POLK COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2018

Prepared by: Finance Department

Polk County, Georgia
Comprehensive Annual Financial Report
For The Year Ended June 30, 2018

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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

JENNIFER HULSEY
CHAIRMAN

HAL FLOYD
VICE-CHAIRMAN

JOSE IGLESIAS

CHUCK THAXTON

MARSHELLE 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

December 21, 2018

The Honorable Jennifer Hulsey, 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, 2018.

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, 2018, 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, 2018, 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 the MD&A. 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, county clerk, and auditors. The County Manager 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 budget 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

Polk County has experienced only moderate growth in our local economy similar to what other communities are experiencing. During 2018, Polk County saw its total tax digest have a slight increase. The unemployment rate for Polk County fell to 4% in 2018. Sales tax revenue increased by 9.86% in 2018, compared to 2017.

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 2018 budget reflected substantial investment by the County in addition to State Funds that enabled the County to resurface approximately 20.62 miles of county roads. We are also looking ahead to completing maintenance and improvements to the County's bridges and culverts.

In years 2019 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. The greatest challenge continues to be the funding of County operations. Operational costs continue to increase at a faster rate than revenues. Without appropriate adjustments, programs and services provided by the County will experience detrimental effects.

Looking forward, the County will continue to explore opportunities to improve Public Safety which is one of the County's highest priorities. The combined departmental budgets for Public Safety comprise 43% of the General Fund's operating budget, totaling approximately $9.5 million. Employee retention and compensation top the list of sought after improvements. To better compete in today's market, the County has contracted with the Carl Vinson Institute of Government to complete a salary and wage study. Most fiscal year 2019 capital expenditures (vehicles, equipment, etc.) for Public Safety will be made with SPLOST funds.

Maintaining and updating the County's buildings and facilities is also a top priority for the County. During fiscal year 2018, the County completed a new Public Works Facility using SPLOST and Landfill revenues. Additional improvements are planned for fiscal year 2019. The Sheriff's Department and Jail are among the list of priorities as well as Court House updates and improvements.

As already mentioned, SPLOST is a vital source of revenue which funds many projects throughout the County. For the first time since 2012, the County has realized an increase in SPLOST revenue. Declines in SPLOST revenue during prior years have 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 recorded steady decreases in LOST revenue until fiscal year 2018 which realized an increase.

On November 6, 2018 county voters passed a referendum for a 2020 SPLOST which will extend the existing SPLOST. Collections will begin on July 1, 2020, for six year. The county projects include county wide recreation, public infrastructure improvements, public safety facilities, equipment and vehicles, public works facilities, equipment, and vehicles, transportation equipment, and vehicles, county buildings, facilities, and equipment and economic development.

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,

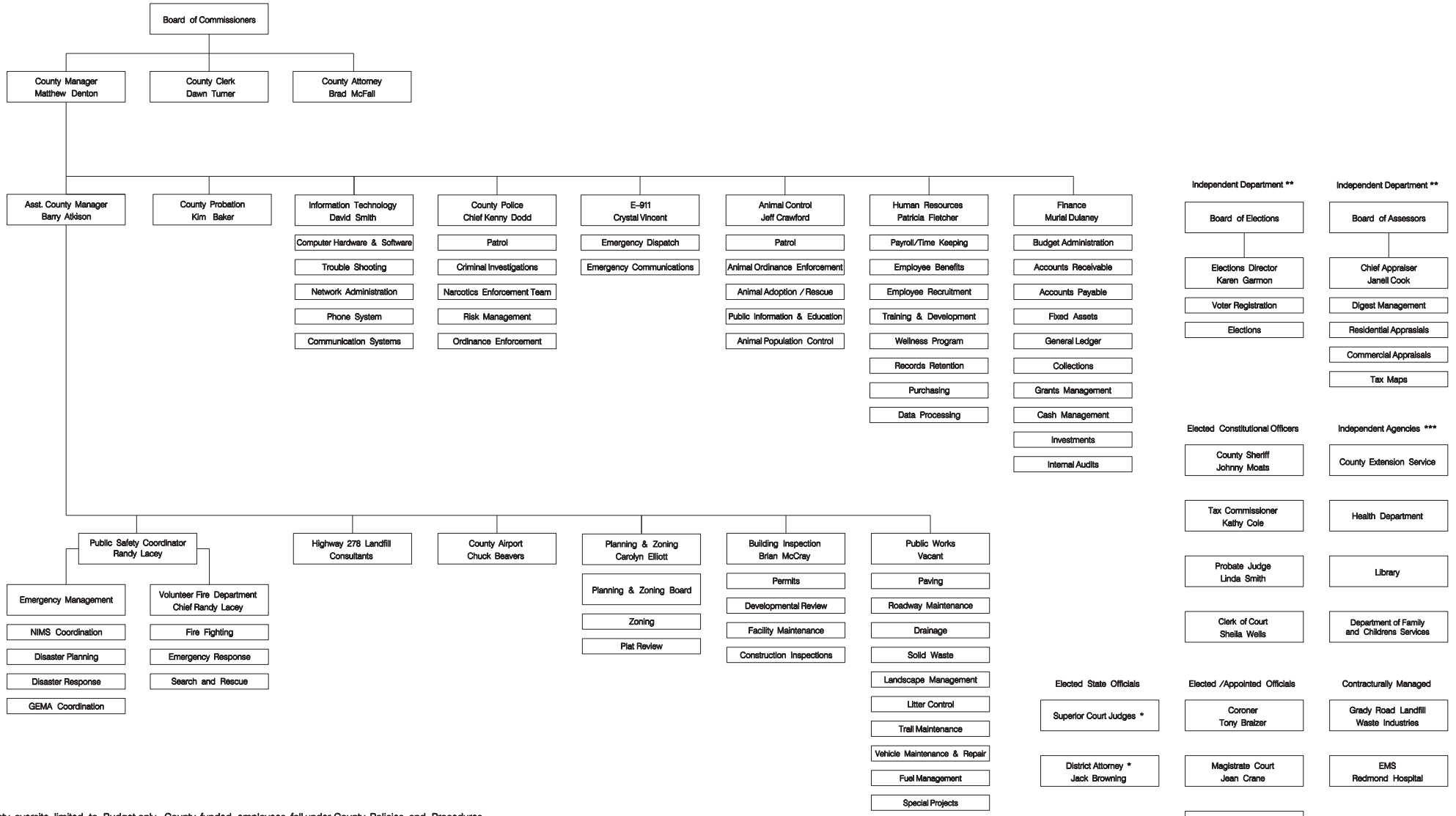




Matthew Denton
County Manager

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. 4/2018

Polk County, Georgia
Officials of Polk County, Georgia
June 30, 2018

Board of Commissioners	District
Ms. Jennifer Lankford Hulsey, Chairman	**2**
Mr. Hal Floyd, Vice Chairman	**3**
Mr. Marshelle Thaxton	**3**
Mr. Jose Iglesias	**1**
Mr. Scotty Tillery	**1**
Mr. Chuck Thaxton	**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.

NICHOLS, CAULEY & ASSOCIATES, LLC
1825 Barrett Lakes Blvd, Suite 200
Kennesaw, Georgia 30144
770-422-0598 FAX 678-214-2355
kennesaw@nicholscauley.com

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, 2018, 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 13%, -206%, and 79% 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, 2018, 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.

Emphasis of Matter

As described in Note 4-E, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, for the year ending June 30, 2018. This standard significantly changes the accounting for the County's total OPEB liability and the related disclosures. Our opinion is not modified with respect to this matter.

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 60, schedule of County pension contributions on page 61, the schedule of changes in the County's total OPEB liability and related ratios on page 62, the schedule of County OPEB contributions on page 63, and the budgetary comparison schedules for the General Fund and E-911 Emergency Telephone Fund on pages 64-70 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 fund financial statements and schedules, the Schedule of Projects Constructed With Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia 48-8-121, and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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 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 December 21, 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
December 21, 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, 2018. Within the context of the accompanying financial statements and disclosures following this section, the County's financial performance is discussed and analyzed.

2018 FINANCIAL HIGHLIGHTS

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $47,833,125 (total net position) as of June 30, 2018.
- Total net position is comprised of the following:
  (1) Capital assets net of related debt of $35,639,102, 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 $7,435,262 is restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
  (3) Unrestricted net position of $4,758,761.
- The County's governmental funds reported total ending fund balance of $17,241,129 at June 30, 2018. This compares to the prior year ending fund balance of $16,539,320 showing an increase of $701,809 during the current year.
- At the end of the current year, the unassigned fund balance for the General Fund was $9,064,709 or 43.1% 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 nonmajor 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 60 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 $47,833,125. The following table provides a summary of the County's net position:

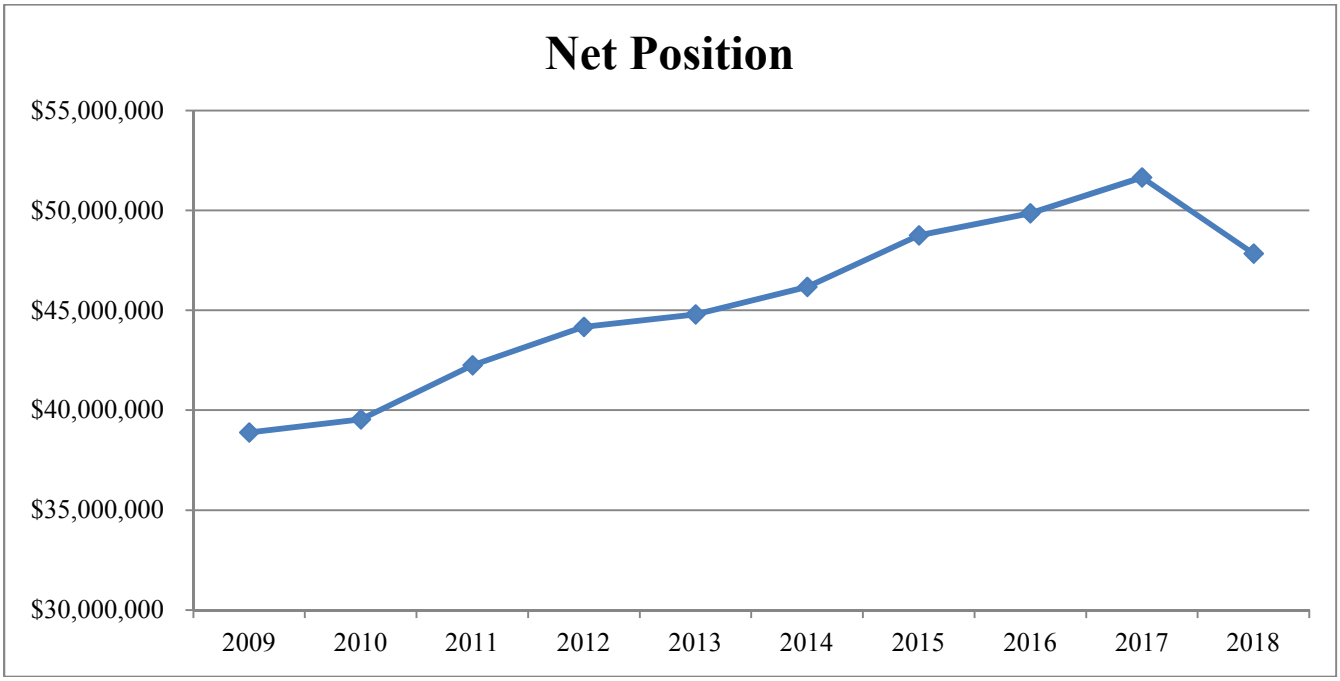
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017 (1)	2018	2017	2018	2017 (1)
Assets:						
Current and other assets	$ 20,774,315	$ 20,045,507	$ 12,132,879	$ 11,311,771	$ 32,907,194	$ 31,357,278
Capital assets	35,271,627	34,652,007	367,475	377,967	35,639,102	35,029,974
Total assets	56,045,942	54,697,514	12,500,354	11,689,738	68,546,296	66,387,252
Deferred Outflows of Resources:						
Deferred outflows	1,718,766	1,755,337	-	-	1,718,766	1,755,337
Liabilities:						
Current liabilities	2,140,019	1,982,070	33,929	7,725	2,173,948	1,989,795
Long-term liabilities	14,169,491	15,422,070	3,706,077	3,471,878	17,875,568	18,893,948
Total liabilities	16,309,510	17,404,140	3,740,006	3,479,603	20,049,516	20,883,743
Deferred Inflows of Resources:						
Deferred inflows	2,382,421	-	-	-	2,382,421	-
Net position:						
Net investment in capital assets	35,271,627	34,494,657	367,475	377,967	35,639,102	34,872,624
Restricted	7,435,262	7,577,708	-	-	7,435,262	7,577,708
Unrestricted	(3,634,112)	(3,023,654)	8,392,873	7,832,168	4,758,761	4,808,514
Total net position	$ 39,072,777	$ 39,048,711	$ 8,760,348	$ 8,210,135	$ 47,833,125	$ 47,258,846

(1) As restated for effect of GASB 75

(This page continued on the subsequent page)

The following chart reports the County's total net position balances from years 2009 – 2018 before any restatements.



