POLK COUNTY, GEORGIA

FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL INFORMATION

For The Year Ended June 30, 2016

Polk County, Georgia
Annual Financial Report
June 30, 2016

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FINANCIAL SECTION

LAWRENCE SEE & BEAVERS

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Polk County, Georgia
Cedartown, 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 Polk County, Georgia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Polk County Board of Health, which represents 9.9%, -41.9%, 80% respectively of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units. Those financial statements as of June 30, 2016, were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Polk County Board of Health discretely presented unit, is based 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 opinion.

Board of Commissioners
Polk County, Georgia

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 Polk County, Georgia as of June 30, 2016, and the respective changes in financial position and where applicable cash flows thereof, for the year then ended, in 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, Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual General Fund, and Emergency Telephone Fund, the Schedule of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Funding Progress - OPEB 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 the County's basic financial statements as a whole. The General Fund comparative statements and schedule and the major capital project funds comparative balance sheets and schedules of revenues, expenditures and changes in fund balance – project budget and actual and the combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The statements and schedules referenced herein 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. The Schedule of Projects Constructed with Sales Tax Proceeds as required by Section 48-8-121 of the Official Code of Georgia Annotated (OCGA) is presented for purposes of additional analysis and is not a required part to 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Board of Commissioners
Polk County, Georgia

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 27, 2016 on our consideration of Polk County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 Polk County, Georgia's internal control over financial reporting and compliance.



Conyers, Georgia
December 27, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the Basic financial statements prepared by the Finance Director.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Polk County's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities and deferred inflows of resources by $49,851,166 (total net position) as of June 30, 2016

- Total net position is comprised of the following:

  (1) Net investment in capital assets, of $33,637,881 include property and equipment, net of accumulated depreciation.
  (2) Net position of $6,593,625 restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $9,619,660 represents the portion available to maintain the County's continuing obligations to citizens and creditors.

- The County's governmental funds reported total ending fund balance of $14,828,512 at June 30, 2016. This compares to the prior year ending fund balance of $14,562,421 showing an increase of $322,967 during the current year. Unassigned fund balance of $7,536,234 at June 30, 2016 shows a $30,849 decrease from the prior year amount at June 30, 2015.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $7,901,939 or 40.4% of total General Fund expenditures

- Overall, the County continues to maintain an adequate financial position, in spite of a somewhat slow growth economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior fiscal year.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities, which* reports how the County's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, planning and community development, health and welfare, culture and recreation and sanitation. Business-type activities include the landfill operations.

The government-wide financial statements are presented on pages 16 and 17 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 18-21 of this report.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the County charges customers a fee. The sole County proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization for solid waste services.

The basic enterprise fund financial statements are presented on pages 22-25 of this report.

Fiduciary **funds** .(i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. These funds are used primarily by the County's constitutional officers.

The basic fiduciary fund financial statement is presented on page 26 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 29 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget presentations and selected pension information. Budgetary comparison statements are included as "required supplementary information" for the general fund, and the emergency telephone special revenue fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. This section also provides information regarding the funding progress that the County is making towards their employees' pension plan as well as information regarding the County's contributions. The required supplementary information is presented beginning on page 57.

Other Supplementary Information

These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 62.

Financial Analysis of the County as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the County as a whole.

The County's net combined (government and business-type activities) assets at fiscal year-end are $49,851,166. By far the largest portion of the County's net position reflects its investment in capital assets (e.g., infrastructure, land, buildings machinery, equipment and vehicles); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending.

(this page continued on the subsequent page)

The following table provides a summary of the County's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Assets:						
Current assets	$ 18,044,755	$ 17,347,969	$ 9,400,271	$ 8,059,290	27,445,026	$ 25,407,259
Restricted assets	-	-	2,575,241	2,371,842	2,575,241	2,371,842
Capital assets	33,482,969	32,856,339	154,912	171,107	33,637,881	33,027,446
Total assets	**51,527,724**	**50,204,308**	**12,130,424**	**10,602,239**	**63,658,148**	**60,806,547**
Deferred outflows of resources	1,710,286	354,648	-	-	1,710,286	354,648
Liabilities:						
Current liabilities	2,913,750	2,346,705	5,000	7,939	2,918,750	2,354,644
Long-term liabilities	9,352,302	6,859,155	3,246,216	3,033,490	12,598,518	9,892,645
Total liabilities	**12,266,052**	**9,205,860**	**3,251,216**	**3,041,429**	**15,517,268**	**12,247,289**
Deferred inflows of resources	**-**	**160,393**	-	-	-	**160,393**
Net position:						
Invested in capital assets	33,482,969	32,856,339	154,912	171,107	33,637,881	33,027,446
Restricted	6,593,625	6,555,505	-	-	6,593,625	6,555,505
Unrestricted	895,364	1,780,859	8,724,296	7,389,703	9,619,660	9,170,562
Total net position	**$ 40,971,958**	**$ 41,192,703**	**$ 8,879,208**	**$ 7,560,810**	**49,851,166**	**$ 48,753,513**

Current assets in governmental activities increased 2.8% while business-type activities increased 16.6% in fiscal year June 30, 2016. Cash and cash equivalents for governmental activities increased $336,544 and business-type activities cash and cash equivalents, excluding restricted cash, increased $1,640,444.

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 6.2 to 1. This ratio is more than adequate. The ratio for the landfill fund has not been calculated, since it basically has only a significant limited current liabilities.

The County reported positive balances in net position for both governmental and business-type activities. Net position decreased $220,745 for governmental activities and increased by $1,318,398 for business-type activities.

Note that approximately 81.7% of the governmental activities' net positions are tied up in capital assets. The County uses these capital assets to provide services to its citizens. Combining governmental activities with business type activities, the County has invested approximately 53% of its total assets in capital assets, as presented in the government-wide statement of net position.

(this page continued on the subsequent page)

The following table provides a summary of the County's changes in net position for the past two fiscal years:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
Revenues:	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Program:						
Charges for services	$ 2,997,510	$ 3,189,675	$ 1,638,561	$ 1,606,396	$ 4,636,071	$ 4,796,071
Operating grants	425,535	282,817	-	-	425,535	282,817
Capital grants	647,066	955,423	-	-	647,066	955,423
General:						
Property taxes	11,423,363	11,248,482	-	-	11,423,363	11,248,482
Sales taxes	6,843,766	6,924,533	-	-	6,843,766	6,924,533
Other taxes	1,960,724	1,826,038	-	-	1,960,724	1,826,038
Other	759,494	615,539	76,123	5,218	835,617	620,757
Total revenues	**25,057,458**	**25,042,507**	**1,714,684**	**1,611,614**	**26,772,142**	**26,654,121**
Program Expenses:						
General government	5,011,140	4,743,161	-	-	5,011,140	4,743,161
Judicial	2,927,760	2,726,933	-	-	2,927,760	2,726,933
Public safety	10,781,403	10,321,260	-	-	10,781,403	10,321,260
Public works	3,898,931	3,377,660	-	-	3,898,931	3,377,660
Planning/community development	1,109,328	928,717	-	-	1,109,328	928,717
Health and welfare	333,746	333,746	-	-	333,746	333,746
Culture and recreation	994,522	434,070	-	-	994,522	434,070
Sanitation	576,264	870,514	-	-	576,264	870,514
Interest	16,159	16,157	-	-	16,159	16,157
Solid waste	-	-	25,236	(27,956)	25,236	(27,956)
Total expenses	**25,649,253**	**23,752,218**	**25,236**	**(27,956)**	**25,674,489**	**23,724,262**
Increase (decrease) in net position before transfers	(591,795)	1,290,289	1,689,448	1,639,570	1,097,653	2,929,859
Transfers	371,050	326,607	(371,050)	(326,607)	-	-
Increase (decrease) in net position	**(220,745)**	**1,616,896**	**1,318,398**	**1,312,963**	**1,097,653**	**2,929,859**
Beginning net position, restated	**41,192,703**	**39,575,807**	**7,560,810**	**6,247,847**	**48,753,513**	**45,823,654**
Ending net position	**$ 40,971,958**	**$ 41,192,703**	**$ 8,879,208**	**$ 7,560,810**	**$ 49,851,166**	**$ 48,753,513**

GOVERNMENTAL REVENUES

The County is heavily reliant on property and sales taxes to support governmental operations. Property taxes provided 42.2% of the County's total governmental revenues and sales taxes provided 27.3% of the County's total governmental revenues as compared to 44.9% and 27.7% respectively for the prior year. Because of the County's healthy financial position, we have been able to earn $16,159 in interest earnings to support governmental activities, even in this period of very low yield rates. Also, note that program revenues cover only 15.9% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 84.1% of the governmental activities. As a result, the general economy and the county businesses have a major impact on the County's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety function makes up approximately $10.8 million or 42% of total governmental activities expenses. Public works totals approximately $3.9 million or 15.2% of total governmental expenses.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	$ 5,011,140	19.5%	$ 4,490,987	20.8%
Judicial	2,927,760	11.4%	1,676,001	7.8%
Public safety	10,781,403	42.0%	9,469,256	43.9%
Public works	3,898,931	15.2%	3,251,865	15.1%
Planning/community development	1,109,328	4.3%	770,342	3.6%
Health and welfare	333,746	1.3%	333,746	1.5%
Culture and recreation	994,522	3.9%	994,522	4.6%
Sanitation	576,264	2.3%	576,264	2.6%
Interest and fiscal costs	16,159	0.1%	16,159	0.1%
Total	**$ 25,649,253**	**100.0%**	**$ 21,579,142**	**100.0%**

After reducing gross expenses by program revenues, public safety still exceeds 43% of costs. As indicated in the table, total cost and net costs do not differ substantially by percentage for each function.

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The major enterprise fund is the County's solid waste management program. The operating revenues for the solid waste management fund were just 2.6% more than 2015 and operating expenses approximately $53,192 more than 2015, as result of changes in the post-care closure costs for the closed Highway 278 landfill. On February 26, 2002, the County entered into an agreement with a private contractor to operate our landfill facility. As a result, we do not receive landfill-tipping fees and operating expenses as nominal.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $14,828,512 compared to $14,562,421in 2015. The General Fund increased its fund balance by $178,140 during the fiscal year. Of this year-end total, $7,901,939 is unassigned indicating availability for continuing County service requirements. However, $691,060 of this fund balance is classified as nonspendable i.e. set aside for prepaid items, inventory and advances to other funds. The following amounts in the other County funds are restricted for capital projects ($6,148,478) and other program purposes ($445,147). The balance of $7,593 is assigned for Sheriff special projects.

The total ending fund balances of governmental funds show an increase of $326,091 or 2.2% of the prior year's total. This increase relates primarily to an increase in unspent 2014 SPLOST funds, and General Fund excess of revenues over expenditures.

Major Governmental Funds

The **General Fund** is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by $178,140 or 2.1%. The ending unassigned fund balance of $7,901,939 is considered adequate, representing 40.4% of annual expenditures. This compared to 39.5% of annual expenditures at June 30, 2015. This is a positive indicator for the County which exceeds the benchmark of 10-25% that is generally recognized as being adequate

As indicated earlier, the two major tax revenues are property taxes and sales taxes. General property taxes increased by just $154,731 or 1.6%. Taxes for motor vehicles and mobile homes decreased $89,425 or 6.1%.

Local Option Sales Tax (LOST) decreased by $28,049 or 1.1%, which indicates the economic growth is flat. Real estate transfer taxes increased less than 23.8%. Intangible taxes increased $32,168 or 37.6%. Insurance premium taxes increased $89,632 or 6.8%. In total, taxes increased $182,703 or 1.2% over fiscal year 2015.

In 2016, licenses and permits were $19,274 or 20.9% above the prior year. The increase indicates that the trend is still up for occupational and building permits. Building permit revenues held steady for the year when compared to 2016 which reported a substantial increase because of homeowners making improvements to their existing homes as opposed to buying a new home.

State, local and federal government revenues were $168,189 less than 2015, which was mainly due to some fiscal year 2015 intergovernmental revenue that was duplicated in fiscal year 2016. Charges for services decreased $94,675 or 7.2% primarily due to a decrease in prisoner housing fees charged to other governments.

Most other revenue streams were consistent with that of fiscal 2016. In total, the County recognized $60,259 or just $3/10^{th}$ of 1% over the 2015 total revenues as noted.

Total General Fund expenditures for fiscal 2016 increased $387,179 or 2% from fiscal 2015. Under general government, information costs increased $61,181 or 77.9% because an additional employee was added to meet service demands. Public buildings costs increased $113,154 or 13.6% because the costs of repairs and maintenance increased which included the replacement of a HVAC unit at the court house at a $57,000 cost.

In total, the judicial system expenditures decreased $145,048 or 5.6%. The major decrease relates to the costs for the Clerk of Superior Court office ($171,301) and an increase of $200,584 for a new mental health court.

The largest cost center, public safety increased $431,043 or 5.5%. Sheriff department costs increased $340,714 or 8% because of the jail controls project and increased salaries and benefits.

The costs of the airport Planning/Community Development function increased $282,401 over 2015 principally due to various airport projects.

The sanitation costs decreased $294,250 from fiscal year 2015 because in fiscal year 2015 we purchased a Knuckle Boom truck and garbage truck, which were not duplicated in this fiscal year.

The amount of transfer from the solid waste fund was $44,443 more than that in fiscal year 2015, as the amount of the transfer is predicated on the amount needed to balance the budget.

2014 SPLOST Capital Project Fund - The 2014 Special Purpose Local Option Sales Tax Capital Project Fund is utilized to account for the proceeds of a 1 percent local option sales tax approved March 6, 2012 for a period of time not to exceed six years from July 1, 2014 for the purpose of funding County wide projects and projects controlled through intergovernmental agreements with the cities of Cedartown, Rockmart and Aragon.

This fund is being spent down, consistent with the approved referendum projects list. In this year, this fund recognized $2,399,285 in sales tax revenue and had investment earnings of $5,000.

The fund expended $1,446,900 for County projects controlled by the Board of Commissioners including $754,277 for public safety and $544,895 for public works and transmitted $575,000 to the cities pursuant to the applicable intergovernmental agreements.

At June 30, 2016, the fund balance was $2,535,656.

2008 SPLOST Capital Project Fund - The 2008 Special Purpose Local Option Sales Tax Capital Project Fund is utilized to account for the proceeds of a 1 percent local option sales tax approved November 6, 2007 for a period of time not to exceed six years for the purpose of funding County wide recreation, paving and bridge improvements, equipment and facilities for public safety, public health equipment and facilities, public welfare improvements, County buildings and facilities, economic development and safety equipment and an intergovernmental agreement with the cities of Cedartown, Rockmart and Aragon.

This fund is being spent down, consistent with the approved referendum projects list. In this year, this fund received no sales tax revenue since the SPLOST 2014 began collections in July 2014. The fund had investment earnings of $1,841.

The fund expended $123,138 for County projects controlled by the Board of Commissioners and $17,000 to the cities.

At June 30, 2016, the fund balance was $3,610,888 as compared to $3,749,185 at June 30, 2015
.

E-911 Special Revenue Fund - To account for funds generated from telephone subscriber surcharge fees for the emergency 911 system.

At June 30, 2016 cash and accounts receivables were $35,867 less than 2016 while accounts payable, accruals and advances due other funds was down $144,005. The fund deficit at June 30, 2016 was $365,705, which is a lesser deficit balance than the 2015 deficit balance of $473,843.

Charges for services decreased just $6,460 or less than 1%. Total expenditures in 2016 were $5,968 or 6/10th of 1% less than 2015.

The Proprietary Fund

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, the analysis is presented above.

