POLK COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017

Prepared by: Finance Department

Polk County, Georgia
Comprehensive Annual Financial Report
For The Year Ended June 30, 2017

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(Unaudited)

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INTRODUCTORY SECTION

The introductory section includes a transmittal letter from the County Manager and Finance Director, a general government organization chart and a list of principal officials.

BOARD OF COMMISSIONERS

MARSHELLE THAXTON
CHAIRMAN

JENNIFER HULSEY
VICE-CHAIRMAN

HAL FLOYD

JOSE IGLESIAS

CHUCK THAXTON

SCOTTY TILLERY

POLK COUNTY GEORGIA

COUNTY ADMINISTRATION

MATTHEW DENTON
COUNTY MANAGER

ASSISTANT COUNTY MANAGER

BRAD McFALL
COUNTY ATTORNEY

DAWN TURNER
COUNTY CLERK

MURIEL DULANEY
FINANCE DIRECTOR

January 15, 2018

The Honorable Marshalle Thaxton, Chairman
Members of the Polk County Commissioners
And Citizens of Polk County, Georgia

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year, unless an extension has been approved, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP); and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement we hereby issue the comprehensive annual financial report of Polk County for the fiscal year ended June 30, 2017.

This report consists of management's representations concerning the finances of Polk County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Polk County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Polk County financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Nichols, Cauley & Associates, LLC, a firm of licensed certified public accountants, has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement

presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Polk County, Georgia (the County) is a political subdivision of the State of Georgia and was created on December 20, 1851, by legislative action. Named for President James K. Polk, Polk County is located in the Northwest portion of Georgia. Polk County encompasses 312 square miles and serves a population of approximately 42,000 residents. Polk County is empowered to levy a property tax on both real and personal property within its boundaries.

The County operates under a county manager form of government. Policy-making and legislative authority are vested in the Board of Commissioners consisting of six commissioners elected at large. The commissioners serve four year staggered terms. The Board of Commissioners, as the county's governing authority, is responsible for, among other things, passing ordinances, adopting the annual budget, setting the millage rate, appointing committees, and hiring the government's manager, attorney and auditors. The County Manger is responsible for carrying out the policies and ordinances of the County Commission, for overseeing the day to day operation of the government, and for managing the heads of the various departments.

Polk County provides a full range of services, including police protection, maintenance of roads and other infrastructures; judicial and court services, tax assessments and collections, jail operations, animal control services, E911, planning & zoning, building inspection, emergency management, and general administration. In addition, the County provides financial assistance to numerous agencies that perform services for the county including, but not limited to, the Polk County Health Department, Department of Family and Children's Services, Meals on Wheels, and the Development Authority of Polk County.

The annual budget serves as the foundation for Polk County's financial planning and control. All departments of the County are required to submit requests for appropriations

to the County Manager, who in turn submits a recommended budget to the Board of Commissioners for review. The County Manager conducts a public hearing on the proposed budget. The final budget is typically adopted at the Board of Commissioners business meeting in June. The appropriated budge is prepared by fund and by department. Department heads may make transfers of appropriations within a department with the exception of salaries and capital expenses. Transfers of appropriations to salary or capital expenses or between departments, however, require special approval by the Board of Commissioners. Budget to actual comparisons are provided in a report for each individual government fund for which an appropriated annual budget has been adopted.

ECONOMIC CONDITION AND OUTLOOK

Economic development is important to the long-term success of Polk County. Polk County continues to partner with and fund the Development Authority of Polk County to support existing industry and to attract new industries. An ample supply of water, a good school system, relatively low taxes, access to high speed fiber, and a capable work force are available to all companies looking to locate here.

Polk County is committed to maintaining and improving the County's infrastructure. The Fiscal Year 2017 budget reflected substantial investment by the County in addition to State Funds that enabled the County to resurface approximately 20 miles of county roads. We are also looking ahead to completing maintenance and improvements to the County's bridges and culverts. Our Public Works Department is working to develop a road rating system that will enable us to better plan for road and bridge repairs and maintenance.

In years 2018 and beyond, Polk County will remain committed to being fiscally responsible with its tax dollars; however we cannot continue to pursue the idea of doing more with less. Compared to 2008, the County's current budget is significantly less. Continued reductions in revenue paired against increasing operational costs will only result in detrimental effects to programs and services.

Looking forward, the County will be exploring opportunities to improve Public Safety which is one of the County's highest priorities. The combined departmental budgets for Public Safety receive 42.7% of the General Fund's operating budget, totaling approximately $8.6 million. Employee retention and compensation top the list of sought after improvements. Most fiscal year 2018 capital expenditures (vehicles, equipment, etc.) for Public Safety will be made with SPLOST funds totaling approximately $1.3 million.

Maintaining and updating the County's buildings and facilities is also a top priority for the County. During fiscal year 2017, the County constructed a new 911 facility and a new Public Works Facility using SPLOST and Landfill revenues. Additional improvements are planned for fiscal year 2018. The Sheriff's Department and Jail are among the list of priorities as well as renovations to an old 911 facility which will house Extension Service operations.

As already mentioned, SPLOST is a vital source of revenue which funds many projects throughout the County. However, since 2012 the County has realized steady declines (-20+% annually) in SPLOST revenue. This has forced the County to reprioritize its planned capital purchases. The implementation of the Title Ad Valorem Tax (TAVT) by the State is most likely responsible for the decline. The TAVT eliminated the sales tax associated with the purchase of new cars. Since its implementation, the County has also realized steady decreases in LOST.

Since 2010, the County has operated without having to utilize Tax Anticipation Notes. This is mainly due to the County's fiscal policy of maintaining at least 25% of its annual O & M budget in a fund reserve. As well the County does not have any long term debt other than guarantees made on notes.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, as well as, the assistance and contributions by County Department Directors and their staff. Credit must also be given to the Chairman and members of the Polk County Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,

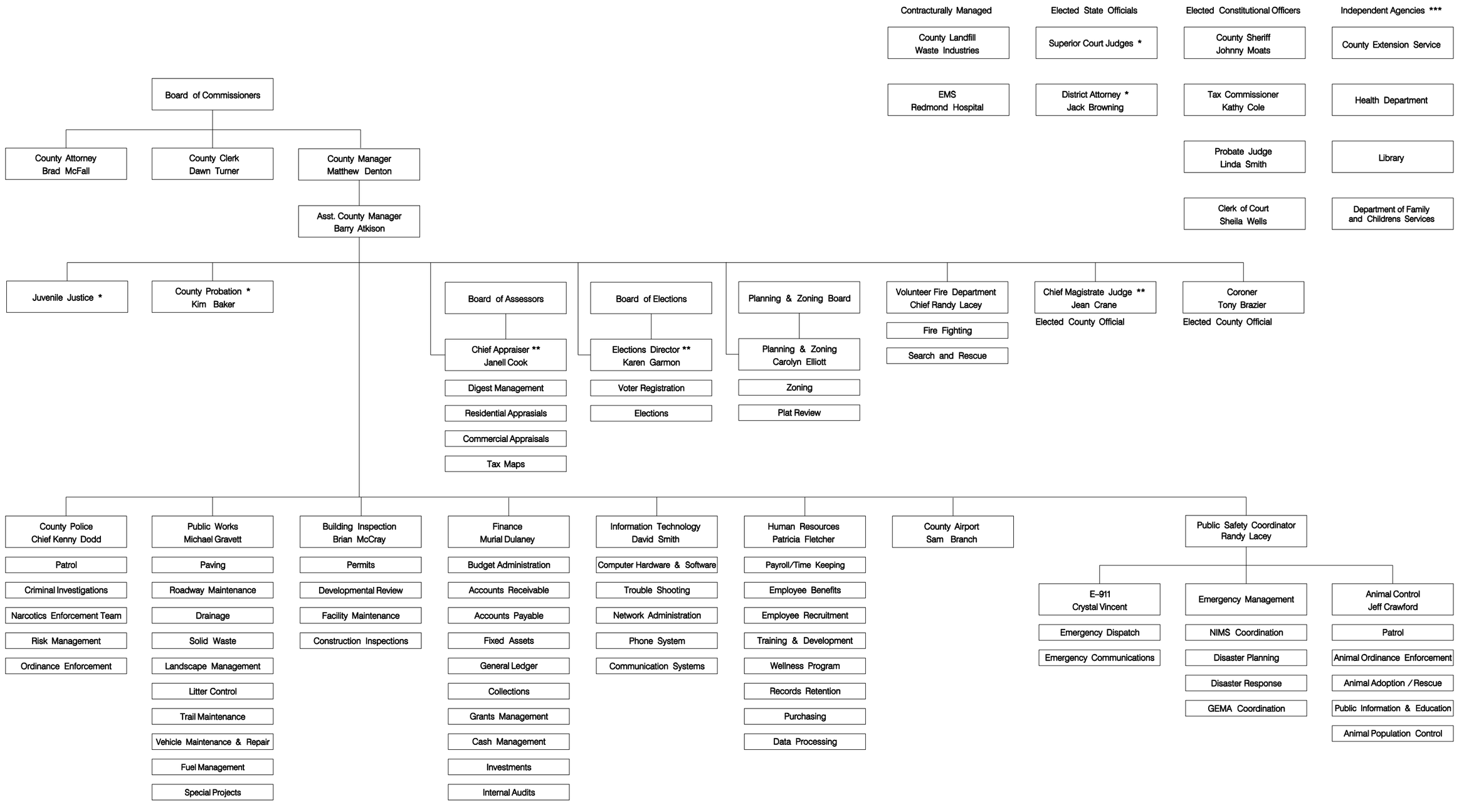




Matthew Denton
County Manager

Muriel Dulaney
Finance Director

Polk County Government – Organizational Chart



* County oversite limited to Budget only. County funded employees fall under County Policies and Procedures.
** County oversite limited to Budget only. All employees fall under County Policies and Procedures.
*** County oversite limited to Budget Supplements only.

Rev. 10/2017

Polk County, Georgia
Officials of Polk County, Georgia
June 30, 2017

Board of Commissioners	District
Mr. Marshelle Thaxton, Chairman	**3**
Ms. Stefanie Drake Burford, Vice Chairperson	**3**
Mr. Scotty Tillery	**1**
Mr. Chuck Thaxton	**2**
Ms. Jennifer Hulsey	**2**

FINANCIAL SECTION

The financial section includes the independent auditor's report on the financial statement audit, the Management's Discussion and Analysis (MD&A), which provides a narrative introduction, overview and analysis of the financial statements, and the basic financial statements including footnotes, combining and individual fund presentations and supplementary information.

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INDEPENDENT AUDITOR'S REPORT

Polk County 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, (the County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Polk County Health Department, which represents 10%, -47%, and 77% of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Polk County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the 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 the County, as of June 30, 2017, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 21, schedule of changes in the County's net pension liability and related ratios on page 62, schedule of County pension contributions on pages 63, the schedule of OPEB funding progress on page 64, and the budgetary comparison schedules for the General Fund and E-911 Emergency Telephone Fund on pages 65-70 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. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia 48-8-121 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and

schedules and the Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2018 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the County's internal control over financial reporting and compliance.

Nichols, Cauley & Associates, LLC

Kennesaw, Georgia
January 15, 2018

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 the comprehensive annual financial report for Polk County (the County), the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the year ended June 30, 2017. Within the context of the accompanying financial statements and disclosures following this section, the County's financial performance is discussed and analyzed.

2017 FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflows of resources exceeded its liabilities by $51,650,178 (total net position) as of June 30, 2017.
- Total net position is comprised of the following:
  (1) Capital assets net of related debt of $34,872,624, include property and equipment net of accumulated depreciation, and reduced for outstanding liabilities related to the purchase or construction of capital assets.
  (2) Net position of $7,577,708 is restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
  (3) Unrestricted net position of $9,199,846.
- The County's governmental funds reported total ending fund balance of $16,539,320 at June 30, 2017. This compares to the prior year ending fund balance after restatements of $15,442,349 showing an increase of $1,096,971 during the current year.
- At the end of the current year, the unassigned fund balance for the General Fund was $8,682,568 or 44.1% of total General Fund expenditures.
- Overall, the County continues to maintain a strong financial position.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's 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 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 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 principally supported by taxes from business-type activities 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, sanitation, culture and recreation, planning and community development, and health and welfare. Business-type activities include the landfill operations.

The government-wide financial statements are presented on pages 22 and 23 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 24 to 27 of this report.

Individual fund information for nonmajor 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 County's proprietary funds are classified as an enterprise fund. The enterprise fund essentially encompasses the same function 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 proprietary fund financial statements are presented on pages 28 to 30 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 31 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 32 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this section presents certain required supplementary information concerning The Association of County Commissioners of Georgia Pension Plan (ACCG Plan), The Healthcare Plan of Polk County, and budgetary comparison schedules for the General Fund and E-911 Emergency Telephone Fund. Required supplementary information can be found on pages 62 to 70 of this report.

Other Supplementary Information

These statements and schedules demonstrate compliance with the County's final revised budget. As discussed, the County reports major funds in the required supplementary information. Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 71.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County's net position at year-end is $51,650,178. The following table provides a summary of the County's net position:

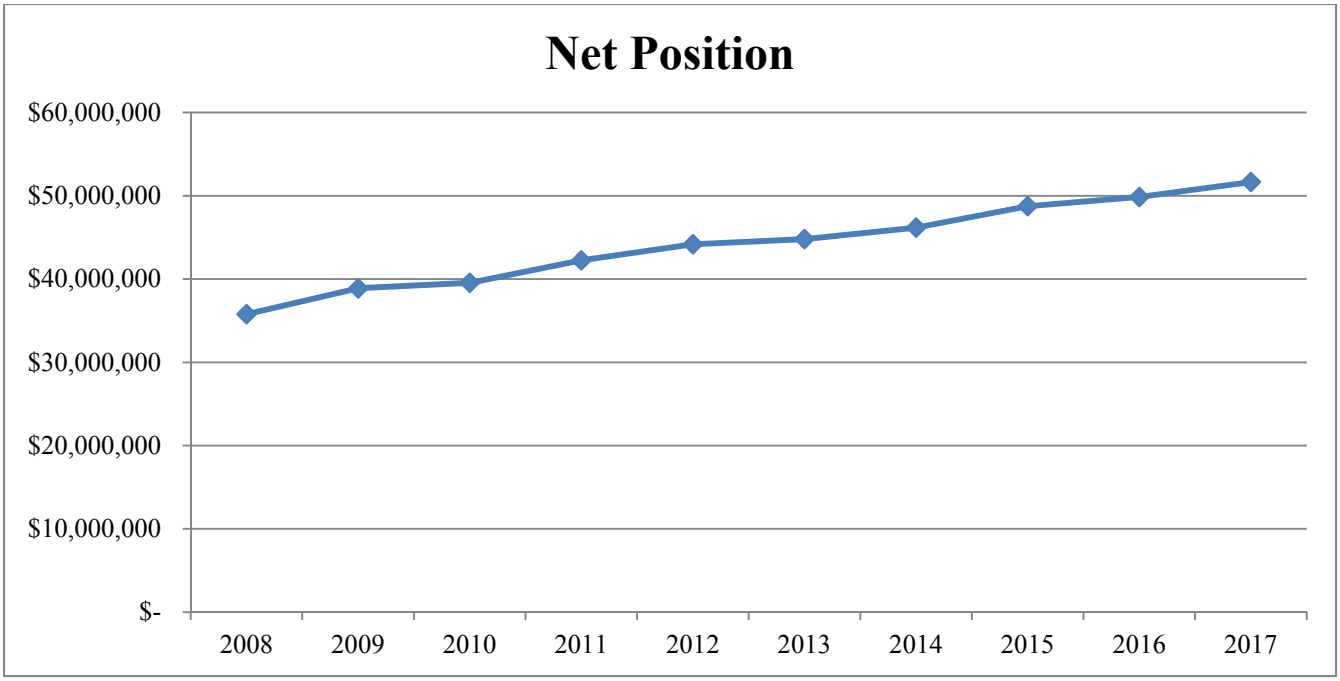
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016 (1)	2017	2016	2017	2016 (1)
Assets:						
Current assets	$ 18,745,507	$ 18,044,755	$ 11,311,771	$ 11,975,512	$ 30,057,278	$ 30,020,267
Non-current assets	35,952,007	34,901,447	377,967	154,912	36,329,974	35,056,359
Total assets	54,697,514	52,946,202	11,689,738	12,130,424	66,387,252	65,076,626
Deferred Outflows of Resources:						
Deferred outflows	1,627,363	1,306,841	-	-	1,627,363	1,306,841
Liabilities:						
Current liabilities	1,982,070	2,299,913	7,725	5,000	1,989,795	2,304,913
Long-term liabilities	10,902,764	9,352,302	3,471,878	3,246,216	14,374,642	12,598,518
Total liabilities	12,884,834	11,652,215	3,479,603	3,251,216	16,364,437	14,903,431
Net position:						
Net investment in capital assets	34,494,657	33,601,447	377,967	154,912	34,872,624	33,756,359
Restricted	7,577,708	7,491,878	-	-	7,577,708	7,491,878
Unrestricted	1,367,678	1,507,503	7,832,168	8,724,296	9,199,846	10,231,799
Total net position	$ 43,440,043	$ 42,600,828	$ 8,210,135	$ 8,879,208	$ 51,650,178	$ 51,480,036

(1) As restated

(This page continued on the subsequent page)

The following chart reports the County's total net position balances from years 2008 – 2017 before any restatements.



Current assets in governmental activities increased in the current year by $700,752 and for business-type activities decreased $663,741. Current liabilities decreased $317,843 for governmental activities and for business-type activities increased $2,725.

The County continues to maintain high current ratios. 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 9.5 to 1 as compared to 7.8 to 1 at June 30, 2016. The ratio for business-type activities has not been calculated since, due to the landfill operations being managed by a private contractor, it basically has no significant current liabilities.

The County reported a positive balance in net position for both the governmental and business-type activities. During 2017, net position increased $839,215 for governmental activities and decreased $669,073 for business-type activities.

Note that approximately 65.7% of the governmental activities' total assets 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 54.7% of its total assets in capital assets, as presented in the government-wide statement of net position.

(This page is continued on the subsequent page)

The following table provides a summary of the County's changes in net position at June 30, 2017 and 2016:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016 (1)	2017	2016	2017	2016 (1)
Revenues:						
Program:						
Charges for services and fines	$ 3,455,639	$ 2,997,510	$ 1,637,205	$ 1,638,561	$ 5,092,844	$ 4,636,071
Operating grants and contributions	383,881	425,535	-	-	383,881	425,535
Capital grants and contributions	1,075,569	647,066	-	-	1,075,569	647,066
General:						
Property taxes	11,101,393	11,423,363	-	-	11,101,393	11,423,363
Intangible taxes	139,084	117,689	-	-	139,084	117,689
Real estate transfer taxes	40,975	34,656	-	-	40,975	34,656
Alcoholic beverage taxes	116,653	123,009	-	-	116,653	123,009
Sales taxes	6,818,073	6,843,766	-	-	6,818,073	6,843,766
Insurance premium tax	1,510,822	1,415,067	-	-	1,510,822	1,415,067
Other taxes	83,750	270,303	-	-	83,750	270,303
Other	72,507	759,494	25,076	76,123	97,583	835,617
Transfers	2,269,081	371,050	(2,269,081)	(371,050)	-	-
Total revenues	27,067,427	25,428,508	(606,800)	1,343,634	26,460,627	26,772,142
Program Expenses:						
General government	3,788,675	5,011,140	-	-	3,788,675	5,011,140
Judicial	3,053,796	2,927,760	-	-	3,053,796	2,927,760
Public safety	11,902,210	10,781,403	-	-	11,902,210	10,781,403
Public works	5,097,520	3,898,931	-	-	5,097,520	3,898,931
Planning/community development	1,126,425	1,109,328	-	-	1,126,425	1,109,328
Health and welfare	333,746	333,746	-	-	333,746	333,746
Culture and recreation	324,018	994,522	-	-	324,018	994,522
Sanitation	585,650	576,264	-	-	585,650	576,264
Interest and fiscal charges	16,172	16,159	-	-	16,172	16,159
Solid waste	-	-	62,273	25,236	62,273	25,236
Total expenses	26,228,212	25,649,253	62,273	25,236	26,290,485	25,674,489
Revenues over (under) expenses	839,215	(220,745)	(669,073)	1,318,398	170,142	1,097,653
Beginning net position (before restatement)	40,971,958	41,192,703	8,879,208	7,560,810	49,851,166	48,753,513
Restatement	1,628,870	-	-	-	1,628,870	-
Beginning net position (as restated)	42,600,828	41,192,703	8,879,208	7,560,810	51,480,036	48,753,513
Ending net position	$ 43,440,043	$ 40,971,958	$ 8,210,135	$ 8,879,208	$ 51,650,178	$ 49,851,166

(1) The effect of the aggregate restatements to previously reported changes in net position has not been determined. Note 4-E in the Notes to the Financial Statements provides additional information concerning the restatements.

Governmental Activities Revenues

The County is heavily reliant on both property taxes and sales taxes to support governmental operations. Property taxes provided 41.0% of total revenues as compared to 45.0% in 2016, and sales taxes provided 25.2% of total revenues as compared 26.9% in 2016. Insurance premium taxes saw a $95,755 increase. Other tax collections decreased $186,553 which consists of a number of small taxes, while intangible taxes saw an increase of $21,395 over the prior year.

Charges for services and fines increased approximately 15.3%. Overall, charges for services and fines increased by $458,129. This was due to an increases in fines.

Operating grants vary from year to year, and 2017 saw a decrease in grant funds received. In total, operating grant revenue in 2017 was under those of 2016 by $41,654. Capital Grants and contributions for 2017 were $428,503 more than those of 2016. The increase in capital grants and contributions was due to an increase in LMIG revenues , Drug and Mental Health Grants, and a slight increase in the Airport grant funding.

In 2017, there was $30,600 in investment earnings. This is more than the 2016 earnings of $16,594 because there were more resources available for investment. This is also due to a slight increase in interest rates. The increase in investment earnings actually reflects a strengthening in the County's financial position.

Note that program revenues covered just 18.7% and 15.9% of governmental expenses for 2017 and 2016, respectively. This means the government's taxpayers and the County's other general revenues normally fund 81.3% of the governmental activities, primarily from property and sales taxes. As a result, the general economy and the success of local businesses have a major impact on the County's revenue streams.

Governmental Activities Expenses

The following table presents the cost of each of the County's programs, including the net cost (i.e., total cost less revenues generated by the activities). The net cost illustrates 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	$ 3,788,675	14.5%	$ (2,918,713)	13.7%
Judicial	3,053,796	11.6%	(1,813,956)	8.5%
Public safety	11,902,210	45.4%	(10,711,603)	50.3%
Public works	5,097,520	19.4%	(4,219,146)	19.8%
Planning/community development	1,126,425	4.3%	(390,119)	1.8%
Health and welfare	333,746	1.3%	(333,746)	1.6%
Culture and recreation	324,018	1.2%	(324,018)	1.5%
Sanitation	585,650	2.2%	(585,650)	2.8%
Interest and fiscal charges	16,172	0.1%	(16,172)	0.1%
Total	$ 26,228,212	100.0%	$ (21,313,123)	100.0%

The public safety expenses total 45.4% of gross costs and 50.3% of net costs. As noted, total cost and net costs do not differ substantially by percentage for each function.

Business-Type Activities

Solid Waste Fund - The business-type activity is the Solid Waste Fund. Total assets decreased $440,686. Total liabilities increased $228,387.

In total, operating revenues were down $1,356 or less than 1% and operating expenses were up $37,037 or 146.8% from FY16 as a result of an increase in professional services acquired to do more monitoring at the Old 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.

During 2017, the Solid Waste Disposal Fund reported an operating gain of $1,574,932 as compared to $1,613,325 in 2016.

FUND ANALYSIS

Governmental Funds

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 $16,539,320 after restatement from prior year of $613,837 compared to $14,828,512 in 2016. The General Fund reported an increase of $666,592 due to very conservative spending. The 2008 SPLOST Fund reported a decrease of $1.6 million due to the age of the SPLOST most projects have been completed. The 2014 SPLOST Fund reported an increase of approximately $2.0 million in fund balance, due to several projects that have not started. The E-911 Emergency Telephone Fund reported an increase to the negative fund balance by $28,965 because with the purchase of the new equipment, we did not have to pay annual maintenance contracts. This was a savings of approximately $28,000.

Of this year-end total, $8,345,828 is unassigned indicating availability for continuing County service delivery requirements. $615,784 of the total fund balance is classified as nonspendable and relates to prepaid items, inventory, and advances to other funds. The following amounts in the other County funds are restricted for capital projects $7,142,736, public safety $182,350, and other programs purposes $248,261. The balance of is assigned for Sheriff special projects $4,361.

The total ending fund balances of governmental funds show an increase of $1,096,971 or 7.4% from the prior year.

Major Governmental Funds

General Fund **-** 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 $666,592 or 7.8% as compared to a 2.1% increase in 2016, before considering restatements. The ending unassigned fund balance is considered adequate, representing the equivalent of 44.04% of annual expenditures for 2017 compared to 40.4% at June 30, 2016. This is a positive indicator for the County which exceeds the benchmark of 10-25% that is generally recognized as being adequate.

General property taxes decreased $206,718 or 2.1%. The current year digest was slightly less than the prior year. Local option sales tax (LOST) decreased $35,225 or 1.5%, which indicates the economic growth is flat. Real estate transfer taxes increased 18.2%. Intangible taxes increased by 18.2%. Insurance premium tax increased 6.8%. In total, taxes decreased $307,698, or 1.9% over fiscal year 2016.