Current assets in governmental activities increased in the current year by $728,808 and for business-type activities increased $821,108. Current liabilities increased $157,949 for governmental activities and for business-type activities increased $26,204.

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 9.7 to 1 as compared to 10.1 to 1 at June 30, 2017. 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 2018, net position increased $24,066, before a restatement of $4,391,332 to beginning net position for governmental activities due to the implementation of GASB 75 during 2018 and increased $550,213 for business-type activities.

Note that approximately 62.9% 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 52.0% 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, 2018 and 2017:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	**2017 (1)**	**2018**	**2017 (1)**	**2018**	**2017 (1)**
Revenues:						
Program:						
Charges for services and fines	$ 3,599,482	$ 3,455,639	$ 1,638,602	$ 1,637,205	$ 5,238,084	$ 5,092,844
Operating grants and contributions	513,196	383,881	-	-	513,196	383,881
Capital grants and contributions	1,214,004	1,075,569	-	-	1,214,004	1,075,569
General:						
Property taxes	11,451,351	11,101,393	-	-	11,451,351	11,101,393
Intangible taxes	128,390	139,084	-	-	128,390	139,084
Real estate transfer taxes	39,188	40,975	-	-	39,188	40,975
Alcoholic beverage taxes	112,665	116,653	-	-	112,665	116,653
Sales taxes	7,480,852	6,818,073	-	-	7,480,852	6,818,073
Insurance premium tax	1,621,552	1,510,822	-	-	1,621,552	1,510,822
Other taxes	81,425	83,750	-	-	81,425	83,750
Other	91,889	72,507	43,119	25,076	135,008	97,583
Transfers	957,076	2,269,081	(957,076)	(2,269,081)	-	-
Total revenues	27,291,070	27,067,427	724,645	(606,800)	28,015,715	26,460,627
Program Expenses:						
General government	3,873,739	3,788,675	-	-	3,873,739	3,788,675
Judicial	3,258,630	3,053,796	-	-	3,258,630	3,053,796
Public safety	11,333,838	11,902,210	-	-	11,333,838	11,902,210
Public works	6,433,613	5,097,520	-	-	6,433,613	5,097,520
Planning/community development	1,035,598	1,126,425	-	-	1,035,598	1,126,425
Health and welfare	316,946	333,746	-	-	316,946	333,746
Culture and recreation	403,419	324,018	-	-	403,419	324,018
Sanitation	593,702	585,650	-	-	593,702	585,650
Interest and fiscal charges	17,519	16,172	-	-	17,519	16,172
Solid waste	-	-	174,432	62,273	174,432	62,273
Total expenses	27,267,004	26,228,212	174,432	62,273	27,441,436	26,290,485
Revenues over (under) expenses	24,066	839,215	550,213	(669,073)	574,279	170,142
Beginning net position (as restated)	39,048,711	42,600,828	8,210,135	8,879,208	47,258,846	51,480,036
Ending net position	$ 39,072,777	$ 43,440,043	$ 8,760,348	$ 8,210,135	$ 47,833,125	$ 51,650,178

(1) The effect of the 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 42.0% of total revenues as compared to 41.0% in 2017, and sales taxes provided 27.4% of total revenues as compared 25.2% in 2017. Insurance premium taxes saw a $110,730 increase. Other tax collections decreased $2,325 which consists of a number of small taxes, while intangible taxes saw an decrease of $10,694 over the prior year.

Charges for services and fines increased approximately 4.2%. Overall, charges for services and fines increased by $143,843. This was due to an increases in fines.

Operating grants vary from year to year, and 2018 saw an increase in grant funds received. In total, operating grant revenue in 2018 was over those of 2017 by $129,315. Capital Grants and contributions for 2018 were $138,435 more than those of 2017. The increase in capital grants and contributions was due to an increase in LMIG revenues and Drug and Mental Health Grants.

In 2018, there was $70,691 in investment earnings. This is more than the 2017 earnings of $30,600 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 19.5% and 18.7% of governmental expenses for 2018 and 2017, respectively. This means the government's taxpayers and the County's other general revenues normally fund 80.5% 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	$ 3,873,739	14.2%	$ (2,864,420)	13.1%
Judicial	3,258,630	12.0%	(1,917,742)	8.7%
Public safety	11,333,838	41.6%	(10,099,260)	46.0%
Public works	6,433,613	23.6%	(5,227,841)	23.8%
Planning/community development	1,035,598	3.8%	(499,473)	2.3%
Health and welfare	316,946	1.2%	(316,946)	1.4%
Culture and recreation	403,419	1.5%	(403,419)	1.8%
Sanitation	593,702	2.2%	(593,702)	2.7%
Interest and fiscal charges	17,519	0.1%	(17,519)	0.1%
Total	$ 27,267,004	100.0%	$ (21,940,322)	100.0%

The public safety expenses total 41.6% of gross costs and 46.0% 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 increased $810,616. Total liabilities increased $260,403.

In total, operating revenues were up $1,397 or less than 1% and operating expenses were up $112,159 or 180.1% from 2017 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 2018, the Solid Waste Disposal Fund reported an operating gain of $1,464,170 as compared to $1,574,932 in 2017.

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 $17,241,129 compared to $16,539,320 in 2017. The General Fund reported an increase of $269,050 due to very conservative spending. The SPLOST funds reported an increase in fund balance of $ 446,479 due to several projects that have not been completed. The E-911 Emergency Telephone Fund reported an increase to the negative fund balance by $1,827 because with the purchase of the new equipment, we did not have to pay annual maintenance contracts.

Of this year-end total, $8,729,796 is unassigned indicating availability for continuing County service delivery requirements. $1,076,071 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 of $7,015,888, public safety of $118,905, and other programs purposes of $300,469

The total ending fund balances of governmental funds show an increase of $701,809 or 4.24% 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 $269,050 or 2.7% as compared to a 7.8% increase in 2017, before considering restatements. The ending unassigned fund balance is considered adequate, representing the equivalent of 43.06% of annual expenditures for 2018 compared to 44.04% at June 30, 2017. 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 increased $329,315 or 3.29%. The current year digest was slightly less than the prior year. Local option sales tax (LOST) increased $256,300 or 9.87%, which indicates the economic growth. Real estate transfer taxes decreased 4.4%. Intangible taxes decreased by 7.7%. Insurance premium tax increased 7.3%. In total, taxes increased $851,026, or 5.5% over fiscal year 2017.

In 2018, licenses and permits were $16,577 or 14.48% above the prior year. The increase indicates that the trend is steady for occupational and building permits. Building permit revenues increased steady for the year when compared to 2017, which reported a substantial increase because of homeowners making improvements to their existing homes as well as building new homes. This is a sign of the improving economy.

Overall, 2018 saw a $254,322 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. A large portion of this was an additional LMIG grant for Cherokee Road paving as well as Mental Health and Adult Drug Court.

Total charges for services increased by $69,324 or 7.6%. Prisoner housing revenue increased $63,159. This was due to boarding more federal prisoners and an increase in inmate population. Airport fuel sales was down $8,240. This was due to less skydiving at the airport. The increased tax revenues mentioned above have resulted in increased commissions of $13,952.

Total fines and forfeitures increased by $4,167. The Clerk of Superior Court Fines continue to decline with a $7,168 decrease. Magistrate Court remained steady while Probate Court showed a slight increase of $3,303. Juvenile Court increased $1,544 or 52%, as Juvenile Court caseloads continue to expand. County Ordinance showed the largest increase with a $6,277 increase over 2017. All of these revenue sources vary depending upon caseloads and disposition of each court.

Other revenues increased by $118,842, or 18.9% from 2017 due to more insurance and miscellaneous reimbursements as well an increase in other fees.

In 2018, funds of approximately $903,046 were transferred to the General Fund compared to $1,307,354 in 2017. The funds transferred were primarily used for completion of the Public Works Facility, Airport Expansion Project and General Fund Operations.

The 2018 General Fund expenditures are $1,341,253 or 6.8% more than 2017 expenditures. Described below are the most significant changes from the prior year.

General government expenditures are $91,122 or 2.7% more than those of 2017. Administration showed a 1.25% decrease due to the decrease cost of group insurance and insurance deductibles. We are now distributing the group insurance deductible to the employee departments as opposed to putting it all in administration in 2017. Elections was up 7.03% due to more elections held than the prior year. The Information Technology department was down 17.1% due to a vacant position for a portion of the year. The Tax Commissioner was up 3.51% due to temporary salaries running extremely high. She had two employees on maternity leave. The Tax Assessors office was up 9.4% due to the return of an independent contractor who appraised commercial property. They were also fully staffed for a portion of the year. Building maintenance was up 6.84% from the prior fiscal year. This was due to an increase in the cleaning contract price and an increase in utility cost due to the addition of the new Public Works Facility. Building maintenance cost increased due to the age and conditions of the buildings.

Judicial expenditures exceed those of the prior year by $240,578 or 8.6%. The Clerk of Superior Court had an increase of $13,852 or 2.1% due to increases in salary and technical service. This is primarily due to the enhancements checks and salary adjustments. Superior Court increased $111,904 or 39.1% due to a change in payments type of the Mental Health Court Director. Mental Health and Drug Court cost increased $ 27,418 or 12.0%. The prior Mental Health Court director is paid on a contract basis through the department, while the new director is a paid employee through Superior Court. The District Attorney cost increased slightly at 1.67%. This was in salary account and is primarily due to the enhancement checks and salary adjustments. Magistrate Court cost had a 7.23% increase or $ 28,060. The salary account increased 13.87%. This is due to an increase in caseload requiring part time Magistrate Judges to work more hours. Probate Court saw a 3.12% increase due to a slight increase in fingerprint fees due and a 42.86% increase in salary temporary. This was due to part time Public Defender being added. Juvenile Court was 4.8% or 16,304 less than 2017. This was due to a decrease in payments to Haralson County. The Public Defender Office had a 6.4% increase. The Coroner's Office had a $ 21,898 or 36.7% increase. This is due to the Coroner joining the group health insurance plan and adding an additional part time coroner to the Staff. The salary sccount increased 20% due to an increasing caseload.