General Fund Budgetary Highlights

The General Fund – The total general fund revenue budget (excluding other financing sources) was amended upwards by $1,644,041 or 9.2%. The general property tax budget was amended upward $542,000 but the final revenue was still over budget by $6,668. Auto ad valorem and mobile home tax was amended upward $144,000 as result of more information regarding the new automobile title tax. Sales taxes were adjusted downward by $124,000 due to less growth than anticipated.

Insurance premium tax recognized was $43,984 over the amended budget. In total, intergovernmental revenue was over the amended budget by just $3,201.

Charges for services were over the final budget by $123,933 primarily because of increased prisoner housing fees.

Courts and Law Enforcement were just $2,873 over the final budget. Investment earnings were $1,800 above budget. Miscellaneous income was $1,972 under budget. In total, the County recognized 101% of the final revenue budget.

The General Fund's expenditure budget was decreased $145,959 or just 7/10th of 1%. Because the budget was amended near the end of the year, most budget variances in expenditure classifications are minimal.

The general government function was under spent by $11,343 or just 3/10th of 1%.

The public safety budget was over spent by $67,780. This overage relates to the sheriff's budget. More specifically, after our year-end budget amendment, was cash bonds were reported resulting in the overage. The public works budget was under spent by $1,245. Planning/Community Development was under budget by $5,360. Sanitation was under spent by $1,236.

In total, the County over spent the final expenditure budget by $21,659. Because of the slow economic recovery, all departments attempted to minimize their spending.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2016, was $33,482,969 and $154,912 respectively. The net investment increased 1.9% for governmental and decreased 9.5% for business-type activities. See Note 3-E for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Non-depreciable assets:						
Land	$ 3,241,056	$ 3,115,756	$ 150,186	$ 150,186	$ 3,391,242	$ 3,265,942
Construction in progress	625,680	1,168,377	-	-	625,680	1,168,377
Total non-depreciable	**3,866,736**	**4,284,133**	**150,186**	**150,186**	**4,016,922**	**4,434,319**
Depreciable assets:						
Land improvements	2,185,082	2,185,082	-	-	2,185,082	2,185,082
Buildings	20,949,836	20,949,836	-	-	20,949,836	20,949,836
Machinery and equipment	15,137,016	13,841,849	-	-	15,137,016	13,841,849
Infrastructure	35,745,722	34,323,778	-	-	35,745,722	34,323,778
Landfill	-	-	4,982,054	5,122,144	4,982,054	5,122,144
Total depreciable assets	**74,017,656**	**71,300,545**	**4,982,054**	**5,122,144**	**78,999,710**	**76,422,689**
Less accumulated depreciation	44,401,423	42,728,339	4,977,328	5,101,223	49,378,751	47,829,562
Book value - depreciable assets	**29,616,233**	**28,572,206**	**4,726**	**20,921**	**29,620,959**	**28,593,127**
Percentage depreciated	**60%**	**60%**	**100%**	**100%**	**63%**	**63%**
Book value - all assets	**$ 33,482,969**	**$ 32,856,339**	**$ 154,912**	**$ 171,107**	**$ 33,637,881**	**$ 33,027,446**

At June 30, 2016, the depreciable capital assets for governmental activities were 60% depreciated. This is the same percentage as of the June 30, 2015 percentage. This comparison indicates that the County is replacing its assets at the same rate as they are depreciating which is a positive factor. However, since 60% of the County's assets are depreciated, this is an indicator that the County needs to work towards replacing some of its capital assets.

For governmental activities, the construction in progress balance @ June 30, 2016 of $625,680 includes:

- Roads ($400,335)
- Public works facility ($195,970)
- E911 building ($24,475)
- Administration building ($4,900)

Infrastructure increases of $1,421,944 were for road paving of approximately 9 miles of road.

The major increases to the machinery and equipment account included in the $1,339,468 are:

- Jail controls project ($367,886)
- Fire truck ($271.773)
- Tractor/lawn mower ($132,560)
- Seven Ford Explorer ($184,779)
- Paving of Antioch Road ($177,072)
- Paving Cobb Mountain Road ($221,796)
- Paving Old Collard Valley Road ($196,319)
- Woodfall Road Culvert ($213,232)

With the County's business type activities, 100% of the asset values were depreciated at June 30, 2016 compared to 100% at June 30, 2015. Since the operations of the landfill are contracted out, this depreciation is not a significant issue.

Long-term Debt

At the end of the fiscal year, the County installment contracts or bonds payable. The outstanding debt included the following for June 30, 2016 and 2015:

Outstanding Borrowings

	Governmental Activities		Business-type Activities		Totals	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Net pension liability	$ 1,746,394	$ 165,010	$ -	$ -	$ 1,746,394	$ 165,010
OPEB liability	7,228,968	6,311,130	-	-	7,228,968	6,311,130
Compensated absences	851,940	858,015	-	-	851,940	858,015
Landfill closure costs	-	-	-	713,701	-	713,701
Total	**$ 9,827,302**	**$ 7,334,155**	**$ -**	**$ 713,701**	**$ 9,827,302**	**$ 8,047,856**

See Note 3-H for additional information about the County's long-term debt. We discuss the landfill closure and postclosure care liability in Note 3-I.

Economic Conditions Affecting the County

The overall economic condition for the County during this past 2016 (fiscal year) did reflect slight increase over previous years. While some General Fund Revenue such as intangible taxes for 2016 recorded an increase, other key economic indicators such as Local Option Sales Tax continues to be in a steady decline.

This trend was echoed by a slight increase in new Residential Construction Permits issued during 2016 as compared to the number of permits issued during 2015. Although during 2016 some revenues showed a slight increase, the economic conditions has not shown notable improvement; the county will continue to take a very conservative approach toward county finances, regardless of recent economic forecasts suggesting an optimistic upcoming fiscal year.

According to the latest information available, the County's unemployment rate at the close of 2016 was 5.2% which was slightly lower than the state and regional average of 5.5%. The 5.5% figure however did reflect a strong decline in the county's unemployment rate of 8.4% recorded at the close of 2013. The breakdown of employment by sector for the county at the close of 2016 was as follows; overall, manufacturing, accounted for approximately 22% of the jobs located in the county. Within manufacturing, 4.2% of the jobs were in construction. Service sector jobs accounted for approximately 60% of the jobs in Polk County. Of the service sector jobs, retail trade accounted for an estimated 13.4%. Government sector jobs reflected 16.7% of the jobs in the County.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Director at Polk County Board of Commissioners. P.O. Box 268, Cedartown, GA 30125.

BASIC FINANCIAL STATEMENTS

Polk County, Georgia
Statement of Net Position
June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 14,915,944	$ 9,565,069	$ 24,481,013	$ 1,054,604
Receivables:				
Accounts	185,568	128,712	314,280	1,090
Property taxes	861,327	-	861,327	-
Intergovernmental	1,576,743	-	1,576,743	101,941
Interest	1,029	6,490	7,519	-
Internal	300,000	(300,000)	-	-
Inventory	48,633	-	48,633	4,664,162
Prepaid items	155,511	-	155,511	-
Restricted Assets	-	2,575,241	2,575,241	-
Capital Assets:				
Nondepreciable capital assets	3,866,736	150,186	4,016,922	-
Depreciable capital assets, net	29,616,233	4,726	29,620,959	-
Total Assets	51,527,724	12,130,424	63,658,148	5,821,797
Deferred Outflows of Resources				
Pensions	1,710,286	-	1,710,286	178,535
Liabilities				
Current Liabilities				
Accounts payable	1,138,065	-	1,138,065	436
Intergovernmental payable	218,806	-	218,806	41,072
Accrued expenses payable	883,474	-	883,474	2,301
Notes payable	-	-	-	3,833,833
Unearned revenue	198,405	5,000	203,405	-
Compensated absences payable	475,000	-	475,000	-
Long-Term Liabilities:				
Net pension liability	1,746,394	-	1,746,394	902,246
Net OPEB obligation payable	7,228,968	-	7,228,968	-
Compensated absences payable (net of current portion)	376,940	-	376,940	38,104
Advanced funding - postclosure trust agreement	-	2,525,378	2,525,378	-
Landfill closure and postclosure care costs payable	-	720,838	720,838	-
Total Liabilities	12,266,052	3,251,216	15,517,268	4,817,992
Deferred Inflows of Resources	-	-	-	75,667
Net Position				
Net investment in capital assets	33,482,969	154,912	33,637,881	-
Restricted for:				
Capital projects	6,148,478	-	6,148,478	-
Public safety	199,339	-	199,339	-
Other purposes	245,808	-	245,808	-
Unrestricted	895,364	8,724,296	9,619,660	1,106,673
Total Net Position	$ 40,971,958	$ 8,879,208	$ 49,851,166	$ 1,106,673

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

Polk County, Georgia
Statement of Activities
For the Year Ended June 30, 2016

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government								
General government	$ 5,011,140	$ 509,058	$ 11,095	$ -	$ (4,490,987)	$ -	$ (4,490,987)	$ -
Judicial	2,927,760	972,579	279,180	-	(1,676,001)	-	(1,676,001)	-
Public safety	10,781,403	1,176,887	135,260	-	(9,469,256)	-	(9,469,256)	-
Public works	3,898,931	-	-	647,066	(3,251,865)	-	(3,251,865)	-
Planning/community development	1,109,328	338,986	-	-	(770,342)	-	(770,342)	-
Health and welfare	333,746	-	-	-	(333,746)	-	(333,746)	-
Culture and recreation	994,522	-	-	-	(994,522)	-	(994,522)	-
Sanitation	576,264	-	-	-	(576,264)	-	(576,264)	-
Interest	16,159	-	-	-	(16,159)	-	(16,159)	-
Total Governmental Activities	$ 25,649,253	$ 2,997,510	$ 425,535	$ 647,066	(21,579,142)	-	(21,579,142)	-
Business-Type Activities:								
Solid waste	$ 25,236	$ 1,638,561	$ -	$ -	-	1,613,325	1,613,325	-
Component Units								
Polk County Health Department	$ 1,115,124	$ 386,751	$ 578,661	$ -				(149,712)
Development Authority of Polk County	268,787	-	-	-				(268,787)
Total - Component Units	$ 1,383,911	$ 386,751	$ 578,661	$ -				(418,499)
		General Revenues						
		General property taxes			11,423,363	-	11,423,363	-
		Recording intangibles			117,689	-	117,689	-
		Real estate transfer taxes			34,656	-	34,656	-
		Alcoholic beverage taxes			123,009	-	123,009	-
		Sales taxes			6,843,766	-	6,843,766	-
		Insurance premium tax			1,415,067	-	1,415,067	-
		Other taxes			270,303	-	270,303	-
		Unrestricted county funding			-	-	-	480,728
		Rents			360,791	-	360,791	-
		Gain on the sale of capital assets			12,740	59,376	72,116	
		Investment earnings			16,594	16,747	33,341	1,585
		Miscellaneous			369,369	-	369,369	6,116
		Total General Revenues			20,987,347	76,123	21,063,470	488,429
		Transfers			371,050	(371,050)	-	-
		Total General Revenues and Transfers			21,358,397	(294,927)	21,063,470	488,429
		Change in Net Position			(220,745)	1,318,398	1,097,653	69,930
		Net Position Beginning of Year			41,192,703	7,560,810	48,753,513	1,036,743
		Net Position End of Year			$ 40,971,958	$ 8,879,208	$ 49,851,166	$ 1,106,673

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

Polk County, Georgia
Balance Sheet
Governmental Funds
June 30, 2016

	General	2008 SPLOST	2014 SPLOST	E-911 Emergency Telephone	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 8,354,491	$ 3,610,888	$ 2,408,346	$ 87,841	$ 454,378	$ 14,915,944
Receivables						
Accounts	98,856	-	-	86,712	-	185,568
Property taxes	861,327	-	-	-	-	861,327
Intergovernmental	1,111,944	-	460,130	-	4,669	1,576,743
Interest	1,029	-	-	-	-	1,029
Interfund	300,000	-	-	-	6,424	306,424
Advances	486,916	-	-	-	-	486,916
Inventory	48,633	-	-	-	-	48,633
Prepaid items	155,511	-	-	-	-	155,511
Total Assets	$ 11,418,707	$ 3,610,888	$ 2,868,476	$ 174,553	$ 465,471	$ 18,538,095
LIABILITIES						
Accounts payable	1,003,751	-	119,872	11,269	3,173	1,138,065
Accrued expenditures payable	841,401	-	-	42,073	-	883,474
Interfund payable	4,658	-	-	-	1,766	6,424
Advances payable	-	-	-	486,916	-	486,916
Intergovernmental payable	-	-	212,948	-	5,858	218,806
Unearned revenues	198,405	-	-	-	-	198,405
Total Liabilities	2,048,215	-	332,820	540,258	10,797	2,932,090
Deferred Inflows of Financial Resources	777,493	-	-	-	-	777,493
Fund Balances (Deficits)						
Nonspendable:						
Prepaid items	155,511	-	-	-	-	155,511
Inventory	48,633	-	-	-	-	48,633
Advances to other funds	486,916	-	-	-	-	486,916
Restricted for:						
Capital projects	-	3,610,888	2,535,656	-	1,934	6,148,478
Public safety	-	-	-	-	182,585	182,585
Law library	-	-	-	-	78,003	78,003
Court programs	-	-	-	-	104,724	104,724
Superior court statewide index program	-	-	-	-	79,835	79,835
Assigned - sheriff special programs	-	-	-	-	7,593	7,593
Unassigned						
General fund	7,901,939	-	-	-	-	7,901,939
Special revenue funds	-	-	-	(365,705)	-	(365,705)
Total Fund Balances (Deficits)	8,592,999	3,610,888	2,535,656	(365,705)	454,674	14,828,512
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	$ 11,418,707	$ 3,610,888	$ 2,868,476	$ 174,553	$ 465,471	$ 18,538,095

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

Polk County, Georgia
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2016

Total Governmental Fund Balances		$ 14,828,512
Amounts reported for governmental activities in the statement of net assets are different because:		
Deferred outflows of resources		1,710,286
Governmental funds report capital outlay as expenditures are different because: However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	$ 77,884,392	
Less accumulated depreciation	(44,401,423)	33,482,969
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	784,614	
Other	(7,121)	777,493
Liabilities not due and payable in the current period and therefore are not reported in the funds but are reported at the government-wide financial reporting levels.		
Net pension liability payable	(1,746,394)	
Other postemployment benefits payable	(7,228,968)	
Compensated absences	(851,940)	(9,827,302)
Net Position Of Governmental Activities		$ 40,971,958

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

Polk County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General	2008 SPLOST	2014 SPLOST	E-911 Emergency Telephone Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 15,790,411	$ -	$ 4,466,279	$ -	$ -	$ 20,256,690
Licenses and permits	111,503	-	-	-	-	111,503
Intergovernmental	1,072,601	-	-	-	-	1,072,601
Charges for services	1,212,933	-	-	687,699	19,917	1,920,549
Courts and Law enforcement	830,073	-	-	-	142,506	972,579
Investment earnings and rents	370,300	1,841	5,009	-	235	377,385
Miscellaneous	361,728	-	-	-	33,166	394,894
Total Revenues	19,749,549	1,841	4,471,288	687,699	195,824	25,106,201
Expenditures						
Current:						
General government	3,419,860	-	140,728	-	-	3,560,588
Judicial	2,745,508	-	7,000	-	64,288	2,816,796
Public safety	8,260,535	18,850	754,277	955,935	335,820	10,325,417
Public works	2,811,755	104,288	544,895	-	-	3,460,938
Planning/community development	1,102,723	-	-	-	-	1,102,723
Health and welfare	309,663	-	-	-	-	309,663
Culture and recreation	323,618	-	-	-	-	323,618
Sanitation	576,264	-	-	-	-	576,264
Intergovernmental	-	17,000	2,641,994	-	-	2,658,994
Debt Service						
Interest and fiscal charges	16,159	-	-	-	-	16,159
Total Expenditures	19,566,085	140,138	4,088,894	955,935	400,108	25,151,160
Excess (Deficiency) of Revenues Over (Under) Expenditures	183,464	(138,297)	382,394	(268,236)	(204,284)	(44,959)
Other Financing Sources (Uses)						
Transfers in	371,050	-	-	376,374	8,348	755,772
Transfers out	(376,374)	-	-	-	(8,348)	(384,722)
Total Other Financing Sources (Uses)	(5,324)	-	-	376,374	-	371,050
Net Change in Fund Balances	178,140	(138,297)	382,394	108,138	(204,284)	326,091
Fund Balances Beginning of Year	8,414,859	3,749,185	2,153,262	(473,843)	658,958	14,502,421
Fund Balances End of Year	$ 8,592,999	$ 3,610,888	$ 2,535,656	$ (365,705)	$ 454,674	$ 14,828,512

