	107,134	(272,481)	90,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	241,751	241,751	(201,456)
Fund balance, January 1	0	174,021	174,021	375,477
Fund balances, December 31	$ 0	$ 415,772	$ 415,772	$ 174,021

GILMER COUNTY, GEORGIA
FEMA GRANT SPECIAL REVENUE FUND
BALANCE SHEET
December 31, 2016

ASSETS

Cash and cash equivalents	$	347,979
Intergovernmental receivable		11,777
Total assets	$	359,756

LIABILITIES AND FUND BALANCES

Liabilities		
Accounts payable	$	3,304
Due to other funds		6,191
Total liabilities		9,495
Fund balances		
Restricted for public works		350,261
Total liabilities and fund balances	$	359,756

GILMER COUNTY, GEORGIA
FEMA GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 394,634	$ 394,634	$ 0
Interest	116	116	0
Other	15	16	1
Total revenues	394,765	394,766	1
EXPENDITURES			
Current			
Public Works			
Personal services	53,000	53,017	(17)
Contract Services	63,450	63,452	(2)
Supplies	74,595	74,591	4
Culture and Recreation			
Personal services	8,958	8,956	2
Contract services	44,500	44,416	84
Supplies	26,150	26,118	32
Total expenditures	270,653	270,550	103
Excess (deficiency) of revenues over (under) expenditures	124,112	124,216	104
Other financing sources (uses)			
Transfers in	0	226,045	226,045
Contingency	(124,112)	0	124,112
Total other financing sources (uses)	(124,112)	226,045	350,157
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	350,261	350,261
Fund balance, January 1	0	0	0
Fund balances, December 31	$ 0	$ 350,261	$ 350,261

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DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

Debt Service SPLOST Fund – This fund is used to account for the accumulation of resources and payment of general government long-term debt principal and interest financed by special purpose local option sales taxes.

GILMER COUNTY, GEORGIA
DEBT SERVICE SPLOST FUND
COMPARATIVE BALANCE SHEETS
December 31, 2016 and 2015

ASSETS	**2016**	**2015**
Cash and cash equivalents	$ 2,346,670	$ 4,041,477
Taxes receivable, net	222,113	439,314
Due from other funds	48,409	48,409
Restricted assets		
Cash and cash equivalents	12	106,383
Total assets	$ 2,617,204	$ 4,635,583
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Intergovernmental payable	$ 0	$ 25,602
Due to other funds	50,000	50,000
Total liabilities	50,000	75,602
Deferred Inflows of Resources		
Unavailable revenue - property taxes	90,993	78,103
Fund balances		
Restricted for debt service	2,476,211	4,481,878
Total liabilities, deferred inflows of resources, and fund balances	$ 2,617,204	$ 4,635,583

GILMER COUNTY, GEORGIA
DEBT SERVICE SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	$ 1,809,430	$ 1,809,431	$ 1	$ 5,010,216
Charges for services	112,556	112,556	0	132,868
Interest	1,201	1,201	0	2,362
Total revenues	1,923,187	1,923,188	1	5,145,446
EXPENDITURES				
Intergovernmental	0	0	0	292,765
Debt service	7,031,124	1,490,423	5,540,701	3,895,432
Total expenditures	7,031,124	1,490,423	5,540,701	4,188,197
Excess (deficiency) of revenues over (under) expenditures	(5,107,937)	432,765	5,540,702	957,249
Other financing sources (uses)				
Transfers in	695,000	695,000	0	0
Transfers out	0	(3,252,730)	(3,252,730)	(356,040)
Payment to refunded bond escrow agent	0	(5,540,702)	(5,540,702)	(22,399,417)
Proceeds of refunding bonds	5,660,000	5,660,000	0	22,900,000
Contingency	(1,247,063)	0	1,247,063	0
Total other financing sources (uses)	5,107,937	(2,438,432)	(7,546,369)	144,543
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(2,005,667)	(2,005,667)	1,101,792
Fund balances, January 1	0	4,481,878	4,481,878	3,380,086
Fund balances, December 31	$ 0	$ 2,476,211	$ 2,476,211	$ 4,481,878

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CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Special Purpose Local Option Sales Tax 2001Fund – This fund is used to account for long-term projects financed by the 2001 passage of a special purpose local option sales tax.