In 2017, licenses and permits were $1,882 or 1.7% above the prior year. The increase indicates that the trend is steady 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. This is a sign of the improving economy.

Overall, 2017 saw a $362,694 increase in intergovernmental grants. Intergovernmental revenues are primarily grants and these vary from year to year with the types of grants awarded and the timing of the payment of the funds. Airport grants remained steady while grants for Drug and Mental Health Courts and LMIG grants increased.

Total charges for services decreased by $303,866. Prisoner housing revenue decreased $211,304. This was due less boarding of other county prisoners and federal prisoners. Airport fuel sales was down $70,159. This was due to less skydiving at the airport.

Total fines and forfeitures decreased by $32,990. This is due to large decreases in Probate Court and Superior Court Fees.

Other revenues decreased by $93,795, or 13.0% from 2016 due less insurance reimbursements, less police department special projects reimbursements, and less people getting fingerprints processed for firearms permits.

In 2017, funds of approximating $1.3 million were transferred to the General Fund compared to $371,050 in 2016. The primary reason is the funds transferred from Solid Waste to pay for the construction of the new Public Works facility.

The 2017 General Fund expenditures are $146,112 or 0.7% less than 2016 expenditures. Described below are the most significant changes from the prior year.

General government expenditures are $92,812 or 2.7% less than those of 2016. Administration showed a 1.1% increase due to the increased cost of group insurance and insurance deductibles the county pays. Elections was down 4.2% due to less elections then the prior year. In 2016, there were four elections, while in 2017 there were two elections. Information Technology department was up 9.7% due to server upgrades and maintenance contracts. The Tax Commissioner was down 1.9% because we had a new Tax Commissioner take office in January 2017. Our prior Tax Commissioner served three terms and had longevity added to her salary. The Tax Assessors office was down 6.1% due to the termination of a contract with an independent contractor who appraised commercial property. Building maintenance was down 7.5% from the prior fiscal year. This was due to a $ 31,700 decrease in building maintenance from the prior fiscal year. This was due to less costly repairs as in prior years. Also, the county purchased property on Grover Road in FY 2016 for $43,201.

Judicial expenditures exceed those of the prior year by $42,899 or 1.6%. The Clerk of Court had an increase of $ 22,826 or 3.5% due to increases in Salary and group insurance. The department had several position upgrades that increased the salary expenses. Superior Court decreased by $23,663 or 11.1% due to a decrease in technical services. This was due to less court transcripts. Mental Health and Drug Court cost increased $ 28,641 or 14.3%. Mental Health Court was only in progress for six months in 2016, while 2017 was an entire year. The District Attorney cost has slight increase due to an increase in case load and supplies. Magistrate Court cost remained level with less than a 1% change. Probate Court saw a 2.3% decrease in expenditures of $8,886 due to a decrease in fingerprint fees due to less firearms license being issued. Juvenile Court changed a part time position to fulltime which resulted in a increases in expenses.

Public safety is a priority in the County. General fund public safety expenditures are $146,377, or 1.7%, more than 2016 amounts. Sheriff Department and County Police expenditures both increased in salary and benefits. These departments were more fully staffed than in the prior year. Fire department showed a decline in expenditures by 15.5% of $32,572. The SPLOST projects allowed us to purchase newer equipment and vehicles that has allowed us to pay less maintenance cost. Emergency management agency has an 7.9% decline. In 2016 they hired a consultant to work on Hazard Mitigation Plan. The Coroner's office also saw an increase due to a large increase in call activity.

The public works expenditures increased $159,195 or 5.7%. The Department saw a decrease in roadway materials due to weather restrictions. The new public works building was under construction which caused an increase in overall expenditures.

Planning and community development expenditures decreased by $119,354 or 10.8% from 2016. Airport expenditures showed a 29.0% or $ 145,512. This was due to the purchase of land in 2016. Economic development is a priority for the County. In 2017, additional $10,300 was given to them for a marketing campaign.

Health and welfare expenditures were consistent with the prior year.

Culture and recreation expenditures exceed the prior year by $400 or 0.1%. The increase was due to site improvement work done on the Silver Comet Trail.

Sanitation expenditures increased by $9,386 or 1.6% from 2016. This was due to an elimination of a fuel surcharge the county paid in 2016.

2008 SPLOST Capital Projects Fund

This fund is utilized to account for the proceeds of a 1 percent special purpose local option sales tax, approved on November 6, 2007 for a period of time not to exceed six years from July 1, 2015 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 2017, this fund received no sales tax revenue since the 2014 SPLOST fund began collections in July 2015. The fund had investment earnings of $3,173.

The fund expended $1,604,809 for County projects controlled by the Board of Commissioners including $248,989 for public safety and $1,355,820 for public works.

At June 30, 2017, the fund balance was $2,009,252 compared to $3,610,888 at June 30, 2016.

2014 SPLOST Capital Projects Fund

This fund is utilized to account for the proceeds of a 1 percent special purpose local option sales tax, approved on March 6, 2012 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 2017, this fund recognized $4,475,811 in sales tax revenues and had investment earnings of $6,709.

The fund expended $2,461,651 for County projects controlled by the Board of Commissioners including $132,163 for general government, $213,006 for public safety, and transmitted $2,036,413 to the cities pursuant to the applicable intergovernmental agreements.

At June 30, 2017, the fund balance was $4,560,106 after restatement of $3,581 to previously reported fund balance of $2,535,656 at June 30, 2016.

E-911 Emergency Telephone Special Revenue Fund

This fund is utilized to account for funds generated from telephone subscriber surcharge fees for the emergency 911 system.

At June 30, 2017, cash and accounts receivable were $40,544, or 23.2%, less than 2016 while accounts payable, accruals, and advances to other funds were down $68,209, or 12.6%. The fund deficit at June 30, 2017 was $336,740, which is a lesser deficit fund balance than the 2016 deficit fund balance of $365,705 by 7.9%.

Charges for services decreased by $38,855, or 5.7%, from 2016. This was due to a decline in telephone revenue for landline and cell phones. Total expenditures in 2017 were $973,805, or 101.9%, more than 2016. In 2017, a new E-911 facility was constructed and all new equipment was purchased.

Proprietary Funds

Proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The business-type activities analysis above discusses the County's enterprise fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's revenue budget was amended upward in 2017, by $796,750 or 4.4%.

Tax revenues were above the final budget by approximately $50,100. While general property taxes were $2,650 under budget, motor vehicle and mobile home taxes were under budget by $241, Local Option Sales Tax was over budget by $262, and interest and penalties were $28 under budget.. Taxes were collected at a much faster pace than anticipated.

In addition to general property taxes there were other tax revenues that exceeded the 2017 budget. Intangibles, franchise, and railroad equipment exceeded budget.

In total, intergovernmental revenue exceeded budget. Airport grants remained steady while grants for Drug and Mental Health Courts and LMIG grants increased. Grant amount exceeded budgeted expectations.

Charges for services exceeded the final budget by a nominal $6,567 or 0.7%. Variance with budget in all charges is minimal.

Total fines and forfeitures were $15,917 below the final budget. The largest variance is county probation which is $21,049 under budget. Clerk of superior court, Magistrate court, Probate court were all over budget. Juvenile court was under budget $49.

The General Fund's expenditure budget was decreased by $753,250 or 3.7%.

The general government was under budget by $29,226. Administration was under $8,158. This was due to all contingency funds not being used. Information technology was under by $16,696 because all planned projects were not completed. General appropriation was over budget $1,134 due to additional gas expense for meals on wheels vehicle. Tax Assessors, Tax Commissioners, Public buildings, and Election and registrar were all slightly below budget.

The judicial function was under budget by $12,093 or 0.4%. The Superior Court was under budget by $1,258. These actual expenditures can fluctuate with types of cases and the number that actually go to trial. Juvenile Court was under by $1,304 or .4%. Caseloads and the number of court appointed attorneys vary for this department. Magistrate was under by $1,667 or .5%.

The public safety budget was under spent by $30,843 or 0.4%. This is a nominal amount for the $8.4 million public safety budget. Sheriff's office was $16,760 or .4% under budget while County Police was $9,891 or .4% under budget. This was due to the departments not being fully staffed.

The public works budget was over budget by $148,950 or 5.3% due to the construction of a new Public Works Facility. Culture and recreation was $1,401 under budget. Planning and community development was under budget by $2,020. Health and welfare came in with no variance between actual expenditures and budgeted expenditures. Sanitation was under budget by $1,350. This was due to the deletion of the fuel surcharge.

In total, the County under spent the final general fund expenditures and other financing uses budget by $120,958 or 0.6%.

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, 2017 was $34,652,007 and $377,967, respectively. The change in this net investment was an approximate 3.13% increase for governmental activities and 144.0% for business-type activities. See Note 3-D for additional information about changes in capital assets during the year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2017	2016 (1)	2017	2016	2017	2016 (1)
Non-depreciable assets:						
Land	$ 3,197,378	$ 3,197,378	$ 180,890	$ 150,186	$ 3,378,268	$ 3,347,564
Construction in progress	1,863,738	625,680	-	-	1,863,738	625,680
Total non-depreciable	5,061,116	3,823,058	180,890	150,186	5,242,006	3,973,244
Depreciable assets:						
Buildings and improvements	23,157,740	23,128,730	4,970,255	4,784,260	28,127,995	27,912,990
Machinery, equipment and vehicles	14,529,158	14,394,733	-	194,363	14,529,158	14,589,096
Furniture and fixtures	-	-	-	3,431	-	3,431
Infrastructure	37,289,765	36,537,870	-	-	37,289,765	36,537,870
Total depreciable assets	74,976,663	74,061,333	4,970,255	4,982,054	79,946,918	79,043,387
Less accumulated depreciation	45,385,772	44,282,944	4,773,178	4,977,328	50,158,950	49,260,272
Book value - depreciable assets	29,590,891	29,778,389	197,077	4,726	29,787,968	29,783,115
Percentage depreciated	60.5%	59.8%	96.0%	99.9%	62.7%	62.3%
Total Assets	$ 34,652,007	$ 33,601,447	$ 377,967	$ 154,912	$ 35,029,974	$ 33,756,359

(1) As restated

At June 30, 2017, the depreciable capital assets for governmental activities were 60.5% depreciated. This compares to 59.8% at June 30, 2016. This comparison indicates the County is replacing its assets at almost the same rate as they are depreciating, which is a positive indicator. With the County's business-type activities, 96.0% of the asset values were depreciated at June 30, 2017 compared to 99.9% at June 30, 2016. Since the operations of the landfill are contracted out, this depreciation is not a significant issue.

For governmental activities, the balance of construction in progress relates to construction of a new public works facility and renovations to the administration building in the amount of $1,863,738, of which $621,577 relates to the General Fund and $1,242,161 relates to the 2008 SPLOST fund, 2002 SPLOST $210,799, Special Revenue Funds of $4,082,903, and Capital Transportation Funds of $824,957.

In the infrastructure and building improvements categories we had additions of $751,895 and $29,010, respectively. Infrastructure increases were for road paving of approximately 11 roads within the County. In the vehicles category, we had additions of $188,472. The remaining $658,822 in capital additions are in the machinery and equipment category. The major increases to the machinery and equipment account include a new phone system and radio system.

Debt

The following table reports debt balances at June 30, 2017 and 2016:

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Net pension liability	$ 2,569,849	$ 1,746,394	$ -	$ -	$ 2,569,849	$ 1,746,394
Net OPEB obligation	8,126,958	7,228,968	-	-	8,126,958	7,228,968
Compensated absences	823,829	851,940	-	-	823,829	851,940
Advanced funding - postclosure trust agreement	-	-	2,741,669	2,525,378	2,741,669	2,525,378
Closure and postclosure care costs	-	-	730,209	720,838	730,209	720,838
Total	$ 11,520,636	$ 9,827,302	$ 3,471,878	$ 3,246,216	$ 14,992,514	$ 13,073,518

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

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE COUNTY

The County is located in the Coosa Valley area of Northwest Georgia. The County is located approximately sixty miles west of the City of Atlanta and borders the state of Alabama.

According to the latest information available, the County's 2017 unemployment rate is 5.1%, which is slightly higher than the state's average of 4.8%. The County's employment for 2017 is estimated at 17,322 and will continue to grow as more businesses come to the area. The median household income for County residents is estimated at $39,356 which is lower than the $51,037 average for the state's 159 counties.

The primary revenue streams for the County are property taxes and sales taxes. This is a good revenue mix as property taxes are classified as "inelastic" and sales taxes are classified as "elastic". General property taxes were down over the prior year and they came in at a rate that is slightly below budget. Sales tax revenue is highly sensitive to fluctuations in the economy. The slowly recovering economy caused this revenue source to be slightly over what was budgeted. The County continues to demonstrate a commitment to provide quality services with limited resources. The 2017 operational budget demonstrates a strong commitment to economic development, public safety and infrastructure improvements. This was demonstrated in the construction of a new E-911 facility and equipment and the construction of a new Public Works building.

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. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Polk County Finance Department, 144 West Ave., Cedartown, GA 30125.

BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide statement of net position and government-wide statement of activities which include all the primary government's governmental activities, business-type activities and component units. In addition, the basic financial statements include the fund financial statements and the notes to the financial statements.

Polk County, Georgia
Statement of Net Position
June 30, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Polk County Health Department	Development Authority of Polk County
Assets					
Cash and cash equivalents	$ 15,784,297	$ 11,343,039	$ 27,127,336	$ 415,155	$ 787,591
Receivables:					
Accounts	202,297	140,991	343,288	-	-
Property taxes	935,598	-	935,598	-	-
Intergovernmental	1,457,905	-	1,457,905	105,973	-
Interest	-	12,391	12,391	-	-
Internal	184,650	(184,650)	-	-	-
Inventory	35,083	-	35,083	16,838	-
Prepaid items	145,677	-	145,677	-	-
Property held for sale	-	-	-	-	4,129,752
Due from component unit	1,300,000	-	1,300,000	-	-
Capital assets:					
Nondepreciable	5,061,116	180,890	5,242,006	-	-
Depreciable, net	29,590,891	197,077	29,787,968	-	-
Total Assets	54,697,514	11,689,738	66,387,252	537,966	4,917,343
Deferred Outflows of Resources					
Deferred outflows related to pensions	1,627,363	-	1,627,363	201,249	-
Liabilities and Deferred Inflows of Resources					
Liabilities					
Accounts payable	517,497	2,725	520,222	213	-
Retainage payable	157,350	-	157,350	-	-
Accrued expenses	427,047	-	427,047	-	2,993
Intergovernmental payable	199,177	-	199,177	42,074	-
Unearned revenue	63,127	5,000	68,127	-	-
Noncurrent liabilities					
Due within one year	617,872	-	617,872	-	3,808
Due in more than one year	10,902,764	3,471,878	14,374,642	989,118	3,833,833
Total Liabilities	12,884,834	3,479,603	16,364,437	1,031,405	3,840,634
Deferred Inflows of Resources					
Deferred inflows related to pensions	-	-	-	50,834	-
Net Position					
Net investment in capital assets (Note 3L)	34,494,657	377,967	34,872,624	-	-
Restricted for:					
Capital projects	7,142,787	-	7,142,787	-	-
Public safety	107,081	-	107,081	-	-
Judicial	327,840	-	327,840	-	-
Unrestricted (deficit)	1,367,678	7,832,168	9,199,846	(343,024)	1,076,709
Total Net Position	$ 43,440,043	$ 8,210,135	$ 51,650,178	$ (343,024)	$ 1,076,709

See accompanying notes to the basic financial statements

Polk County, Georgia
Statement of Activities
For the Year Ended June 30, 2017

Function/Program	Expenses	Program Revenues: Charges for Services and Fines	Program Revenues: Operating Grants and Contributions	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: Polk County Health Department	Component Units: Development Authority of Polk County
Primary Government									
Governmental Activities									
General government	$ 3,788,675	$ 859,675	$ 10,287	$ -	$ (2,918,713)	-	$ (2,918,713)		
Judicial	3,053,796	981,288	258,552	-	(1,813,956)	-	(1,813,956)		
Public safety	11,902,210	1,075,565	115,042	-	(10,711,603)	-	(10,711,603)		
Public works	5,097,520	-	-	878,374	(4,219,146)	-	(4,219,146)		
Planning/community development	1,126,425	539,111	-	197,195	(390,119)	-	(390,119)		
Health and welfare	333,746	-	-	-	(333,746)	-	(333,746)		
Culture and recreation	324,018	-	-	-	(324,018)	-	(324,018)		
Sanitation	585,650	-	-	-	(585,650)	-	(585,650)		
Interest and fiscal charges	16,172	-	-	-	(16,172)	-	(16,172.00)		
Total Governmental Activities	26,228,212	3,455,639	383,881	1,075,569	(21,313,123)	-	(21,313,123)		
Business-type Activities									
Solid waste	62,273	1,637,205	-	-	-	1,574,932	1,574,932		
Total Primary Government	$ 26,290,485	$ 5,092,844	$ 383,881	$ 1,075,569	(21,313,123)	1,574,932	(19,738,191)		
Component Units									
Polk County Health Department	$ 982,112	$ 394,305	$ 544,635	$ -				$ (43,172)	$ -
Development Authority of Polk County	300,133	-	330,223	-				-	30,090
Total - Component Units	$ 1,282,245	$ 394,305	$ 874,858	$ -				(43,172)	30,090
General Revenues									
General property taxes					11,101,393	-	11,101,393	-	-
Intangible taxes					139,084	-	139,084	-	-
Real estate transfer taxes					40,975	-	40,975	-	-
Alcoholic beverage taxes					116,653	-	116,653	-	-
Sales taxes					6,818,073	-	6,818,073	-	-
Insurance premium tax					1,510,822	-	1,510,822	-	-
Other taxes					83,750	-	83,750	-	-
Gain (loss) on the disposal of capital assets					20,045	(470)	19,575	-	-
County funding					-	-	-	197,955	-
Investment earnings					30,600	25,546	56,146	368	1,380
Miscellaneous					21,862	-	21,862	13	-
Transfers					2,269,081	(2,269,081)	-	-	-
Total General Revenues and Transfers					22,152,338	(2,244,005)	19,908,333	198,336	1,380
Change in Net Position					839,215	(669,073)	170,142	155,164	31,470
Net Position - Beginning of Year, Before Restatement					40,971,958	8,879,208	49,851,166	(463,921)	1,570,594
Restatement					1,628,870	-	1,628,870	(34,267)	(525,355)
Net Position - Beginning of Year, After Restatement					42,600,828	8,879,208	51,480,036	(498,188)	1,045,239
Net Position - End of Year					$ 43,440,043	$ 8,210,135	$ 51,650,178	$ (343,024)	$ 1,076,709

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See accompanying notes to the basic financial statements

Polk County, Georgia
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	2008 SPLOST	2014 SPLOST	E-911 Emergency Telephone	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 8,908,212	$ 2,009,252	$ 4,355,860	$ 49,500	$ 461,473	$ 15,784,297
Receivables:						
Accounts	117,788	-	-	84,509	-	202,297
Taxes	935,598	-	-	-	-	935,598
Intergovernmental	1,059,464	-	393,894	-	4,547	1,457,905
Interfund	183,350	-	-	1,300	200	184,850
Advances	435,024	-	-	-	-	435,024
Inventory	35,083	-	-	-	-	35,083
Prepaid items	145,677	-	-	-	-	145,677
Total Assets	$ 11,820,196	$ 2,009,252	$ 4,749,754	$ 135,309	$ 466,220	$ 19,180,731
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)						
Liabilities						
Accounts payable	$ 469,835	$ -	$ 7,354	$ 21,712	$ 18,596	$ 517,497
Retainage payable	157,350	-	-	-	-	157,350
Advances payable	-	-	-	435,024	-	435,024
Accrued expenditures	412,872	-	-	15,313	-	428,185
Intergovernmental payable	3,093	-	182,294	-	12,652	198,039
Interfund payable	200	-	-	-	-	200
Unearned revenue	63,127	-	-	-	-	63,127
Total Liabilities	1,106,477	-	189,648	472,049	31,248	1,799,422
Deferred Inflows of Resources						
Unavailable revenue	841,989	-	-	-	-	841,989
Total Liabilities and Deferred Inflows of Resources	1,948,466	-	189,648	472,049	31,248	2,641,411
Fund Balances (Deficits)						
Nonspendable	615,784	-	-	-	-	615,784
Restricted	573,378	2,009,252	4,560,106	-	434,972	7,577,708
Unassigned	8,682,568	-	-	(336,740)	-	8,345,828
Total Fund Balances (Deficits)	9,871,730	2,009,252	4,560,106	(336,740)	434,972	16,539,320
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 11,820,196	$ 2,009,252	$ 4,749,754	$ 135,309	$ 466,220	$ 19,180,731

See accompanying notes to the basic financial statements

Polk County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Government-wide Statement of Net Position
For the Year Ended June 30, 2017

Total Governmental Fund Balances		$ 16,539,320
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds.		34,652,007
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes	841,989	
Due from component unit	1,300,000	2,141,989
Deferred outflows of resources are not an available resource and, therefore, are not reported in the funds.		
Deferred outflows related to pensions		1,627,363
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position.		
Net pension liability	(2,569,849)	
Net OPEB obligation	(8,126,958)	
Accrued compensated absences	(823,829)	(11,520,636)
Net Position of Governmental Activities		$ 43,440,043

See accompanying notes to the basic financial statements

Polk County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017

	General Fund	2008 SPLOST	2014 SPLOST	E-911 Emergency Telephone	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 15,482,713	$ -	$ 4,475,811	$ -	$ -	$ 19,958,524
Licenses and permits	114,443	-	-	-	-	114,443
Intergovernmental	1,435,025	-	-	-	-	1,435,025
Charges for services	909,067	-	-	648,844	16,262	1,574,173
Fines and forfeitures	797,083	-	-	-	161,921	959,004
Investment earnings	20,437	3,173	6,709	-	281	30,600
Miscellaneous	627,658	-	-	5	14,373	642,036
Total Revenues	19,386,426	3,173	4,482,520	648,849	192,837	24,713,805
Expenditures						
Current						
General government	3,327,048	-	132,163	-	-	3,459,211
Judicial	2,788,407	-	40,021	-	77,792	2,906,220
Public safety	8,406,912	248,989	213,006	1,929,740	122,864	10,921,511
Public works	2,970,950	1,355,820	20,960	-	-	4,347,730
Planning/community development	983,369	-	19,088	-	-	1,002,457
Health and welfare	309,663	-	-	-	-	309,663
Culture and recreation	324,018	-	-		-	324,018
Sanitation	585,650	-	-	-	-	585,650
Intergovernmental	-	-	2,036,413	-	-	2,036,413
Debt Service						
Interest and fiscal charges	16,172	-	-	-	-	16,172
Total Expenditures	19,712,189	1,604,809	2,461,651	1,929,740	200,656	25,909,045
Excess (Deficiency) of Revenues Over (Under) Expenditures	(325,763)	(1,601,636)	2,020,869	(1,280,891)	(7,819)	(1,195,240)
Other Financing Sources (Uses)						
Proceeds from the disposition of capital assets	23,130	-	-	-	-	23,130
Transfers in	1,307,354	-	-	1,309,856	-	2,617,210
Transfers out	(338,129)	-	-	-	(10,000)	(348,129)
Total Other Financing Sources (Uses)	992,355	-	-	1,309,856	(10,000)	2,292,211
Net Change in Fund Balance	666,592	(1,601,636)	2,020,869	28,965	(17,819)	1,096,971
Fund Balance - Beginning of Year Before Restatement	8,592,999	3,610,888	2,535,656	(365,705)	454,674	14,828,512
Restatement	612,139	-	3,581	-	(1,883)	613,837
Fund Balance - Beginning of Year After Restatement	9,205,138	3,610,888	2,539,237	(365,705)	452,791	15,442,349
Fund Balance - End of Year	$ 9,871,730	$ 2,009,252	$ 4,560,106	$ (336,740)	$ 434,972	$ 16,539,320

See accompanying notes to the basic financial statements

Polk County, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Government-wide Statement of Activities
For the Year Ended June 30, 2017

Net Changes In Fund Balances - Total Governmental Funds		$ 1,096,971
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	(1,812,612)	1,053,645
Capital outlay	2,866,257	
The net effect of various miscellaneous transactions involving capital assets is to decrease net position		(3,085)
Revenues reported in the government-wide statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.		
Deferred revenues		64,496
Some expenses reported in the statement of activities do not require the use of financial resources and therefore are not reported as expenditures in governmental funds. These expenses are:		
Net pension liability and changes in related deferred inflows/outflows of resources	(502,933)	
Net OPEB obligation	(897,990)	
Accrued compensated absences	28,111	(1,372,812)
Change In Net Position of Governmental Activities		$ 839,215

See accompanying notes to the basic financial statements

Polk County, Georgia
Proprietary Funds
Statement of Net Position
June 30, 2017

	Business-type Activities - Enterprise Fund Solid Waste
Assets	
Current Assets	
Cash and cash equivalents	$ 8,551,423
Receivables -	
Accounts	140,991
Interest	12,391
Total Current Assets	8,704,805
Noncurrent Assets	
Restricted Assets	
Cash and cash equivalents	2,791,616
Capital assets:	
Nondepreciable	180,890
Depreciable, net	197,077
Total Noncurrent Assets	3,169,583
Total Assets	11,874,388
Liabilities	
Current Liabilities	
Accounts payable	2,725
Interfund payable	184,650
Unearned revenue	5,000
Total Current Liabilities	192,375
Long-term Liabilities (net of current portion)	
Advanced funding - postclosure trust agreement	2,741,669
Landfill closure and postclosure care costs	730,209
Total Long-Term Liabilities	3,471,878
Total Liabilities	3,664,253
Net Position	
Net investment in capital assets	377,967
Unrestricted	7,832,168
Total Net Position	$ 8,210,135

See accompanying notes to the basic financial statements

Polk County, Georgia
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund Solid Waste
Operating Revenues	
Rental and royalty fees	$ 1,614,806
Recycling sales	22,399
Total Operating Revenues	1,637,205
Operating Expenses	
Operating	56,740
Depreciation	5,533
Total Operating Expenses	62,273
Operating Income / (Loss)	1,574,932
Nonoperating Revenues (Expenses)	
Gain (Loss) on the disposal of capital assets	(470)
Investment earnings	25,546
Total Nonoperating Revenues (Expenses)	25,076
Income before Transfers	1,600,008
Transfers out	(2,269,081)
Change in Net Position	(669,073)
Net Position - Beginning of Year	8,879,208
Net Position - End of Year	$ 8,210,135

See accompanying notes to the basic financial statements

Polk County, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund Solid Waste
Cash Flows from Operating Activities	
Cash received from customers	$ 1,624,926
Cash payments for goods and services	(159,994)
Net Cash Provided by (Used in) Operating Activities	1,464,932
Cash Flows from Noncapital Financing Activities	
Transfers in (out) from other funds	(2,269,081)
Postclosure trust funding by lessee	216,291
Net Cash Provided by (Used in) Noncapital Financing Activities	(2,052,790)
Cash Flows from Capital and Related Financing Activities	
Payments for capital acquisitions	(229,058)
Cash Flows from Investing Activities	
Investment earnings	19,645
Net Increase (Decrease) in Cash and Cash Equivalents	(797,271)
Cash and Cash Equivalents - Beginning of Year	12,140,310
Cash and Cash Equivalents - End of Year	$ 11,343,039
Reconciliation to Statement of Net Position	
Cash and cash equivalents	$ 8,551,423
Restricted cash and cash equivalents	2,791,616
Total Cash and Cash Equivalents - End of Year	$ 11,343,039
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating Income (Loss)	$ 1,574,932
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation	5,533
(Increase) Decrease in Assets -	
Accounts receivable	(12,279)
Increase (Decrease) in Liabilities:	
Accounts payable	2,725
Interfund payable	(115,350)
Landfill postclosure adjustment	9,371
Net Cash Provided by (Used in) Operating Activities	$ 1,464,932

See accompanying notes to the basic financial statements

See accompanying notes to the basic financial statements

Polk County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017

Assets		
Cash and cash equivalents	$	421,833
Property taxes receivable		1,937,312
Total Assets	$	2,359,145
Liabilities		
Taxes payable to others upon collection	$	1,937,312
Due to others		421,833
Total Liabilities	$	2,359,145

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

Polk County, Georgia
Notes to Financial Statements
For the Year Ended June 30, 2017

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Polk County, Georgia (the County) is a political subdivision of the State of Georgia and was created by a legislative act in 1851. Named after President James K. Polk, the County 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, which is governed by state statutes and regulations and elected from single-member districts. 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 Tax Commissioner, Clerk of Superior Court, Magistrate Court, Sheriff, Probate Court, County Probation, and Juvenile Court. The County's major services include general government, judicial, public safety, public works, planning and 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.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of the operational and financial relationships with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board Statement No. 61, "*The Financial Reporting Entity: Omnibus - An amendment of GASB Statements No. 14 and No. 34*" the component units' financial statements have been included as discretely presented component units. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the County based upon the application of these criteria. The following is a brief review of the component units addressed in defining the County's reporting entity.