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

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

Net Changes In Fund Balances - Total Governmental Funds		$ 326,091
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 as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (1,704,600)	
Capital outlay	2,355,817	651,217
In the statement of activities, a gain or loss on sales, trade-ins, or other dispositions of capital assets is reported, whereas in the governmental funds, the proceeds received from dispositions of capital assets increases financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of capital assets disposed		(15,909)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred revenues		(44,635)
The changes in the net pension liability for pensions is reported at the government-wide financial resources but not reported the the fund financial reporting level.		
Liability @ 6/30/16	(1,746,394)	
Liability @ 6/30/15	165,010	(1,581,384)
The changes in the deferred outlows of financial resources for pensions is reported at the government-wide financial resources but not reported the the fund financial reporting level.		
Balance @ 6/30/16	1,710,286	
Balance @ 6/30/15	(354,648)	1,355,638
Elimination of transfers between governmental funds:		
Transfers in	(384,722)	
Transfers out	384,722	-
Other postemployment expenses are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(917,838)
Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 6/30/16	(851,940)	
Liability @ 6/30/15	858,015	6,075
Change In Net Position of Governmental Activities		$ (220,745)

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

Polk County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities - Enterprise Fund Solid Waste
Assets	
Current Assets	
Cash and cash equivalents	$ 9,565,069
Receivables:	
Accounts	128,712
Interest	6,490
Total Current Assets	9,700,271
Noncurrent Assets	
Restricted Assets	
Cash and cash equivalents	2,575,241
Capital Assets	
Land	150,186
Depreciable capital assets, net	4,726
Total Noncurrent Assets	2,730,153
Total Assets	12,430,424
Liabilities	
Current Liabilities	
Interfund payable	300,000
Deferred revenue	5,000
Total Current Liabilities	305,000
Long-Term Liabilities	
Deferred income - postclosure trust agreement	2,525,378
Landfill closure and postclosure care costs	720,838
Total Long-Term Liabilities	3,246,216
Total Liabilities	3,551,216
Net Position	
Invested in capital assets	154,912
Unrestricted	8,724,296
Total Net Position	$ 8,879,208

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

Polk County, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Fund Solid Waste
Operating Revenues	
Rental and royalty fees	$ 1,627,647
Recycling sales	10,914
Total Operating Revenues	1,638,561
Operating Expenses	
Operating	20,715
Depreciation and amortization	4,521
Total Operating Expenses	25,236
Operating Income	1,613,325
Non-Operating Revenues	
Gain on the disposal of capital assets	59,376
Investment earnings	16,747
Total Non-Operating Revenues	76,123
Income Before Transfers (out)	1,689,448
Transfers out	(371,050)
Change in Net Position	1,318,398
Net Position Beginning of Year	7,560,810
Net Position End of Year	$ 8,879,208

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

Polk County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

(continued)

	Business-type Activities - Enterprise Fund Solid Waste
Cash Flows from Operating Activities	
Cash received from customers	$ 1,644,514
Cash payments for goods and services	(16,517)
Net Cash Provided by Operating Activities	1,627,997
Cash Flows from Noncapital Financing Activities	
Transfers in (out) from other funds	(71,050)
Postclosure trust funding by lessee	203,398
Net Cash Provided by (Used in) Noncapital Financing Activities	132,348
Net Cash Provided by (Used in) Capital Financing Activities	
Cash received from sale of capital assets	71,050
Cash Flows from Investing Activities	
Investment earnings	12,448
Net Increase in Cash and Cash Equivalents	1,843,843
Cash and Cash Equivalents Beginning of Year	10,296,467
Cash and Cash Equivalents End of Year	$ 12,140,310

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

Polk County, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

		Business-type Activities - Enterprise Fund Solid Waste
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	$	1,613,325
Adjustments		
Depreciation and amortization		4,521
(Increase) Decrease in Assets		
Accounts receivable		5,953
Increase (Decrease) in Liabilities		
Accounts payable		(2,939)
Landfill postclosure adjustment		7,137
Net Cash Provided by Operating Activities	$	1,627,997

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

Polk County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

	Agency
Assets	
Cash and cash equivalents	$ 507,237
Receivables	
Accounts	33,368
Property taxes	1,285,516
Total Assets	$ 1,826,121
Liabilities	
Due to others	$ 1,826,121

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

Polk County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2016

	Polk County Health Department	Development Authority of Polk County	Total
Assets			
Cash and cash equivalents	$ 298,855	$ 755,749	$ 1,054,604
Receivables			
Accounts	1,090	-	1,090
Intergovernmental	101,941	-	101,941
Inventory - land and building	-	4,650,979	4,650,979
Inventory - Supplies	13,183	-	13,183
Total Assets	415,069	5,406,728	5,821,797
Deferred Outflows of Resources	178,535	-	178,535
Liabilities			
Notes payable	-	3,833,833	3,833,833
Accounts payable	436	-	436
Intergovernmental payable	41,072	-	41,072
Accrued expenses	-	2,301	2,301
Net pension liability	902,246	-	902,246
Compensated absences - long-term	38,104	-	38,104
Total Liabilities	981,858	3,836,134	4,817,992
Deferred Inflows of Resources	75,667	-	75,667
Net Position			
Unrestricted	(463,921)	1,570,594	1,106,673
Total Net Position	$ (463,921)	$ 1,570,594	$ 1,106,673

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

POLK COUNTY, GEORGIA
Combining Statement of Activities
Components Units
For the year ended June 30, 2015

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Polk County Board of Health	Net (Expense) Revenue and Changes in Net Position: Development Authority of Polk County	Total
Board of Health	$ 1,115,124	386,751	578,661	(149,712)	$ -	$ (149,712)
Development Authority	268,787	-	-	-	(268,787)	(268,787)
Total component units	$ 1,383,911	$ 386,751	$ 578,661	(149,712)	(268,787)	(418,499)
General revenues:						
Payments from Polk County				197,955	282,773	480,728
Unrestricted investment earnings				216	1,369	1,585
Miscellaneous				1,091	5,025	6,116
Total general revenues				199,262	289,167	488,429
Change in net position				49,550	20,380	69,930
Net positioin - beginning				(513,471)	1,550,214	1,036,743
Net position - ending				$ (463,921)	$ 1,570,594	$ 1,106,673

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

NOTES TO THE
BASIC FINANCIAL STATEMENTS

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Polk County, Georgia (the County) is a political subdivision of the State of Georgia and was created on December 20, 1851, by legislative act and named for President James K. Polk, and is located in the Coosa Valley area of Northwest Georgia. The County operates under a Commission-Manager form of government and is governed by a five member elected board of county commissioners, elected from single-member districts. The Board's powers are vested by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge and Clerk of the Superior Court. The County's major services include general government, courts, public safety, public works, planning/community development, health and welfare, culture and recreation and sanitation.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the constitutionally elected officers.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The County's component units are presented either as "blended" or "discretely presented." When blended, it is reported as if it were a fund of the County throughout the year. It is included at both the government-wide and the fund financial reporting levels.

Discretely presented component units are reported only at the government-wide financial reporting level. The component unit columns included on the government-wide financial statements identifies the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

The following is a brief description of the blended component unit:

Polk County Public Purpose Corporation (the Corporation) – the Corporation is governed by a three-member board appointed by County Board of Commissioners. Although it is legally separate from the County (created pursuant to Georgia Law) the Corporation is reported as if it were part of the primary government because its primary purpose was to acquire and construct a rental property and subsequently sell this asset to the County pursuant to an installment agreement that includes annual funding provisions. This entity has been inactive for several years.

The component unit columns included on the government-wide financial statements identify the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

Note 1 - Summary of Significant Accounting Policies (Continued)

Brief descriptions of the discretely presented component units follow:

Polk County Health Department *(the Health Department)* – The Department is responsible for providing environmental and physical health services to the citizens of the County. The governing board of the Department consists of seven members. The Chairman of the Board of Commissioners, Chairman of the Cedartown City Commission, and the Superintendent of the Polk County Board of Education (by virtue of their offices), three members appointed by the County, and one member appointed by City of Cedartown. The County by virtue of its appointments and the presence of the Chairman of the Board of Commissioners on the Board of Health controls much of the Board of Health governing positions.

Although the County does not have the authority to approve or modify the Health Department's operational and capital budget, it does have the ability to control the amount of funding it provides to the Board of Health. Such funding is significant to the overall operations of the Health Department.

A County Board of Health should be reported as a discretely presented component unit in the county's financial statements because the entity is legally separate, the primary government appoints a voting majority of the entity's board, the primary government is able to impose its will on the entity, the entity does not provide services entirely or almost entirely to the primary government, and in most cases, the entity and the primary government do not have boards that are substantively the same.

Development Authority of Polk County (the Authority) – the Authority is responsible for promoting industrial and commercial development within the County. The members of the Authority's governing board are appointed to staggered terms by the County Board of Commissioners. The Authority is responsible for adopting its own annual budget and making its own operating decisions. However, the County does provide substantial financial support each year and has contractually obligated itself to use its taxing powers to guarantee the repayment of principal and interest on certain bank loans issued by the Authority. The Authority is presented as a governmental fund type. The Authority does not issue separate financial statements

Complete financial information of the individual component units can be obtained directly from their administration offices.

Development Authority of Polk County
604 Goodyear Street
Rockmart, Georgia 30153

Polk County Board of Health
Ware Street
Cedartown, Georgia 30125

Polk County Public Purpose Corporation
Cedartown, Georgia

Joint Venture

Polk County, in conjunction with cities and counties in the ten (15) county Northwest Georgia area are members of the Northwest Georgia Regional Commission (RC). Membership in the RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989 ("the Act")) provides for the organizational structure of the RC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The RC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County. The Act defines RC's as "public agencies" and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (O.C.G.A. 50-8-39)

Note 1 - Summary of Significant Accounting Policies (Continued)

A copy of the RDC's financial statements can be obtained from:

Northeast Georgia Regional Commission
(Formerly) Coosa Valley Regional Development Center
1 Jackson Hill Drive
P. O. Box 1793
Rome Georgia 30162
Phone: (706) 295-6485 Fax (706) 295-6665

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary funds are not presented in the government-wide financial statements.

The statement of net position presents the financial position of the governmental activities of the County and it's discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental funds are reported in separate columns.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental Funds - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

2008 Special Purpose Local Option Sales Tax (SPLOST) **-** The 2008 Special Purpose Local Option Sales Tax Capital Project Fund is utilized to account for the proceeds of a 1 percent local option sales tax approved November 6, 2007 for a period of time not to exceed six years for the purpose of funding County wide recreation, paving and bridge improvements, equipment and facilities for public safety, public health equipment and facilities, public welfare improvements, County buildings and facilities, economic development and safety equipment and an intergovernmental agreement with the cities of Cedartown, Rockmart and Aragon.

2014 Special Purpose Local Option Sales Tax Capital Project Fund is utilized to account for the proceeds of a 1 percent local option sales tax approved March 6, 2012 for a period of time not exceed six years beginning July 1, 2014 for the purpose of (A) financing capital outlay projects consisting of, among other things, (i) certain capital improvements and expansions of recreation and park improvements of the County and certain municipalities located within the County; (ii) certain projects for road, street, sidewalk, bridge and buildings within the County and certain municipalities within the County; (iii) acquisition of public works and transportation equipment and vehicles for the County and certain municipalities within the County. (iv) Technology infrastructure for certain municipalities within the County. and (v) certain other capital outlay projects for economic development in the County., and various other capital outlay projects as authorized by Georgia law (the "Capital Outlay Projects"), and (B) the retirement of a portion of certain general obligation debt of the certain municipalities within the County.

E-911 Special Revenue Fund – To account for funds generated from telephone subscriber surcharge fees for the emergency 911 system.

Proprietary Funds – The proprietary fund reporting focus is on the determination of operating income, changes in net position, financial position and cash flows. The proprietary fund is classified as an enterprise fund.

The County reports one major enterprise fund:

Solid Waste Fund - This fund accounts for the activity at the County landfill for which the operation is contracted to a private sector vendor.

Fiduciary Funds – Fiduciary fund reporting focuses on assets and liabilities. The County's fiduciary funds are agency funds for use primarily by the County's constitutional officers held on a temporary basis.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of this fund is included on the statements of net position. The statement of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary fund uses the accrual basis of accounting at both reporting levels. Fiduciary funds are reported on the accrual basis at the fund reporting level. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, franchise taxes, charges for services, federal and state grants and investment earnings.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. Time deposits are classified as cash and cash equivalent without regard to maturity date.

Investments are stated at fair value based on quoted market prices.

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

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net position.

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when used (i.e., the consumption method). At year-end, fund balance is classified as nonexpendable for a like amount of inventory on hand since it is not available for general appropriation.

1-E-5 Prepaid Items

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-6 Restricted Assets

Pursuant to the landfill operating agreement (Note 3-G) a trust was established to provide for post closure costs on the existing Grady Road Landfill. These resources only can be used for post-closure costs until all mandated requirements are met. Liabilities payable from these restricted assets are reported separately to indicate that the source of payment is the restricted assets.

1-E-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. The County's infrastructure has been reported retroactively in 2007. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Land improvements	20 years	--
Buildings	20 - 60 years	31.5 - 40 years
Building improvements	20 years	5 - 31.5 years
Machinery and equipment	5 - 10 years	3 - 15 years
Infrastructure	40 years	--

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

Note 1 - Summary of Significant Accounting Policies (Continued)

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

1-E-9 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 and in full from current financial resources, are reported as obligations of the 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. Notes are recognized as a liability in the governmental fund financial statements when due.

1-E-10 Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance - Fund balances may be classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Board of Commissioners through a motion. The fund balance must result from a specific revenue stream committed for a specific purpose. Only the Board of County Commissioners may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the Board of County Commissioners' intent to be used for specific purposes, but are neither restricted nor committed. By motion, only the Board of County Commissioners can authorize an assignment of fund balances. Also, any of the fund balance reported at year-end that is included in the subsequent year's budget is reported as assigned.

- ***Unassigned*** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund.

Net Position Flow Assumptions – To report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the County has established a flow assumption policy. It is the County's policy to use restricted – net position first before using unrestricted – net position.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions – It is the County's policy to consider restricted fund balance to have been used 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, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position - Net position represent the difference between assets and liabilities. The net invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

1-E-11 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise and internal service funds. For the County, these revenues are charges for services for water works, waste collection and airport services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. Nonoperating revenues are investment earnings, the gain on the disposition of capital assets and operating grants. Nonoperating expenses include the loss on the disposition of capital assets and interest expense.

1-E-12 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-13 Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Polk County, Georgia Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1-E-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between funds reported in the governmental activities column are eliminated.

1-E-15 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-16 Comparative Data

Comparative total data for the prior year has been presented only for individual funds in the fund financial statements to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

1-E-17 Implementation of New GASB Standards

In fiscal year 2016, the County implemented the following GASB Standard:

GASB Statement No. 72, *Fair Value Measurement and Application*. The provisions of this Statement establish accounting and financial reporting issues related to fair value measurements. The adoption of this statement has no significant impact on the County's financial statements.