Special Purpose Local Option Sales Tax 2003 Fund – This fund is used to account for long-term projects financed by the 2003 passage of a special purpose local option sales tax.

Special Purpose Local Option Sales Tax 2014 Fund – This fund is used to account for long-term projects financed by the 2014 passage of a special purpose local option sales tax.

Capital Projects Fund – This fund is used to account for general purpose long-term capital projects financed from various revenue sources.

GILMER COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX 2001
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
December 31, 2016 and 2015

ASSETS	**2016**	**2015**
Cash and cash equivalents	$ 0	$ 5,339
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for capital outlay	$ 0	$ 5,339

GILMER COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX 2001
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2016 and 2015

REVENUES	**2016**	**2015**
Total revenues	$ 0	$ 0
EXPENDITURES		
Capital Outlay		
Solid Waste	5,339	0
Excess (deficiency) of revenues over (under) expenditures	(5,339)	0
Fund balances, January 1	5,339	5,339
Fund balances, December 31	$ 0	$ 5,339

GILMER COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX 2003
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
December 31, 2016 and 2015

ASSETS	**2016**	**2015**
Cash and cash equivalents	$ 93,082	$ 686
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for capital outlay	$ 93,082	$ 686

GILMER COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX 2003
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2016 and 2015

REVENUES	**2016**	**2015**
Interest	$ 16	$ 0
EXPENDITURES		
Debt service		
Public Works		
Road Department	1,769,478	357,106
Excess (deficiency) of revenues over (under) expenditures	(1,769,462)	(357,106)
Other financing sources (uses)		
Transfer in	1,861,858	355,200
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	92,396	(1,906)
Fund balances, January 1	686	2,592
Fund balances, December 31	$ 93,082	$ 686

GILMER COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX 2014
BALANCE SHEET
December 31, 2016

ASSETS		
Cash and cash equivalents	$	3,078,327
Taxes receivable, net		389,377
Total assets	$	3,467,704
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Accounts payable	$	174,469
Intergovernmental payable		29,787
Due to other funds		4,261
Total liabilities		208,517
Fund balances		
Restricted for capital outlay		3,259,187
Total liabilities and fund balances	$	3,467,704

GILMER COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX 2014
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2016

REVENUES	
Taxes	$ 3,922,545
Interest	2,246
Other	1,865
Total revenues	3,926,656
EXPENDITURES	
Capital outlay	
General Government	
Facilities Management	11,390
Tax Assessor	25,500
Public Safety	
Sheriff	190,575
Fire	739,630
E911	143,300
Public Works	
Administration	16,174
Road Department	317,012
Culture and Recreation	
Parks and Recreation	138,749
Housing and Development	
Planning and Zoning	31,500
Debt Service	
General Government	
Board of Commissioners	11,192
Tax Assessor	33,120
Public Safety	
Sheriff	183,187
Fire	107,222
Housing and Development	
Planning and Zoning	7,916
Intergovernmental	298,116
Total expenditures	2,254,583
Excess (deficiency) of revenues over (under) expenditures	1,672,073
Other financing sources (uses)	
Transfers in	3,252,730
Transfers out	(2,589,493)
Proceeds from capital leases	923,877
Total other financing sources (uses)	1,587,114
Excess (deficiency) of revenues and other financing source over (under) expenditures and other financing uses	3,259,187
Fund balances, January 1	0
Fund balances, December 31	$ 3,259,187

GILMER COUNTY, GEORGIA
CAPITAL PROJECTS
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
December 31, 2016 and 2015

ASSETS	**2016**	**2015**
Prepaids	1,300,666	1,646,931
Due from other funds	261,906	261,906
Restricted assets		
Cash and cash equivalents	141	141
Total assets	$ 1,562,713	$ 1,908,978
LIABILITIES AND FUND BALANCES		
Liabilities		
Fund balances		
Nonspendable:		
Prepaids	$ 1,300,666	$ 1,646,931
Restricted for capital outlay	262,047	262,047
Total fund balances	1,562,713	1,908,978
Total liabilities and fund balances	$ 1,562,713	$ 1,908,978