Polk County Health Department (Health Department) – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department's Board consists of seven members, the Chairman of the Board of Commissioners, Chairman of the Cedartown City Commission, the Superintendent of the Polk County Board of Education, three members appointed by the County Commission, and one member appointed by the 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 the Health Department, controls much of the Health Department's governing positions. Although the County does not have the authority to approve or modify the Health Department's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Health Department. The Health Department is 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 primary government do not have boards that are substantively the same. The fiscal year end of the Health Department is June 30th. Complete financial statements for the Health Department may be obtained from its administrative office at 125 E Ware St, Cedartown, Georgia 30125.

Development Authority of Polk County (the Authority) – The Authority's purpose is to develop and promote trade, commerce, industry, and employment opportunities within Polk County. The Authority exists to promote economic development in the County by working with existing industries to expand as well as by recruiting additional business to the community. The Authority was created by a resolution of the Board of Commissioners. All board members are appointed by the Board of Commissioners. The Authority is responsible for adopting its own annual budget and making its own operational decisions however, the County provides 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

Note 1 - Summary of Significant Accounting Policies (Continued)

Authority. The Authority is presented as a governmental fund type component unit. There are no separately issued financial statements available for the Development Authority of Polk County. The fiscal year end of the Authority is June 30th.

A blended component unit, although a legally separate entity, is in substance part of the County's operations and so financial data from this unit is combined with the financial data of the primary government. The following is presented as a blended component unit.

Polk County Public Purpose Corporation (the Corporation) – The Corporation is governed by a three-member board appointed by the Board of Commissioners. Although it is legally separate from the County (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 rental property and subsequently sell the assets to the County pursuant to an installment agreement that includes annual funding provisions. This entity has been inactive for several years.

Joint Ventures

The Northwest Georgia Regional Commission (RC) is considered a joint venture based upon the criteria in Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61. Under Georgia law, the County, in conjunction with other cities and counties in the fifteen (15) county Northwest Georgia area, is a member of the RC. Membership in the Regional Commission is required by the official Code of Georgia Section (O.C.G.A) 50-8-34, which provides for the organizational structure of the RDC in Georgia. The County paid dues of $27,383 to the RC for the fiscal year ended June 30, 2017. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A 50-39-1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Complete financial statements of the RDC may be obtained from the Northwest Georgia Regional Commission, 1 Jackson Hill Dr., P.O Box 1798, Rome, GA 30162.

The Polk County Drug Task Force (the "Task Force") is considered a joint venture with no equity interest based upon the criteria in GASB Statement No. 14, as amended by GASB Statement No. 61. Pursuant to an intergovernmental agreement established between the Polk County Police Department, Polk County Sheriff's Office, Cedartown Police Department, and Rockmart Police Department, the Task Force was established in 2013 to provide services to combat the use and influence of illicit drugs and attempt to reduce the incidences of violent crimes. The agreement is construed as a joint contract of services between governmental entities, authorized pursuant to the general provisions of Georgia law and Article IX, Section III, Paragraph 1 of the Constitution of the State of Georgia. The Task Force Control Board is comprised of the District Attorney, the Polk County Sheriff, the County Manager, the Cedartown City Manager, and each participating police department's Chief. These representatives may name designees to represent their interest on the Control Board. During the fiscal year ended June 30, 2017, there were no transactions made between the County and the Task Force. The Task Force does not issue separate financial statements.

1-B. Government-wide and Fund Financial Statements

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 (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County. *Governmental Activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenue.*

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the 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.

1-C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Agency funds are custodial in nature and do not present the results of operations or have a measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of the related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Property taxes levied in September are for the next fiscal year beginning July 1. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements - Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Revenues are recognized as soon as they are both measureable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers most revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, intergovernmental grants, and investment income associated with the current fiscal year are considered to the susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measureable and available only when cash is received by the County.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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.

> ***Governmental Funds*** - Governmental 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:
>
> > ***General Fund*** – This fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund
> >
> > ***2008 Special Purpose Local Option Sales Tax (SPLOST) Capital Project Fund –*** This fund is used to account for proceeds of a 1% local sales tax levy approved by voters on November 6, 2007 for a period of time not to exceed six years for the raising of up to $36 million for the purpose of funding County-wide recreation, paving and bridge improvements, equipment and facilities for public safety and public health,

Note 1 - Summary of Significant Accounting Policies (Continued)

public welfare improvements, County buildings and facilities, economic development, safety equipment, and an intergovernmental agreement with the cities of Cedartown, Rockmart, and Aragon.

2014 Special Purpose Local Option Sales Tax (SPLOST) Capital Project Fund - This fund is used to account for proceeds of a 1% local sales tax levy approved by voters on March 6, 2012 for a period of time not to exceed six years beginning July 1, 2014 for the raising of up to $36,111,000 for the purpose of funding (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 general obligation debt of certain municipalities within the County.

E-911 Emergency Telephone Special Revenue Fund - This fund is used to account for funds generated from telephone subscriber surcharge fees and the emergency 911 system.

Additionally, the County reports the following non-major governmental fund types:

Special Revenue Funds – These funds account for revenue sources that are legally restricted or committed to expenditures for specific purposes, such as grant programs, certain fines and forfeitures, and law enforcement services.

Capital Project Fund – This fund represented capital expenditures related to the 2003 Special Purpose Local Option Sales Tax (SPLOST).

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The County reports the following major proprietary fund.

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position. The County's fiduciary funds include agency funds. The County's fiduciary funds are agency funds for use by the County's constitutional officers held on a temporary basis comprised of the Tax Commissioner, Clerk of Superior Court, Magistrate Court, Sheriff, Probate Court, County Probation, Police Seized Property, and Juvenile Court.

In accounting and reporting for its proprietary operations, the government applies all GASB pronouncements. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* incorporated in the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

As a general rule the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other changes between the County's emergency medical services and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various function concerned.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

1-D. Assets, Liabilities and Fund Equity

1-D-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, certificates of deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

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 United States 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-D-2 Restricted Assets

Pursuant to the landfill operating agreement, a trust was established to provide for post-closure costs on the existing Grady Road Landfill. These resources can only 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-D-3 Receivables

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

1-D-4 Interfund Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal period as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by a fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

1-D-5 Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories consist of

Note 1 - Summary of Significant Accounting Policies (Continued)

expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. Inventories reported in the governmental funds are equally offset by a nonspendable fund balance category, which indicates that they do not constitute "available, spendable financial resources" even though they are a component of net current assets.

1-D-6 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, prepaid items are equally offset by a nonspendable fund balance category, which indicates that they do not constitute "available, spendable financial resources" even though they are a component of net current assets.

1-D-7 Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County maintains a capitalization threshold for machinery and equipment, buildings, and infrastructure of five, fifteen, and twenty thousand dollars, respectively.

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 acquisition values as of the date received. The County's infrastructure consists of roads and bridges. The County's infrastructure was 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:

Asset Class	Governmental Activities	Business-type Activities
Improvements other than buildings	10-40 Years	20 Years
Buildings	20-60 Years	31.5 - 40 Years
Building improvements	10-60 Years	31.5 Years
Machinery and equipment	5-10 Years	3 - 15 Years
Furniture and fixtures	-	5 Years
Vehicles	5-20 Years	-
Infrastructure	20-40 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D-8 Property Held for Sale

Property held for sale includes commercial land and buildings held by the Development Authority of Polk County. The properties are being actively marketed for sale and were purchased and developed to aid in economic development and entice new business within the County. Property held for sale is valued at the lower of cost or market ("LCM").

1-D-9 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 past experience of making termination payments.

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

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-D-10 Deferred Outflows / Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category. The item that qualifies for reporting in this category arises only under the modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period the amounts become available.

1-D-11 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 these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Notes are recognized as a liability in the governmental fund financial statements when due.

1-D-12 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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D-13 Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and deferred outflows of resources and the liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

a. *Nonspendable Fund Balance*: the portion of a fund balance that includes amounts that cannot be spent because they are either in nonspendable form (prepaid items, inventories of supplies, or loans receivable) or are legally contractually required to be maintained intact.

b. *Restricted Fund Balance*: the portion of a fund balance that reflects constraints placed on the use of resources other than nonspendable items that are either externally imposed by creditors (debt agreements, grantor, contributors, or laws or regulations of other governments), or be imposed by law through constitutional provisions or enabling legislation.

c. *Committed Fund Balance*: the portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners and remain binding unless removed in the same manner. Board of Commissioner's resolution is required in order to establish, modify or rescind a fund balance commitment. This is the highest level of authoritative action at the local level.

d. *Assigned Fund Balance*: the portion of a fund balance that includes the amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. By motion, only the Board of 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.

e. *Unassigned Fund Balance*: the portion of a fund balance that includes amounts that do not fall into one of the above four categories. The County reports positive unassigned fund balance only in the General Fund.

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:

1) Committed
2) Assigned
3) Unassigned

The County does not have a formal minimum fund balance policy.

Net Position - Net position represent the difference between asset, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment 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 deferred bond premiums, discounts or refunding 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. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D-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 funds. 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 from the government-wide statement of activities.

1-D-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.

1-D-16 Implementation of New GASB Standards

In fiscal year 2017, the County implemented the following GASB Standards:

1) GASB Statement No. 77, *Tax Abatement Disclosures* – The provisions of this Statement require governments that enter into tax abatement agreements to disclose certain information about those agreements. The adoption of this Statement requires the County to identify and make certain disclosures of tax abatement agreements entered into and the required disclosures are presented in these Notes to Financial Statements.

2) GASB Statement No. 82, *Pension Issues – and amendment of GASB Statements No. 67, No. 68, and No. 73* – The provisions of this Statement amend existing guidance of accounting for pensions. The adoption of this standard 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 accounting principles generally accepted in the United States of America (GAAP) for the General Fund and all special revenue funds. Project length budgets are adopted for capital project funds in the normal budget process or de facto through the SPLOST referendum process. For administrative control purposes, a budget is also 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 changes between department appropriations within a fund requires approval of the Board of Commissioners. The County Manager may approve budget transfers within departments. The Board of Commissioners must approve any transfers of personnel or capital appropriations. During the year, the Board of Commissioners approved budget revisions.

The original 2017 budget was amended during the year. All unencumbered annual appropriations lapse at year-end.

2-B. Excess of Expenditures over Appropriations

The following departments overspent the final total 2017 annual budget:

General Fund:	
General appropriations	$ 1,134
Public Works	148,950
Debt service:	
Interest and fiscal charges	16,172

Note 2 – Stewardship, Compliance and Accountability (Continued)

2-C. Deficit Fund Equities

The following funds had a deficit fund equities as of June 30, 2017:

E-911 Emergency Telephone Fund	$ 336,740

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

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

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 through 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; etal) which allow depositories to collateralize excess deposits above FDIC coverage by one of two methods. Under the Dedicated Method, all deposits exceeding FDIC 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 the State Treasurer agent in the name of the director. The State has chosen the dedicated method and has selected the Georgia Bankers Association as the 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 Pooled 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. At June 30, 2017, 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 at June 30, 2017:

	Cash and Cash Equivalents
Primary Government - Fund Reporting Level:	
Governmental Funds - Balance Sheet	$ 15,784,297
Proprietary Fund - Statement of Net Position	8,551,423
Proprietary Fund - Statement of Net Position - Restricted	2,791,616
Fiduciary Fund - Statement of Fiduciary Assets and Liabilities	421,832
Total	$ 27,549,168

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at June 30, 2017, consisted of taxes, interest, 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, collectability.

The allowances for uncollectibles are as follows:

- General Fund - $3,204,740

The only receivables not expected to be collected within one year is the $1,300,000 reported as due from component unit in the governmental activities column of the statement of net position relating to the loan from the County to the Development Authority of Polk County for the purpose of assisting with the construction of the Development Authority of Polk County Speculative Building. See note 3-G for more information regarding the loan.

3-C. Property Taxes

The Board of Commissioners levied property taxes on August 2, 2016. Property taxes attach as an enforceable lien on property as of January 1. Property taxes were billed on August 8, 2016 and are due upon receipt, however, the actual due date was December 1, 2016. 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.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Governmental fund activities capital asset activity for the year ended June 30, 2017, was as follows:

	Balance 7/1/2016 (As restated)	Additions	Deductions	Balance 6/30/2017
Nondepreciable capital assets:				
Land	$ 3,197,378	$ -	$ -	$ 3,197,378
Construction in progress	625,680	2,639,921	1,401,863	1,863,738
Total nondepreciable capital assets	3,823,058	2,639,921	1,401,863	5,061,116
Depreciable capital assets:				
Improvements other than buildings	2,228,760	-	-	2,228,760
Buildings	17,485,942	-	-	17,485,942
Building improvements	3,414,028	29,010	-	3,443,038
Machinery and equipment	6,630,675	658,822	376,042	6,913,455
Vehicles	7,764,058	188,472	336,827	7,615,703
Infrastructure	36,537,870	751,895	-	37,289,765
Total depreciable capital assets	74,061,333	1,628,199	712,869	74,976,663
Total capital assets	77,884,391	4,268,120	2,114,732	80,037,779
Accumulated depreciation:				
Improvements other than buildings	1,327,891	86,871	-	1,414,762
Buildings	5,612,164	362,609	-	5,974,773
Building improvements	2,582,051	70,631	-	2,652,682
Machinery and equipment	4,261,334	392,545	372,957	4,280,922
Vehicles	5,108,634	499,309	336,827	5,271,116
Infrastructure	25,390,870	400,647	-	25,791,517
Total accumulated depreciation	44,282,944	1,812,612	709,784	45,385,772
Governmental activities capital assets, net	$ 33,601,447	$ 2,455,508	$ 1,404,948	$ 34,652,007

Governmental activities depreciation expense	
General government	$ 209,718
Judicial	13,829
Public safety	869,246
Public works	574,014
Planning/community development	121,722
Health and welfare	24,083
Total governmental activities depreciation expense	$ 1,812,612

Note 3 - Detailed Notes on All Funds (Continued)

Business-type activities capital asset activity for the year ended June 30, 2017, was as follows:

	Balance 7/1/2016	Additions	Deductions	Balance 6/30/2017
Nondepreciable capital assets:				
Land	$ 150,186	$ 30,704	$ -	$ 180,890
Depreciable capital assets:				
Improvements other than buildings	4,771,901	198,354	-	4,970,255
Buildings	9,909	-	9,909	-
Building improvements	2,450	-	2,450	-
Machinery and equipment	194,363	-	194,363	-
Furniture and fixtures	3,431	-	3,431	-
Total depreciable capital assets	4,982,054	198,354	210,153	4,970,255
Total capital assets	5,132,240	229,058	210,153	5,151,145
Accumulated depreciation:				
Improvements other than buildings	4,767,645	5,533	-	4,773,178
Buildings	9,439	-	9,439	-
Building improvements	2,450	-	2,450	-
Machinery and equipment	194,363	-	194,363	-
Furniture and fixtures	3,431	-	3,431	-
Total accumulated depreciation	4,977,328	5,533	209,683	4,773,178
Business-type activates capital assets, net	$ 154,912	$ 223,525	$ 470	$ 377,967

The depreciation expense for the business-type activities relates to the solid waste fund.

3-E. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2017 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.

	Payable from:		
Payable to:	General Fund	Solid Waste Fund	Total
General Fund	$ -	$ 183,350	$ 183,350
E-911 Emergency Telephone Fund	-	1,300	1,300
Nonmajor Governmental Funds	200	-	200
Total	$ 200	$ 184,650	$ 184,850

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

Note 3 - Detailed Notes on All Funds (Continued)

Interfund Advances – Interfund advances for the year ended June 30, 2017 consisted of the following:

	Payable from:
Payable to:	E-911 Emergency Telephone Fund
General Fund	$ 435,024

Interfund Transfers - Interfund transfers for the year ended June 30, 2017 consisted of the following:

	Transfer to:		
Transfers from:	General Fund	E-911 Emergency Telephone Fund	Total
General Fund	$ -	$ 338,129	$ 338,129
Nonmajor Governmental Funds	10,000	-	10,000
Solid Waste Fund	1,297,354	971,727	2,269,081
Total	$ 1,307,354	$ 1,309,856	$ 2,617,210

Interfund transfers are utilized to (1) report revenues in the fund required by statute or budget to collect such revenue, or to expend such revenue, (2) account for revenues collected in the general fund which are to be used by other funds in accordance with budgetary authorizations or anticipated capital projects, and (3) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due. All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Landfill Closure and Postclosure Care Costs

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 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 $730,209 reported as landfill postclosure cost liability at fiscal 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 $141,885. These amounts are based on what it would cost to perform all postclosure in 2017. 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 requirement began July 1, 1999 and therefor, the monitoring will be in effect for 13 more years. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

State and federal laws and regulations require the County to place a final cover on its Grady Road landfill 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 operating expenses in each period based on landfill capacity used as of each balance sheet date. The $12,614,489 reported as landfill closure/postclosure liability at year-end represents the cumulative amount reported to date based on the use of 32.99% of the estimated capacity of the Phase I, II, and III of the landfill, net of related expenditures to date of $0 and lessee closure contractual obligations of $12,614,489. These amounts are based on what it would cost to perform all closure and postclosure in 2017. As described below, all closure and 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 and postclosure of Phase I, II, and III of the landfill. 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 the lessee's contractual commitments secured by a funded trust, bank letters of credit and performance bonds.

Note 3 - Detailed Notes on All Funds (Continued)

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

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.). This 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 and postclosure costs as mandated by federal and state authorities. A trust agreement requires that the Contractor make monthly payments to provide sufficient funds for the estimate 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 of tonnage up to 1,000 tons per day and two and 00/100 ($2.00) dollars 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) dollars under this section. The Contractor will also 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 ended June 30, 2017 were not significant.

3-G. Long-Term Debt and Obligations

Changes in Long-term Obligations - Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2017:

Governmental Activities	Outstanding 7/1/2016 (As restated)	Additions	Reductions	Outstanding 6/30/2017	Amounts Due in One Year
Net pension liability	$ 1,746,394	$ 823,455	$ -	$ 2,569,849	$ -
Net OPEB obligation	7,228,968	897,990	-	8,126,958	-
Compensated absences	851,940	849,608	877,719	823,829	617,872
Total Governmental Activities	$ 9,827,302	$ 2,571,053	$ 877,719	$ 11,520,636	$ 617,872
Business-type Activities					
Advanced funding - postclosure trust agreement	$ 2,525,378	$ 216,291	$ -	$ 2,741,669	$ -
Closure and postclosure care costs	720,838	9,371	-	730,209	-
Total Business-type Activities	$ 3,246,216	$ 225,662	$ -	$ 3,471,878	$ -
Discretely Presented Component Unit - Development Authority of Polk County					
Notes payable	$ 2,063,833	$ -	$ -	$ 2,063,833	$ -
Due to Primary Government	1,300,000	-	-	1,300,000	-
Due to Other Governments	470,000	-	-	470,000	-
Compensated absences	4,038	6,116	6,346	3,808	3,808
Total Component Unit	$ 3,837,871	$ 6,116	$ 6,346	$ 3,837,641	$ 3,808

The governmental activities compensated absences liability will be paid from the fund from which the employees' salaries are paid, generally the General Fund. The net pension liability and net OPEB obligation will be paid from the General Fund. The compensated absences liability for the component units will be paid by the component unit.

Note 3 - Detailed Notes on All Funds (Continued)

Notes Payable – A summary of the Development Authority of Polk County's notes payable, due to primary government, and due to other governments outstanding as of June 30, 2017 are as follows:

$2,005,488 – 2006 Note Payable (refinanced on June 29, 2016 in the amount of $1,277,308) is due and payable on November 9, 2018. No principal payments are due on the note until that time. Interest is payable monthly until maturity at a variable rate of 60% of the prevailing Prime Rate, as published in the Wall Street Journal, adjustable daily. The principal amount outstanding at June 30, 2017 was $1,277,308. The loan was issued to assist the Authority in acquiring certain parcels of commercial property in the County. Interest expense on the note for the fiscal year ended June 30, 2017 totaled $21,751. Debt service requirements to maturity as of June 30, 2017 are as follows:

Year	Principal	Interest	Total
2018	$ -	$ 35,663	$ 35,663
2019	1,277,308	11,888	1,289,196
Total	$ 1,277,308	$ 47,551	$ 1,324,859

$1,000,000 – 2013 Note Payable is due and payable on August 30, 2018. No principal payments are due on the note until that time. Interest is payable quarterly at a rate of 2.475% per annum. The principal amount outstanding at June 30, 2017 was $786,525. The loan was issued to aid in the construction of the Development Authority of Polk County Speculative Building. Interest expense on the note for the fiscal year ended June 30, 2017 totaled $19,786. Debt service requirements to maturity as of June 30, 2017 are as follows:

Year	Principal	Interest	Total
2018	$ -	$ 19,653	$ 19,653
2019	786,525	3,275	789,800
Total	$ 786,525	$ 22,928	$ 809,453

$1,300,000 – Due to Primary Government represents an intergovernmental agreement dated May 24th, 2013 between the Development Authority of Polk County and Polk County, Georgia whereby the County loaned the Authority $1,300,000 to aid in the construction of the Development Authority of Polk County Speculative Building. The agreement bears no interest and no principal payments are due. The agreement will remain in effect for 50 years or until the property is sold, at which point the loan shall be repaid to the County in full from the proceeds of the sale.

$270,000 – Due to Other Governments represents an intergovernmental agreement dated August 28, 2013 between the Development Authority of Polk County (the Authority) and the Cedartown Development Authority (CDA) whereby the CDA conveyed title to certain property (totaling 18 acres) for the construction of a spec building to attract new industries to Polk County and induce them to locate their facilities in the Cedartown North Business Park. The agreement bears no interest and no principal payments are due. Once the speculative building is completed and sold, the Authority will pay the CDA the sum of $15,000 per acre (18 acres x $15,000 = $270,000). This agreement will remain in effect for 50 years or until the property is sold, at which point the loan shall be repaid to the CDA in full from the proceeds of the sale.