Note 2 – Stewardship, Compliance and Accountability

2-A Budgetary Information – Annual budgets are adopted on a basis consistent with GAAP for the general fund, all special revenue funds and the debt service funds. Project length budgets are adopted for capital projects funds in the normal budget process or de facto through the SPLOST referendum process. For administrative control purposes, a budget is adopted for the enterprise fund.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

The County Manager may approve budget transfers between line items within departments. The Board of Commissioners must approve any transfers of personnel or capital appropriations. During the year, Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

2-B. Excess of Expenditures over Appropriations

The following departments overspent the final amended 2016 annual budget:

General Fund:	
Sheriff	$75,376
Recreation	199
Crime victim's assistance fund	91
Law enforcement confiscated monies sheriff fund	1,700
Sheriff – other programs fund	24,734

2-C. Fund Deficits

The following individual fund had a deficit fund balance at the fund reporting level at June 30, 2016:

Emergency Telephone Special Revenue Fund	$ 473,843

The deficit will be funded by General Fund transfers and/or E-911 fees in future years.

Note 3 - Detailed Notes on All Funds

3-A. Deposits

Deposits – The County's cash and investment policy limits deposits to demand and money market accounts, and time deposits at local banks. The County's deposits shall be secured by Federal Deposit Insurance Corporation (FDIC) coverage and/or bank pledges. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held, less the FDIC insurance.

The deposits of the County are governed by Georgia General Statutes (45-8-12; 13; etal) which allow depositories to collateralize excess deposits above Federal depository insurance coverage by one of two methods. Under the Dedicated Method, all deposits exceeding the Federal depository insurance coverage are collateralized with securities held by the County's agent in the County's name. Under the Georgia State Pledging Pool Program Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the director of the Office of State Treasurer agent in the name of the director. The State has selected the Georgia Bankers Association as agent.

Since the director is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the director the adequacy of their pooled collateral covering uninsured deposits. The director does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the director of the Office of State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be recovered.

As of June 30, 2016, all of the County's deposits were covered, either by FDIC coverage or collateralized through the State of Georgia as explained above.

Primary government cash and cash equivalents reconciliation:

	Cash and Cash Equivalents
Primary Government - Fund Reporting Level:	
Governmental Funds - Balance Sheet	$ 14,915,944
Proprietary Fund Type Statement of Net Position	9,565,069
Proprietary Fund Type Statement of Net Position - Restricted	2,575,241
Statement of Fiduciary Assets and Liabilities	507,237
Total	$ 27,563,491

3-B. Receivables

Receivables at June 30, 2016, consisted of taxes, accounts (billings for user charges) and intergovernmental receivables arising from grants.

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

Note 3 - Detailed Notes on All Funds (Continued)

***Allowance for Uncollect**ibles* - The allowances for uncollectibles are as follows:

- General fund - $26,639

3-C. Property Taxes

The Board of Commissioners levy property taxes by or about September of each year. Property taxes attach as an enforceable lien on property as of January 1. The property taxes were levied on August 12, 2015. Property taxes were billed on September 29, 2015 and are due upon receipt, however, the due date was December 20, 2015 and became delinquent on December 21, 2015.

The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. The County also collects vehicle and mobile home taxes for the cities located in the County and the State of Georgia. Collection of the County's taxes and for the other governmental agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an agency fund.

(this page continued on the subsequent)

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2016, was as follows:

	Balance 7/1/2015	Additions	Deductions	Balance 6/30/2016
Governmental activities:				
Nondepreciable capital assets:				
Land	$ 3,115,756	$ 125,300	$ -	$ 3,241,056
Construction in progress	1,168,377	489,073	1,031,770	625,680
Total nondepreciable capital assets	4,284,133	614,373	1,031,770	3,866,736
Depreciable capital assets:				
Land improvements	2,185,082	-	-	2,185,082
Buildings	20,949,836	-	-	20,949,836
Machinery and equipment	13,841,849	1,339,468	44,301	15,137,016
Infrastructure	34,323,778	1,421,944	-	35,745,722
Total depreciable capital assets	71,300,545	2,761,412	44,301	74,017,656
Total capital assets	75,584,678	3,375,785	1,076,071	77,884,392
Accumulated depreciation:				
Land improvements	1,348,948	80,346	-	1,429,294
Buildings	7,762,426	431,258	-	8,193,684
Machinery and equipment	8,602,353	824,044	31,516	9,394,881
Infrastructure	25,014,612	368,952	-	25,383,564
Total accumulated depreciation	42,728,339	1,704,600	31,516	44,401,423
Governmental activities capital assets, net	$ 32,856,339	$ 1,671,185	$ 1,044,555	$ 33,482,969

Governmental activities depreciation expense	
General government	$ 228,152
Judicial	11,209
Public safety	757,486
Public works	563,682
Health and welfare	24,083
Planning/community development	119,988
Total governmental activities depreciation expense	$ 1,704,600

Note 3 - Detailed Notes on All Funds (Continued)

	Balance 7/1/2015	Additions	Deductions	Balance 6/30/2016
Business-type activities:				
Nondepreciable capital assets:				
Land	$ 150,186	$ -	$ -	$ 150,186
Depreciable capital assets:				
Land improvements	78,980			78,980
Landfill	4,692,921			4,692,921
Compactor	124,876			124,876
Dumpsters	9,187			9,187
Buildings	9,909			9,909
Other improvements	2,450	-	-	2,450
Machinery and equipment	200,390	-	140,090	60,300
Furniture and fixtures	3,431	-	-	3,431
Total depreciable capital assets	5,122,144	-	140,090	4,982,054
Total capital assets	5,272,330	-	140,090	5,132,240
Accumulated depreciation:				
Land improvements	78,980	-	-	78,980
Landfill	4,686,369			4,686,369
Compactor	124,876			124,876
Dumpsters	9,187			9,187
Buildings	9,214			9,214
Other improvements	2,450			2,450
Machinery and equipment	186,716	4,521	128,416	62,821
Furniture and fixtures	3,431	-	-	3,431
Total accumulated depreciation	5,101,223	4,521	128,416	4,977,328
Business-type activities capital assets, net	$ 171,107	$ (4,521)	$ 11,674	$ 154,912

3-E. Deferred Inflows/Outflows of Resources

Fund Financial Reporting Level - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow 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 reports one of these items. This item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes ($777,493). This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Government-wide Financial Reporting Level - The County also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members ($87,844). Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of

Note 3 - Detailed Notes on All Funds (Continued)

resources and are amortized into pension expense over the expected remaining service lives of Plan members ($402,199). The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period ($816,798). Additionally, any contributions made by the County to the pension plan before fiscal year end, but after the measurement date of the County's net pension liability, are reported as deferred outflows of resources ($403,445).

3-F Compensated Absences

Annual leave is earned at the rate of ten days per year after one year of service, for the first five years up to a maximum of 25 days per year after thirty years for the remainder of employment. There is no requirement that annual leave be taken; however, any leave in excess of 10 days not taken is forfeited. Upon termination, all employees are paid for all accumulated annual leave.

Sick leave is earned at the rate of eight hours for each month of service with accumulation subject to limits. Unused sick leave is paid with accumulation subject to a 60-day limitation upon termination of employment. Employees retiring at full retirement status are paid 100% of the benefit and others are paid at a rate of 50%.

3-G. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2016, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made.

The following table includes the interfund receivables and payables at June 30, 2016:

	Payable from:			
Payable to:	General	Nonmajor govern.	Solid waste	Total
General	$ -	$ -	$ 300,000	$ 300,000
Nonmajor govern.	4,658	1,766	-	6,424
Total	$ 4,658	$ 1,766	$ 300,000	$ 306,424

The County expects to repay all interfund balances within one year.

The following table reports the advances receivable and payable:

Payable to	Payable from E-911 Special Revenue Fund
General Fund	$ 486,916

Note 3 - Detailed Notes on All Funds (Continued)

Interfund Transfers - Interfund transfers for the year ended June 30, 2016, consisted of the following:

	Transfers From			
Transfers to	General	Solid waste	Nonmajor Governmental	Total
General	$ -	$ 371,050	$ -	$ 371,050
E911	376,374	-	-	376,374
Nonmajor governmental	-	-	8,348	8,348
Total	$ 376,374	$ 371,050	$ 8,348	$ 755,772

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-H. Long-Term Debt

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2016:

Governmental Activities	**Outstanding 7/1/2015**	**Additions**	**Reductions**	**Outstanding 6/30/2016**	**Amounts Due in One Year**
Net pension liability (Note 3-K)	$ 165,010	$ 1,581,384	$ -	$ 1,746,394	$ -
OPEB liability (Note 3-L)	6,311,130	917,838	-	7,228,968	-
Compensated absences (Note 3-F)	858,015	637,436	643,511	851,940	475,000
Total Governmental Activities	**$ 7,334,155**	**$ 3,136,658**	**$ 643,511**	**$ 9,827,302**	**$ 475,000**
Business-type Activities:					
Landfill closure and post-closure care costs (Note3-I)	$ **713,701**	$ **7,137**	$ $ -	$ **720,838**	$ $ -

The net pension and OPEB liabilities will be liquidated by the General Fund. The compensated absences liability will be paid from the general fund and the E-911 special **r**evenue fund. The solid waste fund retires the post closure care liability.

3-I Landfill Closure and Post closure Care Cost

State and federal laws and regulations required the County to place a final cover on its Highway 278 landfill when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for a minimum of 5 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 a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $720,838 reported as landfill postclosure cost liability at year-end represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill, net of related expenditures to date of $132,514. These amounts are based on what it would cost to perform all postclosure in 2016. The County stopped receiving waste in this landfill prior to April 9, 1994, but will be required to monitor the site for 30 years. The 30-year monitoring requirement began July 1, 1999; therefore, the monitoring will be in effect for 14 more years. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Note 3 - Detailed Notes on All Funds (Continued)

State and federal laws and regulations require the County to place a final cover on its Grady Road landfill (Phase I and II, approximately 27,849,239 ton capacity, as last modified February 2016) when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $12,452,605 reported as landfill closure/postclosure cost liability at year-end represents the cumulative amount reported to date based on the use of 30.73% of the estimated capacity of the Phases I, II and III, net of related expenditures to date of $-0- and lessee closure contractual obligations of $12,452,605. These amounts are based on what it would cost to perform all closure and postclosure in 2016. As described below, all closure/postclosure costs are a contractual obligation of the lessee, and therefore the County does not expect to incur any additional costs associated with the closure/postclosure of Phases I,II and III. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Closure and postclosure care financial assurance requirements will be met by lessee contractual commitments secured by a funded trust, bank letters of credit and performance bonds.

The County and contractor have obtained approval for certain major/minor modifications of the original D & O applicable to Phases I, II and III, including the remaining 40 acres that are under an existing D & O plan. These changes were effective 2012 and updated by the County in 2015 with guidance by the Georgia Department of Natural Recourses.

On December 4, 2001, (finalized February 26, 2002) the County entered into a sanitary operation agreement with ETC of Georgia, Inc. (the Contractor) (assigned to Waste Connections, Inc.). The Agreement provides, among other things, that the Contractor will manage, operate, and maintain the Polk County Sanitary Landfill located at 316 Grady Road.

The Contractor is responsible for all closure/post-closure costs as mandated by federal and state authorities. A trust agreement requires that the Contractor make monthly payments to provide sufficient funds for the estimated costs. The Contractor paid the County the sum of one million and 00/100 ($1,000,000.00) dollars as an origination fee. The County will be charged a tipping fee of fourteen and 50/100 ($14.50) dollars per ton subject to consumer price index (CPI) increases beginning on the third (3rd) anniversary of the agreement. The County will also receive a “host” fee of four and 00/100 ($4.00) dollars per ton on tonnage up to 1,000 tons per day and two and 00/100 ($2.00) for all tonnage in excess of 1,000 tons per day up to and including 4,000 tons per day. If the cap of 4,000 tons per day is exceeded then the host fee will revert to four and 00/100 ($4.00) dollars per ton, on all garbage generated and collected outside of the geographical boundary of Polk County. The Contractor has guaranteed an annual amount of five hundred twenty thousand and 00/100 ($520,000.00) under this section. The Contractor will make an annual charitable donation of ten thousand ($10,000.00) dollars to the County for purposes of solid waste and recycling education in the County.

The government is committed under various leases for machinery and equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures and outstanding obligations for the year were not significant.

3-K. Pensions

Defined Contribution Plan

The County maintains a single employer sponsored money purchase retirement plan covering all full-time employee hired after January 1, 2005. The ACCG 401(a) Deferred Contribution Plan for Employees of Polk County (the Plan) is a defined contribution plan established by the Board of Commissioners on February 1, 2005. A defined contribution plan provides retirement benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

Note 3 - Detailed Notes on All Funds (Continued)

Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions and forfeitures of other participant's benefits that may be allocated to such participant's account. As established by resolution of the Board of Commissioners, all employees who have been employed for one year are eligible to participate in the plan. Participants are fully vested after five years of service. There is partial vesting prior to the five-year anniversary. A participant that leaves the employment of the County is entitled to their account balance, if vesting requirements are satisfied. The plan does not provide for participant contributions that are treated as employer pick-up contributions under Code Section 414(h). The Plan does not allow employee after-tax contributions. The County makes no basic contributions to the Plan. Investment options are selected by each Plan participant. Plan members do not make contributions to the plan, except as described below.

As part of the Plan, Polk County adopted a funding plan feature that gives certain 401(K) aspects to the defined contribution plan. Under the provision, the County will match contributions made by an employee to the County's Section 457 deferred compensation plan on a 1 for 2 basis up to a maximum contribution by the County of 3%. Therefore, an employee who contributes 6% to the 457-deferred compensation plan will receive an additional 3% contribution to this pension plan.

The County's contributions were calculated using the formula detailed above. Employees contributed $42,849 and the County made the required percent matching contributions of $15,234.

The Defined Benefit Pension Plan

Plan Description. The County participates in the Association County Commissioners of Georgia ("ACCG") Third Restated Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The plan is administrated by GEB Corp. The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The ACCG, in its role as the plan sponsor, has the sole authority to amend the provisions of The ACCG plan, as provided in Section 19.03 of the ACCG Plan document.

The specific benefit provisions of the County's plan, as provided by Section 19.02 of the ACCG Plan document, were established by an adoption agreement executed by the Board of Commissioners. The Plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

All full-time eligible employees participate in the ACCG Plan ("Plan") after completing three years of service. Benefits are fully vested after five years of service.

Benefits Provided. Participants become eligible to retire at the later of the date: 1) participant attains sixty-five years of age or, 2) the third anniversary of the first day of the Plan Year in which the Participant commenced participation in the Plan; 3) all participants are eligible for Normal retirement at age 70 even if they have not completed three years of Plan participation. Upon reaching normal retirement age, as defined above, participants are entitled to a monthly pension of 2% of average annual compensation multiplied by each year of credited service. Average annual compensation is the highest average of the Participant's compensation over three consecutive plan years during the ten plan years preceding the Participant's date of retirement or other termination. The Plan provides benefits in the event of death or disability. The Plan also provides for Early Retirement subject to certain early retirement reduction factors. If the participant has 30 years of service with the County or another adopting employer (at least 25 years must be with the county), there will not be an early retirement reduction in benefits.
Complete financial statements of the pension plan trust can be obtained from the plan administrator at **www.gebcorp.com** or by writing to Association of County Commissioners of Georgia, Retirement Services

A copy of the plan's financial report may be obtained from:

Government Employee Benefits Corporation of Georgia
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

Note 3 - Detailed Notes on All Funds (Continued)

Participant counts as of January 1, 2015, (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Current membership is as follows:	
Retirees, beneficiaries, and disablees currently receiving benefits	43
Terminated participants entitled to but not yet receiving benefits	140
Active employees participating in the plan	178
Total number of participants	361

Contributions.