GILMER COUNTY, GEORGIA
CAPITAL PROJECTS
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the years ended December 31, 2016 and 2015

REVENUES	**2016**	**2015**
Interest	$ 0	$ 1,025
EXPENDITURES		
Capital outlay		
Public Safety		
Sheriff	0	161,778
Fire	0	163,000
Detention	346,265	0
Debt service	0	50,009
Total expenditures	346,265	374,787
Excess (deficiency) of revenues over (under) expenditures	(346,265)	(373,762)
Fund balances, January 1	1,908,978	2,282,740
Fund balances, December 31	$ 1,562,713	$ 1,908,978

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

White Path Golf Course Fund - Used to account for activities connected with the development, operation and maintenance of golf course services in Gilmer County.

GILMER COUNTY, GEORGIA
WHITE PATH GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2016 and 2015

	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	$ 60,158	$ 81,267
Accounts receivable	761	0
Due from other funds	3,631	3,057
Total current assets	64,550	84,324
Capital assets		
Land	56,000	56,000
Land improvements	21,826	21,826
Buildings	16,835	0
Machinery and equipment	23,525	11,616
Accumulated depreciation	(24,447)	(21,826)
Total capital assets (net of accumulated depreciation)	93,739	67,616
Total assets	158,289	151,940
LIABILITIES		
Current liabilities		
Accounts payable	15,727	1,706
Accrued salaries and other payroll liabilities	6,097	5,659
Compensated absences	4,026	4,902
Due to other funds	126,133	116,231
Total liabilities	151,983	128,498
NET POSITION		
Investment in capital assets	93,739	67,616
Unrestricted	(87,433)	(44,174)
Total net position	$ 6,306	$ 23,442

GILMER COUNTY, GEORGIA
WHITE PATH GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended December 31, 2016 and 2015

OPERATING REVENUES	**2016**	**2015**
Charges for sales and services	$ 437,987	$ 401,302
Total operating revenues	437,987	401,302
OPERATING EXPENSES		
Costs of sales and services	219,403	179,498
Personal services	235,815	216,615
Depreciation	2,621	0
Total operating expenses	457,839	396,113
Operating income (loss)	(19,852)	5,189
Non-operating revenues (expenses)		
Interest revenue	89	121
Net income (loss) before capital contributions and transfers	(19,763)	5,310
Capital contributions		
Contributions of capital assets from Governmental Activities	20,790	56,000
Net income (loss) before transfers	1,027	61,310
Transfers in	1,722	0
Transfers out	(19,885)	(9,814)
Total transfers in (out)	(18,163)	(9,814)
Change in net position	(17,136)	51,496
Net position, January 1	23,442	(28,054)
Net position, December 31	$ 6,306	$ 23,442

GILMER COUNTY, GEORGIA
WHITE PATH GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Receipts from customers	$ 437,226	$ 401,302
Payments to suppliers	(205,382)	(180,714)
Payments to employees	(236,253)	(216,026)
Net cash provided (used) by operating activities	(4,409)	4,562
Cash flows from non-capital financing activities:		
Receipts from other funds	11,624	1,944
Payments to other funds	(20,459)	(9,814)
Net cash provided by non-capital financing activities	(8,835)	(7,870)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(7,954)	(11,616)
Cash flows from investing activities:		
Interest received	89	121
Net increase (decrease) in cash and cash equivalents	(21,109)	(14,803)
Cash and cash equivalents, January 1	81,267	96,070
Cash and cash equivalents, December 31	$ 60,158	$ 81,267
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (19,852)	$ 5,189
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	2,621	0
(Increase) decrease in accounts receivable	(761)	0
Increase (decrease) in accounts payable	14,021	(1,216)
Increase (decrease) in accrued payroll liabilities	(438)	589
Total adjustments	15,443	(627)
Net cash provided (used) by operating activities	$ (4,409)	$ 4,562

Noncash capital and related financing activities:

Contributions of capital assets from other funds total $20,790 and $56,000 for the year ended December 31, 2016 and 2015, respectively.