Public safety is a priority in the County. General fund public safety expenditures are $141,485, or 1.7% more than 2017. The County Police decreased $ 89,139 or 3.39% due to a large number of vacant positions. The Sheriff Department has a 4.4% increase with increases in salary due to enhancement checks and salary adjustments given by the Board of Commissioners. Also, inmate food and supplies were up due to increase population. Jail Medical increased $38,296 or 10.0%. This was due to increased population which required more outside hospital trips. Emergency Management remained steady with a 1.19% increase, while the Fire Department had a 24.8% decrease. This was due to purchasing less supplies. Animal Control increased $ 29,287 or 9.9% due to additional cost in Salaries, group insurance and auto repairs.

The public works expenditures increased $710,549 or 23.9%. The Department saw an increase in roadway material. The new public works building was finished which caused an increase in overall expenditures.

Planning and community development expenditures increased by $165,519 or 16.8% from 2017. Airport expenditures showed a 35.3% or $ 125,878. This was due to the start of the runway extension project. Economic development is a priority for the County and consistent with the prior year. Permits and Inspections increased to $ 34,928 or 19.2% due an additional maintenance man being added. Also, Extension Service increased 6.6% due to an increase in the cost of the State of Georgia benefits for the employee supplements.

Health and welfare expenditures decreased 5.4% due to the closure of the Rockmart Health Department.

Culture and recreation expenditures remained steady with a .2% decrease.

Sanitation expenditures increased by $8,052 or 1.4% from 2017. This was due to an increase in Salary and auto repairs.

SPLOST Capital Projects Fund

This fund is utilized to account for the proceeds of a 1 percent special purpose local option sales tax, approved by the Polk County Voters. Polk County currently has two SPLOST in use.

The 2008 SPLOST was approved on November 6, 2007 for a period of time not to exceed six years for the purpose of funding County-wide projects and projects controlled through intergovernmental agreements with the cities of Cedartown, Rockmart, and Aragon.

The 2014 SPLOST fund was 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.

These funds are being spent down, consistent with the approved referendum projects.

In 2018, these funds recognized $4,882,290 in sales tax revenue and had investment earnings of $10,846.

These funds expended $2,107,133 for County projects controlled by the Board of Commissioners, including $74,640 for general government, $22,158 for judicial projects, $685,951 for public safety, and $1,324,384 for public works. We transmitted $2,339,524 to the cites pursuant to the applicable intergovernmental agreements.

At June 30, 2018, the fund balance was $7,015,888, an increase of $446,479 compared to previously reported fund balance of $6,569,409 at June 30, 2017.

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, 2018, cash and accounts receivable were $67,844, or 50.7%, more than 2017 while accounts payable, accruals, and advances to other funds were up $72,007, or 15.3%. The fund deficit at June 30, 2018 was $334,913 which is a decrease in the deficit fund balance reported in 2017 of $336,740 by 0.5%.

Charges for services decreased by $29,996, or 4.6%, from 2017. This was due to a decline in telephone revenue for landline and cell phones. Total expenditures in 2018 were $916,504 or 47.5%, less than 2017. 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 2018, by $2,697,325 or 15.0%.

Tax revenues were above the final budget by approximately $55,784. While general property taxes were $265 over budget, motor vehicle and mobile home taxes were over budget by $128, Local Option Sales Tax was over budget by $62, and interest and penalties were $83 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 2018 budget. Insurance Premium, franchise, and real estate transfer tax exceeded budget.

In total, intergovernmental revenues were under budget. Airport grants declined while grants for Drug and Mental Health Courts and LMIG grants increased. Grant amounts exceeded budgeted expectations.

Charges for services were under the final budget by a nominal $114,109 or 10.4%. Variance with budget in all charges is minimal.

Total fines and forfeitures were $26,850 below the final budget. The largest variance is county probation which is $26,672 under budget. Juvenile, Magistrate, and Probate Court were all under budget by minimal amounts. Clerk of Superior Court was over budget $253.

The General Fund's expenditure budget was decreased by $820,370 or 4.0%.

The general government was under budget by $77,690. Administration was under $63,342. This was due to all contingency funds not being used. Information technology was under by $1,361 because all planned projects were not completed. General appropriation was under budget $1,532. Tax Assessors, Tax Commissioners, Public buildings, and Election and Registrar were all slightly below budget.

The judicial function was under budget by 28,515. The Superior Court was under budget by $6,854. These actual expenditures can fluctuate with types of cases and the number that actually go to trial. Juvenile Court was under by $608. Caseloads and the number of court appointed attorneys vary for this department. Magistrate was under by $2,107. Clerk of Superior Court, Probate Court and Juvenile Court were all under budget by minimal amounts.

The public safety budget was under spent by $78,238 or less than 1%. This is a nominal amount for the $8.6 million public safety budget. Sheriff's office was $14,457 or .3% under budget while County Police was $49,530 or 1.85% under budget. This was due to the departments not being fully staffed.

The public works budget was under budget by $8,501 or .231% . Culture and recreation was consistent with budget. Planning and community development was under budget by $15,755. Health and welfare came in with no variance between actual expenditures and budgeted expenditures. Sanitation was under budget by $1,298.

In total, the County underspent the final general fund expenditures and other financing uses budget by $210,055 or 1.0%.

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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, 2018 was $35,271,627 and $367,475, respectively. The change in this net investment was an approximate 2.3% increase for governmental activities and decrease of 2.8% 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	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Non-depreciable assets:						
Land	$ 3,197,378	$ 3,197,378	$ 180,890	$ 180,890	$ 3,378,268	$ 3,378,268
Construction in progress	275,345	1,863,738	-	-	275,345	1,863,738
Total non-depreciable	3,472,723	5,061,116	180,890	180,890	3,653,613	5,242,006
Depreciable assets:						
Buildings and improvements	25,362,191	23,157,740	4,970,255	4,970,255	30,332,446	28,127,995
Machinery, equipment and vehicles	15,352,159	14,529,158	-	-	15,352,159	14,529,158
Infrastructure	38,377,739	37,289,765	-	-	38,377,739	37,289,765
Total depreciable assets	79,092,089	74,976,663	4,970,255	4,970,255	84,062,344	79,946,918
Less accumulated depreciation	47,293,185	45,385,772	4,783,670	4,773,178	52,076,855	50,158,950
Book value - depreciable assets	31,798,904	29,590,891	186,585	197,077	31,985,489	29,787,968
Percentage depreciated	59.8%	60.5%	96.2%	96.0%	62.0%	62.7%
Total Capital Assets	$ 35,271,627	$ 34,652,007	$ 367,475	$ 377,967	$ 35,639,102	$ 35,029,974

At June 30, 2018, the depreciable capital assets for governmental activities were 59.8% depreciated. This compares to 60.5% at June 30, 2017. 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, 96.2% of the asset values were depreciated at June 30, 2018 compared to 96.0% at June 30, 2017. 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 the extension of the runway at the Airport and renovations to the administration building in the amount of $275,345.

In the infrastructure and improvements categories we had additions of $1,087,974 and $250,885 respectively. Infrastructure increases were for road paving of approximately 12 roads within the County. Buildings increased $1,953,566 because of the new Public Works Facility. In the vehicles category, we had additions of $675,828 which includes a new Fire Truck, two Brush Trucks and a Tandum Dump Truck. The remaining $243,575 in capital additions are in the machinery and equipment category. The major increases to the machinery and equipment account include new repeaters for the radio system.

Debt

The following table reports debt balances at June 30, 2018 and 2017:

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2018	**2017 (1)**	**2018**	**2017**	**2018**	**2017 (1)**
Net pension liability	$ 1,737,090	$ 2,569,849	$ -	$ -	$ 1,737,090	$ 2,569,849
Total OPEB liability	12,210,059	12,646,264	-	-	12,210,059	12,646,264
Compensated absences	889,367	823,829	-	-	889,367	823,829
Advanced funding - postclosure trust agreement	-	-	2,962,724	2,741,669	2,962,724	2,741,669
Closure and postclosure care costs	-	-	743,353	730,209	743,353	730,209
Total	$ 14,836,516	$ 16,039,942	$ 3,706,077	$ 3,471,878	$ 18,542,593	$ 19,511,820

(1) As restated for effect of GASB 75 and reclassifications

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 2018 unemployment rate is 4.0%, which is slightly higher than the state's average of 3.8%. The County's employment for 2018 is estimated at 17,949 and will continue to grow as more businesses come to the area. The median household income for County residents is estimated at $40,652 which is lower than the $52,977 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 over the prior year and they came in at a rate that is slightly above 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 2018 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, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Polk County Health Department	Development Authority of Polk County
Assets					
Cash and cash equivalents	$ 14,658,485	$ 9,312,815	$ 23,971,300	$ 589,996	$ 796,596
Investments	1,184,091	-	1,184,091	-	-
Receivables:					
Accounts	186,510	141,526	328,036	1,320	-
Property taxes	832,586	-	832,586	-	-
Intergovernmental	1,706,124	-	1,706,124	104,323	-
Interest	-	18,563	18,563	-	-
Internal	352,696	(352,696)	-	-	-
Inventory	51,474	-	51,474	24,672	-
Prepaid items	501,526	-	501,526	-	-
Property held for sale	-	-	-	-	4,087,162
Due from component unit	1,300,823	-	1,300,823	-	-
Restricted assets	-	3,012,671	3,012,671		
Capital assets:					
Nondepreciable	3,472,723	180,890	3,653,613	-	-
Depreciable, net	31,798,904	186,585	31,985,489	-	-
Total Assets	56,045,942	12,500,354	68,546,296	720,311	4,883,758
Deferred Outflows of Resources					
Deferred outflows related to pensions	1,615,115	-	1,615,115	98,336	-
Deferred outflows related to OPEB	103,651	-	103,651	73,572	
Total Deferred Outflows of Resources	1,718,766	-	1,718,766	171,908	-
Liabilities and Deferred Inflows of Resources					
Liabilities					
Accounts payable	377,722	28,929	406,651	547	1,167
Accrued expenses	773,584	-	773,584	-	4,551
Intergovernmental payable	212,189	-	212,189	40,754	-
Unearned revenue	109,499	5,000	114,499	-	-
Noncurrent liabilities					
Due within one year	667,025	-	667,025	-	1,285,108
Due in more than one year	14,169,491	3,706,077	17,875,568	1,201,942	2,556,525
Total Liabilities	16,309,510	3,740,006	20,049,516	1,243,243	3,847,351
Deferred Inflows of Resources					
Deferred inflows related to pensions	1,089,282	-	1,089,282	136,966	-
Deferred inflows related to OPEB	1,293,139	-	1,293,139	209,350	-
Total Deferred Inflows of Resources	2,382,421	-	2,382,421	346,316	-
Net Position					
Investment in capital assets	35,271,627	367,475	35,639,102	-	-
Restricted for:					
Capital projects	7,015,888	-	7,015,888	-	-
Public safety	118,905	-	118,905	-	-
Judicial	300,469	-	300,469	-	-
Unrestricted (deficit)	(3,634,112)	8,392,873	4,758,761	(697,340)	1,036,407
Total Net Position	$ 39,072,777	$ 8,760,348	$ 47,833,125	$ (697,340)	$ 1,036,407