The County is required to contribute an actuarially determined amount annually to the Plan's trust. County employees are not required to contribute to the Plan. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. The annual County contribution meets or exceeds the minimum funding requirements of the Georgia Code. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. The annual County contribution to the Plan is determined using the actuarial basis described in the annual valuation report. County contributions to the Plan were $341,621 for the year ended June 30, 2016.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants. The County's actuarially determined contribution and contribution rate for the fiscal year ended December 31, 2015 was $403,445, or 6.37% of covered-employee payroll. The County's covered payroll for employees participating in the Plan as of January 1, 2015, (the most recent actuarial valuation date) was $5,765,821 (based on covered earnings for the preceding year). The County Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the County reported a net pension liability of $1,746,394. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. For the year ended June 30, 2016, the County recognized pension expense of $612,881

Note 3 - Detailed Notes on All Funds (Continued)

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2015	$ 14,535,357	$ 14,370,347	$ 165,010
Changes for the year:			
Service cost	236,092	-	236,092
Interest	1,075,035	-	1,075,035
Liabilityexperience (gain)/loss	107,365	-	107,365
Assumption change	491,577		491,577
Employer contributions	-	338,338	(338,338)
Service credit transfer	23,109	23,109	-
Net investment income	-	118,829	(118,829)
Benefit payments	(426,227)	(426,227)	-
Administrative expense	-	(32,025)	32,025
Other changes	-	(96,457)	96,457
Net changes	1,506,951	(74,433)	1,581,384
Balances at June 30, 2016	$ 16,042,308	$ 14,295,914	$ 1,746,394

Plan fiduciary net position as a percentage of the total pension liability	89.11%
Covered employee payroll	$ 5,765,821
Net pension liability as a percentage of covered employee payroll	30.29%

At June 30, 2016, the County reported deferred outflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources
Pension contributions subsequent to measurement date	$ 403,445
Net difference between projected and actual earnings on pension plan investments	816,798
Change in assumptions	402,199
Deferral of liability	87,844
Total	$ 1,710,286

The $403,445 of deferred outflows of resources resulting from the County's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2017.

Note 3 - Detailed Notes on All Funds (Continued)

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

Year Ending December 31	
2017	$ 326,710
2018	326,710
2019	326,710
2020	326,711
Totals	$ 1,306,841

Actuarial Assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Future salary increases	3.00% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.50%
Mortality	RP-2000 projected with scale AA to 2016

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

Benchmark	Asset Allocation	Average 20 Year Return	Weighted 20 Year Return	Average 30 Year Return	Weighted 30 Year Return
S&P 500	30%	8.80%	2.64%	10.74%	3.22%
Barlay's Agg.	30%	5.75%	1.73%	7.80%	2.34%
MSCI EAFE	15%	5.44%	0.82%	9.51%	1.43%
Citi Non US WEBI	5%	5.48%	0.27%	5.48%	0.27%
NAREIT Equity	5%	9.91%	0.50%	11.35%	0.57%
Russell 2000	5%	8.96%	0.45%	9.37%	0.47%
Russell 3000	5%	8.89%	0.44%	10.58%	0.53%
S&P Mid Cap	5%	11.83%	0.59%	13.21%	0.66%
Weighted Return			7.44%		9.49%

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 3 - Detailed Notes on All Funds (Continued)

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*.** The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50%) or one percentage-point higher (8.50%) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.50%	$ 4,080,114
Current discount rate	7.50%	1,746,393
1% increase	8.50%	174,679

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia GEBCorp financial report.

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.

3-L Other Post-employment Benefits (OPEB)

The County administers a single-employer defined benefit health care plan, the "The Healthcare Plan of Polk County."

Plan Description and Funding Policy – The County Board of Commissioners authorizes participation in the OPEB and sets the contribution rates and benefits. Coverage under the plan includes medical and prescription drug for retirees and dependents

Benefits - Retirees who meet the following requirement are eligible to continue health insurance coverage:

> The retiree has twenty (20) or more years of full time service and is at least sixty (60) years of age. Employees attaining Full Retirement Status, and only such employees, shall have the right to carry and retain insurance coverage at employee-portion rates into retirement

Retirees may stay on the plan for their lifetime by making the required contribution. Life insurance is offered to retirees, but must be paid entirely by retirees.

Dependents may participate for the lifetime of the retiree if the retiree pays the required contribution for dependent coverage. As of 7/1/2016, the contributions are as follows based on the three health plans:

Plan Name	**Employee Only Contribution**
POS 5002 SX	$106.63 per month
HMO 6502 SX (LOW)	$55.25 per month
HMO 6200 SX (HIGH)	$76.15 per month

Retirees and/or retiree spouses reaching the age of Medicare eligibility and having the current group insurance plan convert to supplemental coverage only shall have the rates reduced to half rates.

Note 3 - Detailed Notes on All Funds (Continued)

Annual OPEB Cost and Net OPEB Obligation – The following table includes the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the County" net OPEB obligation:

	June 30, 2015	June 30, 2016
Normal cost	$ 671,844	$ 674,433
Amortization of unfunded actuarial accrued liability (UAAL)	364,382	364,382
Required contribution (ARC)	1,036,226	1,038,815
Interest on OPEB obligation	214,356	252,445
Adjustment to ARC	(204,777)	(241,164)
Annual OPEB cost	1,045,805	1,050,096
Contributions made	(93,584)	(132,258)
Increase in net OPEB obligation	952,221	917,838
Net OPEB obligation, beginning of year	5,358,909	6,311,130
Net OPEB obligation, end of year	$ 6,311,130	$ 7,228,968

Three Year Trend Information

Fiscal Year	Annual OPEB Cost	Actual County Contributions	Percentage of OPEB Contributed	Net OPEB Obligation
6/30/14	$ 1,076,650	$ -	6.50%	$ 5,358,909
6/30/15	1,045,805	-	8.95%	6,311,130
6/30/16	1,050,096	-	12.59%	7,228,968

Funded Status and Funding Progress – The County's funding status based upon the most recent actuarial valuation follows:

Measurement Date	(1)* Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/uaal (2)-(1)	(5) Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2013	$ -	$ 9,322,046	0.0%	$ 9,322,046	$ 7,044,087	132.3%
1/1/2015	-	9,535,686	0.0%	9,535,686	6,876,255	138.7%

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 3 - Detailed Notes on All Funds (Continued)

The County's actuarial valuation information is as follows:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Pay, Open
Amortization Period	30 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment rate of return	4.00%
Pre-Medicare trend rate	7.50% to 5.00%
Medicare trend rate	5.50% to 5.00%
Year of Ultimate Trend Rate	2020
Inflation Rate	3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

3-M Property Held for Leasing

The County leases hangars at the airport monthly. However, the lease agreements are not long term and projections for future rental amounts are uncertain. Therefore, a schedule of minimum future rental is not presented. In 2016, the County received $121,000 from hangar rentals.

Property held for leasing consists of land and building leased under operating leases to a commercial enterprise and agencies of the State of Georgia. Lease terms vary from one to ten years and require, in some cases, the construction of leasehold improvements that will be contributed to the County at lease termination

The following is a schedule by year of minimum future rentals on cancelable operating leases as of June 30, 2016

Year Ending June 30,	**DFACS Building**
2017	$ 239,790
2018	239,790
2019	239,790
2020	239,790
2021	239,790
2022-2026	1,198,950
Total	**$ 2,397,900**

Note 3 - Detailed Notes on All Funds (Continued)

3-N. Fund Equity

Fund Balances – Fund balances are classified as follows:

- ***Nonspendable*** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:	
Prepaid items	$ 155,511
Inventories	48,633
Advance to other fund	486,916
Total	$ 691,060

- ***Restricted –*** The following fund balances are legally restricted to specified purposes:

2008 SPLOST	
Capital projects	$ 3,610,888
2014 SPLOST	
Capital projects	$ 2,535,656
Nonmajor Governmental Funds:	
Capital projects	$ 1,934
Public safety	182,585
Law library	78,003
Court programs	104,724
Superior court	79,835
Total Nonmajor Governmental Funds:	$ 447,081

- ***Assigned –*** The following fund balance is assigned to specific purposes:

Nonmajor Governmental Funds:	
Sheriff special programs	$ 7,593

- ***Unassigned –*** The following fund balances include the unassigned amounts:

General Fund:	
Unassigned	$ 7,901,939
Emergency Telephone Fund	
Unassigned (deficit)	$ (365,705)

Note 3 - Detailed Notes on All Funds (Continued)

Net Investment in Capital Assets

The "net investment in capital assets" reported on the government-wide statement of net position as of June 30, 2016 are as follows:

Net investment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 77,884,392	$ 5,132,240
Less accumulated depreciation	44,401,423	4,977,328
Net investment in capital assets	$ 33,482,969	$ 154,912

Note 4 - Other Notes

4-A. Risk Management

Interlocal Risk Management Agency - The County is exposed to various risks 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 joined together with other counties in the state as part of the Interlocal Risk Management Agency (IRMA) for property and liability insurance operated by Association County Commissioners of Georgia (ACCG) and the ACCG-Group Self-Insurance Workers' Compensation Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The ACCG administers both risk pools.

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

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

The County has not compiled a record of the claims paid up to the applicable deductible for the prior or current fiscal year. The County is not aware of any claims, which the County is liable for (up to the applicable deductible) which were outstanding and unpaid at June 30, 2016. No provision has been made in the financial statements for the year ended June 30, 2016, for any estimate of potential unpaid claims.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

4-B. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was a defendant in several lawsuits at June 30, 2016. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

Note 4 - Other Notes (Continued)

4-C Jointly Governed Organizations

The County assists with the operations of the Polk County Library System through annual funding requests. The Polk County Library System is a member of the Sara Hightower Regional Library System (Library).

The Library Board consists of sixteen members, eleven members appointed by the Floyd County Library Board, and five members appointed by the Polk County Library Board. The Board is without authority to determine the amount of its funding, except by submission of budget requests to local governmental units from which that library receives support and to the State of Georgia for state and federal funding. Membership in the library and participation in library services is at the discretion of each participating governmental agency. The Board has the power to designate management, the power to retain unreserved fund balances of local funds for continued operations and is the lowest level of oversight responsibility for the Library's operations. No single governmental agency has oversight responsibility or managerial control over the Library nor is any of the participating governments responsible for funding a deficit of the Library. Accordingly, the Library's financial statements are not included in the financial statements of any other reporting entity.

Complete financial statements of the Library System can be obtained directly from their administrative office. Address for the administrative office is as follows:

Sara Hightower Regional Library
245 East Avenue
Cedartown, Georgia 30125

REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	$ 14,890,000	$ 15,723,000	$ 15,790,411	$ 67,411
Licenses and permits	80,900	110,000	111,503	1,503
Intergovernmental	737,450	1,069,400	1,072,601	3,201
Charges for services	837,500	1,089,000	1,212,933	123,933
Courts and law enforcement	847,400	827,200	830,073	2,873
Investment earnings and rents	345,000	368,500	370,300	1,800
Miscellaneous	168,509	363,700	361,728	(1,972)
Total Revenues	17,906,759	19,550,800	19,749,549	198,749
Expenditures				
Current:				
General government	4,001,197	3,431,203	3,419,860	11,343
Judicial	2,614,261	2,759,643	2,745,508	14,135
Public safety	8,027,016	8,192,755	8,260,535	(67,780)
Public works	2,884,472	2,813,000	2,811,755	1,245
Health and welfare	309,663	309,663	309,663	-
Culture and recreation	323,419	323,419	323,618	(199)
Planning and community development	946,976	1,108,083	1,102,723	5,360
Sanitation	554,221	577,500	576,264	1,236
Debt Service	29,160	29,160	16,159	13,001
Total Expenditures	19,690,385	19,544,426	19,566,085	(21,659)
(Deficiency) of Revenues (Under) Expenditures	(1,783,626)	6,374	183,464	177,090
Other Financing Sources (Uses)				
Sale of capital assets	20,000	20,000	-	(20,000)
Transfers in	1,240,000	1,240,000	371,050	(868,950)
Transfers out	(376,374)	(376,374)	(376,374)	-
Total Other Financing Sources (Uses)	883,626	883,626	(5,324)	(888,950)
Net Change in Fund Balance	$ (900,000)	$ 890,000	178,140	$ (711,860)
Fund Balances Beginning of Year			8,414,859	
Fund Balances End of Year			$ 8,592,999	

Polk County, Georgia
Emergency Telephone Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Charges for services	$ 630,000	$ 680,000	$ 687,699	$ 7,699	$ 694,159
Miscellaneous	6,960	2,500	-	(2,500)	392
Total Revenues	636,960	682,500	687,699	5,199	694,551
Expenditures					
Current					
Public safety	1,013,334	1,058,874	955,935	102,939	961,903
Excess (Deficiency) of Revenues Over (Under) Expenditures	(376,374)	(376,374)	(268,236)	108,138	(267,352)
Other Financing Sources (Uses)					
Transfers in	376,374	376,374	376,374	-	349,852
Net Change in Fund Balances	$ -	$ -	108,138	$ 108,138	82,500
Fund Balances (Deficits) Beginning of Year			(473,843)		(556,343)
Fund Balances (Deficits) End of Year			$ (365,705)		$ (473,843)

Polk County, Georgia
Schedule of Funding Progress
June 30, 2016

Other Post-Employment Benefit Plan

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL As a Percentage of Covered payroll (2)-(1)/5
1/1/2009	$ -	$ 6,048,910	$ 6,048,910	0.0%	$ 6,852,049	88.30%
1/1/2011	-	8,724,354	8,724,354	0.0%	7,419,833	117.60%
1/1/2013	-	9,322,046	9,322,046	0.0%	7,044,087	132.34%
1/1/2015	-	9,535,686	9,535,686	0.0%	6,876,255	138.70%

OPEB actuarial valuation performed every other fiscal year

Polk County, Georgia
Employee Pension Trust Fund
Schedule of Changes in the County's Net Pension Liability and Related Ratios
June 30, 2016 and 2015

	2016	2015
Total pension liability		
Service cost	$ 236,092	$ 220,586
Interest on total pension liability	1,075,035	1,028,668
Differences between expected and actual experience	107,365	-
Changes in assumptions and/or cost method	491,577	-
Benefit payments	(426,227)	(429,469)
Service credit tramsfer	23,109	-
Net change in total pension liability	1,506,951	819,785
Total pension liability - beginning	14,535,357	13,715,572
Total pension liability - ending (a)	$ 16,042,308	$ 14,535,357
Plan fiduciary net positon		
Contribution - employer	$ 338,338	$ 341,621
Service credit transfer	23,109	-
Net investment income	118,829	997,063
Benefit payments	(426,227)	(413,946)
Administrative expenses	(32,025)	(27,620)
Other changes	(96,457)	(108,390)
Net change in plan fiduciary net position	(74,433)	788,728
Plan fiduciary net positon - beginning	14,370,347	13,581,619
Plan fiduciary net positon - ending	$ 14,295,914	$ 14,370,347
County's net pension liability (asset) - ending (a) - (b)	$ 1,746,394	$ 165,010
Plan fiduciary net position as a percentage of the total pension liability	89.11%	98.90%
Covered employee payroll	$ 5,765,821	$ 5,248,780
Net pension liability as a percentage of covered employee payroll	30.29%	3.10%

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

Polk County, Georgia
Employee Pension Trust Fund
Schedule of County Contributions
June 30, 2016

	2016	2015
Actuarially determined contribution	$ 338,938	$ 309,266
Contributions in relation to the actuarially determined contribution	403,445	341,621
Contribution deficiency (excess)	$ (64,507)	$ (32,355)
Covered employee payroll	$ 5,765,821	$ 5,248,780
Contributions as a percentage of covered employee payroll	7.00%	6.51%