$200,000 – Due from Other Governments represents an intergovernmental agreements dated December 10, 2013 between the OneGeorgia Authority of the Georgia Department of Community Affairs and the Development Authority of Polk County whereby the OneGeorgia Authority awarded the Development Authority with an equity award in the amount of $200,000 to aid in the construction of the Development Authority of Polk County speculative building. The award was made in the form of an intergovernmental services contract in the amount of $200,000 for a term of 20 years at a 0% interest rate. Quarterly repayments will being once the project is occupied, but not later than five years from the date of the last drawdown. The project remains unoccupied as of June 30, 2017 and the date of the last drawdown was August 19th, 2015. If the project remains unoccupied, then repayments of the loan would begin no later than August 19th, 2020.

Note 3 - Detailed Notes on All Funds (Continued)

3.H. Nonexchange Financial Guarantees

In June 2016, Polk County guaranteed the note issued to the Development Authority of Polk County, a discretely presented component unit of the County, in the amount of $1,277,308 (entire amount outstanding as of June 30, 2017) in accordance with an intergovernmental agreement dated November 9, 2006 and reaffirmed on June 7, 2016. The note matures on November 9, 2018, with monthly interest payments which the County is also liable for. In the event that the property which the note was issued for does not sale by the maturity date, the County will be required to pay the outstanding principal and interest at the maturity date.

In August 2013, Polk County guaranteed the note issued to the Development Authority of Polk County, a discretely presented component unit of the County, in the amount of $1,000,000 ($786,525 principal outstanding as of June 30, 2017) in accordance with an intergovernmental agreement dated August 30, 2013. The note matures on August 30, 2018, with quarterly interest payments which the County is also liable for. In the event that the property which the note was issued for does not sale by the maturity date, the County will be required to pay the outstanding principal and interest at the maturity date.

3-I. Pensions

Defined Contribution Plan

The County maintains a single employer sponsored money purchase retirement plan covering all full-time employees hired after January 1, 2005. The Association County Commissioners of Georgia ("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.

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 terminates employment with the County is entitled to their account balance, if vesting requirements are satisfied. The plan does not provide for participant contributions that are treated an 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 provisions, 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 plan will receive an additional 3% contribution from the County.

The County's contributions were calculated using the formula detailed above. Employees contributed $67,127 and the County made the required matching contributions of $21,915 for the fiscal year ended June 30, 2017. Forfeitures allocated to participants' accounts totaled $2,749 for the fiscal year ended June 30, 2017.

Defined Benefit Pension Plan

Plan Description – The County participates in the ACCG Defined Benefit Plan, an agent-multiple employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The plan is administered by the Government Employee Benefits Corporation of Georgia (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 plan, as provided in Section 19.03 of the ACCG plan document.

Note 3 - Detailed Notes on All Funds (Continued)

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.

Benefits Provided – 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.

The County sponsors the Plan. The Plan provides retirement, disability, and death benefits to plan participants. The plan assets shall be used only for the payment of benefits to the members of the plan, in accordance with the terms of the plan.

Participants become eligible to retire at the later of the date: 1) the participant attains 65 years of age or, 2) the third anniversary of the first day of the Plan Year in which the participant commences participation in the Plan; 3) all participants are eligible for normal retirement at age 70 even if they have not completed three years of participation in the Plan. 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 the Association of County Commissioners of Georgia, Retirement Services.

The following is the plan membership at January 1, 2017 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Membership	
Retirees, beneficiaries and disabled receiving benefits	55
Terminated plan participants entitled to but not yet receiving benefits	162
Active employees participating in the plan	167
Total	384
Covered compensation for active participants	$ 5,733,563

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 Board of Trustees, and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. County contributions to the Plan were $403,445 for the fiscal year ended June 30, 2017.

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 year ended December 31, 2016 was $424,349, or 7.4% of covered payroll. The County's covered payroll for participating employees as of January 1, 2017, (the most recent actuarial valuation date) was $5,733,563. The County Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

Net Pension Liability – The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016.

Note 3 - Detailed Notes on All Funds (Continued)

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

Inflation	3.0%
Salary increases	2.0% - 5.5% based on age
Investment rate of return	7.25%

Mortality rates were based on the RP-2000 Combined Mortality Table.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 to December 31, 2015.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by the United Bank of Switzerland ("UBS"). Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset class	Target allocation
Fixed income	30%
Large Cap Equities	30%
Mid Cap Equities	5%
Small Cap Equities	5%
REIT Equities	5%
International Equities	15%
Multi Cap Equities	5%
Global Allocation Equities	5%

Discount rate **-** The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(This note continued on subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Net Pension Liability of the County – The changes in the components of the net pension liability of the County for the year ended June 30, 2017 were as follows:

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2015	$ 16,042,308	$ 14,295,914	$ 1,746,394
Changes for the year:			
Service cost	244,030	-	244,030
Interest	1,186,271	-	1,186,271
Differences between expected and actual experience	119,322	-	119,322
Change in assumption	574,640	-	574,640
Employer contributions	-	403,445	(403,445)
Service credit transfer	40,095	40,095	-
Net investment income	-	1,033,700	(1,033,700)
Benefit payments	(490,816)	(490,816)	-
Administrative expense	-	(35,595)	35,595
Other	-	(100,742)	100,742
Net changes	1,673,542	850,087	823,455
Balance, December 31, 2016	$ 17,715,850	$ 15,146,001	$ 2,569,849

Sensitivity of the County's proportional share of the net pension liability to changes in the discount rate – The following presents the net pension liability of the County, calculated using the discount rate of 7.25 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
County's Net Pension Liability	$ 5,173,999	$ 2,569,849	$ 428,642

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report. A copy of the plan's financial report may be obtained from:

Government Employee Benefits Corporation of Georgia
191 Peachtree Street NE, Suite 700
Atlanta, Georgia 30303

Note 3 - Detailed Notes on All Funds (Continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2017, the County recognized pension expense of $906,379. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources**:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 685,711	$ -
Net difference between projected and actual earnings on pension plan investments	164,698	-
Changes of assumption	776,954	-
	$ 1,627,363	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	$ 464,833
2019	464,831
2020	464,831
2021	206,180
2022	26,688
Totals	$ 1,627,363

Other Defined Benefit Plans

Certain employees, elected officials, and appointed officials are eligible for participation in various multi-employer cost-sharing defined benefit plans. The County does not make contributions to the plans, qualifying the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements to be immaterial. Further information may be obtained from the individual plans, as listed below:

Georgia Firefighters Pension Plan
Georgia State Employees' Retirement System
Peace Officers' Annuity and Benefit Fund of Georgia
Sheriff's Retirement System of Georgia
Judges of the Probate Courts Retirement Fund of Georgia
Magistrates' Retirement Fund of Georgia
Superior Court Clerks' Retirement Fund of Georgia

3-J. Other Postemployment 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 Board of County Commissioners authorizes participation in the Plan and sets the contribution rates and benefits. Coverage under the plan includes medical and prescription drug for retirees and dependents. There are no separately issued financial statements related to the County's Plan.

Note 3 - Detailed Notes on All Funds (Continued)

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

- The retiree has 20 or more years of full-time service and is at least 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 the retiree.

Dependents may participate for the lifetime of the retiree if the retiree pays the required contribution for dependent coverage. As of 7/1/2017, the contributions are as follows based on the four health plans:

Plan Name	Retiree Only Cost (Pre-Medicare Eligible Retirees)	Retiree Only Cost (Medicare Eligible Retirees)
POS Plan GKPS Custom	$110.42 per month	$55.21 per month
BOC Blue Open Access POS 40104B Custom	$101.27 per month	$50.64 per month
BlueChoice HMO Buy Up Custom	$76.03 per month	$38.02 per month
BlueChoice HMO Base Plan Custom	$57.98 per month	$28.99 per month

Retirees and/or 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.

Annual OPEB Cost and Net OPEB Obligations – The County's annual OPEB costs for the last three years are as follows:

Fiscal Year Beginning July 1,	Annual OPEB Cost	Annual OPEB Contribution	Percentage Contributed	Net OPEB Obligation
2015	$ 1,045,805	$ 93,584	8.95%	$ 6,311,130
2016	1,050,096	132,258	12.59%	7,228,968
2017	1,051,737	153,747	14.62%	8,126,958

The following table includes the County's estimated annual OPEB cost for the current year, the amount actually contributed to the plan, and the changes in the County's net OPEB obligation:

	June 30, 2017	June 30, 2016
Annual required contribution	$ 1,038,815	$ 1,038,815
Interest on OPEB obligation	289,159	252,445
Adjustment to annual required contribution	(276,237)	(241,164)
Annual required contribution (ARC)	1,051,737	1,050,096
Contributions made	(153,747)	(132,258)
Increase in net OPEB obligation	897,990	917,838
Net OPEB obligation, beginning of year	7,228,968	6,311,130
Net OPEB obligation, end of year	$ 8,126,958	$ 7,228,968

Note 3 - Detailed Notes on All Funds (Continued)

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

Schedule of Funded Status

	(1)	(2)	(3)	(4)	(5)	(6)
Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL/(UAAL) (2) - (1)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2015	$ -	$ 9,535,686	0.0%	$ 9,535,686	$ 6,876,255	138.68%

Actuarial valuations for OPEB plans involve the estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made in the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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.

The County's actuarial valuation information is as follows:

Current Valuation Date	January 1, 2015
Actuarial Cost Method	Projected unit credit
Amortization Method	Level Percentage of Pay, open
Amortization Period	30 years
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions -	
Investment Rate of Return *	4.00%
Medical Cost Trend Rate:	
Pre-Medicare Trend Rate	7.50% - 5.00%
Post-Medicare Trend Rate	5.50% - 5.00%
Year of Ultimate Trend Rate	2020
* Includes inflation at	3.00%

3-K. Property Held for Leasing

The County leases hangars at the airport monthly. However, lease agreements are not long-term and projections for future rental amounts are uncertain. Therefore, a schedule of minimum future rental amounts is not presented. In 2017, the County received $102,960 from hangar rentals.

Property held for leasing consists of land and buildings 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.

Note 3 - Detailed Notes on All Funds (Continued)

The following is a schedule by year of minimum future rentals on cancelable operating leases as of June 30, 2017:

Year Ending June 30,	DFACS Building
2018	$ 239,790
2019	239,790
2020	239,790
2021	239,790
2022	239,790
2023-2026	959,160
Total	$ 2,158,110

3-L. Net Investment in Capital Assets

The "*Net investment in capital assets*" reported on the government-wide statement of net position as of June 30, 2017 are as follows:

Net investment in capital assets	Governmental Activities	Business-type Activities
Cost of capital assets	$ 80,037,779	$ 5,151,145
Less accumulated depreciation	45,385,772	4,773,178
Book value	34,652,007	377,967
Less capital related retainage liabilities	157,350	-
Net investment in capital assets	$ 34,494,657	$ 377,967

3-M. Fund Equity

The County's governmental funds show the following fund equity accounts as of June 30, 2017:

	General Fund	2008 SPLOST Fund	2014 SPLOST Fund	E-911 Emergency Telephone Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances (Deficits)						
Nonspendable						
Inventory	$ 35,083	$ -	$ -	$ -	$ -	$ 35,083
Prepaid items	145,677	-	-	-	-	145,677
Advances	435,024	-	-	-	-	435,024
Restricted						
Program purposes	-		-	-	327,891	327,891
Public safety	-	-	-	-	107,081	107,081
Capital projects	573,378	2,009,252	4,560,106	-	-	7,142,736
Unassigned	8,682,568	-	-	(336,740)	-	8,345,828
Total Fund Balances (Deficits)	$ 9,871,730	$ 2,009,252	$ 4,560,106	$ (336,740)	$ 434,972	$ 16,539,320

Note 4 - Other Notes

4-A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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 the Association of 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 risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any 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 and 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, 2017. No provision has been made in the financial statements for the year ended June 30, 2017 for any estimate of potential unpaid claims.

There were no significant reductions in insurance coverage from the 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, 2017. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

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.

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 the 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 unassigned 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.

Note 4 - Other Notes (Continued)

Complete financial statements of the Library System can be obtained directly from their administrative office at:

Sara Hightower Regional Library
245 East Avenue
Cedartown, Georgia 30125

4-D. Tax Abatements

The Development Authority of Polk County, the Cedartown Development Authority and the Rockmart Development Authority can enter into agreements with private individuals or entities for economic or industrial projects to encourage the creation of jobs and capital investment through an "Economic Incentive Program." This program is used to incentivize these businesses to build, relocate, expand, or renovate within incorporated and unincorporated Polk County. Each agreement provides a property tax benefit to the company through a schedule of discounted valuation that reduces, for ad valorem tax purposes, the fair market value of real and/or personal property that is held by the Authorities and leased to the company. Georgia case law and the Authorities' enabling legislation provides the Authorities with the power to enter into such agreements with private companies.

The Authorities may accept title to real and personal property assets from a company in return for job creation and capital investment, and provide a tax benefit to the company through a lease agreement with the Authority. In considering eligibility for providing this benefit to a company, the Authorities review the following criteria:

1. Eligible businesses can include new and existing industrial businesses.
2. But for an incentive agreement, the company would not create the jobs and investment in the community.
3. Eligible projects must involve significant investment in real and personal property.
4. The average wage of the business' employees should be above the average wage of goods producing employees in Polk County.
5. The business should offer medical benefits to all employees.
6. The impact to job retention will be considered for each expansion project.
7. As a condition of assistance, a business will be required to work with the Authority to convey title to the Authority.

In return for a property tax benefit, a company is required to commit to creating jobs and capital investment within a defined period as part of a performance and accountability agreement with the Authority that includes provisions for the company to pay back a prorated portion of the benefit if they fail to meet the performance criteria by a specified date. The Authorities monitor compliance with performance and accountability agreements to ensure the companies meet their commitments.

For the year ending June 30, 2017, the cumulative property tax not collected due to incentive agreements was $151,137.

4-E. Restatements

The County had corrections of errors identified in previously issued financial statements during the fiscal year ending June 30, 2017 that affected both governmental activities, governmental funds, and the Development Authority of Polk County, a discretely presented component unit. A description and the effects of the corrections are listed below:

- An intergovernmental agreement between the Development Authority of Polk County and the County was entered into on May 24th, 2013 whereby the County loaned the Authority $1,300,000 to aid in the construction of the Development Authority of Polk County Speculative Building. The agreement is in effect for 50 years or until the property is sold, at which point the loan shall be repaid to the County in full from the proceeds of the sale. The County found that the benefits of this agreement had not been recorded previously. Due to the uncertainty of the timing of the sale of the property and repayment to the County of the loan, the County has recorded a long-term receivable in the amount of $1,300,000 as due from component unit in the governmental activities statement of net position. The effect of this item to fiscal

Note 4 - Other Notes (Continued)

year 2016's change in net position could not be determined. This restatement has no effect at the fund level and does not affect beginning fund balance or the change in fund balance.

- In January 2017, the County made a contribution to their pension plan in the amount of $403,445. In fiscal year ending June 30, 2016, the County recognized the contribution as an increase to deferred outflow of resources related to pension for a contribution after the measurement date in the governmental activities statement of net position and as an element of pension expense in the General Fund. The County determined that this contribution should not have been recognized as a contribution after the measurement date or an element of pension expense because the contribution occurred subsequent to the County's fiscal year end. There was a restatement to beginning net position and the change in net position to reduce the deferred outflow of resources related to pension and pension expense in the amount of $403,445 in fiscal year 2017. The restatement to fiscal year 2016's change in fund balance could not be determined.
- On September 23, 2005, the County purchased 51.68 acres of land and capitalized the purchase. During fiscal year ended June 30, 2017, the County discovered that the land was being depreciated over a useful life of 20 years. The accumulated depreciation as of June 30, 2016 was $118,478 and depreciation expense for fiscal year 2016 was $11,361. There was a restatement to net position in the amount of $118,478 related to the accumulated depreciation of land. The effect on 2016's change in net position was $11,361. This restatement has no effect at the fund level and does not affect beginning fund balance or change in fund balance.
- In previous fiscal year's, the County booked 20% of the August SPLOST payment which relates to July SPLOST taxes remitted to the County. The County calculated 20% of the August 2016 SPLOST payment relating to July 2016 SPLOST taxes at $75,610. It was determined that these proceeds should not have been recognized until fiscal year 2017. There was a restatement of $75,610 to beginning net position and beginning fund balance. The effect on 2016's change in net position and change in fund balance was $75,610.
- In fiscal year ending June 30, 2016, the County wrote a check in June 2016 which was voided in August 2016 for the purchase vehicles in the 2014 SPLOST fund in the amount of $79,191. Another check was reissued in July 2016 to replace the original check which was lost in the mail. The County determined in fiscal year 2017, that the expense related to the purchase had been booked twice. There was a restatement of $79,191 to beginning net position and beginning fund balance. The effect on 2016's change in net position and change in fund balance was $79,191.
- In a previous period, the 2003 SPLOST fund was reimbursed for an item that was expensed in error and an intergovernmental receivable was recorded. The 2003 SPLOST fund received the reimbursement in a prior period and the adjustment was never made to reduce the receivable. There was a restatement of $1,883 to beginning net position and beginning fund balance. The effect of 2016's change in net position and change in fund balance could not be determined.
- In fiscal year ending June 30, 2016, the County recorded a liability to the 2017 plan year recommended contribution to the pension plan and an estimate of half of the recommended contribution to the 2018 plan year. It was determined that no liability is necessary for recommended contributions expected to be paid but not yet due because there is no legally required contribution to the pension plan. There was a restatement to beginning net positions and beginning fund balance in the amount of $612,139. The effect on fiscal year 2016's change in net position and change in fund balance could not be determined.
- On November 9, 2006, the Development Authority of Polk County purchased property in the amount of $2,000,000. As of June 30, 2016, the asset was recorded as property held for sale on the Authority's books at $1,881,317. At June 30, 2016, the Authority was actively marketing the property for sale at an amount $1,360,000. It was determined that the property should be recorded at the active market price of the property. A restatement to beginning net position and beginning fund balance in the amount of $521,317 to write down the property to the list price of the property. The effect on fiscal year 2016's change in net position and change in fund balance could not be determined
- The Development Authority of Polk County has a policy for accruing personal leave that will be paid out in the event that an employee leaves the Development Authority. Previously, compensated absences were not recorded for the Authority. As of June 30, 2016, the liability for compensated absences for the Development Authority was $4,038. A restatement was recorded to beginning net position in the amount of $4,038. The effect on fiscal year 2016's change in net position could not be determined. This restatement has no effect at the fund level and does not affect beginning fund balance or change in fund balance.

Note 4 - Other Notes (Continued)

A summary of the restatements affecting the Government-wide financial statements detailed on the previous page are summarized below along with the effect of the restatement on beginning net position and the change in net position:

	Governmental Activities	Development Authority of Polk County
Beginning net position before restatement	$ 40,971,958	$ 1,570,594
Restatement - Due from component unit	1,300,000	-
Restatement - Deferred outflow of resources related to pension	(403,445)	-
Restatement - Accumulated depreciation	118,478	-
Restatement - SPLOST proceeds	(75,610)	-
Restatement - SPLOST capital outlay	79,191	-
Restatement - SPLOST intergovernmental receivable	(1,883)	
Restatement - Retirement payable	612,139	-
Restatement - Property held for sale	-	(521,317)
Restatement - Compensated absences	-	(4,038)
Beginning net position after restatement	$ 42,600,828	$ 1,045,239

	Governmental Activities	Development Authority of Polk County
Change in net position before restatement	$ (220,745)	$ 20,380
Restatement - Due from component unit	**	-
Restatement - Pension expense	208,694	-
Restatement - Depreciation expense	11,361	-
Restatement - SPLOST proceeds	(77,493)	-
Restatement - SPLOST capital outlay	79,191	-
Restatement - Property held for sale	-	**
Restatement - Compensated absences	-	**
Change in net position after restatement	$ 1,008	$ 20,380

** The effect to previously reported changes in net position has not been determined.

(This note continued on subsequent page)

Note 4 - Other Notes (Continued)

A summary of the restatements affecting the fund financial statements detailed on the previous page are summarized below along with the effect of the restatement on beginning fund balance and the change in fund balance:

	General Fund	2014 SPLOST	Nonmajor Governmental Funds	Development Authority of Polk County
Beginning fund balance before restatement	$ 8,592,999	$ 2,535,656	$ 454,674	$ 5,404,427
Restatement - SPLOST taxes	-	(75,610)	-	-
Restatement - SPLOST capital outlay	-	79,191	-	-
Restatement - SPLOST intergovernmental receivable	-	-	(1,883)	-
Restatement - Retirement payable	612,139	-	-	-
Restatement - Property held for sale	-	-	-	(521,317)
Beginning fund balance after restatement	$ 9,205,138	$ 2,539,237	$ 452,791	$ 4,883,110

	General Fund	2014 SPLOST	Nonmajor Governmental Funds	Development Authority of Polk County
Change in fund balance before restatement	$ 178,140	$ 382,394	$ (204,284)	$ 20,380
Restatement - SPLOST taxes	-	(75,610)	-	-
Restatement - SPLOST capital outlay	-	79,191	-	-
Restatement - SPLOST intergovernmental receivable	-	-	(1,883)	-
Restatement - Retirement payable	**	-	-	-
Restatement - Property held for sale	-	-	-	**
Change in fund balance after restatement	$ 178,140	$ 385,975	$ (206,167)	$ 20,380

** The effect to previously reported changes in fund balance has not been determined.

REQUIRED SUPPLEMENTARY INFORMATION

Polk County, Georgia
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability
and Related Ratios
For the Year Ended June 30, 2017

	2017	2016	2015
Total pension liability			
Service cost	$ 244,030	$ 236,092	$ 220,586
Interest	1,186,271	1,075,035	1,028,668
Differences between expected and actual experience	119,322	107,365	-
Changes of assumptions	574,640	491,577	-
Service credit transfer	40,095	23,109	-
Benefit payments	(490,816)	(426,227)	(429,469)
Net change in total pension liability	1,673,542	1,506,951	819,785
Total pension liability-beginning	16,042,308	14,535,357	13,715,572
Total pension liability-ending (a)	$ 17,715,850	$ 16,042,308	$ 14,535,357
Plan fiduciary net position			
Contributions-employer	$ 403,445	$ 338,338	$ 341,621
Service credit transfer	40,095	23,109	-
Net investment income	1,033,700	118,829	997,063
Benefit payments	(490,816)	(426,227)	(413,946)
Administrative expense	(35,595)	(32,025)	(27,620)
Other	(100,742)	(96,457)	(108,390)
Net change in plan fiduciary net position	850,087	(74,433)	788,728
Plan fiduciary net position-beginning	14,295,914	14,370,347	13,581,619
Plan fiduciary net position-ending (b)	$ 15,146,001	$ 14,295,914	$ 14,370,347
County's net pension liability (assets) - ending (a) - (b)	$ 2,569,849	$ 1,746,394	$ 165,010
Plan fiduciary net position as a percentage of the total pension liability (asset)	85.49%	89.11%	98.86%
Covered payroll	$ 6,019,140	$ 5,765,821	$ 5,248,780
County's net pension liability (asset) as a percentage of covered payroll	42.69%	30.29%	3.14%

Notes to the Schedule:
This schedule will present 10 years of information once its accumulated.

Polk County, Georgia
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2017

	2017	2016	2015
Actuarially determined contribution	$ 403,445	$ 338,938	$ 309,266
Contributions in relation to the actuarially determined contribution	403,445	338,938	341,621
Contribution deficiency (excess)	$ --	$ --	$ (32,355)
Covered payroll	$ 6,019,140	$ 5,765,821	$ 5,248,780
Contributions as a percentage of covered payroll	6.70%	5.88%	6.51%

Notes to Schedule

Valuation Date:	January 1, 2016
Actuarial cost method	Entry Age Normal
Asset valuation method	Smoothed market value with a 5-year smoothing period
Investment rate of return	7.50%
Salary increases	2.00%-4.50% including 3.00% for inflation
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

Polk County, Georgia
Required Supplementary Information
Schedule of OPEB Funding Progress
June 30, 2017

Health Care Plan of Polk County

Measurement Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(4) Unfunded AAL/(UAAL) (2)-(1)	(3) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
1/1/2009	$ -	$ 6,048,910	$ 6,048,910	0.0%	$ 6,852,049	88.28%
1/1/2011	-	8,724,354	8,724,354	0.0%	7,419,833	117.58%
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	138.68%

See notes to the basic financial statements for actuarial assumptions used in the above calculations.