See accompanying notes to the basic financial statements

Polk County, Georgia
Statement of Activities
For the Year Ended June 30, 2018

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	$ 3,873,739	$ 974,438	$ 34,881	$ -	$ (2,864,420)	-	$ (2,864,420)		
Judicial	3,258,630	972,174	368,714	-	(1,917,742)	-	(1,917,742)		
Public safety	11,333,838	1,124,977	109,601	-	(10,099,260)	-	(10,099,260)		
Public works	6,433,613	-	-	1,205,772	(5,227,841)	-	(5,227,841)		
Planning/community development	1,035,598	527,893	-	8,232	(499,473)	-	(499,473)		
Health and welfare	316,946	-	-	-	(316,946)	-	(316,946)		
Culture and recreation	403,419	-	-	-	(403,419)	-	(403,419)		
Sanitation	593,702	-	-	-	(593,702)	-	(593,702)		
Interest and fiscal charges	17,519	-	-	-	(17,519)	-	(17,519.00)		
Total Governmental Activities	27,267,004	3,599,482	513,196	1,214,004	(21,940,322)	-	(21,940,322)		
Business-type Activities									
Solid waste	174,432	1,638,602	-	-	-	1,464,170	1,464,170		
Total Primary Government	$ 27,441,436	$ 5,238,084	$ 513,196	$ 1,214,004	(21,940,322)	1,464,170	(20,476,152)		
Component Units									
Polk County Health Department	$ 737,572	$ 364,141	$ 608,103	$ -				$ 234,672	$ -
Development Authority of Polk County	345,746	-	302,608	-				-	(43,138)
Total - Component Units	$ 1,083,318	$ 364,141	$ 910,711	$ -				234,672	(43,138)
		General Revenues							
		General property taxes			11,451,351	-	11,451,351	-	-
		Intangible taxes			128,390	-	128,390	-	-
		Real estate transfer taxes			39,188	-	39,188	-	-
		Alcoholic beverage taxes			112,665	-	112,665	-	-
		Sales taxes			7,480,852	-	7,480,852	-	-
		Insurance premium tax			1,621,552	-	1,621,552	-	-
		Other taxes			81,425	-	81,425	-	-
		Gain (loss) on the disposal of capital assets			(28,922)	-	(28,922)	-	-
		County funding			-	-	-	183,155	-
		Unrestricted investment earnings			59,845	43,119	102,964	789	2,836
		Miscellaneous			60,966	-	60,966	-	-
		Transfers			957,076	(957,076)	-	-	-
		Total General Revenues and Transfers			21,964,388	(913,957)	21,050,431	183,944	2,836
		Change in Net Position			24,066	550,213	574,279	418,616	(40,302)
		Net Position - Beginning of Year, Before Restatement			43,440,043	8,210,135	51,650,178	(343,024)	1,076,709
		Restatement			(4,391,332)	-	(4,391,332)	(772,932)	-
		Net Position - Beginning of Year, After Restatement			39,048,711	8,210,135	47,258,846	(1,115,956)	1,076,709
		Net Position - End of Year			$ 39,072,777	$ 8,760,348	$ 47,833,125	$ (697,340)	$ 1,036,407

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See accompanying notes to the basic financial statements

Polk County, Georgia
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	SPLOST Fund	E-911 Emergency Telephone	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 7,330,576	$ 6,779,999	$ 118,169	$ 429,741	$ 14,658,485
Investments	1,184,091	-	-	-	1,184,091
Receivables:					
Accounts	102,786	-	83,724	-	186,510
Taxes	832,586	-	-	-	832,586
Intergovernmental	1,255,751	445,730	-	4,643	1,706,124
Interfund	352,097	8,060	7,250	-	367,407
Advances	523,071	-	-	-	523,071
Due from component unit	823	-	-	-	823
Inventory	51,474	-	-	-	51,474
Prepaid items	501,526	-	-	-	501,526
Total Assets	$ 12,134,781	$ 7,233,789	$ 209,143	$ 434,384	$ 20,012,097
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities					
Accounts payable	$ 359,930	11,617	$ 3,928	$ 6,216	$ 381,691
Advances payable	-	-	523,071	-	523,071
Accrued expenditures	756,320	-	17,057	-	773,377
Intergovernmental payable	-	206,284	-	2,143	208,427
Interfund payable	8,060	-	-	6,651	14,711
Unearned revenue	109,499	-	-	-	109,499
Total Liabilities	1,233,809	217,901	544,056	15,010	2,010,776
Deferred Inflows of Resources					
Unavailable revenue	760,192	-	-	-	760,192
Total Liabilities and Deferred Inflows of Resources	1,994,001	217,901	544,056	15,010	2,770,968
Fund Balances (Deficits)					
Nonspendable	1,076,071	-	-	-	1,076,071
Restricted	-	7,015,888	-	419,374	7,435,262
Unassigned	9,064,709	-	(334,913)	-	8,729,796
Total Fund Balances (Deficits)	10,140,780	7,015,888	(334,913)	419,374	17,241,129
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 12,134,781	$ 7,233,789	$ 209,143	$ 434,384	$ 20,012,097

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, 2018

Total Governmental Fund Balances		$ 17,241,129
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.		35,271,627
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes	760,192	
Due from component unit	1,300,000	2,060,192
Deferred outflows of resources and deposits are not an available resource and, therefore, are not reported in the funds.		
Deferred outflows related to pensions	1,615,115	
Deferred outflows related to OPEB	103,651	1,718,766
Long-term liabilities and deferred inflows of resources 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	(1,737,090)	
Deferred inflows related to pensions	(1,089,282)	
Net OPEB liability	(12,210,059)	
Deferred inflows related to OPEB	(1,293,139)	
Accrued compensated absences	(889,367)	(17,218,937)
Net Position of Governmental Activities		$ 39,072,777

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, 2018

	General Fund	SPLOST Fund	E-911 Emergency Telephone	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 16,333,739	$ 4,882,290	$ -	$ -	$ 21,216,029
Licenses and permits	131,020	-	-	-	131,020
Intergovernmental	1,689,347	-	-	-	1,689,347
Charges for services	978,391	-	618,848	18,344	1,615,583
Fines and forfeitures	801,250	-	-	120,268	921,518
Investment earnings	59,563	10,846	-	282	70,691
Contributions and donations	7,636	-	-	-	7,636
Miscellaneous	746,500	-	14,185	32,204	792,889
Total Revenues	20,747,446	4,893,136	633,033	171,098	26,444,713
Expenditures					
Current					
General government	3,418,170	74,640	-	-	3,492,810
Judicial	3,028,985	22,158	-	72,305	3,123,448
Public safety	8,548,397	685,951	1,013,236	114,340	10,361,924
Public works	3,681,499	1,324,384	-	-	5,005,883
Planning/community development	1,148,888	-	-	-	1,148,888
Health and welfare	292,863	-	-	-	292,863
Culture and recreation	323,419	-		-	323,419
Sanitation	593,702	-	-	-	593,702
Intergovernmental	-	2,339,524	-	-	2,339,524
Debt Service					
Interest and fiscal charges	17,519	-	-	-	17,519
Total Expenditures	21,053,442	4,446,657	1,013,236	186,645	26,699,980
Excess (Deficiency) of Revenues Over (Under) Expenditures	(305,996)	446,479	(380,203)	(15,547)	(255,267)
Other Financing Sources (Uses)					
Transfers in	903,046	-	382,030	-	1,285,076
Transfers out	(328,000)	-	-	-	(328,000)
Total Other Financing Sources (Uses)	575,046	-	382,030	-	957,076
Net Change in Fund Balance	269,050	446,479	1,827	(15,547)	701,809
Fund Balances(Deficits) - Beginning of Year	9,871,730	6,569,409	(336,740)	434,921	16,539,320
Fund Balances(Deficits) - End of Year	$ 10,140,780	$ 7,015,888	$ (334,913)	$ 419,374	$ 17,241,129

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, 2018

Net Changes In Fund Balances - Total Governmental Funds		$ 701,809
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	(1,974,893)	
Capital outlay	2,623,435	648,542
The net effect of various miscellaneous transactions involving capital assets is to decrease net position		(28,922)
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		(81,797)
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	(268,771)	
Total OPEB liability and changes in related deferred inflows/outflows of resources	(881,257)	
Accrued compensated absences	(65,538)	(1,215,566)
Change In Net Position of Governmental Activities		$ 24,066

See accompanying notes to the basic financial statements

Polk County, Georgia
Proprietary Funds
Statement of Net Position
June 30, 2018

	Business-type Activities - Enterprise Fund Solid Waste
Assets	
Current Assets	
Cash and cash equivalents	$ 9,312,815
Receivables -	
Accounts	141,526
Interest	18,563
Total Current Assets	9,472,904
Noncurrent Assets	
Restricted Assets	
Cash and cash equivalents	57,093
Investments	2,955,578
Capital assets:	
Nondepreciable	180,890
Depreciable, net	186,585
Total Noncurrent Assets	3,380,146
Total Assets	12,853,050
Liabilities	
Current Liabilities	
Accounts payable	28,929
Interfund payable	352,696
Unearned revenue	5,000
Total Current Liabilities	386,625
Long-term Liabilities (net of current portion)	
Advanced funding - postclosure trust agreement	2,962,724
Landfill closure and postclosure care costs	743,353
Total Long-Term Liabilities	3,706,077
Total Liabilities	4,092,702
Net Position	
Investment in capital assets	367,475
Unrestricted	8,392,873
Total Net Position	$ 8,760,348

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, 2018

	Business-type Activities - Enterprise Fund Solid Waste
Operating Revenues	
Rental and royalty fees	$ 1,609,519
Recycling sales	29,083
Total Operating Revenues	1,638,602
Operating Expenses	
Operating	163,940
Depreciation	10,492
Total Operating Expenses	174,432
Operating Income / (Loss)	1,464,170
Nonoperating Revenues (Expenses)	
Investment earnings	43,119
Total Nonoperating Revenues (Expenses)	43,119
Income before Transfers	1,507,289
Transfers out	(957,076)
Change in Net Position	550,213
Net Position - Beginning of Year	8,210,135
Net Position - End of Year	$ 8,760,348

See accompanying notes to the basic financial statements

Polk County, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Fund Solid Waste
Cash Flows from Operating Activities	
Cash received from services provided	$ 1,806,113
Cash payments for goods and services	(124,592)
Net Cash Provided by (Used in) Operating Activities	1,681,521
Cash Flows from Noncapital Financing Activities	
Transfers in (out) from other funds	(957,076)
Postclosure trust funding by lessee	221,055
Net Cash Provided by (Used in) Noncapital Financing Activities	(736,021)
Cash Flows from Investing Activities	
Purchases of investments	(2,955,578)
Investment earnings	36,947
Net Cash Provided by (Used in) Investing Activities	(2,918,631)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,973,131)
Cash and Cash Equivalents - Beginning of Year	11,343,039
Cash and Cash Equivalents - End of Year	$ 9,369,908
Reconciliation to Statement of Net Position	
Cash and cash equivalents	$ 9,312,815
Restricted cash and cash equivalents	57,093
Total Cash and Cash Equivalents - End of Year	$ 9,369,908
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating Income (Loss)	$ 1,464,170
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation	10,492
(Increase) Decrease in Assets -	
Accounts receivable	(535)
Increase (Decrease) in Liabilities:	
Accounts payable	26,204
Interfund payable	168,046
Landfill postclosure adjustment	13,144
Net Cash Provided by (Used in) Operating Activities	$ 1,681,521

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, 2018

Assets		
Cash and cash equivalents	$	439,650
Property taxes receivable		1,899,923
Total Assets	$	2,339,573
Liabilities		
Taxes payable to others upon collection	$	1,899,923
Due to others		439,650
Total Liabilities	$	2,339,573

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, 2018

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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 six 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 $27,678 to the RC for the fiscal year ended June 30, 2018. 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, 2018, there were no transactions made between the County and the Task Force. Complete financial statements of the Task Force may be obtained from Polk County Sheriff's Office, 1676 Rockmart Hwy, Cedartown, GA 30125.