Notes to schedule:

(A) Actuarial Assumptions

Valuation Date	January 1, 2015	January 1, 2014
Cost Method	Entry age normal	Entry age normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period.	Smoothed market value with a 5-year smoothing period.
Assumed Rate of Return on Investments	7.50%	7.50%
Projected Salary Increases	2.00%-4.50%, including 3.00% for inflation	2.00%-4.50%, including 3.00% for inflation
Amortization Method	Closed level dollar for unfunded liability	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining	None remaining

(B) The schedule will present 10 years of information once it is accumulated

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Polk County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 8,354,491	$ 8,145,968
Receivables		
Accounts	98,856	89,857
Taxes	861,327	889,540
Intergovernmental	1,111,944	1,032,254
Interest	1,029	685
Interfund	300,000	81
Advances	486,916	634,946
Inventory	48,633	72,688
Prepaid items	155,511	140,142
Total Assets	$ 11,418,707	$ 11,006,161
Liabilities and Fund Balances		
Liabilities		
Accounts and contracts payable	$ 1,003,751	$ 840,423
Accrued expenditures	841,401	769,666
Interfund payable	4,658	7,370
Unearned revenue	198,405	160,393
Total Liabilities	2,048,215	1,777,852
Deferred Inflows of Resources	777,493	813,450
Fund Balance		
Nonspendable:		
Prepaid items	155,511	140,142
Inventory	48,633	72,688
Advances to other funds	486,916	634,946
Unassigned	7,901,939	7,567,083
Total Fund Balances	8,592,999	8,414,859
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,418,707	$ 11,006,161

Polk County, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2016 and 2015

	2016	2015
Revenues		
Taxes	$ 15,790,411	$ 15,607,708
Licenses and permits	111,503	92,229
Intergovernmental	1,072,601	1,240,790
Charges for services	1,212,933	1,307,608
Courts and law enforcement	830,073	877,261
Investment earnings and rents	370,300	362,562
Miscellaneous	361,728	201,134
Total Revenues	19,749,549	19,689,292
Expenditures		
Current		
General government	3,419,860	3,222,134
Judicial	2,745,508	2,600,460
Public safety	8,260,535	7,829,492
Public works	2,811,755	3,201,095
Planning/Community development	1,102,723	805,367
Health and welfare	309,663	309,663
Culture and recreation	323,618	323,419
Sanitation	576,264	870,514
Debt Service	16,159	16,762
Total Expenditures	19,566,085	19,178,906
Excess of Revenues Over Expenditures	183,464	510,386
Other Financing Sources (Uses)		
Sale of capital assets	-	27,990
Transfers in	371,050	326,607
Transfers out	(376,374)	(349,852)
Total Other Financing Sources (Uses)	(5,324)	4,745
Net Change in Fund Balances	178,140	515,131
Fund Balances Beginning of Year	8,414,859	7,899,728
Fund Balances End of Year	$ 8,592,999	$ 8,414,859

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes					
General property tax	$ 9,262,000	$ 9,804,000	$ 9,810,668	$ 6,668	$ 9,655,937
Auto ad valorem and mobile home tax	1,225,000	1,369,000	1,376,561	7,561	1,465,986
Cost, penalties and interest	197,000	264,000	264,971	971	254,211
Intangible tax	105,000	116,000	117,689	1,689	85,521
Real estate transfer tax	18,000	33,000	34,656	1,656	28,568
Railroad equipment tax	25,000	30,000	31,468	1,468	30,308
Alcoholic beverage tax	100,000	123,000	123,009	9	121,876
Franchise tax	160,000	207,000	207,063	63	234,330
Insurance premium tax	1,275,000	1,370,000	1,415,067	45,067	1,325,435
Financial institutions tax	23,000	31,000	31,772	772	-
Local option sales tax	2,500,000	2,376,000	2,377,487	1,487	2,405,536
Total Taxes	14,890,000	15,723,000	15,790,411	67,411	15,607,708
Licenses and Permits	80,900	110,000	111,503	1,503	92,229
Intergovernmental					
Federal government	-	102,800	2,813	(99,987)	8,447
State of Georgia	707,450	872,600	864,451	(8,149)	1,161,963
Local governments	30,000	94,000	205,337	111,337	70,380
Total Intergovernmental	737,450	1,069,400	1,072,601	3,201	1,240,790
Charges for Services					
Tax Commissioner	438,000	514,800	516,179	1,379	506,409
Emergency medical service	-	500	385	(115)	1,147
Animal control	9,500	12,000	12,634	634	18,219
Airport fuel sales	90,000	230,000	227,483	(2,517)	215,588
Prisoner housing fees	300,000	331,700	456,252	124,552	566,245
Total Charges for Services	837,500	1,089,000	1,212,933	123,933	1,307,608
Courts and Law Enforcement					
Clerk of Superior Court	250,000	234,000	234,517	517	261,310
Probate Court	375,000	394,000	395,289	1,289	398,600
Juvenile Court	1,200	2,500	2,596	96	1,652
Magistrate Court	190,000	172,000	172,799	799	183,496
Bond Feitures	200	4,200	4,077	(123)	175
County ordinance	31,000	20,500	20,795	295	32,028
Total Courts and Law Enforcement	847,400	827,200	830,073	2,873	877,261
Investment Earnings and Rents	345,000	368,500	370,300	1,800	362,562
Miscellaneous	168,509	363,700	361,728	(1,972)	201,134
Total Revenues	17,906,759	19,550,800	19,749,549	198,749	19,689,292

(continued)

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

(continued)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Expenditures					
Current					
General Government					
Administration	$ 1,793,624	1,150,062	1,145,116	$ 4,946	$ 1,185,136
Central Supply	3,500	500	414	86	-
Information system	134,277	140,840	139,733	1,107	78,552
Tax Assessor	548,106	508,000	506,811	1,189	490,602
Tax Commissioner	517,251	517,251	516,315	936	499,288
Public buildings	861,400	949,500	948,171	1,329	835,017
General appropriations	15,100	15,050	14,668	382	14,868
Election and registrar	127,939	150,000	148,632	1,368	118,671
Total General Government	4,001,197	3,431,203	3,419,860	11,343	3,222,134
Judicial					
Superior Court	203,575	214,000	212,905	1,095	384,206
Drug Court	60,000	203,000	200,584	2,416	-
District Attorney	204,787	194,000	192,824	1,176	184,338
Clerk of Superior Court	683,009	652,000	649,493	2,507	626,105
Magistrate Court	376,215	362,643	361,645	998	364,457
Probate Court	368,325	391,000	389,442	1,558	366,775
Juvenile Court	295,483	320,000	318,779	1,221	296,277
Probation	79,912	83,000	81,838	1,162	80,799
Public Defender	296,040	293,000	291,831	1,169	247,173
Coroner	46,915	47,000	46,167	833	50,330
Total Judicial	2,614,261	2,759,643	2,745,508	14,135	2,600,460
Public safety					
County Police	2,673,396	2,582,000	2,580,001	1,999	2,630,055
Drug Task Force	-	22,000	22,000	-	8,000
Sheriff	4,243,786	4,500,000	4,575,376	(75,376)	4,234,662
Jail	418,260	377,500	376,215	1,285	362,027
Emergency Management Agency	154,363	194,000	192,209	1,791	143,799
Fire services	226,675	211,000	209,612	1,388	166,669
Animal control	296,501	293,000	291,867	1,133	271,025
Forestry Service	14,035	13,255	13,255	-	13,255
Total Public Safety	8,027,016	8,192,755	8,260,535	(67,780)	7,829,492
Public Works	2,884,472	2,813,000	2,811,755	1,245	3,201,095
Planning/Community Development					
Planning and zoning	50,540	50,540	49,182	1,358	48,468
Permits and inspections	160,321	168,500	167,204	1,296	153,218
Development authority	282,773	282,773	282,773	-	282,773
Keep Polk Beautiful	14,070	14,070	14,070	-	14,070
Northwest Georgia Regional Commission	27,500	27,200	27,146	54	27,233
Cooperative Extension Service	63,772	61,500	60,245	1,255	59,903
Airport	348,000	503,500	502,103	1,397	219,702
Total Planning/Community Development	946,976	1,108,083	1,102,723	5,360	805,367

(continued)

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP) and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

(continued)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Expenditures					
Current					
Sanitation	$ 554,221	$ 577,500	$ 576,264	$ 1,236	$ 870,514
Culture and Recreation					
Library	117,919	117,919	117,919	-	117,919
Recreation	205,500	205,500	205,699	(199)	205,500
Total Culture and Recreation	323,419	323,419	323,618	(199)	323,419
Health and Welfare					
General health	197,955	197,955	197,955	-	197,955
Mental health	40,000	40,000	40,000	-	40,000
Family and children services	71,708	71,708	71,708	-	71,708
Total Health and Welfare	309,663	309,663	309,663	-	309,663
Debt Service					
Principal	13,000	16,160	16,159	1	-
Interest and fiscal charges	16,160	13,000	-	13,000	16,762
Total Debt Service	29,160	29,160	16,159	13,001	16,762
Total Expenditures	19,690,385	19,544,426	19,566,085	21,659	19,178,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,783,626)	6,374	183,464	177,090	510,386
Other Financing Sources (Uses)					
Sale of capital assets	20,000	20,000	-	(20,000)	27,990
Transfers in	1,240,000	1,240,000	371,050	(868,950)	326,607
Transfers out	(376,374)	(376,374)	(376,374)	-	(349,852)
Total Other Financing Sources (Uses)	883,626	883,626	(5,324)	(888,950)	4,745
Net Change in Fund Balances	$ (900,000)	$ 890,000	178,140	$ (711,860)	515,131
Fund Balances Beginning of Year			8,414,859		7,899,728
Fund Balances End of Year			$ 8,592,999		$ 8,414,859

Polk County, Georgia
Combining Balance Sheet - By Fund Type
Nonmajor Governmental Funds
June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 454,326	$ 52	$ 454,378
Receivables:			
Intergovernmental	2,787	1,882	4,669
Interfund	6,424	-	6,424
Total Assets	$ 463,537	$ 1,934	$ 465,471
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 3,173	$ -	$ 3,173
Interfund payable	1,766	-	1,766
Intergovernmental payable	5,858		5,858
Total Liabilities	10,797	-	10,797
Fund balances			
Restricted for			
Capital projects	-	1,934	1,934
Program purposes	445,147	-	445,147
Assigned	7,593	-	7,593
Total Fund Balances	452,740	1,934	454,674
Total Liabilities and Fund Balances	$ 463,537	$ 1,934	$ 465,471

Polk County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - by Fund Type

Nonmajor Governmental Funds

For the Year Ended June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Charges for services	$ 19,917	$ -	$ 19,917
Fines and forfeitures	142,506	-	142,506
Investment earnings	235	-	235
Miscellaneous	33,166	-	33,166
Total Revenues	195,824	-	195,824
Expenditures			
Current			
Judicial	64,288	-	64,288
Public safety	335,820	-	335,820
Total Expenditures	400,108	-	400,108
(Deficiency) of Revenues (Under) Expenditures	(204,284)	-	(204,284)
Other Financing Sources (Uses)			
Transfers in	8,348	-	8,348
Transfers out	(8,348)		(8,348)
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(204,284)	-	(204,284)
Fund Balances Beginning of Year	657,024	1,934	658,958
Fund Balances End of Year	$ 452,740	$ 1,934	$ 454,674

Polk County, Georgia

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2016

	Law Library	Crime Victim Assistance	Drug Abuse Treatment and Education	Law Enforcement Confiscated Monies County Police	Law Enforcement Confiscated Monies Sheriff	County Jail	District Attorney	Juvenile Probation	Clerk of Superior Court Special Fee	Sheriff Other Programs	Total Nonmajor Special Revenue Funds
Assets											
Cash and cash equivalents	$ 77,237	$ 2,681	$ 14,483	$ 79,483	$ 429	$ 12,652	$ 87,970	$ 93,579	$ 78,219	$ 7,593	$ 454,326
Receivables:											
Intergovernmental	-	1,029	142	-	-	-	-	-	1,616	-	2,787
Interfund	766	765	2,817	-	-	2,051	-	25	-	-	6,424
Total Assets	$ 78,003	$ 4,475	$ 17,442	$ 79,483	$ 429	$ 14,703	$ 87,970	$ 93,604	$ 79,835	$ 7,593	$ 463,537
Liabilities and Fund Balances											
Accounts payable	-	2,709	-	-	-	-	-	464	-	-	3,173
Interfund payable	-	1,766	-	-	-	-	-	-	-	-	1,766
Intergovernmental payable	-	-	5,858	-	-	-	-	-	-	-	5,858
Total Liabilities	-	4,475	5,858	-	-	-	-	464	-	-	10,797
Fund Balances											
Restricted for:											
Public Safety	-	-	-	79,483	-	14,703	87,970	-	-	-	182,156
Program purposes	78,003	-	11,584	-	429	-	-	93,140	79,835	-	262,991
Assigned	-	-	-	-	-	-	-	-	-	7,593	7,593
Fund Balances End of Year	78,003	-	11,584	79,483	429	14,703	87,970	93,140	79,835	7,593	452,740
Total Liabilities and Fund Balances	$ 78,003	$ 4,475	$ 17,442	$ 79,483	$ 429	$ 14,703	$ 87,970	$ 93,604	$ 79,835	$ 7,593	$ 463,537

Polk County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

June 30, 2016

	Law Library	Crime Victim Assistance	Drug Abuse Treatment and Education	Law Enforcement Confiscated Monies County Police	Law Enforcement Confiscated Monies Sheriff	County Jail	District Attorney	Juvenile Probation	Clerk of Superior Court Special Fee	Sheriff Other Programs	Total Nonmajor Special Revenue Funds
Revenues											
Charges for services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,917	$ -	$ 19,917
Fines and forfeitures	15,069	33,217	33,354	2,354	50	35,858	22,049	555	-	-	142,506
Investment earnings and rents	71	-	10	40	2	74	-	38	-	-	235
Miscellaneous	-	-	6,159	-	-	-	-	-	-	27,007	33,166
Total Revenues	15,140	33,217	39,523	2,394	52	35,932	22,049	593	19,917	27,007	195,824
Expenditures											
Current:											
Judicial	10,906	-	-	-	-	-	24,668	3,205	25,509	-	64,288
Public safety	-	33,391	25,124	2,804	5,900	243,287	-	-	-	25,314	335,820
Total Expenditures	10,906	33,391	25,124	2,804	5,900	243,287	24,668	3,205	25,509	25,314	400,108
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,234	(174)	14,399	(410)	(5,848)	(207,355)	(2,619)	(2,612)	(5,592)	1,693	(204,284)
Other Financing Sources (Uses)											
Transfers in	-	-	-	-	-	-	8,348	-	-	-	8,348
Transfers out	-	-	(8,348)	-	-	-	-	-	-	-	(8,348)
Total Other Financing Sources (Uses)	-	-	(8,348)	-	-	-	8,348	-	-	-	-
Net Change in Fund Balances	4,234	(174)	6,051	(410)	(5,848)	(207,355)	5,729	(2,612)	(5,592)	1,693	(204,284)
Fund Balances Beginning of Year	73,769	174	5,533	79,893	6,277	222,058	82,241	95,752	85,427	5,900	657,024
Fund Balances End of Year	$ 78,003	$ -	$ 11,584	$ 79,483	$ 429	$ 14,703	$ 87,970	$ 93,140	$ 79,835	$ 7,593	$ 452,740

Polk County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 77,237	$ 72,816
Interfund receivable	766	1,382
Total Assets	$ 78,003	$ 74,198
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 429
Total Liabilities	-	429
Fund Balances		
Restricted	78,003	73,769
Total Liabilities and Fund Balances	$ 78,003	$ 74,198