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
General property	$ 9,354,000	$ 9,606,600	$ 9,603,950	$ (2,650)
Motor vehicle and mobile home	1,197,000	1,310,000	1,309,759	(241)
Intangibles	100,000	139,000	139,084	84
Railroad equipment	25,000	32,000	32,267	267
Real estate transfer	20,000	41,000	40,975	(25)
Franchise	175,000	212,000	212,270	270
Local option sales and use	2,300,000	2,342,000	2,342,262	262
Alcoholic beverage excise	100,000	116,500	116,653	153
Insurance premium	1,350,000	1,459,000	1,510,822	51,822
Financial institution	25,000	30,000	30,199	199
Interest and penalties	220,000	144,500	144,472	(28)
Total Taxes	14,866,000	15,432,600	15,482,713	50,113
Licenses and Permits	86,900	114,000	114,443	443
Intergovernmental				
Local	30,000	228,000	182,454	(45,546)
State	696,550	678,000	1,247,145	569,145
Federal	-	5,000	5,426	426
Total Intergovernmental	726,550	911,000	1,435,025	524,025
Totals carried forward	15,679,450	16,457,600	17,032,181	574,581

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

(continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Totals brought forward	$ 15,679,450	$ 16,457,600	$ 17,032,181	$ 574,581
Revenues				
Charges for Services				
Tax commissioner	453,000	503,500	502,094	(1,406)
Emergency medical services	-	-	416	416
Prisoner housing fees	320,000	245,000	244,948	(52)
Animal control	15,000	4,000	4,285	285
Airport fuel sales	150,000	150,000	157,324	7,324
Total Charges for Services	938,000	902,500	909,067	6,567
Fines and Forfeitures				
Clerk of superior court	230,000	222,000	226,621	4,621
Magistrate court	180,000	181,000	181,251	251
Probate court	380,000	363,000	363,309	309
Juvenile court	2,000	3,000	2,951	(49)
County ordinance	45,000	44,000	22,951	(21,049)
Bond Forfeitures	200	-	-	-
Total Fines and Forfeitures	837,200	813,000	797,083	(15,917)
Investment Earnings	5,000	20,000	20,437	437
Miscellaneous				
Rents and royalties	340,000	350,500	342,750	(7,750)
Other	167,600	220,400	284,908	64,508
Total Miscellaneous	507,600	570,900	627,658	56,758
Total Revenues	17,967,250	18,764,000	19,386,426	622,426

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

(continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
General Government				
Administration	$ 1,774,918	$ 1,165,624	$ 1,157,466	$ 8,158
Central supply	3,500	-	-	-
Information services	161,274	170,000	153,304	16,696
Tax Assessor	560,094	478,000	475,844	2,156
Tax Commissioner	518,850	508,500	506,471	2,029
Public buildings	901,400	878,000	877,242	758
General appropriation	15,100	13,150	14,284	(1,134)
Election and registrar	144,039	143,000	142,437	563
Total General Government	4,079,175	3,356,274	3,327,048	29,226
Judicial				
Superior court	201,782	190,500	189,242	1,258
Drug court	60,000	230,000	229,225	775
District Attorney	203,595	201,000	199,570	1,430
Clerk of Superior Court	706,816	675,000	672,319	2,681
Magistrate court	377,098	361,500	359,833	1,667
Probate court	378,536	382,000	380,556	1,444
Juvenile court	308,521	340,500	339,196	1,304
Public defender	294,040	274,000	273,189	811
Coroner	54,098	60,000	59,736	264
Probation	83,376	86,000	85,541	459
Total Judicial	2,667,862	2,800,500	2,788,407	12,093
Public Safety				
County Police	2,705,122	2,726,500	2,716,609	9,891
Sheriff	4,299,582	4,659,500	4,642,740	16,760
Jail	422,360	384,000	383,360	640
Emergency Management Agency	523,570	178,000	177,012	988
Fire services	217,975	178,000	177,040	960
Animal control	304,470	298,500	296,896	1,604
Forestry Service	14,035	13,255	13,255	-
Total Public Safety	8,487,114	8,437,755	8,406,912	30,843
Totals carried forward	15,234,151	14,594,529	14,522,367	72,162

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

(continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Totals brought forward	$ 15,234,151	$ 14,594,529	$ 14,522,367	$ 72,162
Public Works	2,942,314	2,822,000	2,970,950	(148,950)
Planning/Community Development				
Planning and zoning	52,531	52,531	52,270	261
Permits and inspections	207,126	183,000	182,389	611
Development authority	282,773	293,073	293,073	-
Keep Polk Beautiful	14,070	14,070	14,070	-
Northwest Georgia Regional Comm	27,500	27,500	27,383	117
Cooperative Extension Service	57,715	57,715	57,593	122
Airport	368,000	357,500	356,591	909
Total Planning/ Community Development	1,009,715	985,389	983,369	2,020
Health and Welfare				
General health	197,955	197,955	197,955	-
Mental health	40,000	40,000	40,000	-
Family and children services	71,708	71,708	71,708	-
Total Health and Welfare	309,663	309,663	309,663	-
Totals carried forward	19,495,843	18,711,581	18,786,349	(74,768)

Polk County, Georgia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

(continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Totals brought forward	$ 19,495,843	$ 18,711,581	$ 18,786,349	$ (74,768)
Culture and Recreation				
Library	117,919	117,919	117,919	-
Parks and recreation	205,500	207,500	206,099	1,401
Total Culture and Recreation	323,419	325,419	324,018	1,401
Sanitation	557,988	587,000	585,650	1,350
Debt Service				
Interest and fiscal charges	-	-	16,172	(16,172)
Total Expenditures	20,377,250	19,624,000	19,712,189	(88,189)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,410,000)	(860,000)	(325,763)	534,237
Other Financing Sources (Uses)				
Proceeds from the disposition of capital assets	20,000	23,000	23,130	130
Transfers in	1,595,000	1,150,000	1,307,354	157,354
Transfers out	(345,000)	(313,000)	(338,129)	(25,129)
Total Other Financing Sources (Uses)	1,270,000	860,000	992,355	132,355
Net Change in Fund Balance	(1,140,000)	-	666,592	666,592
Fund Balance - Beginning of Year Before Restatement			8,592,999	
Restatement			612,139	
Fund Balance - Beginning of Year After Restatement			9,205,138	
Fund Balance - End of Year			$ 9,871,730	

Polk County, Georgia
E-911 Emergency Telephone Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Charges for services	$ 657,591	$ 642,800	$ 648,844	$ 6,044
Miscellaneous	-	-	5	5
Total Revenues	657,591	642,800	648,849	6,049
Expenditures				
Current				
Public safety	1,002,591	1,959,800	1,929,740	30,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	(345,000)	(1,317,000)	(1,280,891)	36,109
Other Financing Uses				
Transfers in	345,000	1,317,000	1,309,856	(7,144)
Net Change in Fund Balance	$ -	$ -	28,965	$ 28,965
Fund Balance - Beginning of Year			(365,705)	
Fund Balance - End of Year			$ (336,740)	

See accompanying notes to the basic financial statements

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Polk County, Georgia
Combining Balance Sheet - By Fund Type
Nonmajor Governmental Funds
June 30, 2017

	Nonmajor Special Revenue Funds	2003 SPLOST Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 461,422	$ 51	$ 461,473
Receivables:			
Intergovernmental	4,547	-	4,547
Interfund	200	-	200
Total Assets	$ 466,169	$ 51	$ 466,220
Liabilities and Fund Balance			
Liabilities			
Accounts payable	$ 18,596	$ -	$ 18,596
Intergovernmental payable	12,652	-	12,652
Total Liabilities	31,248	-	31,248
Fund Balance			
Restricted for:			
Public Safety	107,081	-	107,081
Program Purposes	327,840	51	327,891
Total Fund Balance	434,921	51	434,972
Total Liabilities and Fund Balance	$ 466,169	$ 51	$ 466,220

Polk County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Fund Type
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Charges for services	$ 16,262	$ -	$ 16,262
Fines and forfeitures	161,921	-	161,921
Investment earnings	281	-	281
Miscellaneous	14,373	-	14,373
Total Revenues	192,837	-	192,837
Expenditures			
Current			
Judicial	77,792	-	77,792
Public safety	122,864	-	122,864
Total Expenditures	200,656	-	200,656
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,819)	-	(7,819)
Other Financing Sources (Uses)			
Transfers out	(10,000)	-	(10,000)
Net Change in Fund Balance	(17,819)	-	(17,819)
Fund Balance - Beginning of Year Before Restatement	452,740	1,934	454,674
Restatement	-	(1,883)	(1,883)
Fund Balance - Beginning of Year After Restatement	452,740	51	452,791
Fund Balance - End of Year	$ 434,921	$ 51	$ 434,972

Polk County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Law Library Fund	Crime Victim Assistance Fund	Drug Abuse Treatment and Education Fund	Law Enforcement Confiscated Monies - County Police	Law Enforcement Confiscated Monies - Sheriff	County Jail Fund	District Attorney Fund	Juvenile Probation Fund	Clerk of Superior Court Special Fee	Sheriff Other Programs Fund	Total Nonmajor Special Revenue Funds
Assets											
Cash and cash equivalents	$ 67,072	$ 11,515	$ 22,722	$ 73,624	$ 186	$ 18,791	$ 90,979	$ 87,229	$ 84,943	$ 4,361	$ 461,422
Receivables:											
Intergovernmental	-	1,672	1,279	-	-	-	-	-	1,596	-	4,547
Interfund	-	-	-	-	-	-	-	200	-	-	200
Total Assets	$ 67,072	$ 13,187	$ 24,001	$ 73,624	$ 186	$ 18,791	$ 90,979	$ 87,429	$ 86,539	$ 4,361	$ 466,169
Liabilities and Fund Balance											
Liabilities											
Accounts payable	$ -	$ 13,187	$ -	$ 1,230	$ -	$ -	$ -	$ -	$ 4,179	$ -	$ 18,596
Intergovernmental payable	-	-	12,652	-	-	-	-	-	-	-	12,652
Total Liabilities	-	13,187	12,652	1,230	-	-	-	-	4,179	-	31,248
Fund Balance											
Restricted for:											
Public safety	-	-	11,349	72,394	186	18,791	-	-	-	4,361	107,081
Program purposes	67,072	-	-	-	-	-	90,979	87,429	82,360	-	327,840
Total Fund Balance	67,072	-	11,349	72,394	186	18,791	90,979	87,429	82,360	4,361	434,921
Total Liabilities and Fund Balance	$ 67,072	$ 13,187	$ 24,001	$ 73,624	$ 186	$ 18,791	$ 90,979	$ 87,429	$ 86,539	$ 4,361	$ 466,169

Polk County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	Law Library Fund	Crime Victim Assistance Fund	Drug Abuse Treatment and Education Fund	Law Enforcement Confiscated Monies - County Police	Law Enforcement Confiscated Monies - Sheriff	County Jail Fund	District Attorney Fund	Juvenile Probation Fund	Clerk of Superior Court Special Fee	Sheriff Other Programs Fund	Total Nonmajor Special Revenue Funds
Revenues											
Charges for services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,262	$ -	$ 16,262
Fines and forfeitures	13,723	33,630	34,732	-	184	33,115	45,297	1,240	-	-	161,921
Investment earnings	76	-	19	78	-	22	-	86	-	-	281
Miscellaneous	-	-	-	-	-	-	-	-	-	14,373	14,373
Total Revenues	13,799	33,630	34,751	78	184	33,137	45,297	1,326	16,262	14,373	192,837
Expenditures											
Current											
Judicial	14,730	-	-	-	-	-	42,288	7,037	13,737	-	77,792
Public safety	-	33,630	34,986	7,167	427	29,049	-	-	-	17,605	122,864
Total Expenditures	14,730	33,630	34,986	7,167	427	29,049	42,288	7,037	13,737	17,605	200,656
Excess (Deficiency) of Revenues Over (Under) Expenditures	(931)	-	(235)	(7,089)	(243)	4,088	3,009	(5,711)	2,525	(3,232)	(7,819)
Other Financing Sources (Uses)											
Transfers out	(10,000)	-	-	-	-	-	-	-	-	-	(10,000)
Net Change in Fund Balances	(10,931)	-	(235)	(7,089)	(243)	4,088	3,009	(5,711)	2,525	(3,232)	(17,819)
Fund Balance -Beginning of Year	78,003	-	11,584	79,483	429	14,703	87,970	93,140	79,835	7,593	452,740
Fund Balance - End of Year	$ 67,072	$ -	$ 11,349	$ 72,394	$ 186	$ 18,791	$ 90,979	$ 87,429	$ 82,360	$ 4,361	$ 434,921

Polk County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 17,000	$ 13,723	$ (3,277)
Investment earnings	75	76	1
Total Revenues	17,075	13,799	(3,276)
Expenditures			
Current			
Judicial	17,075	14,730	2,345
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	(931)	$ (931)
Other Financing Sources (Uses)			
Transfers out	-	(10,000)	(10,000)
Net Change in Fund Balances	$ -	(10,931)	$ (10,931)
Fund Balance - Beginning of Year		78,003	
Fund Balance - End of Year		$ 67,072	

Polk County, Georgia
Crime Victim Assistance Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 33,700	$ 33,630	$ (70)
Expenditures			
Current			
Public safety	33,700	33,630	70
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	-	$ -
Fund Balance - Beginning of Year		-	
Fund Balance - End of Year		$ -	

Polk County, Georgia
Drug Abuse Treatment and Education Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 34,700	$ 34,732	$ 32
Investment earnings	-	19	19
Total Revenues	34,700	34,751	51
Expenditures			
Current			
Public safety	35,000	34,986	14
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (300)	(235)	$ 65
Fund Balance - Beginning of Year		11,584	
Fund Balance - End of Year		$ 11,349	

Polk County, Georgia
Law Enforcement Confiscated Monies - County Police Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance With Final Budget
Revenues			
Investment earnings	$ 75	$ 78	$ 3
Expenditures			
Current			
Public safety	9,075	7,167	1,908
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (9,000)	(7,089)	$ 1,911
Fund Balance - Beginning of Year		79,483	
Fund Balance - End of Year		$ 72,394	

Polk County, Georgia
Law Enforcement Confiscated Monies - Sheriff Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ -	$ 184	$ 184
Expenditures			
Current			
Public safety	10,400	427	9,973
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (10,400)	(243)	$ 10,157
Fund Balance - Beginning of Year		429	
Fund Balance - End of Year		$ 186	

Polk County, Georgia
County Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 33,635	$ 33,115	$ (520)
Investment earnings	25	22	(3)
Total Revenues	33,660	33,137	(523)
Expenditures			
Current			
Public safety	30,000	29,049	951
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 3,660	4,088	$ 428
Fund Balance - Beginning of Year		14,703	
Fund Balance - End of Year		$ 18,791	

Polk County, Georgia
District Attorney Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 48,000	$ 45,297	$ (2,703)
Expenditures			
Current			
Judicial	48,000	42,288	5,712
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	3,009	$ 3,009
Fund Balance - Beginning of Year		87,970	
Fund Balance - End of Year		$ 90,979	

Polk County, Georgia
Juvenile Probation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 1,250	$ 1,240	$ (10)
Investment earnings	80	86	6
Total Revenues	1,330	1,326	(4)
Expenditures			
Current			
Judicial	7,150	7,037	113
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (5,820)	(5,711)	$ 109
Fund Balance - Beginning of Year		93,140	
Fund Balance - End of Year		$ 87,429	

Polk County, Georgia
Clerk of Superior Court Special Fee Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance With Final Budget
Revenues			
Charges for services	$ 16,000	$ 16,262	$ 262
Expenditures			
Current			
Judicial	16,000	13,737	2,263
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	2,525	$ 2,525
Fund Balance - Beginning of Year		79,835	
Fund Balance - End of Year		$ 82,360	

Polk County, Georgia
Sheriff Other Programs Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance With Final Budget
Revenues			
Miscellaneous	$ 35,000	$ 14,373	$ (20,627)
Expenditures			
Current			
Public safety	35,000	17,605	17,395
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	(3,232)	$ (3,232)
Fund Balance - Beginning of Year		7,593	
Fund Balance - End of Year		$ 4,361	

Polk County, Georgia
Discretely Presented Component Unit
Development Authority of Polk County
Balance Sheet
June 30, 2017

Assets		
Cash and cash equivalents	$	787,591
Property held for sale		4,129,752
Total Assets	$	4,917,343
Liabilities		
Accrued expenses	$	2,993
Fund Balance		
Nonspendable		4,129,752
Unassigned		784,598
Total Fund Balance		4,914,350
Total Liabilities and Fund Balance	$	4,917,343
Total fund balance	$	4,914,350
Amounts reported for the component unit in the statement of net position are different because:		
Long-term liabilities are not due and payable in the current period and therefore are not reported in the statement of net position of the component unit:		
Notes payable		(2,063,833)
Due to Primary Government		(1,300,000)
Due to Other Governments		(470,000)
Accrued compensated absences		(3,808)
Net position of component unit	$	1,076,709

Polk County, Georgia
Discretely Presented Component Unit
Development Authority of Polk County
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2017

Revenues	
Intergovernmental	$ 293,073
Investment earnings	1,380
Miscellaneous	37,150
Total Revenues	331,603
Expenditures	
Planning/community development	300,363
Net change in fund balance	31,240
Fund Balance - Beginning of Year Before Restatement	5,404,427
Restatement	(521,317)
Fund Balance - Beginning of Year After Restatement	4,883,110
Fund Balance - End of Year	$ 4,914,350
Amounts reported for the component unit in the statement of activities are different because:	
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the component unit.	
Accrued compensated absences	$ 230
Net change in fund balance	31,240
Change in net position of component unit in the statement of activites	$ 31,470

Polk County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Tax Commissioner				
Assets				
Cash and cash equivalents	$ 143,121	$ 32,315,707	$ 32,458,828	$ -
Property taxes receivable	1,285,516	29,038,087	28,386,291	1,937,312
Accounts receivable	22,756	-	22,756	-
Total Assets	$ 1,451,393	$ 61,353,794	$ 60,867,875	$ 1,937,312
Liabilities				
Taxes payable to others upon collection	$ 1,285,516	$ 29,038,087	$ 28,386,291	$ 1,937,312
Due to others	165,877	32,315,707	32,481,584	-
Total Liabilities	$ 1,451,393	$ 61,353,794	$ 60,867,875	$ 1,937,312
Clerk of Superior Court				
Assets				
Cash and cash equivalents	$ 23,393	$ 630,936	$ 617,935	$ 36,394
Accounts receivable	8,140	-	8,140	-
	$ 31,533	$ 630,936	$ 626,075	$ 36,394
Liabilities				
Due to others	$ 31,533	$ 630,936	$ 626,075	$ 36,394
Magistrate Court				
Assets				
Cash and cash equivalents	$ 8,610	$ 378,147	$ 370,843	$ 15,914
Liabilities				
Due to others	$ 8,610	$ 378,147	$ 370,843	$ 15,914
Sheriff				
Assets				
Cash and cash equivalents	$ 215,770	$ 1,044,282	$ 1,007,660	$ 252,392
Liabilities				
Due to others	$ 215,770	$ 1,044,282	$ 1,007,660	$ 252,392
Probate Court				
Assets				
Cash and cash equivalents	$ 10,198	$ 550,030	$ 547,514	$ 12,714
Accounts Receivable	2,472	-	2,472	-
	$ 12,670	$ 550,030	$ 549,986	$ 12,714
Liabilities				
Due to others	$ 12,670	$ 550,030	$ 549,986	$ 12,714

Polk County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2017

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2017
County Probation				
Assets				
Cash and cash equivalents	$ 1,774	$ 105,908	$ 107,682	$ -
Liabilities				
Due to others	$ 1,774	$ 105,908	$ 107,682	$ -
Police Seized Property				
Assets				
Cash and cash equivalents	$ 104,242	$ 104	$ -	$ 104,346
Liabilities				
Due to others	$ 104,242	$ 104	$ -	$ 104,346
Juvenile Court				
Assets				
Cash and cash equivalents	$ 129	$ 8,596	$ 8,652	$ 73
Liabilities				
Due to others	$ 129	$ 8,596	$ 8,652	$ 73
Total				
Assets				
Cash and cash equivalents	$ 507,237	$ 35,033,710	$ 35,119,114	$ 421,833
Property taxes receivable	1,285,516	29,038,087	28,386,291	1,937,312
Accounts receivable	33,368	-	33,368	-
Total Assets	$ 1,826,121	$ 64,071,797	$ 63,538,773	$ 2,359,145
Liabilities				
Taxes payable to others upon collection	$ 1,285,516	$ 29,038,087	$ 28,386,291	$ 1,937,312
Due to others	540,605	35,033,710	35,152,482	421,833
Total Liabilities	$ 1,826,121	$ 64,071,797	$ 63,538,773	$ 2,359,145

STATISTICAL SECTION

The statistical section includes selected financial and general information presented on a multi-year comparative basis. The statistics are used to provide detail data on the physical, economic social and political characteristics of the County government. They are intended to provide the financial report user with a broader and more complete understanding of the government and its financial affairs than is possible from the basic financial statements.

Polk County, Georgia

Introduction to Statistical Section

(Unaudited)

This part of Polk County's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited.

Contents Exhibits

Financial Trends I-X

These tables contain trend information that may assist the reader in assessing the County's current financial performance by placing it in historical perspective.

Revenue Capacity XI-XV

These tables contain information that may assist the reader in assessing the viability of the County's two most significant "own-source" revenue sources, property taxes and sales taxes.

Debt Capacity XVI-XVIII

These tables present information that may assist the reader in analyzing the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. The County has not had any general obligation bonds outstanding for the last ten fiscal years.

Demographic and Economic Information XIX-XX

These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the County operates and (2) to provide information that facilitates comparisons of financial statement information over time and among counties.

Operating Information XXI-XXIII

These tables contain service and infrastructure indicators that can inform one's understanding how the information in the County's financial statements relates to the services the County provides and the activities it performs. The County will be expanding the disclosure of operating information in future years as limited information is available

Data Source:

Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the applicable year.

Polk County, Georgia
Changes in Net Position - Governmental Activities (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Expenses:										
General government	$ 2,936,027	$ 4,569,637	$ 3,948,507	$ 3,955,914	$ 3,914,609	$ 4,090,798	$ 4,035,145	$ 4,743,161	$ 5,011,140	$ 3,788,675
Judicial	2,268,550	2,453,332	2,423,734	2,525,477	2,640,702	2,674,082	2,660,691	2,726,933	2,927,760	3,053,796
Public safety	10,499,160	10,849,099	10,170,939	10,016,414	10,619,952	10,191,808	10,140,329	10,321,260	10,781,403	11,902,210
Public works	2,630,518	3,994,226	4,380,029	4,283,867	4,373,505	5,108,230	4,343,478	3,377,660	3,898,931	5,097,520
Planning/community development	1,437,163	1,447,812	1,125,588	1,147,473	1,239,807	1,158,366	2,660,391	928,717	1,109,328	1,126,425
Health and welfare	330,625	343,797	343,901	363,669	349,176	332,532	333,863	333,746	333,746	333,746
Culture and recreation	214,484	270,513	274,436	266,200	271,753	365,363	399,160	434,070	994,522	324,018
Sanitation	497,659	555,959	534,562	524,724	547,694	532,553	504,299	870,514	576,264	585,650
Intergovernmental	2,571,450	-	-	-	-	-	-	-	-	-
Interest	78,229	41,330	16,831	2,438	2,351	3,500	4,970	16,157	16,159	16,172
Total Expenses	23,463,865	24,525,705	23,218,527	23,086,176	23,959,549	24,457,232	25,082,326	23,752,218	25,649,253	26,228,212
Program Revenues:										
Charges for services:										
General government	434,216	437,130	446,487	438,401	443,240	440,057	465,071	500,281	509,058	859,675
Judicial	1,286,691	1,199,568	1,251,846	1,167,189	1,119,389	1,108,320	1,183,790	1,082,060	972,579	981,288
Public safety	2,786,887	2,918,271	(617,716)	1,109,583	1,043,780	997,952	933,389	1,299,517	1,176,887	1,075,565
Planning/community development	-	119,555	97,193	78,044	75,037	82,291	271,768	307,817	338,986	539,111
Health and welfare	158,274	-	-	-	-	-	-	-	-	-
Operating grants and contributions	230,095	316,393	154,425	131,503	346,888	255,320	291,429	282,817	425,535	383,881
Capital grants and contributions	1,149,333	896,295	586,899	5,708,445	856,660	78,213	1,206,363	955,423	647,066	1,075,569
Total Program Revenues	6,045,496	5,887,212	1,919,134	8,633,165	3,884,994	2,962,153	4,351,810	4,427,915	4,070,111	4,915,089
Net (Expense) Revenue	(17,418,369)	(18,638,493)	(21,299,393)	(14,453,011)	(20,074,555)	(21,495,079)	(20,730,516)	(19,324,303)	(21,579,142)	(21,313,123)
General Revenues:										
Taxes:										
General property taxes	9,634,237	9,898,022	10,857,330	10,821,826	10,356,719	10,897,731	11,068,532	11,248,482	11,423,363	11,101,393
Recording intangibles	197,812	158,969	105,851	91,407	78,234	105,660	96,382	85,521	117,689	139,084
Real estate transfer taxes	42,328	28,007	20,782	17,785	17,526	15,702	28,418	28,568	34,656	40,975
Alcoholic beverage taxes	113,301	113,849	120,869	126,459	118,910	112,959	120,133	121,876	123,009	116,653
Sales taxes	8,198,000	7,138,917	7,497,317	2,636,607	7,689,931	7,366,803	7,141,170	6,924,533	6,843,766	6,818,073
Insurance premium tax	1,162,532	1,168,095	1,159,660	1,094,070	1,129,397	1,189,650	1,246,193	1,325,435	1,415,067	1,510,822
Other taxes	1,043,057	1,038,047	225,883	219,334	212,078	211,151	227,421	264,638	270,303	83,750
Gain on sale of capital assets	11,213	-	-	-	-	-	-	-	12,740	20,045
Rents	80,200	89,400	98,400	437,046	418,898	388,862	370,362	357,678	360,791	-
Unrestricted investment earnings	430,453	355,262	357,976	23,195	10,813	7,498	5,224	7,980	16,594	30,600
Miscellaneous	233,599	363,358	323,869	341,055	378,536	203,683	323,457	249,881	369,369	21,862
Total General Revenues	21,146,732	20,351,926	20,767,937	15,808,784	20,411,042	20,499,699	20,627,292	20,614,592	20,987,347	19,883,257
Transfers and Other	1,117,760	968,240	465,000	480,000	680,000	420,000	(1,654,424)	326,607	371,050	2,269,081
Change in Net Position	$ 4,846,123	$ 2,681,673	$ (66,456)	$ 1,835,773	$ 1,016,487	$ (575,380)	$ (1,757,648)	$ 1,616,896	$ (220,745)	$ 839,215

(continued)

Notes:
The amounts above do not include any prior period restatements.