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
> >
> > ***Special Purpose Local Option Sales Tax (SPLOST) Capital Project Fund –*** This fund is used to account for the proceeds of a 1 percent special purpose local option sales tax approved by voter referendum for various projects throughout the County.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

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 as well as short-term investments and certificates of deposits with a maturity date within three months of the date acquired by the County.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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, 2018, 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 and deferred outflows related to the County's OPEB plan. These items only arise under the full accrual basis of accounting and are only reported in the government wide statement of net position.

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 three items that qualify for reporting in this category. The County has deferred inflows related to the County's pension plan and deferred inflows related to the County's OPEB plan. These items only arise under the full accrual basis of accounting and are only reported in the government wide statement of net position. The other item that qualifies for reporting in this category arises only under the modified accrual basis of accounting. Accordingly, this 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.

1-D-13 Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the total OPEB liability of The Healthcare Plan of Polk County ("the Plan") and additions to/deductions from the total OPEB liability have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

1-D-14 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."

Note 1 - Summary of Significant Accounting Policies (Continued)

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 represents the difference between assets, 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.

1-D-15 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-

Note 1 - Summary of Significant Accounting Policies (Continued)

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-16 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-17 Implementation of New GASB Standards

In fiscal year 2018, the County implemented the following GASB Standards:

1) GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures and also make certain disclosures of related to OPEB.

1-D-18 Reclassification

Certain amounts for the year ended June 30, 2018 have been reclassified to conform to the current year presentation.

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 expenditure 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 2018 budget was amended during the year. All unencumbered annual appropriations lapse at year-end.

Note 2 – Stewardship, Compliance and Accountability (Continued)

2-B. Excess of Expenditures over Appropriations

The following departments overspent the final total 2018 annual budget:

District Attorney Fund:		
Judicial		
Operating expenditures	$	17,331
Sheriff Other Programs Fund		
Public safety		
Operating expenditures	$	5,460

2-C. Deficit Fund Equities

The following funds had a deficit fund equities as of June 30, 2018:

E-911 Emergency Telephone Fund	$	334,913

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 all deposits and investments (other than federal or state government instruments) to be collateralized by using either the dedicated method or the pooled method. Under the *dedicated method,* a depository shall secure the deposits of each of its public depositors separately at an amount of 110% of the deposits. Under the *pooled method,* a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1.

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, 2018, all of the County's deposits were covered, either by FDIC coverage or collateralized through the State of Georgia as explained above.

Credit and Interest Rate Risk – Investments – The County does not have a formal investment policy as of June 30, 2018.

As of June 30, 2018, the County had the following investments:

Type of Investment	Rating	Investment Maturities (in Years)				Fair Value
		Less than 1	1-5	5-10	More than 10	
U.S. Treasury Notes	Aaa	$ -	$ 2,955,578	$ -	$ -	$ 2,955,578

Investments of the primary government, detailed above, include $2,955,578 grouped in restricted assets and exclude $1,184,091 of nonnegotiable certificates of deposits.

Note 3 - Detailed Notes on All Funds (Continued)

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the County has the ability to access.

- Level 2 inputs are inputs other than quotes prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

- Level 3 inputs are unobservable inputs for the asset which are typically based on the County's own assumptions, as there is little, if any, related market activity.

The County's recurring fair value measurements at June 30, 2018 are classified as follows:

		Fair Value Measurement Using		
	Total	Level 1	Level 2	Level 3
U.S. Treasury Notes	$ 2,955,578	$ -	$ 2,955,578	$ -

3-B. Receivables

Receivables at June 30, 2018, 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 allowance for uncollectible is as follows -

- General Fund - $3,201,542

3-C. Property Taxes

The Board of Commissioners levied property taxes on August 30, 2017. Property taxes attach as an enforceable lien on property as of January 1. Property taxes were billed on September 7, 2017 and are due upon receipt, however, the actual due date was December 1, 2017. 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, 2018, was as follows:

	Balance 7/1/2017	Additions	Deductions	Balance 6/30/2018
Nondepreciable capital assets:				
Land	$ 3,197,378	$ -	$ -	$ 3,197,378
Construction in progress	1,863,738	365,173	1,953,566	275,345
Total nondepreciable capital assets	5,061,116	365,173	1,953,566	3,472,723
Depreciable capital assets:				
Improvements other than buildings	2,228,760	250,885	-	2,479,645
Buildings	17,485,942	1,953,566	-	19,439,508
Building improvements	3,443,038	-	-	3,443,038
Machinery and equipment	6,913,455	243,575	6,151	7,150,879
Vehicles	7,615,703	675,828	90,251	8,201,280
Infrastructure	37,289,765	1,087,974	-	38,377,739
Total depreciable capital assets	74,976,663	4,211,828	96,402	79,092,089
Total capital assets	80,037,779	4,577,001	2,049,968	82,564,812
Accumulated depreciation:				
Improvements other than buildings	1,414,762	86,785	-	1,501,547
Buildings	5,974,773	378,889	-	6,353,662
Building improvements	2,652,682	77,374	-	2,730,056
Machinery and equipment	4,280,922	502,324	2,460	4,780,786
Vehicles	5,271,116	498,291	65,020	5,704,387
Infrastructure	25,791,517	431,230	-	26,222,747
Total accumulated depreciation	45,385,772	1,974,893	67,480	47,293,185
Governmental activities capital assets, net	$ 34,652,007	$ 2,602,108	$ 1,982,488	$ 35,271,627

Governmental activities depreciation expense	
General government	$ 215,231
Judicial	15,468
Public safety	925,328
Public works	671,152
Planning/community development	123,631
Health and welfare	24,083
Total governmental activities depreciation expense	$ 1,974,893

Note 3 - Detailed Notes on All Funds (Continued)

Business-type activities capital asset activity for the year ended June 30, 2018, was as follows:

	Balance 7/1/2017	Additions	Deductions	Balance 6/30/2018
Nondepreciable capital assets:				
Land	$ 180,890	$ -	$ -	$ 180,890
Depreciable capital assets:				
Improvements other than buildings	4,970,255	-	-	4,970,255
Total depreciable capital assets	4,970,255	-	-	4,970,255
Total capital assets	5,151,145	-	-	5,151,145
Accumulated depreciation:				
Improvements other than buildings	4,773,178	10,492	-	4,783,670
Total accumulated depreciation	4,773,178	10,492	-	4,783,670
Business-type activates capital assets, net	$ 377,967	$ (10,492)	$ -	$ 367,475

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, 2018 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	Nonmajor Governmental Funds	Solid Waste Fund	Total
General Fund	$ -	$ 6,651	$ 345,446	$ 352,097
E-911 Emergency Telephone Fund	-	-	7,250	7,250
SPLOST	8,060	-	-	8,060
Total	$ 8,060	$ 6,651	$ 352,696	$ 367,407

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

Interfund Advances – Interfund advances for the year ended June 30, 2018 consisted of the following:

	Payable from:
Payable to:	E-911 Emergency Telephone Fund
General Fund	$ 523,071

Note 3 - Detailed Notes on All Funds (Continued)

Interfund Transfers - Interfund transfers for the year ended June 30, 2018 consisted of the following:

	Transfer to:		
Transfers from:	General Fund	E-911 Emergency Telephone Fund	Total
General Fund	$ -	$ 328,000	$ 328,000
Solid Waste Fund	903,046	54,030	957,076
Total	$ 903,046	$ 382,030	$ 1,285,076

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 $743,353 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 $155,029. These amounts are based on what it would cost to perform all postclosure in 2018. 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 therefore, 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 $12,841,550 reported as landfill closure/postclosure liability at year-end represents the cumulative amount reported to date based on the use of 33.92% 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 $12,841,550. These amounts are based on what it would cost to perform all closure and postclosure in 2018. 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.

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.

Note 3 - Detailed Notes on All Funds (Continued)

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, 2018 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, 2018:

Governmental Activities	Outstanding 7/1/2017 (As revised & restated)	Additions	Reductions	Outstanding 6/30/2018	Amounts Due in One Year
Net pension liability	$ 2,973,294	$ -	$ 1,236,204	$ 1,737,090	$ -
Total OPEB liability	12,646,264	-	436,205	12,210,059	-
Compensated absences	823,829	888,641	823,103	889,367	667,025
Total Governmental Activities	$ 16,443,387	$ 888,641	$ 2,495,512	$ 14,836,516	$ 667,025
Business-type Activities					
Advanced funding - postclosure trust agreement	$ 2,741,669	$ 221,055	$ -	$ 2,962,724	$ -
Closure and postclosure care costs	730,209	13,144	-	743,353	-
Total Business-type Activities	$ 3,471,878	$ 234,199	$ -	$ 3,706,077	$ -
Discretely Presented Component Unit - Development Authority of Polk County					
Notes payable	$ 2,063,833	$ -	$ -	$ 2,063,833	$ 1,277,308
Due to Primary Government	1,300,000	-	-	1,300,000	-
Due to Other Governments	470,000	-	-	470,000	-
Compensated absences	3,808	7,800	3,808	7,800	7,800
Total Component Unit	$ 3,837,641	$ 7,800	$ 3,808	$ 3,841,633	$ 1,285,108

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 total OPEB liability will be paid from the General Fund. The compensated absences liability for the component units will be paid by the component unit.

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, 2018 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

Note 3 - Detailed Notes on All Funds (Continued)

outstanding at June 30, 2018 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, 2018 totaled $35,648. Debt service requirements to maturity as of June 30, 2018 is as follows:

Year	Principal	Interest	Total
2019	$ 1,277,308	$ 11,888	$ 1,289,196

$1,000,000 – 2013 Note Payable was originally due and payable on August 30, 2018. Interest was payable quarterly at a rate of 2.475% per annum. The note was renewed on September 14, 2018 for the total principal outstanding and is now due on April 1, 2020. No principal payments are due until this time. Interest is payable monthly at a rate of 3.75% per annum. The principal amount outstanding at June 30, 2018 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, 2018 totaled $19,742. Debt service requirements to maturity as of June 30, 2018 are as follows:

Year	Principal	Interest	Total
2019	$ -	$ 23,915	$ 23,915
2020	786,525	23,915	810,440
Total	$ 786,525	$ 47,830	$ 834,355

$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 to Other Governments represents an intergovernmental agreement 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, 2018 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.

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, 2018) in accordance with an intergovernmental agreement dated November 9, 2006 and reaffirmed on June 7, 2016. The note matured 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 sell 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, 2018) in accordance with an intergovernmental agreement dated August 30, 2013. The note matured on August 30, 2018 and was

Note 3 - Detailed Notes on All Funds (Continued)

renewed with a new maturity date of April 1, 2020, 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 sell 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 $108,175 and the County made the required matching contributions of $33,039 for the fiscal year ended June 30, 2018. There were no forfeitures allocated to participants' accounts for the fiscal year ended June 30, 2018.

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.

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

Note 3 - Detailed Notes on All Funds (Continued)

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 $424,349 for the fiscal year ended June 30, 2018.