AGENCY FUNDS

These funds are used to account for assets held by the County as an agent to be expended in accordance with the conditions of its agency capacity.

Tax Commissioner - This fund accounts for assets and related liabilities for the collection of taxes and tag and title fees.

Magistrate Court, Probate Court, and Clerk of Court - These funds account for assets and related liabilities for the collection of court related fees.

Inmate Escrow - This fund accounts for deposits held for incarcerated inmates.

GILMER COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
December 31, 2016

	Tax Commissioner	Magistrate Court
ASSETS		
Cash and cash equivalents	$ 793,485	$ 8,470
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other agencies	$ 793,485	$ 8,470

Probate Court	Clerk of Superior Court	Inmate Escrow Fund	Totals
$ 47,303	$ 461,553	$ 6,936	$ 1,317,747
$ 47,303	$ 461,553	$ 6,936	$ 1,317,747

GILMER COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended December 31, 2016

	Balance January 1	Additions	Deletions	Balance December 31
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 671,888	$ 34,998,335	$ 34,876,738	$ 793,485
LIABILITIES				
Due to others	$ 671,888	$ 34,998,335	$ 34,876,738	$ 793,485
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 9,240	$ 150,246	$ 151,016	$ 8,470
LIABILITIES				
Due to others	$ 9,240	$ 150,246	$ 151,016	$ 8,470
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 26,352	$ 404,481	$ 383,530	$ 47,303
LIABILITIES				
Due to others	$ 26,352	$ 404,481	$ 383,530	$ 47,303
CLERK OF SUPERIOR COURT				
ASSETS				
Cash and cash equivalents	$ 265,747	$ 992,773	$ 796,967	$ 461,553
LIABILITIES				
Due to others	$ 265,747	$ 992,773	$ 796,967	$ 461,553
INMATE ESCROW FUND				
ASSETS				
Cash and cash equivalents	$ 17,651	$ 621,988	$ 632,703	$ 6,936
LIABILITIES				
Due to others	$ 17,651	$ 621,988	$ 632,703	$ 6,936
TOTALS				
ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 990,878	$ 37,167,823	$ 36,840,954	$ 1,317,747
LIABILITIES				
Due to others	$ 990,878	$ 37,167,823	$ 36,840,954	$ 1,317,747

OTHER REPORTING SECTION

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SINGLE AUDIT SECTION

This section contains reports required by Uniform Guidance and grantor agencies.

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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*

Honorable Chairman and Members
of the Board of Commissioners
Gilmer 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 Gilmer County, Georgia, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Gilmer County, Georgia's basic financial statements and have issued our report thereon dated June 15, 2017. Our report includes a reference to other auditors who audited the financial statements of the Gilmer County Department of Public Health, as described in our report on Gilmer County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gilmer 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 Gilmer County's internal control. Accordingly, we do not express an opinion on the effectiveness of Gilmer County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as comments 2016-001 through 2016-002 to be material weaknesses.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs as comments 2016-003 through 2016-005 to be significant deficiencies.

Compliance and Other Matters

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

Gilmer County, Georgia's Responses to Findings

Gilmer County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Gilmer County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report is intended 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 Gilmer County, Georgia's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 15, 2017

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Honorable Chairman and Members
of the Board of Commissioners
Gilmer County, Georgia

Report on Compliance for Each Major Federal Program

We have audited Gilmer County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Gilmer County, Georgia's major federal programs for the year ended December 31, 2016. Gilmer County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Gilmer County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

Management of Gilmer County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Gilmer County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gilmer County, Georgia's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants
Gainesville, Georgia
June 15, 2017