Data Source:
Applicable years' comprehensive annual financial report.

Polk County, Georgia

Changes in Net Position - Governmental Activities - Percentage of Total (Unaudited)

Last Ten Fiscal Years

(accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Expenses:										
General government	12.51%	18.63%	17.01%	17.14%	16.34%	16.73%	16.09%	19.97%	19.54%	14.45%
Judicial	9.67%	10.00%	10.44%	10.94%	11.02%	10.93%	10.61%	11.48%	11.41%	11.64%
Public safety	44.75%	44.24%	43.81%	43.39%	44.32%	41.67%	40.43%	43.45%	42.03%	45.38%
Public works	11.21%	16.29%	18.86%	18.56%	18.25%	20.89%	17.32%	14.22%	15.20%	19.44%
Planning/community development	6.13%	5.90%	4.85%	4.97%	5.17%	4.74%	10.61%	3.91%	4.32%	4.29%
Health and welfare	1.41%	1.40%	1.48%	1.58%	1.46%	1.36%	1.33%	1.41%	1.30%	1.27%
Culture and recreation	0.91%	1.10%	1.18%	1.15%	1.13%	1.49%	1.59%	1.83%	3.88%	1.24%
Sanitation	2.12%	2.27%	2.30%	2.27%	2.29%	2.18%	2.01%	3.66%	2.25%	2.23%
Intergovernmental	10.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest	0.33%	0.17%	0.07%	0.01%	0.01%	0.01%	0.02%	0.07%	0.06%	0.06%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Program Revenues:										
Charges for services										
General government	7.18%	7.43%	23.27%	5.08%	11.41%	14.86%	10.69%	11.30%	12.51%	17.49%
Judicial	21.28%	20.38%	65.23%	13.52%	28.81%	37.42%	27.20%	24.44%	23.90%	19.96%
Public safety	46.10%	49.57%	-32.19%	12.85%	26.87%	33.69%	21.45%	29.35%	28.92%	21.88%
Planning/community development	0.00%	2.03%	5.06%	0.90%	1.93%	2.78%	6.24%	6.95%	8.33%	10.97%
Health and welfare	2.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating grants and contributions [2]	3.81%	5.37%	8.05%	1.52%	11.71%	8.62%	6.70%	6.39%	10.46%	7.81%
Capital grants and contributions [6]	19.01%	15.22%	30.58%	66.12%	22.05%	2.64%	27.72%	21.58%	15.90%	21.88%
Total Program Revenues	100.00%	100.00%	100.00%	100.00%	102.78%	100.00%	100.00%	100.00%	100.00%	100.00%
General Revenues:										
Taxes:										
General property taxes	45.56%	48.63%	52.28%	68.45%	50.74%	53.16%	53.66%	54.57%	54.43%	55.83%
Recording intangibles	0.94%	0.78%	0.51%	0.58%	0.38%	0.52%	0.47%	0.41%	0.56%	0.70%
Real estate transfer taxes	0.20%	0.14%	0.10%	0.11%	0.09%	0.08%	0.14%	0.14%	0.17%	0.21%
Alcoholic beverage taxes	0.54%	0.56%	0.58%	0.80%	0.58%	0.55%	0.58%	0.59%	0.59%	0.59%
Sales taxes	38.77%	35.08%	36.10%	16.68%	37.68%	35.94%	34.62%	33.59%	32.61%	34.29%
Insurance premium tax	5.50%	5.74%	5.58%	6.92%	5.53%	5.80%	6.04%	6.43%	6.74%	7.60%
Other taxes	4.93%	5.10%	1.09%	1.39%	1.04%	1.03%	1.10%	1.28%	1.29%	0.42%
Gain on sale of capital assets	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.10%
Rents	0.38%	0.44%	0.47%	2.76%	2.05%	1.90%	1.80%	1.74%	1.72%	0.00%
Unrestricted investment earnings	2.04%	1.75%	1.72%	0.15%	0.05%	0.04%	0.03%	0.04%	0.08%	0.15%
Miscellaneous	1.10%	1.79%	1.56%	2.16%	1.85%	0.99%	1.57%	1.21%	1.76%	0.11%
Total General Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes:

The amounts above do not include any prior period restatements.

Data Source:

Applicable years' comprehensive annual financial report.

Polk County, Georgia

Government-wide Net Position by Component (Unaudited) [1]

Last Ten Fiscal Years

(accrual basis of accounting)

	June 30,									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
	Amounts									
Governmental Activities										
Net investment in capital assets	$ 28,547,848	$ 29,452,256	$ 29,894,888	$ 29,906,021	$ 30,638,524	$ 32,217,084	$ 32,406,959	$ 32,856,339	$ 33,482,969	$ 34,494,657
Restricted	2,182,630	3,393,317	3,710,478	5,352,364	6,208,285	4,906,707	5,135,122	6,555,505	6,593,625	7,577,708
Unrestricted	4,409,311	5,183,243	4,149,234	4,331,988	3,762,469	2,910,407	2,388,893	1,780,859	895,364	1,367,678
Subtotal Governmental Activities Net Position	$ 35,139,789	$ 38,028,816	$ 37,754,600	$ 39,590,373	$ 40,609,278	$ 40,034,198	$ 39,930,974	41,192,703	40,971,958	43,440,043
Business-type Activities										
Net investment in capital assets	$ 257,233	$ 244,928	$ 232,626	$ 220,322	$ 208,019	$ 195,715	$ 183,411	$ 171,107	$ 154,912	$ 377,967
Unrestricted	384,580	608,082	1,558,647	2,439,652	3,359,874	4,566,180	6,064,436	7,389,703	8,724,296	7,832,168
Subtotal Businewsss-type Activities Net Position	$ 641,813	$ 853,010	$ 1,791,273	$ 2,659,974	$ 3,567,893	$ 4,761,895	$ 6,247,847	$ 7,560,810	$ 8,879,208	$ 8,210,135
Total										
Net investment in capital assets	$ 28,805,081	$ 29,697,184	$ 30,127,514	$ 30,126,343	$ 30,846,543	$ 32,412,799	$ 32,590,370	$ 33,027,446	$ 33,637,881	$ 34,872,624
Restricted	2,182,630	3,393,317	3,710,478	5,352,364	6,208,285	4,906,707	5,135,122	6,555,505	6,593,625	7,577,708
Unrestricted	4,793,891	5,791,325	5,707,881	6,771,640	7,122,343	7,476,587	8,453,329	9,170,562	9,619,660	9,199,846
Total Net Position	$ 35,781,602	$ 38,881,826	$ 39,545,873	$ 42,250,347	$ 44,177,171	$ 44,796,093	$ 46,178,821	$ 48,753,513	$ 49,851,166	$ 51,650,178

Notes:

[1] Accounting standards require that net position be reported in three components in the financial statements: Net investment in capital assets; restricted; and unrestricted. Net position considered restricted only when (1) an external party, such as the State of Georgia or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County. There are no restrictions currently reported as a result of enabling legislation.

Data Source:

Applicable years' comprehensive annual financial report.

Polk County, Georgia

Chart - Total Governmental Activities Net Position (Unaudited)

Last Ten Fiscal Years

(accrual basis of accounting)

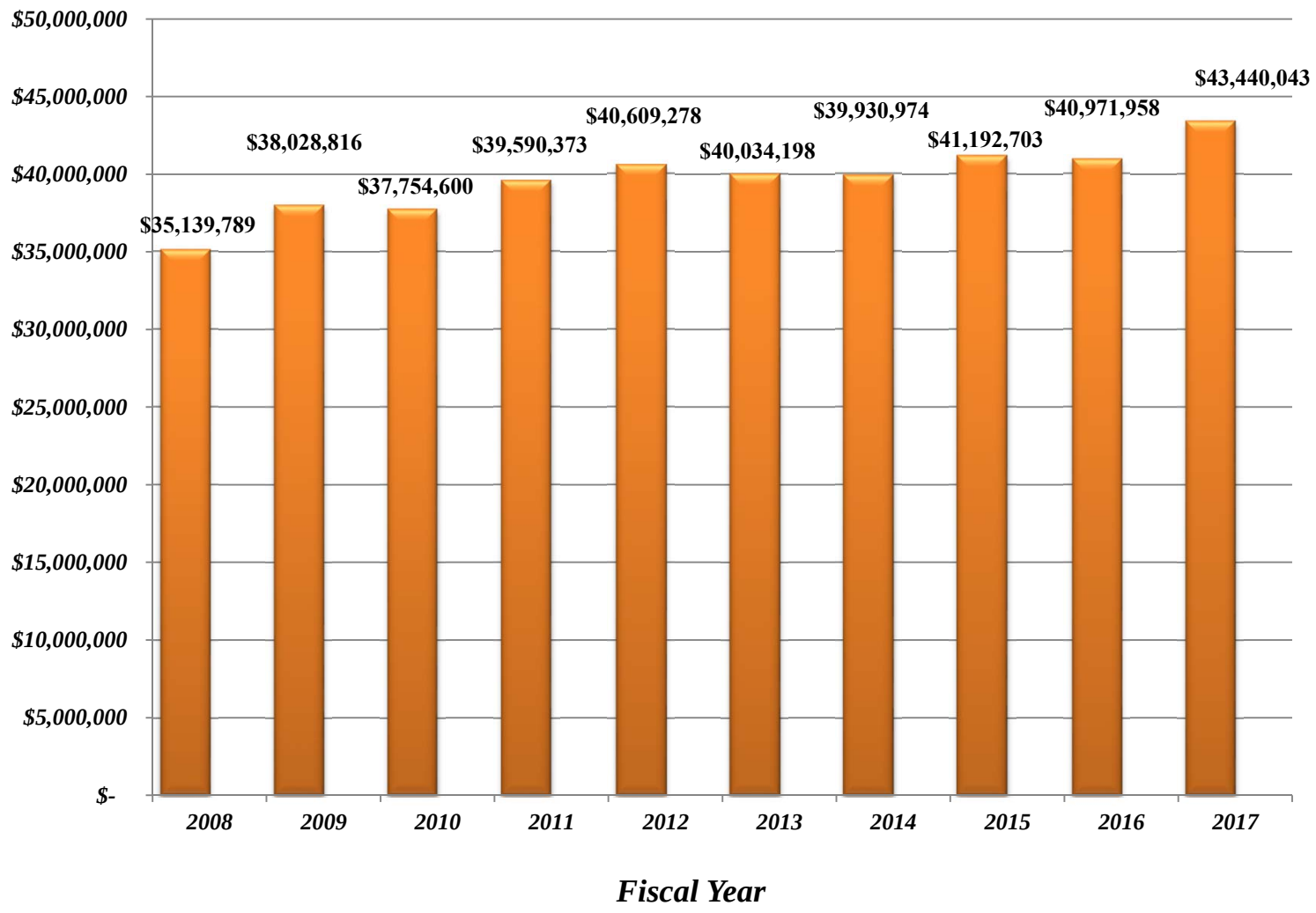


Exhibit III

Polk County, Georgia
Changes in Net Position - Business-type Activities (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

Source	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Solid waste	$ 47,761	$ 13,066	$ 24,096	$ 30,520	$ 21,170	$ 15,351	$ 64,216	$ (27,956)	$ 25,236	$ 62,273
Program Revenues:										
Charges for services:	1,204,814	1,178,653	1,416,321	1,374,918	1,601,812	1,625,162	1,547,796	1,606,396	1,638,561	1,637,205
Net (Expense) Revenue	1,157,053	1,165,587	1,392,225	1,344,398	1,580,642	1,609,811	1,483,580	1,634,352	1,613,325	1,574,932
General Revenues and Transfers:										
Investment earnings	21,252	13,850	11,038	4,303	7,277	4,191	2,372	5,218	16,747	25,546
Gain on disposition of capital assets	-	-	-	-	-	-	-	-	59,376	(470)
Transfers	(1,117,760)	(968,240)	(465,000)	(480,000)	(680,000)	(420,000)	-	(326,607)	(371,050)	(2,269,081)
Total General Revenues and Transfers	(1,096,508)	(954,390)	(453,962)	(475,697)	(672,723)	(415,809)	2,372	(321,389)	(294,927)	(2,244,005)
Change in Net Position	$ 60,545	$ 211,197	$ 938,263	$ 868,701	$ 907,919	$ 1,194,002	$ 1,485,952	$ 1,312,963	$ 1,318,398	$ (669,073)

Exhibit IV

Polk County, Georgia
Changes in Net Position - Total (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
Source	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Expenses:										
Governmental activities[1]	$ 23,463,865	$ 24,525,705	$ 23,218,527	$ 23,086,176	$ 23,959,549	$ 24,457,232	$ 25,082,326	$ 23,752,218	$ 25,649,253	$ 26,228,212
Business-type activities[2]	47,761	13,066	24,096	30,520	21,170	15,351	64,216	(27,956)	25,236	62,273
Total Expenses	23,511,626	24,538,771	23,242,623	23,116,696	23,980,719	24,472,583	25,146,542	23,724,262	25,674,489	26,290,485
Program Revenues:										
Governmental activities[1]	6,045,496	5,887,212	1,919,134	8,633,165	3,884,994	2,962,153	4,351,810	4,427,915	4,070,111	4,915,089
Business-type activities[2]	1,204,814	1,178,653	1,416,321	1,374,918	1,601,812	1,625,162	1,547,796	1,606,396	1,638,561	1,637,205
Total Program Revenues	7,250,310	7,065,865	3,335,455	10,008,083	5,486,806	4,587,315	5,899,606	6,034,311	5,708,672	6,552,294
Net (Expense) Revenue	(16,261,316)	(17,472,906)	(19,907,168)	(13,108,613)	(18,493,913)	(19,885,268)	(19,246,936)	(17,689,951)	(19,965,817)	(19,738,191)
General Revenues and Transfers:										
Governmental activities[1]	22,264,492	21,320,166	21,232,937	16,288,784	21,091,042	20,919,699	18,972,868	20,941,199	21,358,397	22,152,338
Business-type activities[2]	(1,096,508)	(954,390)	(453,962)	(475,697)	(672,723)	(415,809)	2,372	(321,389)	(294,927)	(2,244,005)
Total General Revenues and Transfers	21,167,984	20,365,776	20,778,975	15,813,087	20,418,319	20,503,890	18,975,240	20,619,810	21,063,470	19,908,333
Change in Net Position	$ 4,906,668	$ 2,892,870	$ 871,807	$ 2,704,474	$ 1,924,406	$ 618,622	$ (271,696)	$ 2,929,859	$ 1,097,653	$ 170,142

Notes:

[1]See Table-Changes in Net Position - Governmental Activities

[2]See Table-Changes in Net Position - Business-type Activities

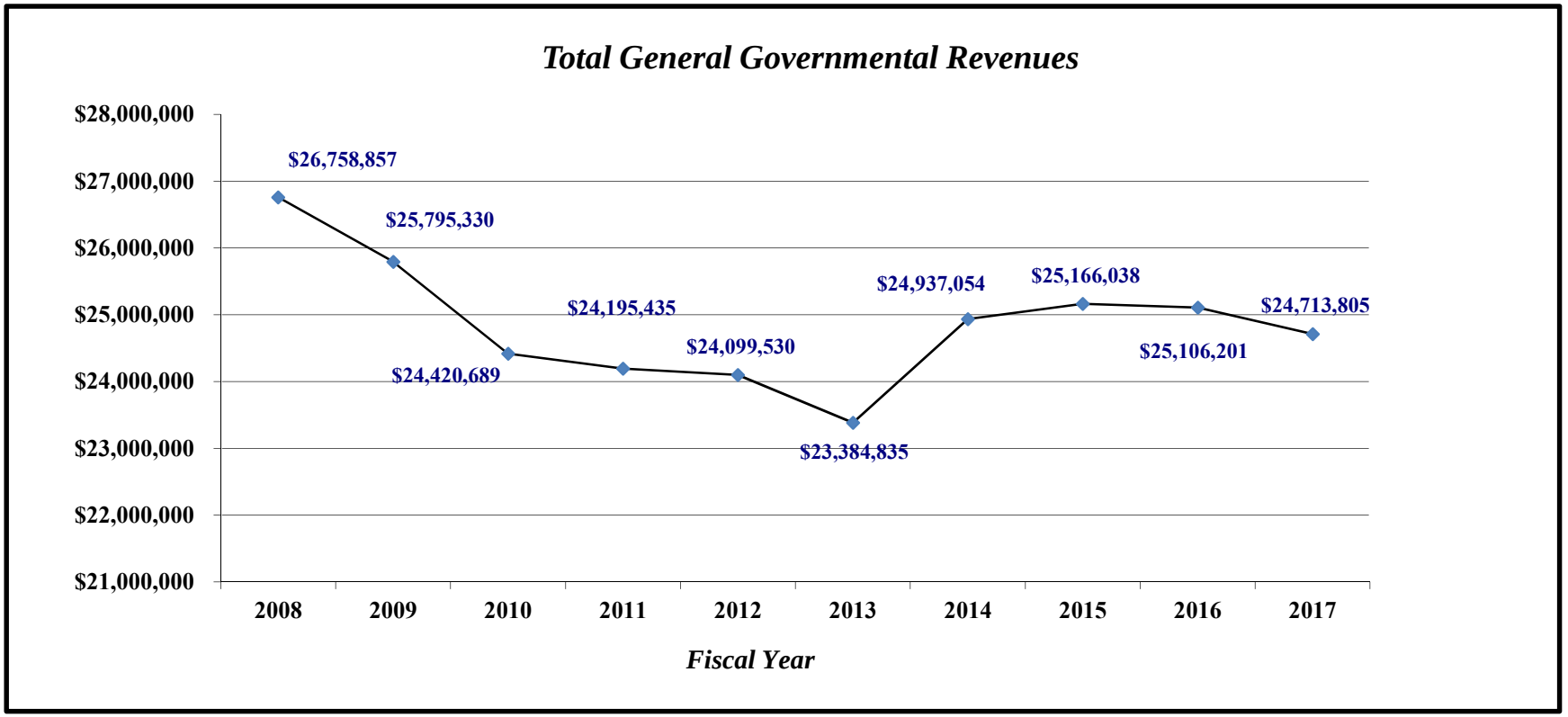
Polk County, Georgia
General Governmental Revenues by Source (Unaudited) [1]
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Year Ended June 30,									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Revenue Source	**Amounts**									
Taxes	$ 19,505,739	$ 18,518,513	$ 19,965,950	$ 19,670,928	$ 19,490,336	$ 19,829,482	$ 19,902,000	$ 20,126,705	$ 20,256,690	$ 19,958,524
Intergovernmental	2,176,430	2,024,383	741,324	928,490	1,206,938	333,833	1,447,845	1,240,790	1,072,601	1,435,025
Licenses and permits	142,176	101,475	97,193	78,044	75,037	82,291	80,393	92,229	111,503	114,443
Fines and forfeitures	1,269,645	1,222,999	1,251,846	1,167,189	1,119,389	1,108,320	1,183,790	1,082,060	972,579	959,004
Charges for services	2,898,707	3,119,940	1,578,131	1,547,984	1,485,959	1,438,009	1,623,983	2,021,514	1,920,549	1,574,173
Investment earnings and rents	510,411	445,274	456,805	459,066	424,825	404,817	375,586	365,659	377,385	30,600
Miscellaneous	255,749	362,746	329,440	343,734	297,046	188,083	323,457	237,081	394,894	642,036
Total revenues	$ 26,758,857	$ 25,795,330	$ 24,420,689	$ 24,195,435	$ 24,099,530	$ 23,384,835	$ 24,937,054	$ 25,166,038	$ 25,106,201	$ 24,713,805
% Change From Prior Year	5.7%	-3.6%	-5.3%	-0.9%	-0.4%	-3.0%	6.6%	0.9%	-0.2%	-1.6%
	Percentage of Change									
Taxes	72.9%	71.8%	81.8%	81.3%	80.9%	84.8%	79.8%	80.0%	80.7%	80.8%
Intergovernmental	8.1%	7.8%	3.0%	3.8%	5.0%	1.4%	5.8%	4.9%	4.3%	5.8%
Licenses and permits	0.5%	0.4%	0.4%	0.3%	0.3%	0.4%	0.3%	0.4%	0.4%	0.4%
Fines and forfeitures	4.7%	4.7%	5.1%	4.8%	4.6%	4.7%	4.7%	4.3%	3.9%	3.9%
Charges for services	10.8%	12.1%	6.5%	6.4%	6.2%	6.1%	6.5%	8.0%	7.6%	6.4%
Investment earnings	1.9%	1.7%	1.9%	1.9%	1.8%	1.7%	1.5%	1.5%	1.5%	0.1%
Miscellaneous	1.0%	1.4%	1.3%	1.4%	1.2%	0.8%	2.1%	0.9%	1.6%	2.6%
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:
[1] Includes all governmental fund types.

Data Source:
Applicable years' comprehensive annual financial report.

Polk County, Georgia
Chart-Total General Governmental Revenues (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



Polk County, Georgia
Tax Revenues by Source - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

For The Fiscal Year Ended June 30,	Property	Auto and Mobile Home	Local Option Sales	Special Purpose Local Option Sales	Insurance Premium	Alcoholic Beverage	Other [1]	Total
	Amounts							
2008	$ 8,489,957	$ 1,133,374	$ 2,885,086	$ 5,312,914	$ 1,162,532	$ 113,301	$ 408,575	$ 19,505,739
2009	8,634,443	1,101,460	2,511,667	4,627,250	1,168,095	113,849	361,749	18,518,513
2010	9,842,192	1,040,624	2,637,139	4,860,178	1,159,660	120,869	305,288	19,965,950
2011	9,614,395	1,056,857	2,636,607	4,859,151	1,094,070	126,459	283,389	19,670,928
2012	9,211,260	1,078,500	2,704,885	4,985,046	1,129,397	118,910	262,338	19,490,336
2013	9,608,837	1,258,441	2,591,800	4,775,003	1,189,650	112,959	292,792	19,829,482
2014	9,621,730	1,473,221	2,481,955	4,659,215	1,246,193	120,133	299,553	19,902,000
2015	9,686,245	1,465,986	2,405,536	4,518,997	1,325,435	121,876	602,630	20,126,705
2016	10,141,764	1,376,561	2,377,487	4,466,279	1,415,067	123,009	356,523	20,256,690
2017	9,821,664	1,309,759	2,342,262	4,475,811	1,510,822	116,653	381,553	19,958,524
% Change in Dollars Over 10 Years	15.7%	15.6%	-18.8%	-15.8%	30.0%	3.0%	-6.6%	2.3%
	Percentage of Total							
2007	43.5%	5.8%	14.8%	27.2%	6.0%	0.6%	2.1%	100.0%
2008	46.6%	5.9%	13.6%	25.0%	6.3%	0.6%	2.0%	100.0%
2009	49.3%	5.2%	13.2%	24.3%	5.8%	0.6%	0.8%	100.0%
2010	48.9%	5.4%	13.4%	24.7%	5.6%	0.6%	1.4%	100.0%
2011	47.3%	5.5%	13.9%	25.6%	5.8%	0.6%	1.3%	100.0%
2012	48.5%	6.3%	13.1%	24.1%	6.0%	0.6%	1.5%	100.0%
2013	48.3%	7.4%	12.5%	23.4%	6.3%	0.6%	0.8%	100.0%
2014	48.1%	7.3%	12.0%	22.5%	6.6%	0.6%	3.0%	100.0%
2015	50.1%	6.8%	11.7%	22.0%	7.0%	0.6%	1.8%	100.0%
2016	49.2%	6.6%	11.7%	22.4%	7.6%	0.6%	1.9%	100.0%

Notes:

[1] Includes intangible taxes, franchise taxes, and financial institutions taxes

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit VII

Polk County, Georgia
General Governmental Expenditures by Function (Unaudited) [1, 2]
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Year Ended June 30,									
Function	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Current:										
General government	$ 3,774,205	$ 3,273,798	$ 2,955,343	$ 3,079,690	$ 3,333,553	$ 3,432,145	$ 3,239,991	3,226,614	$ 3,560,588	$ 3,459,211
Judicial	2,203,539	2,354,572	2,267,527	2,323,394	2,469,597	2,508,419	2,548,621	2,661,096	2,816,796	2,906,220
Public safety	10,052,476	10,365,993	9,237,190	9,035,802	10,053,384	10,120,492	9,762,729	9,390,277	10,325,417	10,921,511
Public works	3,471,604	3,402,948	3,440,029	3,394,271	3,550,651	4,565,528	3,202,291	3,744,288	3,460,938	4,347,730
Planning/community developm	1,349,613	1,219,684	785,896	809,722	1,014,600	964,115	2,219,924	854,076	1,102,723	1,002,457
Health and welfare	511,340	329,776	907,341	373,870	309,663	309,663	334,663	309,663	309,663	309,663
Culture and recreation	214,484	217,919	217,919	217,919	218,894	317,919	352,899	337,062	323,618	324,018
Sanitation	497,659	527,313	534,562	524,724	547,694	532,553	504,299	870,514	576,264	585,650
Intergovernmental	2,571,450	2,379,354	2,911,429	2,248,815	2,310,406	2,209,871	2,156,286	2,091,391	2,658,994	2,036,413
Total Current	24,646,370	24,071,357	23,257,236	22,008,207	23,808,442	24,960,705	24,321,703	23,484,981	25,135,001	25,892,873
% Change From Prior Year	-1.9%	-2.3%	-3.4%	-5.4%	8.2%	4.8%	-2.6%	-3.4%	7.0%	3.0%
Debt Service										
Principal	1,966,824	435,818	333,198	71,022	8,308	7,151	7,145	16,762	16,159	16,172
Interest and fees	77,474	28,663	17,111	4,316	1,237	1,156	-	-	-	-
Total Debt Service	2,044,298	464,481	350,309	75,338	9,545	8,307	7,145	16,762	16,159	16,172
% Change From Prior Year	-6.0%	-77.3%	-24.6%	-78.5%	-87.3%	-13.0%	-14.0%	134.6%	-3.6%	0.1%
Total Expenditures	$ 26,690,668	$ 24,535,838	$ 23,607,545	$ 22,083,545	$ 23,817,987	$ 24,969,012	$ 24,328,848	$ 23,501,743	$ 25,151,160	$ 25,909,045
% Change From Prior Year	-2.2%	-8.1%	-3.8%	-6.5%	7.9%	4.8%	-2.6%	-3.4%	7.0%	3.0%
Debt Service as a % of Noncapital Expenditures	8.29%	1.93%	1.51%	0.34%	0.04%	0.03%	0.03%	0.07%	0.06%	0.06%

Notes:

[1] Includes all governmental fund types.