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, 2017 was $424,349, or 6.4% 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 provide 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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

The total pension liability in the January 1, 2017 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.0% - 4.5% 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, 2017 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 to December 31, 2015.

Note 3 - Detailed Notes on All Funds (Continued)

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.

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, 2018 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, December 31, 2016, as revised	$ 17,715,850	$ 14,742,556	$ 2,973,294
Changes for the year:			
Service cost	240,269	-	240,269
Interest	1,265,850	-	1,265,850
Differences between expected and actual experience	(113,568)	-	(113,568)
Change in assumption	36,302	-	36,302
Employer contributions	-	403,445	(403,445)
Net investment income	-	2,404,962	(2,404,962)
Benefit payments	(511,708)	(511,708)	-
Administrative expense	-	(30,618)	30,618
Other	-	(112,732)	112,732
Net changes	917,145	2,153,349	(1,236,204)
Balance, December 31, 2017	$ 18,632,995	$ 16,895,905	$ 1,737,090

Note 3 - Detailed Notes on All Funds (Continued)

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	$ 4,386,373	$ 1,737,090	$ (1,295,964)

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

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2018, the County recognized pension expense of $693,120. At June 30, 2018, 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	$ 463,233	$ 1,000,951
Net difference between projected and actual earnings on pension plan investments	122,230	88,331
Changes of assumption	605,303	-
Employer contributions subsequent to measurement date	424,349	-
	$ 1,615,115	$ 1,089,282

$424,349 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other 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,	
2019	$ 189,367
2020	189,368
2021	(69,316)
2022	(207,935)
2023	-
Totals	$ 101,484

Note 3 - Detailed Notes on All Funds (Continued)

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.

Benefits Provided – 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.

Employees Covered by Benefit Terms – At June 30, 2018, the following employees were covered by the benefit terms:

Membership	
Inactive employees or beneficiaries currently receiving benefits	11
Inactive members entitled to but not yet receiving benefits	-
Active employees	206
Total	217

Contributions – Article 1, Section 12 of the County Code grants the authority to establish and amend the contribution requirements of the County. The Board establishes rates based on an actuarial valuation. The plan is financed on a pay-as-you-go basis. During the year ending June 30, 2018, the County contributed $67,934 to the plan. For the year ended June 30, 2018, the County's average contribution rate was 1.00 percent of covered-employee payroll. Employees are not required to contribute to the plan. There are no assets accumulated in a trust to pay related benefits.

Total OPEB Liability - The County's total OPEB liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of the same date.

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial assumption - The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Real wage growth	-1.00%
Wage inflation	2.00%
Salary increases, including wage inflation	2.00% - 4.50%
Municipal Bond Index Rate:	
Prior measurement date	3.01%
Measurement date	3.56%
Healthcare cost trend rates:	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023
Medicare	5.50% for 2017 decreasing to an ultimate rate of 5.00% by 2020

Mortality rates were based on the RP-2000 Combined Mortality Scale projected with Scale AA to 2017.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2017 valuation were based on the pension valuation prepared by GEBCorp as of January 1, 2017.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Discount rate - The discount rate used to measure the total OPEB liability was 3.56 percent.

Changes in the Total OPEB Liability

Changes in the County's total OPEB liability were as follows:

Balance, June 30, 2016	$	12,646,264
Changes for the year:		
Service cost		727,046
Interest		378,356
Differences between expected and actual experience		39,422
Change in assumption		(1,427,282)
Benefit payments		(153,747)
Net changes		(436,205)
Balance, June 30, 2017	$	12,210,059

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentagepoint higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Current discount rate (3.56%)	1% Increase (4.56%)
County's Total OPEB Liability	$ 14,961,295	$ 12,210,059	$ 10,063,018

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
County's Total OPEB Liability	$ 9,935,498	$ 12,210,059	$ 15,230,841

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of $974,964. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 35,717	$ -
Changes of assumption	-	1,293,139
Employer contributions to the OPEB plan subsequent to the measurement date of the total OPEB liability	67,934	-
	$ 103,651	$ 1,293,139

$67,934 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	$ (130,438)
2020	(130,438)
2021	(130,438)
2022	(130,438)
2023	(130,438)
Thereafter	(605,232)
Totals	$ (1,257,422)

Note 3 - Detailed Notes on All Funds (Continued)

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 2018, the County received $112,995 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.

The following is a schedule by year of minimum future rentals on cancelable operating leases as of June 30, 2018:

Year Ending June 30,	DFACS Building
2019	$ 239,790
2020	239,790
2021	239,790
2022	239,790
2023	239,790
2024-2026	719,370
Total	$ 1,918,320

3-L. Fund Equity

The County's governmental funds show the following fund equity accounts as of June 30, 2018:

	General Fund	SPLOST Fund	E-911 Emergency Telephone Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances (Deficits)					
Nonspendable					
Inventory	$ 51,474	$ -	$ -	$ -	$ 51,474
Prepaid items	501,526	-	-	-	501,526
Advances	523,071	-	-	-	523,071
Restricted					
Program purposes	-	-	-	300,469	300,469
Public safety	-	-	-	118,905	118,905
Capital projects	-	7,015,888	-	-	7,015,888
Unassigned	9,064,709	-	(334,913)	-	8,729,796
Total Fund Balances (Deficits)	$ 10,140,780	$ 7,015,888	$ (334,913)	$ 419,374	$ 17,241,129

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, 2018. No provision has been made in the financial statements for the year ended June 30, 2018 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, 2018. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

Note 4 - Other Notes (Continued)

4-C. Jointly-Governed Organizations

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

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.

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, 2018, the cumulative property tax not collected due to incentive agreements was $152,764.

4-E. Restatement

The County implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployement Benefit Plans Other Than Pensions" during fiscal year 2018. Statement No. 75 requires governments providing defined postemployment benefit plans to recognize their long-term obligation for OPEB benefits as a liability. The effect of this restatement to beginning net position is as follows:

	Governmental Activities
Beginning net position before restatement	$ 43,440,043
Restatement - Deferred outflows of resources	127,974
Restatement - Previously Reported net OPEB Obligation	8,126,958
Restatement - Total OPEB Liability	(12,646,264)
Beginning net position after restatement	$ 39,048,711

The effect of implementing GASB Statement No. 75 to previously reported changes in net position 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, 2018

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 240,269	$ 244,030	$ 236,092	$ 220,586
Interest	1,265,850	1,186,271	1,075,035	1,028,668
Differences between expected and actual experience	(113,568)	119,322	107,365	-
Changes of assumptions	36,302	574,640	491,577	-
Service credit transfer	-	40,095	23,109	-
Benefit payments	(511,708)	(490,816)	(426,227)	(429,469)
Net change in total pension liability	917,145	1,673,542	1,506,951	819,785
Total pension liability-beginning	17,715,850	16,042,308	14,535,357	13,715,572
Total pension liability-ending (a)	$ 18,632,995	$ 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	2,404,962	1,033,700	118,829	997,063
Benefit payments	(511,708)	(490,816)	(426,227)	(413,946)
Administrative expense	(30,618)	(35,595)	(32,025)	(27,620)
Other	(112,732)	(100,742)	(96,457)	(108,390)
Net change in plan fiduciary net position	2,153,349	446,642	(74,433)	788,728
Plan fiduciary net position-beginning	14,742,556	14,295,914	14,370,347	13,581,619
Plan fiduciary net position-ending (b)	$ 16,895,905	$ 14,742,556	$ 14,295,914	$ 14,370,347
County's net pension liability (assets) - ending (a) - (b)	$ 1,737,090	$ 2,973,294	$ 1,746,394	$ 165,010
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.68%	83.22%	89.11%	98.86%
Covered payroll	$ 5,733,563	$ 6,019,140	$ 5,765,821	$ 5,248,780
County's net pension liability (asset) as a percentage of covered payroll	30.30%	49.40%	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, 2018

	2018	2017	2016	2015
Actuarially determined contribution	$ 424,349	$ 403,445	$ 338,938	$ 309,266
Contributions in relation to the actuarially determined contribution	424,349	403,445	338,938	341,621
Contribution deficiency (excess)	$ --	$ --	$ --	$ (32,355)
Covered payroll	$ 7,548,881	$ 5,733,563	$ 6,019,140	$ 5,765,821
Contributions as a percentage of covered payroll	5.62%	7.04%	5.63%	5.92%

Notes to Schedule

Valuation Date:	January 1, 2017
Actuarial cost method	Entry Age Normal
Asset valuation method	Smoothed market value with a 5-year smoothing period
Investment rate of return	7.25%
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 Changes in the County's Total OPEB Liability
and Related Ratios
For the Year Ended June 30, 2018

	2018
Total OPEB liability	
Service cost	$ 727,046
Interest	378,356
Differences between expected and actual experience	39,422
Changes of assumptions	(1,427,282)
Benefit payments and implicit subsidy credit	(153,747)
Net change in total OPEB liability	(436,205)
Total OPEB liability-beginning	12,646,264
Total OPEB liability-ending (a)	$ 12,210,059
Covered payroll	$ 6,671,723
County's net OPEB liability as a percentage of covered payroll	183.01%

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

Polk County, Georgia
Required Supplementary Information
Schedule of County OPEB Contributions
June 30, 2018

		2018
Actuarially determined contribution	$	--
Contributions in relation to the actuarially determined contribution		67,934
Contribution deficiency (excess)	$	(67,934)
Covered payroll	$	7,179,528
Contributions as a percentage of covered payroll		0.95%

Notes to Schedule:
Valuation Date: June 30, 2017

There are no actuarial methods or assumptions relating to contribution rates as benefits are paid as incurred.

No assets are accumulated in a trust to pay related benefits.

Polk County, Georgia
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes				
General property	$ 9,520,000	$ 9,933,000	$ 9,933,265	$ 265
Motor vehicle and mobile home	1,167,000	1,376,700	1,376,828	128
Intangibles	105,000	128,500	128,390	(110)
Railroad equipment	25,000	39,500	39,329	(171)
Real estate transfer	30,000	39,000	39,188	188
Franchise	200,000	218,800	218,809	9
Local option sales and use	2,250,000	2,598,500	2,598,562	62
Alcoholic beverage excise	100,000	112,650	112,665	15
Insurance premium	1,413,000	1,566,105	1,621,552	55,447
Financial institution	28,000	30,200	30,234	34
Interest and penalties	120,000	235,000	234,917	(83)
Total Taxes	14,958,000	16,277,955	16,333,739	55,784
Licenses and Permits	97,700	131,000	131,020	20
Intergovernmental				
Local	162,450	259,800	259,846	46
State	591,000	1,431,800	1,423,365	(8,435)
Federal	-	6,100	6,136	36
Total Intergovernmental	753,450	1,697,700	1,689,347	(8,353)
Charges for Services				
Tax commissioner	475,000	512,500	516,046	3,546
Emergency medical services	-	-	12	12
Prisoner housing fees	375,000	425,000	308,107	(116,893)
Animal control	5,000	5,000	5,142	142
Airport fuel sales	19,000	150,000	149,084	(916)
Total Charges for Services	874,000	1,092,500	978,391	(114,109)
Fines and Forfeitures				
Clerk of superior court	225,000	219,200	219,453	253
Magistrate court	165,000	181,500	181,462	(38)
Probate court	325,000	367,000	366,612	(388)
Juvenile court	2,500	4,500	4,495	(5)
County ordinance	33,000	55,900	29,228	(26,672)
Total Fines and Forfeitures	750,500	828,100	801,250	(26,850)
Investment Earnings	5,000	59,500	59,563	63
Contributions and Donations	1,000	7,900	7,636	(264)