Polk County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 19,175	$ 19,175	$ 15,069	$ (4,106)	$ 17,092
Investment earnings	75	75	71	(4)	76
Total Revenues	19,250	19,250	15,140	(4,110)	17,168
Expenditures					
Current					
Judicial	19,250	19,250	10,906	8,344	10,414
Excess of Revenues Over Expenditures	$ -	$ -	4,234	$ 4,234	6,754
Fund Balances Beginning of Year			73,769		67,015
Fund Balances End of Year			$ 78,003		$ 73,769

Polk County, Georgia
Crime Victim Assistance Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 2,681	$ 728
Interfund receivable	765	2,230
Intergovernmental receivable	1,029	2,249
Total Assets	$ 4,475	$ 5,207
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 2,709	$ 3,775
Interfund payable	1,766	1,258
Total Liabilities	4,475	5,033
Fund Balances		
Restricted	-	174
Total Fund Balances	-	174
Total Liabilities and Fund Balances	$ 4,475	$ 5,207

Polk County, Georgia
Crime Victim Assistance Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 40,000	$ 33,300	$ 33,217	$ (83)	$ 41,880
Expenditures					
Current					
Public safety	40,000	33,300	33,391	(91)	31,279
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(174)	(174)	10,601
Other Financing (Uses)					
Transfers out	-	-	-	-	(10,427)
Net Change in Fund Balances	$ -	$ -	(174)	$ (174)	174
Fund Balances Beginning of Year			174		-
Fund Balances End of Year			$ -		$ 174

Polk County, Georgia
Drug Abuse Treatment and Education Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 14,483	$ 7,379
Interfund receivable	2,817	693
Intergovernmental receivable	142	3,896
Total Assets	$ 17,442	$ 11,968
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 3,392
Intergovernmental payable	5,858	3,043
Total Liabilities	5,858	6,435
Fund Balances		
Restricted	11,584	5,533
Total Liabilities and Fund Balances	$ 17,442	$ 11,968

Polk County, Georgia
Drug Abuse Treatment and Education Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 24,510	$ 39,300	$ 33,354	$ (5,946)	$ 39,151
Investment earnings	-	-	10	10	5
Miscellaneous	-	-	6,159	6,159	-
Total Revenues	24,510	39,300	39,523	223	39,156
Expenditures					
Current					
Public safety	24,510	39,300	25,124	14,176	43,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	14,399	14,399	(4,342)
Other Financial Uses					
Transfers out	-	-	(8,348)	(8,348)	-
Net Change in Fund Balances	$ -	$ -	6,051	$ 6,051	(4,342)
Fund Balances Beginning of Year			5,533		9,875
Fund Balances End of Year			$ 11,584		$ 5,533

Polk County, Georgia
Law Enforcement Confiscated Monies - County Police Fund
Comparative Balance Sheet
June 30, 2016 and 2015

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	2016	2015
Assets		
Cash and cash equivalents	$ 79,483	$ 79,893
Fund Balances		
Restricted for public safety	$ 79,483	$ 79,893

Polk County, Georgia
Law Enforcement Confiscated Monies - County Police Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ -	$ 2,300	$ 2,354	$ 54	$ 10,743
Investment earnings	-	-	40	40	27
Total Revenues	-	2,300	2,394	94	10,770
Expenditures					
Current					
Public safety	8,500	3,000	2,804	196	25,579
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,500)	(700)	(410)	290	(14,809)
Other Financing Sources					
Transfer in	-	-	-	-	20,000
Total Other Financing Sources	-	-	-	-	20,000
Net Change in Fund Balances	(8,500)	(700)	(410)	290	5,191
Fund Balances Beginning of Year			79,893		74,702
Fund Balances End of Year			$ 79,483		$ 79,893

Polk County, Georgia
Law Enforcement Confiscated Monies - Sheriff Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 429	$ 6,322
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ -	$ 45
	-	
Fund Balances		
Restricted	429	6,277
Total Liabilities and Fund Balances	$ 429	6,322

Polk County, Georgia
Law Enforcement Confiscated Monies - Sheriff Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ -	$ -	$ 50	$ 50	$ 5,054
Investment earnings	-	-	2	2	3
Total Revenues	-	-	52	52	5,057
Expenditures					
Current					
Public safety	4,200	4,200	5,900	(1,700)	4,899
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (4,200)	$ (4,200)	(5,848)	$ (1,648)	158
		-			
Fund Balances Beginning of Year			6,277		6,119
Fund Balances End of Year			$ 429		$ 6,277

Polk County, Georgia
County Jail Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 12,652	$ 218,137
Interfund receivable	2,051	3,921
Total Assets	$ 14,703	$ 222,058
Fund Balances		
Restricted	$ 14,703	$ 222,058

Polk County, Georgia
County Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 46,100	$ 36,000	$ 35,858	$ (142)	$ 42,123
Investment earnings	100	100	74	(26)	103
Total Revenues	46,200	36,100	35,932	(168)	42,226
Expenditures					
Current					
Public safety	6,200	243,500	243,287	213	20,254
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,000	(207,400)	(207,355)	45	21,972
Other Financing Uses					
Transfers out	(40,000)	-	-	-	-
Net Change in Fund Balances	$ -	$ (207,400)	(207,355)	$ 45	21,972
Fund Balances Beginning of Year			222,058		200,086
Fund Balances End of Year			$ 14,703		$ 222,058

Polk County, Georgia
District Attorney Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 87,970	$ 81,589
Interfund receivables	-	1,258
Total Assets	$ 87,970	$ 82,847
Liabilities		
Interfund payable	$ -	$ 606
Fund Balances		
Restricted	87,970	82,241
Total Liabilities and Fund Balances	$ 87,970	$ 82,847

Polk County, Georgia
District Attorney Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 25,500	$ 25,500	$ 22,049	$ (3,451)	$ 47,966
Expenditures					
Current					
Judicial	25,500	25,500	24,668	832	35,860
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(2,619)	(2,619)	12,106
Other Financing Sources (Uses)					
Transfers in	-	-	8,348	8,348	10,427
Transfers out	-	-	-	-	(20,000)
Other Financing Sources (Uses)	-	-	8,348	8,348	(9,573)
Net Change in Fund Balances	$ -	$ -	5,729	$ 5,729	2,533
Fund Balances Beginning of Year			82,241		79,708
Fund Balances End of Year			$ 87,970		$ 82,241

Polk County, Georgia
Juvenile Probation Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 93,579	$ 95,752
Interfund receivable	25	-
Total Assets	$ 93,604	$ 95,752
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 464	$ -
Fund Balances		
Restricted	93,140	95,752
Total Liabilities and Fund Balances	$ 93,604	$ 95,752

Polk County, Georgia
Juvenile Probation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Fines and forfeitures	$ 1,200	$ 500	$ 555	$ 55	$ 790
Investment earnings	50	-	38	38	47
Total Revenues	1,250	500	593	93	837
Expenditures					
Current					
Judicial	1,250	3,250	3,205	45	4,781
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ (2,750)	(2,612)	$ 138	(3,944)
Fund Balances Beginning of Year			95,752		99,696
Fund Balances End of Year			$ 93,140		$ 95,752

Polk County, Georgia
Clerk of Superior Court Special Fee Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 78,219	$ 83,647
Intergovernmental receivable	1,616	1,780
Total Assets	$ 79,835	$ 85,427
Liabilities and Fund Balances		
Fund Balances		
Restricted	79,835	85,427
Total Liabilities and Fund Balances	$ 79,835	$ 85,427

Polk County, Georgia
Clerk of Superior Court Special Fee Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Charges for services	$ 19,000	$ 19,000	$ 19,917	$ 917	$ 19,747
Expenditures					
Current					
Judicial	19,000	26,000	25,509	491	9,581
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ (7,000)	(5,592)	$ 1,408	10,166
Fund Balances Beginning of Year			85,427		75,261
Fund Balances End of Year			$ 79,835		$ 85,427

Polk County, Georgia
Sheriff - Other Programs
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 7,593	$ 5,936
Total Assets	$ 7,593	$ 5,936
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ -	$ 36
	-	
Fund Balances		
Assigned	7,593	5,900
Total Liabilities and Fund Balances	$ 7,593	$ 5,936

Polk County, Georgia
Sheriff - Other Programs
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Miscellaneous	$ -	$ -	$ 27,007	$ 27,007	$ 35,555
Total Revenues	-	-	27,007	27,007	35,555
Expenditures					
Current					
Public Safety	5,800	580	25,314	(24,734)	34,677
Excess of Revenues Over Expenditures	$ (5,800)	$ (580)	1,693	$ 2,273	878
Net Change in Fund Balances					
Fund Balances Beginning of Year			5,900		5,022
Fund Balances End of Year			$ 7,593		$ 5,900

Polk County, Georgia
2014 SPLOST Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 2,408,346	$ 1,963,635
Intergovernmental receivable	460,130	391,287
Total Assets	$ 2,868,476	$ 2,354,922
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 119,872	$ -
Intergovernmental payable	212,948	201,660
Total Liabilities	332,820	201,660
Fund Balances		
Restricted for capital projects	2,535,656	2,153,262
Total Liabilities and Fund Balances	$ 2,868,476	$ 2,354,922

Polk County, Georgia
2014 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Project Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Current Year	Total to Date
Revenues				
Sales taxes	$ 36,111,000	$ 4,518,997	$ 4,466,279	$ 8,985,276
Investment earnings	-	1,255	5,009	6,264
Total Revenues	36,111,000	4,520,252	4,471,288	8,991,540
Expenditures				
Intergovernmental	16,712,000	2,091,391	2,641,994	4,733,385
Capital Outlay				
General government	3,150,000	-	140,728	140,728
Judical	-	-	7,000	7,000
Public safety	6,089,000	275,599	754,277	1,029,876
Public works	7,660,000	-	544,895	544,895
Recreation	1,200,000	-	-	-
Economic development	1,300,000	-	-	-
Total Expenditures	36,111,000	2,366,990	4,088,894	6,455,884
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ 2,153,262	382,394	$ 2,535,656
Fund Balances Beginning of Year			2,153,262	
Fund Balances End of Year			$ 2,535,656	

Polk County, Georgia
2008 SPLOST Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 3,610,888	$ 3,702,714
Accounts receivable	-	100
Intergovernmental receivable	-	46,371
Total Assets	$ 3,610,888	$ 3,749,185
Fund Balances		
Restricted for capital projects	3,610,888	3,749,185
Total Liabilities and Fund Balances	$ 3,610,888	$ 3,749,185

Polk County, Georgia
2008 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Project Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Current Year	Total to Date
Revenues				
Sales taxes	$ 36,000,000	$ 28,765,843	$ -	$ 28,765,843
Intergovernmental	-	2,004,109	-	2,004,109
Miscellaneous	-	6,065	-	6,065
Investment earnings	-	11,210	1,841	13,051
Total Revenues	36,000,000	30,787,227	1,841	30,789,068
Expenditures				
Intergovernmental	16,660,800	14,212,833	17,000	14,229,833
Capital Outlay				
General government	4,190,000	777,958	-	777,958
Public safety	4,765,000	3,975,292	18,850	3,994,142
Public works	4,200,000	6,250,720	104,288	6,355,008
Health and welfare	2,308,000	14,344		14,344
Recreation	1,270,000	43,643	-	43,643
Housing and development	2,606,200	1,553,025	-	1,553,025
Total Expenditures	36,000,000	26,827,815	140,138	26,967,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	3,959,412	(138,297)	3,821,115
Other Financing (Uses)				
Transfers out	-	(210,227)	-	(210,227)
Total Other Financing (Uses)	-	(210,227)	-	(210,227)
Net Change in Fund Balances	$ -	$ 3,749,185	(138,297)	$ 3,610,888
Fund Balances Beginning of Year			3,749,185	
Fund Balances End of Year			$ 3,610,888	

Polk County, Georgia
2003 SPLOST Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 52	$ 52
Intergovernmental receivable	1,882	1,882
Total Assets	$ 1,934	$ 1,934
Fund Balances		
Restricted for capital outlay	$ 1,934	$ 1,934

Polk County, Georgia
2003 SPLOST Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Project Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2016

	Project Authorization	Prior Years	Current Year	Total to Date
Revenues				
Sales taxes	$ 22,000,000	$ 22,537,990	$ -	$ 22,537,990
Intergovernmental	-	2,309,466	-	2,309,466
Miscellaneous	-	74,112	-	74,112
Investment earnings	-	67,677	-	67,677
Total Revenues	22,000,000	24,989,245	-	24,989,245
Expenditures				
Current				
General government	-	28,913	-	28,913
Intergovernmental	10,650,000	10,908,793	-	10,908,793
Capital Outlay				
General government	-	719,175	-	719,175
Public safety	6,500,000	3,969,710	-	3,969,710
Public works	4,850,000	7,298,063	-	7,298,063
Recreation	-	1,600,000	-	1,600,000
Debt Service				
Loan costs	-	14,485	-	14,485
Principal	-	6,899,780	-	6,899,780
Interest	-	448,444	-	448,444
Total Expenditures	22,000,000	31,887,363	-	31,887,363
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(6,898,118)	-	(6,898,118)
Other Financing Sources (Uses)				
Transfers in	-	52	-	52
Transfers out	-	-	-	-
Inception of installment contract obligation	-	6,900,000	-	6,900,000
Total Other Financing Sources (Uses)	-	6,900,052	-	6,900,052
Net Change in Fund Balances	$ -	$ 430,603	-	$ 1,934
Fund Balances Beginning of Year			1,934	
Fund Balances End of Year			$ 1,934	

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Net Position
June 30, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	$ 9,565,069	$ 7,924,625
Receivables		
Accounts	128,712	134,665
Interest	6,490	-
Total Current Assets	9,700,271	8,059,290
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents	2,575,241	2,371,842
Capital Assets		
Land	150,186	150,186
Depreciable capital assets, net	4,726	20,921
Total Noncurrent Assets	2,730,153	2,542,949
Total Assets	12,430,424	10,602,239
Liabilities		
Current Liabilities		
Accounts payable	-	2,939
Interfund payable	300,000	-
Unearned revenue	5,000	5,000
Total Current Liabilities	305,000	7,939
Long-Term Liabilities		
Deferred income - postclosure trust agreement	2,525,378	2,319,789
Landfill closure and postclosure care costs	720,838	713,701
Total Long-Term Liabilities	3,246,216	3,033,490
Total Liabilities	3,551,216	3,041,429
Net Position		
Invested in capital assets	154,912	171,107
Unrestricted	8,724,296	7,389,703
Total Net Position	$ 8,879,208	$ 7,560,810

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Years Ended June 30, 2016 and 2015

	2016	2015
Operating Revenues		
Rental and royalty fees	$ 1,627,647	$ 1,586,621
Recycling sales	10,914	19,775
Total Operating Revenues	1,638,561	1,606,396
Operating Expenses		
Operating	20,715	(40,260)
Depreciation	4,521	12,304
Total Operating Expenses	25,236	(27,956)
Operating Income	1,613,325	1,634,352
Non-Operating Revenues (Expenses)		
Gain on the disposal of capital assets	59,376	-
Investment earnings	16,747	5,218
Total Non-Operating Revenues (Expenses)	76,123	5,218
Income before Transfers	1,689,448	1,639,570
Transfers out	(371,050)	(326,607)
Change in Net Position	1,318,398	1,312,963
Net Position Beginning of Year	7,560,810	6,247,847
Net Position End of Year	$ 8,879,208	$ 7,560,810