[2] Capital outlay imcluded within the various functions.

Data Source:

Applicable years' comprehensive annual financial report.

Exhibit VIII

Polk County, Georgia

General Governmental Current Expenditures by Function (Unaudited) [1]

Last Ten Fiscal Years

(modified accrual basis of accounting)

For the Year Ended June 30, 2017

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Amounts									
Current:										
General government	$ 3,774,205	$ 3,273,798	$ 2,955,343	$ 3,079,690	$ 3,333,553	$ 3,432,145	$ 3,239,991	$ 3,226,614	$ 3,560,588	$ 3,459,211
Judicial	2,203,539	2,354,572	2,267,527	2,323,394	2,469,597	2,508,419	2,548,621	2,661,096	2,816,796	2,906,220
Public safety	10,052,476	10,365,993	9,237,190	9,035,802	10,053,384	10,120,492	9,762,729	9,390,277	10,325,417	10,921,511
Public works	3,471,604	3,402,948	3,440,029	3,394,271	3,550,651	4,565,528	3,202,291	3,744,288	3,460,938	4,347,730
Planning/community developm	1,349,613	1,219,684	785,896	809,722	1,014,600	964,115	2,219,924	854,076	1,102,723	1,002,457
Health and welfare	511,340	329,776	907,341	373,870	309,663	309,663	334,663	309,663	309,663	309,663
Culture and recreation	214,484	217,919	217,919	217,919	218,894	317,919	352,899	337,062	323,618	324,018
Sanitation	497,659	527,313	534,562	524,724	547,694	532,553	504,299	870,514	576,264	585,650
Intergovernmental	2,571,450	2,379,354	2,911,429	2,248,815	2,310,406	2,209,871	2,156,286	2,091,391	2,658,994	2,036,413
Total Current	$ 24,646,370	$ 24,071,357	$ 23,257,236	$ 22,008,207	$ 23,808,442	$ 24,960,705	$ 24,321,703	$23,484,981	$ 25,135,001	$ 25,892,873
	Percentage of Total									
Current:										
General government	15.3%	13.6%	12.7%	14.0%	14.0%	13.8%	13.3%	13.7%	14.2%	13.4%
Judicial	8.9%	9.8%	9.7%	10.6%	10.4%	10.0%	10.5%	11.3%	11.2%	11.2%
Public safety	40.8%	43.1%	39.7%	41.1%	42.2%	40.5%	40.1%	40.0%	41.1%	42.2%
Public works	14.1%	14.1%	14.8%	15.4%	14.9%	18.3%	13.2%	15.9%	13.8%	16.8%
Planning/community developm	5.5%	5.1%	3.4%	3.7%	4.3%	3.9%	9.1%	3.6%	4.4%	3.9%
Health and welfare	2.1%	1.4%	3.9%	1.7%	1.3%	1.2%	1.4%	1.3%	1.2%	1.2%
Culture and recreation	0.9%	0.9%	0.9%	1.0%	0.9%	1.3%	1.5%	1.4%	1.3%	1.3%
Sanitation	2.0%	2.2%	2.3%	2.4%	2.3%	2.1%	2.1%	3.7%	2.3%	2.3%
Intergovernmental	10.4%	9.9%	12.5%	10.2%	9.7%	8.9%	8.9%	8.9%	10.6%	7.9%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

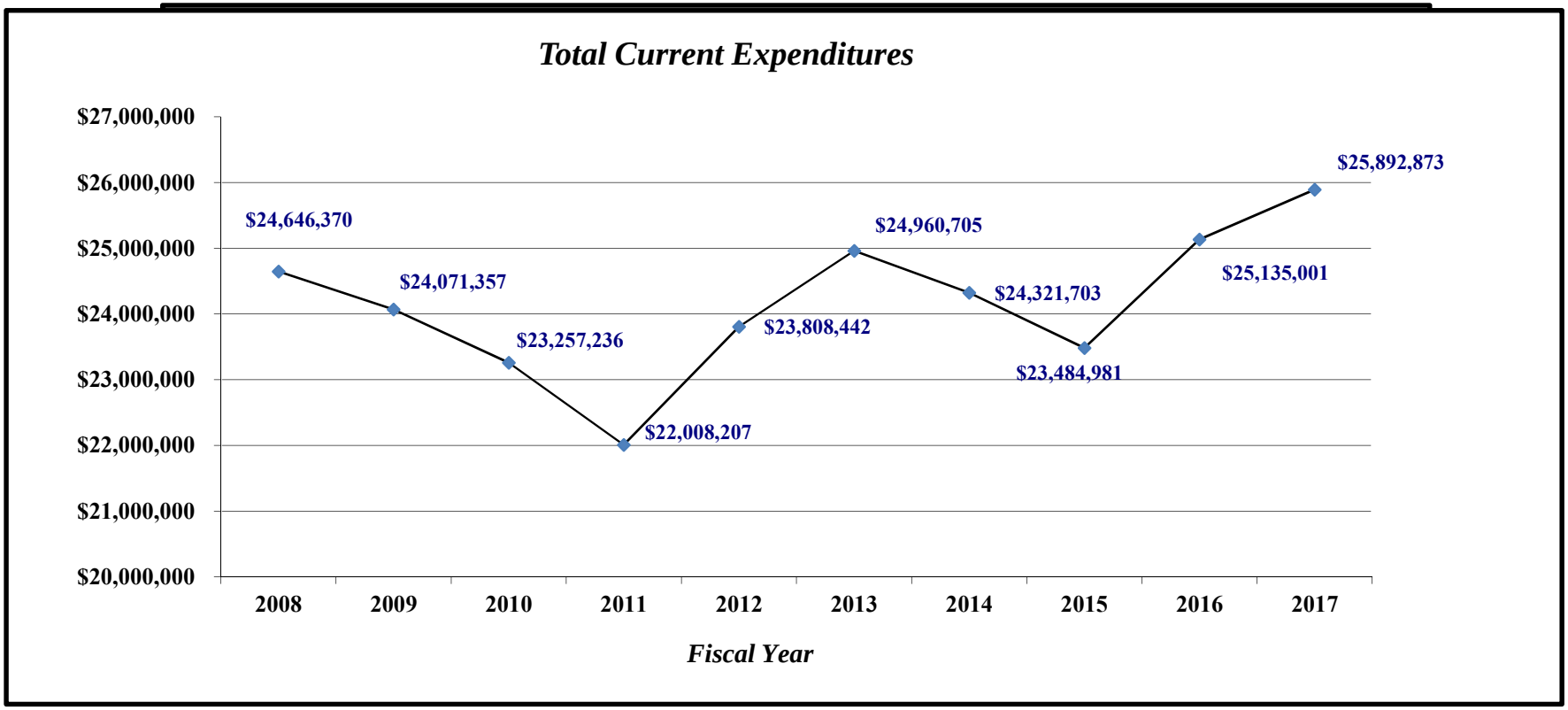
Notes:

[1] Includes all governmental fund types.

Data Source:

Applicable years' comprehensive annual financial report.

Polk County, Georgia
Chart-Total Current Expenditures (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)



Polk County, Georgia
Summary of Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Year Ended June 30,									
Source	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Total Revenues	$ 26,758,857	$ 25,795,330	$ 24,420,689	$ 24,195,435	$ 24,099,530	$ 23,384,835	$ 24,937,054	$ 25,166,038	$ 25,106,201	$ 24,713,805
Total Expenditures [2]	26,690,668	24,535,838	23,607,545	22,083,545	23,817,987	24,969,012	24,328,848	23,501,743	25,151,160	25,909,045
Excess (Deficiency) of Revenues Over (Under) Expenditures [2]	68,189	1,259,492	813,144	2,111,890	281,543	(1,584,177)	608,206	1,664,295	(44,959)	(1,195,240)
Other Financing Sources (Uses)										
Sale of capital assets	-	-	371,855	47,321	89,818	15,600	31,133	27,990	-	-
Inception of capital lease	-	-	-	7,426	-	-	-	-	-	-
Transfers in	1,438,185	1,424,497	998,192	937,355	943,492	786,323	336,122	706,886	755,772	755,772
Transfers out	(319,812)	(456,257)	(533,192)	(457,355)	(263,492)	(366,323)	(336,122)	(380,279)	(384,722)	(384,722)
Total Other Financing Sources (Uses)	1,118,373	968,240	836,855	534,747	769,818	435,600	31,133	354,597	371,050	371,050
Net Change in Fund Balances	1,186,562	2,227,732	1,649,999	2,646,637	1,051,361	(1,148,577)	639,339	2,018,892	326,091	(824,190)

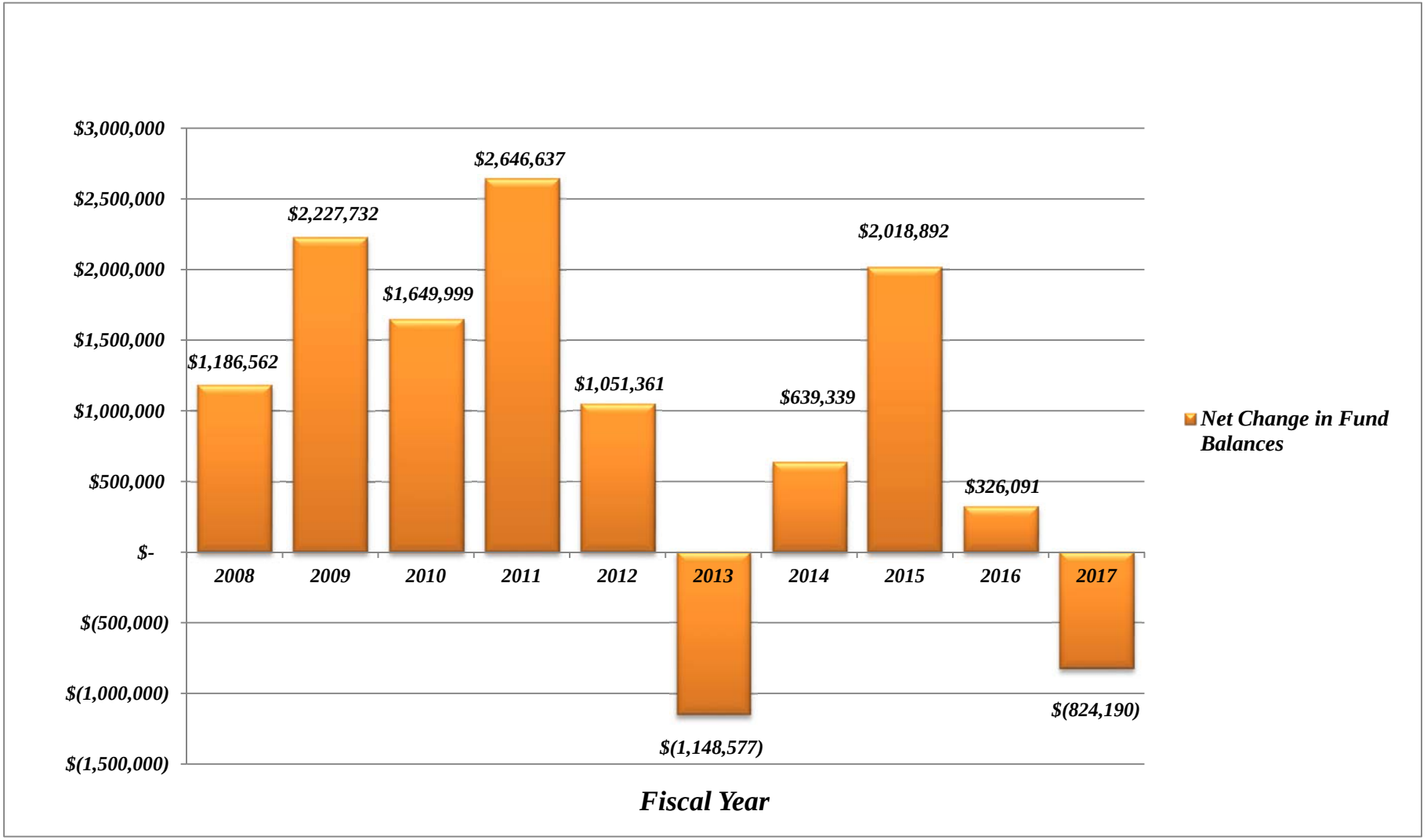
Data Source:
Applicable years' comprehensive annual financial report.

Polk County, Georgia

Chart - Changes in Fund Balances - Governmental Funds (Unaudited)

Last Ten Fiscal Years

(modified accrual basis of accounting)



Polk County, Georgia

Chart - Governmental Fund Revenues and Expenditures (Unaudited)

Last Ten Fiscal Years

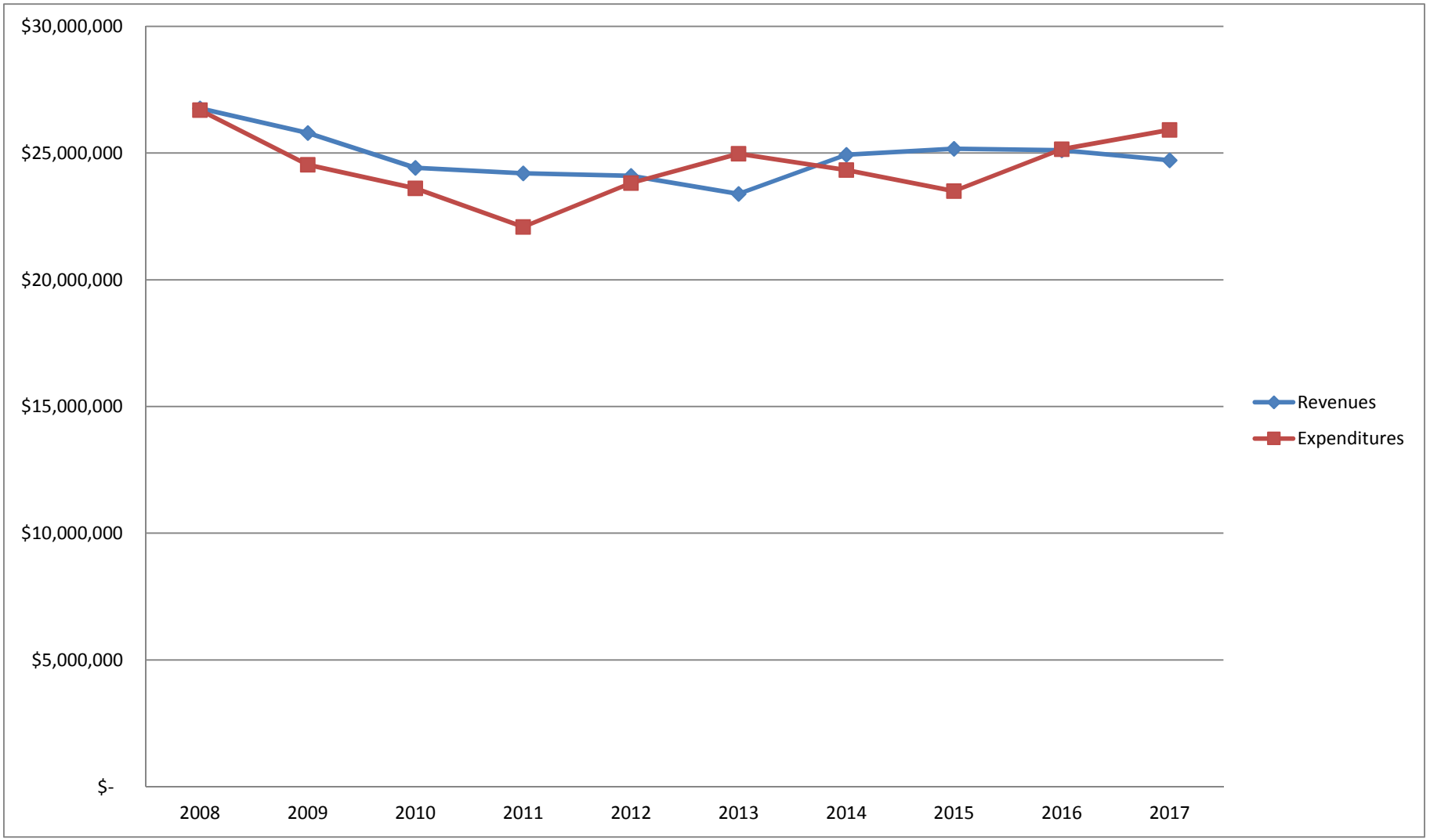


Exhibit X

Polk County, Georgia
Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	June 30,									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General Fund										
Reserved	$ 1,237,394	$ 1,177,411	$ 1,028,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	2,394,845	3,262,876	4,325,891	-	-	-	-	-	-	-
Nonspendable	-	-	-	1,077,856	957,426	1,098,405	1,084,853	847,776	691,060	615,784
Restricted	-	-	-	-	-	-	-	-	-	573,378
Unassigned	-	-	-	6,001,880	6,453,856	6,430,950	6,814,875	7,567,083	7,901,939	8,682,568
Subtotal General Fund	3,632,239	4,440,287	5,353,891	7,079,736	7,411,282	7,529,355	7,899,728	8,414,859	8,592,999	9,871,730
General Fund Percentage Change	62.7%	22.2%	20.6%	32.2%	4.7%	1.6%	4.9%	6.5%	2.1%	14.9%
All Other Governmental Funds										
Reserved	1,668,118	2,009,183	2,478,416	-	-	-	-	-	-	-
Unreserved	116,681	1,015,300	1,463,042	-	-	-	-	-	-	-
Restricted	-	-	-	5,352,364	6,208,285	4,906,707	5,135,122	6,555,505	6,593,625	6,999,969
Assigned	-	-	-	2,957	1,759	3,598	5,022	5,900	7,593	4,361
Unassigned	-	-	-	(493,651)	(628,559)	(595,470)	(556,343)	(473,843)	(365,705)	(336,740)
Subtotal All Other Governmental Funds	1,784,799	3,024,483	3,941,458	4,861,670	5,581,485	4,314,835	4,583,801	6,087,562	6,235,513	6,667,590
All Other Governmental Funds Percentage Change	-41.5%	69.5%	30.3%	23.3%	14.8%	-22.7%	6.2%	32.8%	2.4%	6.9%

Notes:
In 2011, the County implemented GASB 54.
Data Source:
Applicable years' comprehensive annual financial report.

Polk County, Georgia

Taxable Assessed Value [1] and Estimated Actual Value of Property By Type (Unaudited) [2]

Last Ten Fiscal Years

	Amounts												
Fiscal [5] Year	Residential Property	Commercial Property	Industrial Property [6]	Agricultural Property	Preferential & Conservation Use Property	Utility Property	Motor Vehicles and Mobile Homes	Other Property [3]	Less: Tax Exempt Property [6]	Total Taxable Assessed Value[1]	Total Direct Tax Rate [4]	Estimated Actual Value	Annual Percentage Change
2008	487,557,222	133,917,106	111,756,710	83,947,891	39,604,676	89,213,938	94,231,738	2,793,283	129,976,623	913,045,941	11.253	2,282,614,853	-0.2%
2009	501,512,202	141,939,806	107,831,915	83,971,447	40,370,955	114,992,761	98,874,931	1,010,939	90,181,613	1,000,323,343	11.253	2,500,808,358	9.6%
2010	505,801,510	150,406,741	118,770,583	84,486,193	40,936,894	85,287,876	99,346,598	1,130,257	96,155,880	990,010,772	10.850	2,475,026,930	-1.0%
2011	508,317,848	150,181,553	123,224,003	83,079,568	42,262,311	82,700,081	86,131,552	885,604	97,364,537	979,417,983	10.850	2,448,544,958	-1.1%
2012	477,383,152	141,935,891	134,548,894	83,873,582	40,976,783	77,874,097	86,375,482	1,017,272	106,172,126	937,813,027	10.850	2,344,532,568	-4.2%
2013	476,224,901	162,326,994	132,362,750	93,469,335	54,139,127	78,332,867	88,437,291	1,001,448	116,106,525	970,188,188	10.850	2,425,470,470	3.5%
2014	470,410,976	164,682,760	125,323,592	90,671,604	57,375,966	84,494,408	90,860,082	1,640,898	121,722,760	963,737,526	10.850	2,409,343,815	-0.7%
2015	475,047,805	162,062,958	125,764,646	82,604,842	64,263,020	80,836,490	76,984,412	891,777	129,273,231	939,182,719	11.120	2,347,956,798	-2.5%
2016	482,592,126	168,227,947	125,617,745	80,824,422	66,597,086	78,924,385	58,231,815	1,538,628	120,369,131	942,185,023	11.120	2,355,462,558	0.3%
2017	485,107,967	176,498,094	122,132,916	79,189,333	67,899,197	79,751,818	46,418,921	10,911,651	130,787,709	937,122,188	11.120	2,342,805,470	-0.5%
*	$ 489,601,116	$ 149,341,550	$ 121,974,064	$ 86,214,231	$ 45,095,245	$ 87,556,575	$ 92,036,811	$ 1,354,243	$ 108,240,009	$ 964,933,826		$ 2,412,334,564	
**	-0.5%	31.8%	9.3%	-5.7%	71.4%	-10.6%	-50.7%	290.6%	0.6%	2.6%		2.6%	
	Percentage of Total												
2008	46.7%	12.8%	10.7%	8.0%	3.8%	8.6%	9.0%	0.3%	14.2%	85.8%			
2009	46.0%	13.0%	9.9%	7.7%	3.7%	10.5%	9.1%	0.1%	9.0%	91.0%			
2010	46.6%	13.8%	10.9%	7.8%	3.8%	7.9%	9.1%	0.1%	9.7%	90.3%			
2011	47.2%	13.9%	11.4%	7.7%	3.9%	7.7%	8.0%	0.1%	9.9%	90.1%			
2012	45.7%	13.6%	12.9%	8.0%	3.9%	7.5%	8.3%	0.1%	11.3%	88.7%			
2013	43.8%	14.9%	12.2%	8.6%	5.0%	7.2%	8.1%	0.1%	12.0%	88.0%			
2014	43.3%	15.2%	11.5%	8.4%	5.3%	7.8%	8.4%	0.2%	12.6%	87.4%			
2015	44.5%	15.2%	11.8%	7.7%	6.0%	7.6%	7.2%	0.1%	13.8%	86.2%			
2016	45.4%	15.8%	11.8%	7.6%	6.3%	7.4%	5.5%	0.1%	12.8%	87.2%			
2017	45.4%	16.5%	11.4%	7.4%	6.4%	7.5%	4.3%	1.0%	14.0%	86.0%			

**** Dollar Average For Ten Years.***

***** Percentage Change in Dollars Over Ten Years.***

Notes:

[1] All property is assessed at 40% of fair market value. Reported the state values whih includes both the uncorporatrd and inicorporated values.

[2] Gross digest before homestead or freeport exemptions.

[3] Generally includes timber, heavy equipment and historical.

[4] Tax rates expressed in rate per $1,000.

[5] The fiscal year indicated above reports the tax digest from the prior calendar year.

[6] In fiscal year 2011, the KIA corporation was added to both the industrial property and tax abatement concessions are reflected in tax exempt property.