Polk County, Georgia
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Miscellaneous				
Rents and royalties	$ 340,000	$ 353,000	$ 352,785	$ (215)
Other	211,480	240,800	393,715	152,915
Total Miscellaneous	551,480	593,800	746,500	152,700
Total Revenues	17,991,130	20,688,455	20,747,446	58,991
Expenditures:				
Current				
General Government:				
Administration				
Personnel services	1,530,702	846,714	828,550	18,164
Operating expenditures	354,626	354,626	312,188	42,438
Capital outlay	20,000	5,000	2,260	2,740
	1,905,328	1,206,340	1,142,998	63,342
Election and Registrar				
Personnel services	122,834	131,000	129,477	1,523
Operating expenditures	22,000	24,000	22,983	1,017
	144,834	155,000	152,460	2,540
Information Technology				
Personnel services	124,226	108,400	107,340	1,060
Operating expenditures	17,210	20,000	19,699	301
	141,436	128,400	127,039	1,361
Tax Assessor				
Personnel services	492,399	435,000	431,935	3,065
Operating expenditures	62,050	90,000	88,668	1,332
	554,449	525,000	520,603	4,397
Tax Commissioner				
Personnel services	427,226	440,000	439,239	761
Operating expenditures	80,350	84,000	83,959	41
Capital outlays	-	2,000	1,055	945
	507,576	526,000	524,253	1,747
Country Building				
Operating expenditures	943,200	937,800	935,149	2,651
Capital outlays	-	2,200	2,100	100
	943,200	940,000	937,249	2,751
General Appropriation				
Operating expenditures	15,100	15,100	13,568	1,532
Total General Government	4,211,923	3,495,840	3,418,170	77,670
Judicial:				
Superior Court				
Personnel services	160,252	260,000	257,771	2,229
Operating expenditures	69,760	48,000	43,375	4,625
	230,012	308,000	301,146	6,854

Continued on next page.

Polk County, Georgia
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Drug Court				
Operating expenditures	$ 60,000	$ 265,000	$ 256,643	$ 8,357
District Attorney				
Personnel services	175,004	180,000	179,126	874
Operating expenditures	26,400	24,000	23,830	170
	201,404	204,000	202,956	1,044
Clerk of Superior Court				
Personnel services	595,772	597,000	595,622	1,378
Operating expenditures	129,000	92,000	90,549	1,451
	724,772	689,000	686,171	2,829
Magistrate Court				
Personnel services	359,828	369,000	367,241	1,759
Operating expenditures	20,250	15,000	14,809	191
Capital outlay	2,500	6,000	5,843	157
	382,578	390,000	387,893	2,107
Probate Court				
Operating expenditures	318,421	328,000	326,717	1,283
Capital outlay	69,600	67,000	66,107	893
	388,021	395,000	392,824	2,176
Juvenile Court				
Personnel services	139,718	134,000	133,811	189
Operating expenditures	184,650	186,900	186,502	398
Capital outlay	3,000	2,600	2,579	21
	327,368	323,500	322,892	608
Public Defender				
Personnel services	10,000	11,000	10,800	200
Operating expenditures	280,600	280,000	279,993	7
	290,600	291,000	290,793	207
Coroner				
Operating expenditures	37,678	60,000	59,915	85
Capital outlay	14,945	22,000	21,719	281
	52,623	82,000	81,634	366
Probation				
Personnel services	77,103	102,000	101,033	967
Operating expenditures	6,000	8,000	5,000	3,000
	83,103	110,000	106,033	3,967
Total Judicial	2,740,481	3,057,500	3,028,985	28,515
Public Safety:				
County Police				
Personnel services	2,492,684	2,300,000	2,286,049	13,951
Operating expenditures	295,175	369,500	334,258	35,242
Capital outlay	-	7,500	7,163	337
	2,787,859	2,677,000	2,627,470	49,530

Continued on next page.

Polk County, Georgia
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Sheriff				
Personnel services	$ 3,797,233	$ 3,975,000	$ 3,968,185	$ 6,815
Operating expenditures	714,100	849,000	844,076	4,924
Capital outlay	-	38,000	35,282	2,718
	4,511,333	4,862,000	4,847,543	14,457
Jail				
Operating expenditures	422,360	426,000	421,656	4,344
EMA				
Personnel services	141,449	147,000	146,733	267
Operating expenditures	31,100	37,200	31,651	5,549
Capital outlay	-	800	765	35
	172,549	185,000	179,149	5,851
Fire Department				
Personnel services	70,925	51,000	50,799	201
Operating expenditures	121,500	83,600	82,342	1,258
	192,425	134,600	133,141	1,459
Animal Control				
Personnel services	265,033	271,000	270,192	808
Operating expenditures	59,250	57,000	55,991	1,009
	324,283	328,000	326,183	1,817
Forestry Service				
Operating expenditures	14,035	14,035	13,255	780
Total Public Safety	8,424,844	8,626,635	8,548,397	78,238
Public Works:				
Public Works				
Personnel services	1,853,754	1,666,000	1,664,062	1,938
Operating expenditures	1,041,497	1,589,000	1,587,284	1,716
Capital outlay	-	435,000	430,153	4,847
Total Public Works	2,895,251	3,690,000	3,681,499	8,501
Planning and Development:				
Planning and zoning				
Personnel services	51,728	51,950	51,888	62
Operating expenditures	2,005	1,050	1,021	29
	53,733	53,000	52,909	91
Permits and Inspections				
Personnel services	190,508	207,000	206,315	685
Operating expenditures	9,575	16,000	9,002	6,998
Capital outlay	-	2,000	2,000	-
	200,083	225,000	217,317	7,683
Development Authority				
Operating expenditures	293,073	293,073	293,073	-

Continued on next page.

Polk County, Georgia
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Keep Polk Beautiful				
Operating expenditures	$ 14,070	$ 14,070	$ 14,070	$ -
Cooperative Extension Service				
Personnel services	39,766	40,000	39,618	382
Operating expenditures	46,561	51,750	49,013	2,737
Capital outlay	750	750	419	331
	87,077	92,500	89,050	3,450
Airport				
Personnel services	67,860	60,000	59,527	473
Operating expenditures	105,800	145,000	143,831	1,169
Capital outlay	163,000	282,000	279,111	2,889
	336,660	487,000	482,469	4,531
Total Planning and Development	984,696	1,164,643	1,148,888	15,755
Health and Welfare:				
General Health				
Operating expenditures	181,155	181,155	181,155	-
Mental Health				
Operating expenditures	40,000	40,000	40,000	-
Family & Children Services				
Operating expenditures	71,708	71,708	71,708	-
Total Health and Welfare	292,863	292,863	292,863	-
Culture Recreation:				
Library				
Operating expenditures	117,919	117,919	117,919	-
Parks and Recreation				
Operating expenditures	205,500	205,500	205,500	-
Total Culture Recreation	323,419	323,419	323,419	-
Sanitation:				
Sanitation				
Personnel services	292,443	296,000	295,587	413
Operating expenditures	277,210	299,000	298,115	885
Total Sanitation	569,653	595,000	593,702	1,298

Continued on next page.

Polk County, Georgia
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Debt Service:				
Interest and fiscal charges	$ -	$ 17,600	$ 17,519	$ 81
Total Debt Service	-	17,600	17,519	81
Total Expenditures	20,443,130	21,263,500	21,053,442	210,058
Excess (Deficiency) of Revenues Over Expenditures	(2,452,000)	(575,045)	(305,996)	269,049
Other Financing Sources (Uses):				
Transfers in	1,790,000	903,045	903,046	1
Transfers out	(323,000)	(328,000)	(328,000)	-
Proceeds from sale of capital assets	20,000	-	-	-
Total Other Financing Sources (Uses)	1,487,000	575,045	575,046	1
Net Change in Fund Balance	$ (965,000)	$ -	269,050	$ 269,050
Fund Balance at Beginning of Year			9,871,730	
Fund Balance at End of Year			$ 10,140,780	

Notes to Schedule:
Annual budgets are adopted on a basis consistent with accounting principals generally accepted in the United States of America.

Polk County, Georgia
Required Supplementary Information
E-911 Emergency Telephone Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Charges for services	$ 671,000	$ 619,000	$ 618,848	$ (152)
Miscellaneous	-	14,150	14,185	35
Total Revenues	671,000	633,150	633,033	(117)
Expenditures				
Current				
Public safety				
Personnel services	843,800	802,900	802,796	104
Operating expenditures	150,200	152,100	151,709	391
Capital outlay	-	59,000	58,731	269
Total Expenditures	994,000	1,014,000	1,013,236	764
Excess (Deficiency) of Revenues Over (Under) Expenditures	(323,000)	(380,850)	(380,203)	647
Other Financing Sources				
Transfers In	323,000	382,030	382,030	-
Net Change in Fund Balance	$ -	$ 1,180	1,827	$ 647
Fund Balance - Beginning of Year			(336,740)	
Fund Balance - End of Year			$ (334,913)	

Notes to Schedule:
Annual budgets are adopted on a basis consistent with accounting principals generally accepted in the United States of America

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Polk County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	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	$ 68,430	$ 2,510	$ 12,371	$ 66,527	$ 16	$ 36,889	$ 61,035	$ 86,011	$ 91,847	$ 4,105	$ 429,741
Receivables:											
Intergovernmental	-	1,560	1,140	-	-	-	-	-	1,943	-	4,643
Total Assets	$ 68,430	$ 4,070	$ 13,511	$ 66,527	$ 16	$ 36,889	$ 61,035	$ 86,011	$ 93,790	$ 4,105	$ 434,384
Liabilities and Fund Balance											
Liabilities											
Accounts payable	$ -	$ 4,070	$ -	$ -	$ -	$ -	$ -	$ 700	$ 1,446	$ -	$ 6,216
Interfund payable	-	-	-	-	-	-	-	-	6,651	-	6,651
Intergovernmental payable	-	-	2,143	-	-	-	-	-	-	-	2,143
Total Liabilities	-	4,070	2,143	-	-	-	-	700	8,097	-	15,010
Fund Balance											
Restricted for:											
Public safety	-	-	11,368	66,527	16	36,889	-	-	-	4,105	118,905
Program purposes	68,430	-	-	-	-	-	61,035	85,311	85,693	-	300,469
Total Fund Balance	68,430	-	11,368	66,527	16	36,889	61,035	85,311	85,693	4,105	419,374
Total Liabilities and Fund Balance	$ 68,430	$ 4,070	$ 13,511	$ 66,527	$ 16	$ 36,889	$ 61,035	$ 86,011	$ 93,790	$ 4,105	$ 434,384

Polk County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 18,344	$ -	$ 18,344
Fines and forfeitures	14,851	33,124	25,633	-	25	35,068	10,387	1,180	-	-	120,268
Investment earnings	85	-	18	71	-	21	-	87	-	-	282
Miscellaneous	-	-	-	-	-	-	-	-	-	32,204	32,204
Total Revenues	14,936	33,124	25,651	71	25	35,089	10,387	1,267	18,344	32,204	171,098
Expenditures											
Current											
Judicial	13,578	-	-	-	-	-	40,331	3,385	15,011	-	72,305
Public safety	-	33,124	25,632	5,938	195	16,991	-	-	-	32,460	114,340
Total Expenditures	13,578	33,124	25,632	5,938	195	16,991	40,331	3,385	15,011	32,460	186,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,358	-	19	(5,867)	(170)	18,098	(29,944)	(2,118)	3,333	(256)	(15,547)
Fund Balance -Beginning of Year	67,072	-	11,349	72,394	186	18,791	90,979	87,429	82,360	4,361	434,921
Fund Balance - End of Year	$ 68,430	$ -	$ 11,368	$ 66,527	$ 16	$ 36,889	$ 61,035	$ 85,311	$ 85,693	$ 4,105	$ 419,374