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities		
Cash received from customers	$ 1,644,514	$ 1,598,500
Cash payments for goods and services	(16,517)	(136,540)
Net Cash Provided by Operating Activities	1,627,997	1,461,960
Cash Flows from Noncapital Financing Activities		
Transfer to other funds	(71,050)	(326,607)
Postclosure trust funding by lessee	203,398	162,790
Net Cash Provided by (Used in) Noncapital Financing Activities	132,348	(163,817)
Net Cash Provided by (Used in) Capital Financing Activities		
Cash received from sale of capital assets	71,050	-
Cash Flows from Investing Activities		
Investment earnings	12,448	10,130
Net Increase (Decrease) in Cash and Cash Equivalents	1,843,843	1,308,273
Cash and Cash Equivalents Beginning of Year	10,296,467	8,988,194
Cash and Cash Equivalents End of Year	$ 12,140,310	$ 10,296,467

(continued)

Polk County, Georgia
Solid Waste Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2016 and 2015

(continued)

	2016	2015
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 1,613,325	$ 1,634,352
Adjustments		
Depreciation	4,521	12,304
(Increase) Decrease in Assets		
Accounts receivable	5,953	(7,896)
Increase (Decrease) in Liabilities		
Accounts payable	(2,939)	(4,687)
Landfill postclosure adjustment	7,137	(172,113)
Net Cash Provided by Operating Activities	$ 1,627,997	$ 1,461,960

Polk County, Georgia
Agency Funds
Comparative Statement of Fiduciary Assets and Liabilities
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	$ 507,237	$ 836,514
Receivables		
Accounts	33,368	2,954
Property taxes	1,285,516	1,344,447
Total Assets	$ 1,826,121	$ 2,183,915
Liabilities		
Due to others	$ 1,826,121	$ 2,183,915
Total Liabilities	$ 1,826,121	$ 2,183,915

Polk County, Georgia
Agency Funds
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016									2015
	Tax Commissioner	Clerk of Superior Court	Magistrate Court	Sheriff	Probate Court	County Probation	Police Seized Property	Juvenile Court	Total	Total
Assets										
Cash and cash equivalents	$ 143,121	$ 23,393	$ 8,610	$ 215,770	$ 10,198	$ 1,774	$ 104,242	$ 129	$ 507,237	$ 836,514
Receivable (net of allowance for uncollectibles)										
Property taxes	1,285,516	-	-	-	-	-	-	-	1,285,516	1,344,447
Accounts	22,756	8,140	-	-	2,472	-	-	-	33,368	2,954
Total Assets	$ 1,451,393	$ 31,533	$ 8,610	$ 215,770	$ 12,670	$ 1,774	$ 104,242	$ 129	$ 1,826,121	$ 2,183,915
Liabilities										
Due to others	$ 1,451,393	$ 31,533	$ 8,610	$ 215,770	$ 12,670	1,774	$ 104,242	$ 129	$ 1,826,121	$ 2,183,915
Total Liabilities	$ 1,451,393	$ 31,533	$ 8,610	$ 215,770	$ 12,670	$ 1,774	$ 104,242	$ 129	$ 1,826,121	$ 2,183,915

Polk County, Georgia
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2016

(continued)

Tax Commissioner	Balance July 1, 2015	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2016
Assets					
Cash and cash equivalents	$ 123,196	$ 32,888,922	$ 32,868,997	$ -	$ 143,121
Accounts receivable	7,488	15,268	-	-	22,756
Taxes receivable	1,331,236	-	45,720	-	1,285,516
Total Assets	$ 1,461,920	$ 32,904,190	$ 32,914,717	$ -	$ 1,451,393
Liabilities					
Interfund payable	$ -	$ 12,144,133	$ 12,144,133	$ -	$ -
Due to others	1,461,920	20,760,057	20,770,584	-	1,451,393
Total Liabilities	$ 1,461,920	$ 32,904,190	$ 32,914,717	$ -	$ 1,451,393

Superior Court	Balance July 1, 2015	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2016
Assets					
Cash and cash equivalents	$ 14,325	$ 594,025	$ 549,692	$ (35,265)	$ 23,393
Accounts receivable	10,462	8,140	10,462	-	8,140
Total Assets	$ 24,787	$ 602,165	$ 560,154	$ (35,265)	$ 31,533
Liabilities					
Interfund payable	$ -	$ 293,103	$ 257,838	$ (35,265)	-
Due to others	24,787	309,062	302,316	-	31,533
Total Liabilities	$ 24,787	$ 602,165	$ 560,154	$ (35,265)	$ 31,533

Magistrate Court	Balance July 1, 2015	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2016
Assets					
Cash and cash equivalents	$ 9,158	$ 409,737	$ 410,285		$ 8,610
Accounts receivable	-	-	-	-	-
Total Assets	$ 9,158	$ 409,737	$ 410,285	$ -	$ 8,610
Liabilities					
Interfund payable	$ -	$ 184,572	$ 184,572	$ -	$ -
Due to others	9,158	225,165	225,713	-	8,610
Total Liabilities	$ 9,158	$ 409,737	$ 410,285	$ -	$ 8,610

Polk County, Georgia
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2016

(continued)

Sheriff	Balance July 1, 2015	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2016
Assets					
Cash and cash equivalents	$ 215,359	$ 668,231	$ 646,212	$ (21,608)	$ 215,770
Accounts receivable	-	9,361		(9,361)	-
Intergovernmental receivable	-	43,516		(43,516)	-
Total Assets	$ 215,359	$ 721,108	$ 646,212	$ (74,485)	$ 215,770
Liabilities					
Interfund payable	$ -	$ 638,852	$ 564,367	$ (74,485)	$ -
Due to others	215,359	82,256	81,845	-	215,770
Total Liabilities	$ 215,359	$ 721,108	$ 646,212	$ (74,485)	$ 215,770

Probate Court	Balance July 1, 2015	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2016
Assets					
Cash and cash equivalents	$ 28,421	$ 573,319	$ 556,929	$ (34,613)	$ 10,198
Accounts receivable	1,322	2,472	1,322		2,472
Total Assets	$ 29,743	$ 575,791	$ 558,251	$ (34,613)	$ 12,670
Liabilities					
Interfund payable	$ -	$ 480,126	$ 445,513	$ (34,613)	$ -
Due to others	29,743	95,665	112,738	-	12,670
Total Liabilities	$ 29,743	$ 575,791	$ 558,251	$ (34,613)	$ 12,670

County Probation	Balance July 1, 2015	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2016
Assets					
Cash and cash equivalents	$ 4,319	$ 103,486	$ 106,031	$ -	$ 1,774
Liabilities					
Interfund payable	$ -	$ 38,277	$ 38,277	$ -	$ -
Due to others	4,319	65,209	67,754	-	1,774
Total Liabilities	$ 4,319	$ 103,486	$ 106,031	$ -	$ 1,774

Polk County, Georgia
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2016

Police Seized Property	Balance July 1, 2015	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2016
Assets					
Cash and cash equivalents	$ 104,189	$ 53	$ -	$ -	$ 104,242
Liabilities					
Due to others	$ 104,189	$ 53	$ -	$ -	$ 104,242

Juvenile Court	Balance July 1, 2015	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2016
Assets					
Cash and cash equivalents	$ 78	$ 5,920	$ 5,723	$ (146)	$ 129
Liabilities					
Interfund payable	$ -	$ 3,522	$ 3,376	$ (146)	$ -
Due to others	78	2,398	2,347	-	129
Total Liabilities	$ 78	$ 5,920	$ 5,723	$ (146)	$ 129

Total	Balance July 1, 2015	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance June 30, 2016
Assets					
Cash and cash equivalents	$ 499,045	$ 35,243,693	$ 35,143,869	$ (91,632)	$ 507,237
Taxes receivable	1,331,236	-	45,720	-	1,285,516
Accounts receivable	19,272	35,241	11,784	(9,361)	33,368
Intergovernmental receivable	-	43,516	-	(43,516)	-
Total Assets	$ 1,849,553	$ 35,322,450	$ 35,201,373	$ (144,509)	$ 1,826,121
Liabilities					
Interfund payable	$ -	$ 13,782,585	$ 13,638,076	$ (144,509)	$ -
Due to others	1,849,553	21,539,865	21,563,297	-	1,826,121
Total Liabilities	$ 1,849,553	$ 35,322,450	$ 35,201,373	$ (144,509)	$ 1,826,121

COMPLIANCE SECTION

POLK COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
For the Year Ended June 30, 2016

2003 SPLOST

Project	Original Estimated Cost	Revised Estimated Costs	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Less Intergovernmental Revenue	Net SPLOST Expenditures	Estimated Percentage of Completion
Road, Street & Bridges	$ 4,850,000	$ 4,850,000	$ 6,720,367	$ -	$ 6,720,367	$ 2,383,578	$ 4,336,789	89.42%
Road construction equipment			566,555	-	566,555	-	566,555	
Administrative offices			2,720,142	-	2,720,142	-	2,720,142	
Recreation facilities			1,610,377	-	1,610,377	-	1,610,377	
Debt service - interest			462,929	-	462,929	-	462,929	
Public safety equipment:								
Animal control			10,000	-	10,000	-	10,000	
Fire			525,694	-	525,694	-	525,694	
EMS			367,073	-	367,073	-	367,073	
Police			634,280	-	634,280	-	634,280	
Sheriff			461,373	-	461,373	-	461,373	
	6,500,000	6,500,000	7,358,423	-	7,358,423	-	7,358,423	113.21%
Intergovernmental expenditures								
City of Cedartown	5,700,000	5,700,000	5,839,595	-	5,839,595	-	5,839,595	102.45%
City of Rockmart	4,600,000	4,600,000	4,508,015	-	4,508,015	-	4,508,015	98.00%
City of Aragon	350,000	350,000	561,183	-	561,183	-	561,183	160.34%
	10,650,000	10,650,000	10,908,793	-	10,908,793	-	10,908,793	
	$ 22,000,000	$ 22,000,000	$ 24,987,583	$ -	$ 24,987,583	$ 2,383,578	$ 22,604,005	
Debt service - Principal					6,899,780			
Total Expenditures as reported on 2003 SPLOST Capital Project Fund					$ 31,887,363			

POLK COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
For the Year Ended June 30, 2016

2008 SPLOST

Project	Original Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Less Intergovernmental Revenue	Net SPLOST Expenditures
Road, Street & Bridges	$ 4,200,000	$ 5,875,252	$ 34,400	5,909,652	2,010,174	$ 3,899,478
Transportation equipment and facilities	2,540,000	130,566	69,888	200,454	-	200,454
County buildings and facilities	1,650,000	1,184,530	18,850	1,203,380	-	1,203,380
Public safety equipment:						
Facilities and equipment	4,765,000	-		-	-	-
Fire		995,263	17,000	1,012,263	-	1,012,263
EMS		421,468	-	421,468	-	421,468
Police		1,331,050	-	1,331,050	-	1,331,050
Sheriff/Aminal control		734,789	-	734,789	-	734,789
Economic development	2,606,200	1,898,421	-	1,898,421	-	1,898,421
Public welfare improvements	1,230,000	210,227	-	210,227	-	210,227
Public health equipment and facilities	1,078,000	-	-	-	-	-
Recreation facilities	1,270,000	43,643	-	43,643		43,643
	19,339,200	12,825,209	140,138	12,965,347	2,010,174	10,955,173
Intergovernmental expenditures						
City of Cedartown	8,942,400	7,544,623	-	7,544,623	-	7,544,623
City of Rockmart	7,210,800	6,162,559	-	6,162,559	-	6,162,559
City of Aragon	507,600	505,651	-	505,651	-	505,651
	16,660,800	14,212,833	-	14,212,833	-	14,212,833
	$ 36,000,000	$ 27,038,042	$ 140,138	27,178,180	2,010,174	$ 25,168,006

POLK COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
For the Year Ended June 30, 2016

2014 SPLOST

Project	Original Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Less Intergovernmental Revenue	Net SPLOST Expenditures
Public infastructure improvements	$ 5,900,000	-	$ 352,270	$ 352,270		$ 352,270
Transportation equipment and vehicles	390,000	-	51,853	51,853	-	51,853
County buildings,facilities and equipment	2,760,000	-	109,885	109,885	-	109,885
Public safety equipment and vehicles	6,089,000	275,599	740,267	1,015,866	-	1,015,866
Economic development	1,300,000	-	-	-	-	-
Public works equipment and vehicles	1,760,000	-	192,625	192,625	-	192,625
Recreation facilities	1,200,000	-	575,000	575,000	-	575,000
	19,399,000	275,599	2,021,900	2,297,499	-	2,297,499
Intergovernmental expenditures						
City of Cedartown	8,970,000	1,123,330	1,109,424	2,232,754	-	2,232,754
City of Rockmart	7,233,000	904,397	894,596	1,798,993	-	1,798,993
City of Aragon	509,000	63,664	62,974	126,638	-	126,638
	16,712,000	2,091,391	2,066,994	4,158,385	-	4,158,385
	$ 36,111,000	$ 2,366,990	$ 4,088,894	$ 6,455,884	-	$ 6,455,884

LAWRENCE SEE & BEAVERS

CERTIFIED PUBLIC ACCOUNTANTS

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*

Board of Commissioners
Polk County, Georgia
Cedartown, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Polk County, Georgia (the "County") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 27, 2016. Our report includes a reference to other auditors who audited the financial statements of Polk County Department of Public Health, as described in our report on Polk 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 are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



December 27, 2016

Polk County

Certification of 9-1-1 Expenditures

For the Year Ended
June 30, 2016

Line No		O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one)		
	X Special Revenue Fund ___ Enterprise Fund		
	Expenditures (UCOA Activity 3800)		
2	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	AT&T		$ 37,298
	Sprint		$ 1,011
	Southern Linc		$ 232
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system		
3a	Lease costs	46-5-134(f)(1)(A)	$
3b	Purchase costs	46-5-134(f)(1)(A)	$
3c	Maintenance costs	46-5-134(f)(1)(A)	$
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	$
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	$ 556,587
5b	Employee benefits	46-5-134(f)(1)(C)	$ 243,991
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$ 845
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	$ 969
8	Building used as a public safety answering point.		
8a	Lease costs	46-5-134(f)(1)(F)	$
8b	Purchase costs	46-5-134(f)(1)(F)	$
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems		
9a	Lease costs	46-5-134(f)(1)(G)	$
9b	Purchase costs	46-5-134(f)(1)(G)	$
9c	Maintenance costs	46-5-134(f)(1)(G)	$

Polk County

Certification of 9-1-1 Expenditures

For the Year Ended
June 30, 2016

Line Nn		O.C.G.A. Reference:	
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	$ 4,119
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	$
11b	Purchase costs	46-5-134(f)(1)(I)	$
11c	Maintenance costs	46-5-134(f)(1)(I)	$ 49,230
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	$
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2(B)(ii)	$
13b	Purchase costs	46-5-134(f)(2(B)(ii)	$
13c	Maintenance costs	46-5-134(f)(2(B)(ii)	$
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	$
15	Mobile public safety voice and data equipment, geo-targeted text messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2(B)(iv)	$
15b	Purchase costs	46-5-134(f)(2(B)(iv)	$
15c	Maintenance costs	46-5-134(f)(2(B)(iv)	$
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2(B)(v)	$
16b	Purchase costs	46-5-134(f)(2(B)(v)	$
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$

Polk County

Certification of 9-1-1 Expenditures

For the Year Ended
June 30, 2016

Line No		O.C.G.A. Reference:	
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose		
	Purchased Service		$ 996
	Purchased professional service		$ 539
	Communications		$ 60,128
			$
			$
			$
			$
			$
18	Total Expenditures (total of all amounts reported on Lines 3 through 17 above)		$ 955,935

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official _____ Date 12-29-16

Print Name of Chief Elected Official Stefanie Burford

Title of Chief Elected Official Chairman

Signature of Chief Financial Officer _____ Date 12-29-16

Print Name of Chief Financial Officer Muriel Dulaney