Data Source:

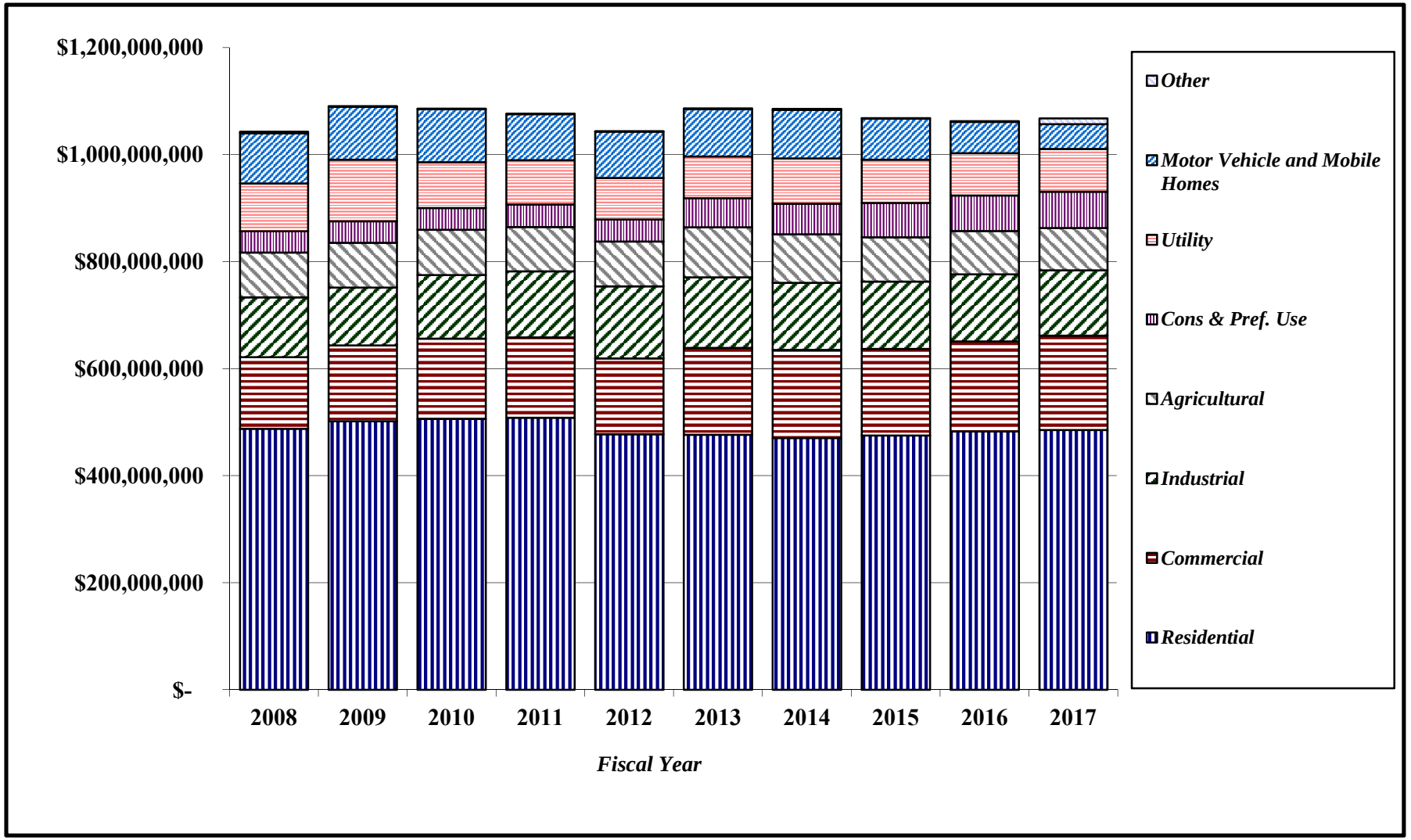
Georgia Department of Revenue, Tax Digest Consolidation Summary, http://www.etax.dor.ga.gov/PTD/cds/csheets/index.aspx

Polk County, Georgia

Chart - Taxable Assessed Value (Unaudited)

Last Ten Fiscal Years

(modified accrual basis of accounting)



Polk County, Georgia

Direct, Overlapping and Underlying Property Tax Rates (Unaudited)

Last Ten Fiscal Years

(rate per $1,000 of assessed taxable value)

					Underlying Rate [2]				
		Direct	Overlapping [1]						
Tax Year	Fiscal Year	County Rate		State of Georgia[3]	Polk County Scbools	City of Aragon	City of Braswell	City of Cedartown	City of Rockmart
2007	2008	11.253	10.512	0.250	15.280	12.000	5.000	11.040	8.272
2008	2009	11.253	10.512	0.250	15.280	12.000	5.000	10.980	9.212
2009	2010	10.850	10.850	0.250	15.280	12.000	5.000	10.980	9.189
2010	2011	10.850	10.850	0.250	15.280	12.000	5.000	10.980	9.160
2011	2012	10.850	10.850	0.250	16.280	12.400	5.000	11.500	9.160
2012	2013	10.850	10.850	0.200	16.280	12.400	5.000	11.340	8.989
2013	2014	10.850	10.850	0.150	16.280	12.400	5.000	11.340	8.989
2014	2015	11.120	11.120	0.100	16.274	12.513	5.000	11.337	8.989
2015	2016	11.120	11.120	0.050	16.183	12.513	5.000	11.309	8.901
2016	2017	11.120	11.120	0.050	16.151	11.610	5.000	11.286	8.888

Notes:

[1] Overlapping rates are those of governments that overlap the County's geographic boundaries.

[2] Underlying rates are those of the other governments that apply to property owners located within Polk County.

[3] The State of Georgia levies a tax on each county's taxable property to help finance their certification of each Georgia county's tax digest.

Data Source:

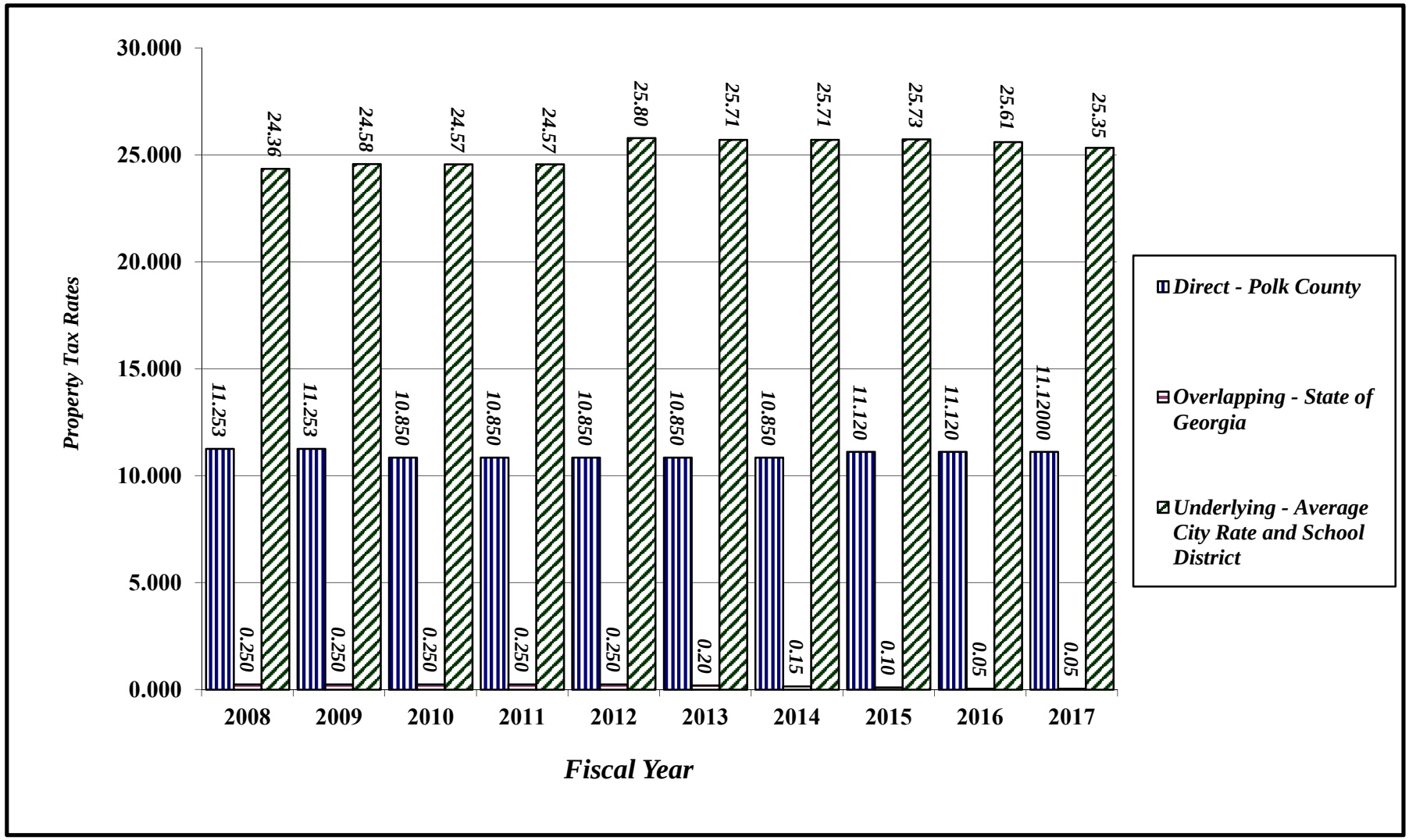
Georgia Department of Revenue, Property Tax Division,
http://www.etax.dor.ga.gov/PTD/cds/csheets/millrate.aspx

Polk County, Georgia

Chart-Direct, Overlapping and Underlying Property Tax Rates (Unaudited)

Last Ten Fiscal Years

(rate per $1,000 of assessed taxable value)



Polk County, Georgia

Property Tax Levies and Collections (Unaudited)

Last Nine Fiscal Years [1]

For The Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year[3]	Collected Within the Fiscal Year of The Levy		Collections in Subsequent Year By Year of Levy	Total Collections to Date		Total Uncollected Taxes [2, 4]	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2009	8,923,112	8,095,674	90.73%	384,583	8,480,257	95.04%	442,855	4.96%
2010	9,651,443	9,077,253	94.05%	360,423	9,437,676	97.79%	213,767	2.21%
2011	9,682,549	8,978,746	92.73%	457,835	9,436,580	97.46%	245,969	2.54%
2012	9,227,066	8,466,254	91.75%	443,843	8,910,097	96.56%	316,969	3.44%
2013	9,556,138	8,771,333	91.79%	607,525	9,378,858	98.14%	177,281	1.86%
2014	9,391,629	8,854,604	94.28%	350,337	9,204,941	98.01%	186,688	1.99%
2015	9,577,732	9,103,402	95.05%	287,642	9,391,044	98.05%	186,689	1.95%
2016	9,760,389	9,262,394	94.90%	183,912	9,446,306	96.78%	314,083	3.22%
2017	9,731,377	9,311,446	95.68%	-	9,311,446	95.68%	419,931	4.32%

Notes:

[1] As more data is available, ten fiscal years will be included.

[2] The amounts reported in the total uncollected taxes column are the uncollected taxes for each tax levy.

[3] The information presented in this table relates to the County's own property tax levies, and does not include those in which it collects on behalf of other governments.

[4] In fiscal year 2003, the County reports more than 100% of the tax levy collected. Adjustments were made to the tax digests in these years with "not-on-digest" amounts added to the tax digests and errors deducted from the tax digest. The net effect results in increased tax collections beyond the amounts levied. Although the table has been restated to reflect the requirements of GASB Statement No. 44, restating the excess collections to the appropriate year was not practical.

Data Source:

Polk County Tax Commissioner's Office

Exhibit XIV

Polk County, Georgia

Principal Property Taxpayers (Unaudited) [2]

For The Fiscal Year Ended June 30, 2017

	2017		
Principal Taxpayer	**Taxable Assessed Value** [1]	**Rank**	**Percentage of Total Taxable Assessed Value**
Smarr EMC	$ 29,858,855	1	3.19%
Georgia Power	25,587,384	2	2.73%
Meggitt Polymers & Composites	19,756,477	3	2.11%
Norfolk Southern CBND	11,231,772	4	1.20%
Honda of America MFG Inc	10,946,122	5	1.17%
Tip Top Poultry	10,369,984	6	1.11%
Rockmart Development Authority	9,954,232	7	1.06%
GEO Specialty Chemicals	8,471,345	8	0.90%
HNI Corporation	8,255,925	9	0.88%
Advance Pierre Foods	7,463,016	10	0.80%
Total Principal Taxpayers	141,895,112		15.14%
All Other Taxpayers	795,227,076		84.86%
Total	$ 937,122,188		100.00%

Notes:

[1] Includes freeport exemption as applicable.

[2] As data becomes available principal employeers will be presented for the current year and the year nine years prior.

Data Source:

Polk County Tax Commissioner's Office

Exhibit XV

Polk County, Georgia

Direct, Overlapping and Underlying Sales Tax Rates (Unaudited)

Last Ten Fiscal Years

For The Fiscal Year Ended June 30,	Direct		Overlapping	Underlying	Total Direct, Overlapping and Underlying Rates
	Polk County		State of Georgia	Polk County Schools [3]	
	LOST [1]	SPLOST [1]			
2008	1.00%	1.00%	4.00%	1.00%	7.00%
2009	1.00%	1.00%	4.00%	1.00%	7.00%
2010	1.00%	1.00%	4.00%	1.00%	7.00%
2011	1.00%	1.00%	4.00%	1.00%	7.00%
2012	1.00%	1.00%	4.00%	1.00%	7.00%
2013	1.00%	1.00%	4.00%	1.00%	7.00%
2014	1.00%	1.00%	4.00%	1.00%	7.00%
2015	1.00%	1.00%	4.00%	1.00%	7.00%
2016	1.00%	1.00%	4.00%	1.00%	7.00%
2017	1.00%	1.00%	4.00%	1.00%	7.00%

Data Source:

[1] Georgia Department of Revenue, Sales and Use Tax Division,

https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/LGS/Distributions/LGS_2017_Oct_Rate_Chart_Historical.pdf

Exhibit XVI

Polk County, Georgia
Direct and Underlying Governmental Activities Debt (Unaudited)
June 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Underlying Debt[2, 3]			
Cities			
Cedertown	$ -	100.0%	$ -
Rockmart			
Capital leases	228,930	100.0%	228,930
Notes payable	1,977,333	100.0%	1,977,333
Aragom	-	100.0%	-
Polk County School Board:			
General obligation bonds	14,500,000	100.0%	14,500,000
Appreciation bonds	1,150,423	100.0%	1,150,423
Total Underlying Debt			17,856,686
County Direct Debt			-
Total Direct and Underlying Debt			$ 17,856,686

[1] Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the County's geographic boundaries and dividing it by each government's total assessed valuation.

[2] Underlying governments are those that coincide, at least in part, with the geographic boundaries of the County.

Data Source:

[3] Each specific government.

Polk County, Georgia
Legal Debt Margin (Unaudited)
Last Ten Fiscal Years

	June 30,									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Assessed Value [1]	$ 913,045,941	$ 1,000,323,343	$ 990,010,772	$ 979,417,983	$ 937,813,027	$ 970,188,188	$ 963,737,526	$ 939,182,719	$ 942,185,023	$ 937,122,188
Legal Debt Margin										
Debt limit (10% of assessed value)[2]	$ 91,304,594	$ 100,032,334	$ 99,001,077	$ 97,941,798	$ 93,781,303	$ 97,018,819	$ 96,373,753	$ 93,918,272	$ 94,218,502	$ 93,712,219
Debt applicable to limit: [2]										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 91,304,594	$ 100,032,334	$ 99,001,077	$ 97,941,798	$ 93,781,303	$ 97,018,819	$ 96,373,753	$ 93,918,272	$ 94,218,502	$ 93,712,219
Total net debt applicable to the limit as a % of the debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

[2] Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the County's outstanding general obligation debt should not exceed 10% of the assessed

Data Source:

[1] Statistical table of "*Taxable Assessed Value and Estimated Actual Value of Property – By Type* ."

Exhibit XVIII

Polk County, Georgia

Ratio of Total Debt Outstanding by Type (Unaudited) [1]

Last Ten Fiscal Years

	Governmental Activities				
June 30,	**Installment Contracts**	**Notes**	**Total**	**Estimated** [2] **Population**	**Per Capita**
2008	806,780	-	806,780	41,407	19
2009	406,132	-	406,132	41,386	10
2010	78,357	-	78,357	41,536	2
2011	14,761	-	14,761	41,280	-
2012	7,587	-	7,587	41,113	-
2013	2,761	-	2,761	41,117	-
2014	591	-	591	41,042	-
2015	-	-	-	41,524	-
2016	-	-	-	41,776	-
2017	-	-	-	41,776	-

Data Sources:

[1] Applicable years' comprehensive annual financial report.

[2] Demographic and economic statistics table.

Polk County, Georgia
Demographic and Economic Statistics (Unaudited)
Last Ten Years

Year	Population [1]	Total Personal Income [2]	Per Capita Personal Income [2]	School Enrollment [3]	Unemployment Rate [4]			County Employment[4]
					County	State of Georgia	United States	
2008	41,407	$ 1,066,617	$ 25,759	7,270	6.3%	6.2%	5.8%	20,140
2009	41,386	1,055,515	25,504	7,372	10.8%	9.9%	9.3%	18,905
2010	41,536	1,066,877	25,686	7,448	12.0%	10.5%	9.6%	16,443
2011	41,280	1,095,484	26,538	7,525	11.5%	10.2%	8.9%	16,532
2012	41,113	1,098,300	26,714	7,428	10.0%	9.2%	8.4%	16,917
2013	41,117	1,099,840	26,749	7,323	8.9%	8.2%	7.6%	16,863
2014	41,042	1,148,442	27,982	7,654	7.8%	7.1%	6.3%	16,924
2015	41,524	1,213,174	29,216	7,715	7.1%	6.0%	5.3%	16,944
2016	41,776	1,253,366	30,002	7,725	6.3%	5.4%	4.9%	17,047
2017	-	-	-	7,821	5.1%	4.8%	4.2%	17,322

Data Sources:

[1] http://recenter.tamu.edu/data/popc/popcs13.html - 2017 data was not available.

[2] U.S. Bureau of Economic Analysis - 2017 data was not available.

[3] GA Department of Education, March count - http://app.doe.k12.ga.us/ows-bin/owa/fte_pack_ethnicsex.entry_form

[4] Real Estate Center, http://recenter.tamu.edu/data/emp/empc/cntycn132850.asp

Exhibit XX

Polk County, Georgia
Principal Employers (Unaudited)
For the Fiscal Year Ended June 30, 2017 [1]

Employer	Type of Business	2017 Number of Employees	2017 Rank	2017 Percentage of Major County Employers
Meggit Polymers and Composites	Manufacture aircraft fuel tanks	930	1	5.77%
Hon Company	Furniture Office Equipment	750	2	4.66%
Tip Top Poultry Inc.	Poultry Cooking Plant	650	3	4.04%
AT&T	Telecommunications (Mobility)	413	4	2.56%
Angelica Textile Services	Commercial Laundry	234	5	1.45%
Jefferson Southern Corp.	Manufacture Auto Parrts	220	6	1.37%
EBY Brown	Wholesale Grocer	135	7	0.84%
Agro Merchants Group	Refrigerated Warehouse	128	8	0.79%
Advanced Storage Systems	Manufacture Storage Systems	122	9	0.76%
Gildan Yarns	Manufacture Yarn	104	10	0.65%
Total Principal Employees		3,686		22.89%
Other Employees-estimated		12,420		77.11%
Total Employees		16,106		100.00%

Notes:

[1] As data becomes available principal employeers will be presented for the current year and the year nine years prior.

Data Source:
Polk County Chamber of Commerce
Specific local governments.

Polk County, Georgia
Number of Employees (Unaudited)
Last Ten Fiscal Years

Function/program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Board of commissioners	6	6	6	6	6	6	6	6	6	6
Administration	1	2	2	2	2	2	2	2	1	1
County clerk	1	1	1	1	1	1	1	1	1	1
Human resources	-	-	-	-	-	2	2	2	2	2
Finance	4	4	4	4	4	3	3	3	3	3
Information technology [1]	2	2	2	2	2	1	1	2	2	1
Voter registration	3	3	3	3	3	2	2	2	2	2
Tax commissioner	9	9	9	9	9	9	9	9	9	10
Tax assessor	11	10	10	10	9	9	10	10	10	8
Total General Government	37	37	37	37	36	35	36	37	36	34
Judicial										
Probate court	6	6	6	6	7	6	6	6	6	6
Juvenile court	2	2	1	1	2	2	2	2	3	3
Magistrate court	6	6	6	6	6	6	6	6	5	5
Clerk of superior court	11	11	11	11	10	10	11	11	11	11
District attorney [2]	2	2	2	2	2	3	3	3	3	3
DUI/drug court	1	1	1	1	1	1	1	1	1	1
Total Judicial	28	28	27	27	28	28	29	29	29	29
Public Safety										
Police protection	121	121	119	117	124	108	112	109	109	116
Fire protection	2	1	1	1	1	1	1	-	-	-
E-911	20	17	15	18	18	18	17	18	16	17
Emergency management	-	1	1	1	1	1	1	2	2	2
Total Public Safety	143	140	136	137	144	128	131	129	127	135
Highways and Streets										
Highways and streets	33	29	32	29	32	32	32	29	33	34
County shop	4	4	4	4	4	4	4	4	4	3
Sanitation	2	2	2	2	2	2	2	2	2	2
Total Highways and Streets	39	35	38	35	38	38	38	35	39	39
Culture and Recreation										
Transportation	4	-	-	-	-	-	-	-	-	-
Total Culture and Recreation	4	-	-	-	-	-	-	-	-	-
Total	251	240	238	236	246	229	234	230	231	237
Percentage Change From Prior Year	5.9%	-4.4%	-0.8%	-0.8%	4.2%	-6.9%	2.2%	-1.7%	0.4%	2.6%

Notes:

[1] Service has been contracted out.

[2] All employees of this office are state employees.

Data Source:
Polk County Human Resources Department

Polk County, Georgia
Operating Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

Function/program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fire										
Emergency responses	667	553	672	804	802	832	775	890	557	739
Medical responses	77	-	-	73	153	188	168	239	237	198

Data Source :
Fire Departments.

Polk County, Georgia
Capital Asset Statistics by Function/Program (Unaudited)
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Fire stations	9	9	9	9	9	9	9	9	9	9

Data Source:
Fire Department

COMPLIANCE SECTION

The Compliance Section includes schedules of projects construction with Special Purpose Local Option Sales Tax and the Independent Auditor's Reports on Internal Control.

Polk County, Georgia
Schedule of Projects Constructed With
Special Purpose Local Option Sales Tax
For the Fiscal Year Ended June 30, 2017

Project	Original Estimated Cost	Prior Years	Current Year	Total	Less Intergovernmental Revenue	Net SPLOST Expenditures	Estimated Percentage of Completion
2003 SPLOST							
Roads, streets and bridges	$ 4,850,000	$ 6,720,367	$ -	$ 6,720,367	$ 2,383,578	$ 4,336,789	89%
Other projects:							
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 - principal		6,899,780	-	6,899,780	-	6,899,780	
Debt service - interest		462,929	-	462,929	-	462,929	
Public safety equipment		1,998,420	-	1,998,420	-	1,998,420	
Other projects total	6,500,000	14,258,203	-	14,258,203	-	14,258,203	219%
Intergovernmental:							
City of Cedartown	5,700,000	5,839,595	-	5,839,595	-	5,839,595	102%
City of Rockmart	4,600,000	4,508,015	-	4,508,015	-	4,508,015	98%
City of Aragon	350,000	561,183	-	561,183	-	561,183	160%
Intergovernmental total	10,650,000	10,908,793	-	10,908,793	-	10,908,793	102%
Program Total	$ 22,000,000	$ 31,887,363	$ -	$ 31,887,363	$ -	$ 29,503,785	134%
2008 SPLOST							
Roads, streets, and bridges	$ 4,200,000	$ 5,909,652	$ 99,624	$ 6,009,276	$ 2,010,174	3,999,102	95%
Transportation equipment and facilities	2,540,000	200,454	1,256,196	1,456,650	-	1,456,650	57%
County building and facilities	1,650,000	1,203,380	-	1,203,380	-	1,203,380	73%
Public safety equipment	4,765,000	3,499,570	248,989	3,748,559	-	3,748,559	79%
Economic development	2,606,200	1,898,421	-	1,898,421	-	1,898,421	73%
Public welfare improvements	1,230,000	210,227	-	210,227	-	210,227	17%
Public health equipment and facilities	1,078,000	-	-	-	-	-	0%
Recreation facilities	1,270,000	43,643	-	43,643	-	43,643	3%
Project total	19,339,200	12,965,347	1,604,809	14,570,156	2,010,174	12,559,982	65%
Intergovernmental:							
City of Cedartown	8,942,400	7,544,623	-	7,544,623	-	7,544,623	84%
City of Rockmart	7,210,800	6,162,559	-	6,162,559	-	6,162,559	85%
City of Aragon	507,600	505,651	-	505,651	-	505,651	100%
Intergovernmental total	16,660,800	14,212,833	-	14,212,833	-	14,212,833	85%
Program Total	$ 36,000,000	$ 27,178,180	$ 1,604,809	$ 28,782,989	$ 2,010,174	$ 26,772,815	74%
2014 SPLOST							
Public infrastructure improvements	$ 5,900,000	$ 352,270	$ 20,960	$ 373,230	$ -	373,230	6%

Polk County, Georgia

Schedule of Projects Constructed With

Special Purpose Local Option Sales Tax

For the Fiscal Year Ended June 30, 2017

Project	Original Estimated Cost	Prior Years	Current Year	Total	Less Intergovernmental Revenue	Net SPLOST Expenditures	Estimated Percentage of Completion
Transportation equipment and vehicles	390,000	51,853	38,530	90,383	-	90,383	23%
County buildings, facilities, and equipment	2,760,000	109,885	124,743	234,628	-	234,628	9%
Public safety equipment and vehicles	6,089,000	1,015,866	241,005	1,256,871	-	1,256,871	21%
Economic development	1,300,000	-	-	-	-	-	0%
Public works equipment and vehicles	1,760,000	192,625	-	192,625	-	192,625	11%
Recreation facilities	1,200,000	575,000	-	575,000	-	575,000	48%
Project total	19,399,000	2,297,499	425,238	2,722,737	-	2,722,737	14%
Intergovernmental:						-	
City of Cedartown	8,970,000	2,232,754	1,093,010	3,325,764	-	3,325,764	37%
City of Rockmart	7,233,000	1,798,993	881,360	2,680,353	-	2,680,353	37%
City of Aragon	509,000	126,638	62,043	188,681	-	188,681	37%
Intergovernmental total	16,712,000	4,158,385	2,036,413	6,194,798	-	6,194,798	37%
Program Total	$ 36,111,000	$ 6,455,884	$ 2,461,651	$ 8,917,535	$ -	$ 8,917,535	25%

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Polk County 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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 15, 2018.

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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 the County'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*.

We noted certain matters that we reported to management of the County in a separate later dated January 15, 2018.

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.

Nichols, Cauley & Associates, LLC

Kennesaw, Georgia
January 15, 2018