GILMER COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2016

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
Department of Agriculture			
Schools and Roads - Grants to States	10.665	N/A	$ 44,526
Department of the Interior			
Passed through the Office of the State Treasurer			
Payments in Lieu of Taxes	15.226	FY2016	114,009
Department of Justice			
Bulletproof Vest Partnership Program	16.607	N/A	12,899
Department of Transportation			
Passed through the Georgia			
Department of Transportation:			
Airport Improvement Program	20.106	AP014-9021-13(123)	466,802
		AP014-9026-14(123)	26,145
		AP016-9029-15(123)	80,078
			573,025
Formula Grants for Other Than Urbanized Areas	20.509	GA-18-X033	88,930
		GA-18-X033-02	69,619
			158,549
State and Community Highway Safety	20.600	TEN-2016-000-00295	18,267
Total Department of Transportation			749,841
Department of Homeland Security			
Passed through the Georgia			
Emergency Management Agency (GEMA):			
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters)	97.036	GEMA-4259-DR-GA	394,634
Emergency Management Performance Grants	97.042	2016 PPA	16,011
Total Department of Homeland Security			410,645
Total Federal Awards			$ 1,331,920

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

GILMER COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2016

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Gilmer County, Georgia, under programs for the federal government for the year ended December 31, 2016. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

Gilmer County, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

GILMER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2016

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiencies identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
20.106 Airport Improvement Program	
Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

Comment 2016-001

Condition: While performing audit procedures at the Probate Court, we noted that all employees can receipt, make deposits, and record receipts in the accounting software. Additionally, the Clerk receipts monies and performs the bank reconciliations.

Criteria: Proper internal controls require adequate segregation of duties in control over adjustments to the general ledger.

Effect: Failure to maintain adequate segregation of duties subjects the assets of the County to greater risk of misappropriation.

Recommendation: To ensure that sufficient internal controls are in place, the Probate Court Judge should review the daily receipt report and the monthly bank reconciliations evidencing his review with initials.

Management Response: Management concurs with this finding. Management will advise the appropriate Elected Officials to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

Comment 2016-002

Condition: While performing procedures at the Probate Court, we noted that bank reconciliations were not performed every month.

Criteria: Proper internal controls require that cash accounts be reconciled to the general ledger in a timely manner, usually monthly.

Effect: Failure to reconcile cash accounts exposes the County to greater risk of loss and may lead to management decisions based on incorrect information.

Recommendation: At a minimum, bank reconciliations should be prepared and reviewed on a monthly basis.

Management Response: Management concurs with this finding. Management will advise the appropriate Elected Officials to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

Comment 2016-003

Condition: County personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the County relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for governments of similar size and structure to the County. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, future changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the County Finance Officer is not trained to perform the daily accounting functions, but that the County has elected as a cost benefit to outsource this expertise to their auditors. As required, we have indicated this as a significant deficiency in our letter on Internal Control and Compliance.

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings, continued

Comment 2016-003, continued

Criteria: Effective internal control requires that the County accept responsibility and understanding of the audited financial report.

Effect: Failure to understand the vast amount of requirements for reporting in financial statements may lead to material misstatements.

Recommendation: County personnel should continue to receive training in the identification and application of generally accepted accounting principles and the preparation of the County's financial statements.

Management Response: Management agrees with this finding and understands the requirement of SAS 112 to issue this statement as a Significant Deficiency. All employees of the Board of Commissioners Finance Office will continue to seek training in the application of generally accepted accounting principles and in the preparation of the County's financial statements. Until such time it is financially feasible for the County finance staff to prepare the County's financial statements, the Finance Office will continue to rely on an independent auditor to prepare them.

Comment 2016-004

Condition: While performing audit procedures on building permits, we noted instances where deposits were not made timely. Receipts were held for seven or more days before depositing.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management concurs with this finding. Management has advised the Department Head to implement the recommendation to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

Comment 2016-005

Condition: While performing audit procedures on disbursements, we noted that the approved purchase order policies and procedures are not being followed. Purchase orders are being obtained subsequent to the purchase.

Criteria: Proper internal controls require proper approval prior to purchasing goods or services.

Effect: Failure to obtain proper approval prior to purchase exposes the County to a greater risk of loss due to fraud.

Recommendation: In accordance with the current adopted ordinance, purchases should have approval prior to disbursement.

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings, continued

Comment 2016-005, continued

Management Response: Management concurs with this finding. Purchase orders will be obtained and approved prior to purchasing. This action was taken immediately upon receipt of the comment from our auditors.

B. Prior Year Audit Findings Follow-Ups

Comment 2015-01

Condition: While performing audit procedures at the Magistrate Court, we noted that all employees can receipt, make deposits, and record receipts in the accounting software. Additionally, the Clerk receipts monies and performs the bank reconciliations.

Corrected

Comment 2015-02

Condition: While performing audit procedures at the Detention Center, we noted that the Bookkeeper prepares checks, signs checks and prepares the month bank reconciliation.

Corrected

Comment 2015-03

Condition: The 2014 financial statements were restated for incorrect allocation of Title Ad Valorem Tax in prior years. During 2015, the County was able to obtain documentation of this incorrect recording and therefore restated.

Corrected

Comment 2015-04

Condition: County personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the County relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for governments of similar size and structure to the County. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, future changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the County Finance Officer is not trained to perform the daily accounting functions, but that the County has elected as a cost benefit to outsource this expertise to their auditors. As required, we have indicated this as a significant deficiency in our letter on Internal Control and Compliance.

Not corrected

2. Financial Statement Findings and Responses (continued)

B. Prior Year Audit Findings Follow-Ups, continued

Comment 2015-005

Condition: While performing audit procedures on building permits, we noted instances where deposits were not made timely. Receipts were held for seven or more days before depositing.

Not corrected

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

GILMER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2016

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2001 Referendum					
Roads and Bridges	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 0	$ 5,000,000
Landfill/Solid Waste	1,500,000	1,500,000	1,717,882	5,339	1,723,221
Total	$ 6,500,000	$ 6,500,000	$ 6,717,882	$ 5,339	$ 6,723,221
2003 Referendum					
New Courthouse and Library	$ 8,000,000	$ 21,974,958	$ 33,378,459	$ 0	$ 33,378,459
Roads and Bridges	6,600,000	6,600,000	5,255,586	0	5,255,586
Landfill/Solid Waste	5,400,000	5,400,000	192,852	0	192,852
Total	$ 20,000,000	$ 33,974,958	$ 38,826,897	$ 0	$ 38,826,897
Current year expenditures for 2003 Referendum				$ 0	
Expenditures financed through other revenues and transfers from other funds				1,769,478	
Total expenditures of the SPLOST 2003 Capital Projects Fund				$ 1,769,478	
2009 Referendum					
Gilmer County					
Debt Service - Series 2005 A & B Bonds and Series 2007 Bonds	$ 24,315,180	$ 24,315,180	$ 22,561,693	$ 1,490,423	$ 24,052,116
Public Safety	0	203,117	203,117	0	203,117
Roads and Bridges	6,966,370	6,763,253	157,191	0	157,191
Recreational Facilities	300,000	300,000	50,118	0	50,118
City of Ellijay	2,363,550	2,363,550	1,543,037	0	1,543,037
City of East Ellijay	1,054,900	1,054,900	684,178	0	684,178
	$ 35,000,000	$ 35,000,000	$ 25,199,334	$ 1,490,423	$ 26,689,757

GILMER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2016

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2014 Referendum					
Gilmer County					
Debt Service - Series 2005A Bonds, Series 2007 Bonds and Series 2008 A & B Bonds and acquisition, construction, and equipping of capital outlay for road, street, and bridge purposes, to include sidewalks, bicycle paths, and capital equipment for solid waste handling equipment and disposal facilities, public safety facilities and equipment, parks and recreational facilities, water and sewer expansion, and vehicles and equipment for various County departments and other County infrastructure	$ 20,778,750	$ 20,778,750	$ 585,664	$ 3,622,083	$ 4,207,747
City of Ellijay	1,287,000	1,287,000	218,904	222,905	441,809
City of East Ellijay	434,250	434,250	73,861	75,211	149,072
	$ 22,500,000	$ 22,500,000	$ 878,429	$ 3,920,199	$ 4,798,628

Current year expenditures for 2014 Referendum	$ 3,920,199
Expenditures financed by other revenue sources and transfers from other funds	923,877
Total expenditures and transfers out of the SPLOST 2014 Fund	$ 4,844,076

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