Polk County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 15,000	$ 14,851	$ (149)
Investment earnings	750	85	(665)
Total Revenues	15,750	14,936	(814)
Expenditures			
Current			
Judicial			
Operating expenditures	15,750	13,578	2,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	1,358	$ 1,358
Fund Balance - Beginning of Year		67,072	
Fund Balance - End of Year		$ 68,430	

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, 2018

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 33,148	$ 33,124	$ (24)
Expenditures			
Current			
Public safety			
Operating expenditures	33,148	33,124	24
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, 2018

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 25,650	$ 25,633	$ (17)
Investment earnings	-	18	18
Total Revenues	25,650	25,651	1
Expenditures			
Current			
Public safety			
Operating expenditures	25,650	25,632	18
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	19	$ 19
Fund Balance - Beginning of Year		11,349	
Fund Balance - End of Year		$ 11,368	

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, 2018

	Final Budget	Actual	Variance With Final Budget
Revenues			
Investment earnings	$ 70	$ 71	$ 1
Expenditures			
Current			
Public safety			
Operating expenditures	8,070	5,938	2,132
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (8,000)	(5,867)	$ 2,133
Fund Balance - Beginning of Year		72,394	
Fund Balance - End of Year		$ 66,527	

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, 2018

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 200	$ 25	$ (175)
Expenditures			
Current			
Public safety			
Operating expenditures	200	195	5
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	(170)	$ (170)
Fund Balance - Beginning of Year		186	
Fund Balance - End of Year		$ 16	

Polk County, Georgia
County Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 34,500	$ 35,068	$ 568
Investment earnings	20	21	1
Total Revenues	34,520	35,089	569
Expenditures			
Current			
Public safety			
Operating expenditures	18,000	16,991	1,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 16,520	18,098	$ 1,578
Fund Balance - Beginning of Year		18,791	
Fund Balance - End of Year		$ 36,889	

Polk County, Georgia
District Attorney Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 23,000	$ 10,387	$ (12,613)
Expenditures			
Current			
Judicial			
Operating expenditures	23,000	40,331	(17,331)
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	(29,944)	$ (29,944)
Fund Balance - Beginning of Year		90,979	
Fund Balance - End of Year		$ 61,035	

Polk County, Georgia
Juvenile Probation Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Final Budget	Actual	Variance With Final Budget
Revenues			
Fines and forfeitures	$ 1,100	$ 1,180	$ 80
Investment earnings	80	87	7
Total Revenues	1,180	1,267	87
Expenditures			
Current			
Judicial			
Operating expenditures	3,600	3,385	215
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (2,420)	(2,118)	$ 302
Fund Balance - Beginning of Year		87,429	
Fund Balance - End of Year		$ 85,311	

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, 2018

	Final Budget	Actual	Variance With Final Budget
Revenues			
Charges for services	$ 18,300	$ 18,344	$ 44
Expenditures			
Current			
Judicial			
Operating expenditures	18,300	15,011	3,289
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	3,333	$ 3,333
Fund Balance - Beginning of Year		82,360	
Fund Balance - End of Year		$ 85,693	

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, 2018

	Final Budget	Actual	Variance With Final Budget
Revenues			
Miscellaneous	$ 27,000	$ 32,204	$ 5,204
Expenditures			
Current			
Public safety			
Operating expenditures	27,000	32,460	(5,460)
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	(256)	$ (256)
Fund Balance - Beginning of Year		4,361	
Fund Balance - End of Year		$ 4,105	

Polk County, Georgia
Discretely Presented Component Unit
Development Authority of Polk County
Balance Sheet
June 30, 2018

Assets		
Cash and cash equivalents	$	796,596
Property held for sale		4,087,162
Total Assets	$	4,883,758
Liabilities		
Accounts payable		1,167
Accrued expenses		4,551
Total Liabilities		5,718
Fund Balance		
Nonspendable		4,087,162
Unassigned		790,878
Total Fund Balance		4,878,040
Total Liabilities and Fund Balance	$	4,883,758
Total fund balance	$	4,878,040
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		(7,800)
Net position of component unit	$	1,036,407

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, 2018

Revenues	
Intergovernmental	$ 293,073
Investment earnings	2,836
Miscellaneous	9,535
Total Revenues	305,444
Expenditures	
Planning/community development	301,754
Total Expenditures	301,754
Other Financing Sources (Uses)	
Loss on valuation of property held for sale	(40,000)
Net change in fund balance	(36,310)
Fund Balance - Beginning of Year	4,914,350
Fund Balance - End of Year	$ 4,878,040
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	$ (3,992)
Net change in fund balance	(36,310)
Change in net position of component unit in the statement of activites	$ (40,302)

Polk County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Tax Commissioner				
Assets				
Cash and cash equivalents	$ -	$ 32,782,388	$ 32,782,388	$ -
Property taxes receivable	1,937,312	28,771,884	28,809,273	1,899,923
Total Assets	$ 1,937,312	$ 61,554,272	$ 61,591,661	$ 1,899,923
Liabilities				
Taxes payable to others upon collection	$ 1,937,312	$ 28,771,884	$ 28,809,273	$ 1,899,923
Due to others	-	32,782,388	32,782,388	-
Total Liabilities	$ 1,937,312	$ 61,554,272	$ 61,591,661	$ 1,899,923
Clerk of Superior Court				
Assets				
Cash and cash equivalents	$ 36,394	$ 606,599	$ 632,695	$ 10,298
Liabilities				
Due to others	$ 36,394	$ 606,599	$ 632,695	$ 10,298
Magistrate Court				
Assets				
Cash and cash equivalents	$ 15,914	$ 361,924	$ 337,305	$ 40,533
Liabilities				
Due to others	$ 15,914	$ 361,924	$ 337,305	$ 40,533
Sheriff				
Assets				
Cash and cash equivalents	$ 252,392	$ 1,085,186	$ 1,097,017	$ 240,561
Liabilities				
Due to others	$ 252,392	$ 1,085,186	$ 1,097,017	$ 240,561
Probate Court				
Assets				
Cash and cash equivalents	$ 12,714	$ 566,456	$ 538,061	$ 41,109
Liabilities				
Due to others	$ 12,714	$ 566,456	$ 538,061	$ 41,109

Polk County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
County Probation				
Assets				
Cash and cash equivalents	$ -	$ 147,249	$ 145,215	$ 2,034
Liabilities				
Due to others	$ -	$ 147,249	$ 145,215	$ 2,034
Police Seized Property				
Assets				
Cash and cash equivalents	$ 104,346	$ 105	$ -	$ 104,451
Liabilities				
Due to others	$ 104,346	$ 105	$ -	$ 104,451
Juvenile Court				
Assets				
Cash and cash equivalents	$ 73	$ 9,591	$ 9,000	$ 664
Liabilities				
Due to others	$ 73	$ 9,591	$ 9,000	$ 664
Total				
Assets				
Cash and cash equivalents	$ 421,833	$ 35,559,498	$ 35,541,681	$ 439,650
Property taxes receivable	1,937,312	28,771,884	28,809,273	1,899,923
Total Assets	$ 2,359,145	$ 64,331,382	$ 64,350,954	$ 2,339,573
Liabilities				
Taxes payable to others upon collection	$ 1,937,312	$ 28,771,884	$ 28,809,273	$ 1,899,923
Due to others	421,833	35,559,498	35,541,681	439,650
Total Liabilities	$ 2,359,145	$ 64,331,382	$ 64,350,954	$ 2,339,573

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 These tables contain trend information that may assist the reader in assessing the County's current financial performance by placing it in historical perspective.	I-X
Revenue Capacity 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.	XI-XV
Debt Capacity 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.	XVI-XVIII
Demographic and Economic Information 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.	XIX-XX
Operating Information 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	XXI-XXIII

Data Source:

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

Exhibit I

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,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Expenses:										
General government	$ 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	$ 3,873,739
Judicial	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	3,258,630
Public safety	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	11,333,838
Public works	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	6,433,613
Planning/community development	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	1,035,598
Health and welfare	343,797	343,901	363,669	349,176	332,532	333,863	333,746	333,746	333,746	316,946
Culture and recreation	270,513	274,436	266,200	271,753	365,363	399,160	434,070	994,522	324,018	403,419
Sanitation	555,959	534,562	524,724	547,694	532,553	504,299	870,514	576,264	585,650	593,702
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Interest	41,330	16,831	2,438	2,351	3,500	4,970	16,157	16,159	16,172	17,519
Total Expenses	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	27,267,004
Program Revenues:										
Charges for services:										
General government	437,130	446,487	438,401	443,240	440,057	465,071	500,281	509,058	859,675	974,438
Judicial	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	972,174
Public safety	2,918,271	(617,716)	1,109,583	1,043,780	997,952	933,389	1,299,517	1,176,887	1,075,565	1,124,977
Planning/community development	119,555	97,193	78,044	75,037	82,291	271,768	307,817	338,986	539,111	527,893
Health and welfare	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	316,393	154,425	131,503	346,888	255,320	291,429	282,817	425,535	383,881	513,196
Capital grants and contributions	896,295	586,899	5,708,445	856,660	78,213	1,206,363	955,423	647,066	1,075,569	1,214,004
Total Program Revenues	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	5,326,682
Net (Expense) Revenue	(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)	(21,940,322)
General Revenues:										
Taxes:										
General property taxes	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	11,451,351
Recording intangibles	158,969	105,851	91,407	78,234	105,660	96,382	85,521	117,689	139,084	128,390
Real estate transfer taxes	28,007	20,782	17,785	17,526	15,702	28,418	28,568	34,656	40,975	39,188
Alcoholic beverage taxes	113,849	120,869	126,459	118,910	112,959	120,133	121,876	123,009	116,653	112,665
Sales taxes	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	7,480,852
Insurance premium tax	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	1,621,552
Other taxes	1,038,047	225,883	219,334	212,078	211,151	227,421	264,638	270,303	83,750	81,425
Gain on sale of capital assets	-	-	-	-	-	-	-	12,740	20,045	(28,922)
Rents	89,400	98,400	437,046	418,898	388,862	370,362	357,678	360,791	-	-
Unrestricted investment earnings	355,262	357,976	23,195	10,813	7,498	5,224	7,980	16,594	30,600	59,845
Miscellaneous	363,358	323,869	341,055	378,536	203,683	323,457	249,881	369,369	21,862	60,966
Total General Revenues	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	21,007,312
Transfers and Other	968,240	465,000	480,000	680,000	420,000	(1,654,424)	326,607	371,050	2,269,081	957,076
Change in Net Position	$ 2,681,673	$ (66,456)	$ 1,835,773	$ 1,016,487	$ (575,380)	$ (1,757,648)	$ 1,616,896	$ (220,745)	$ 839,215	$ 24,066

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,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Expenses:										
General government	18.63%	17.01%	17.14%	16.34%	16.73%	16.09%	19.97%	19.54%	14.45%	14.21%
Judicial	10.00%	10.44%	10.94%	11.02%	10.93%	10.61%	11.48%	11.41%	11.64%	11.95%
Public safety	44.24%	43.81%	43.39%	44.32%	41.67%	40.43%	43.45%	42.03%	45.38%	41.57%
Public works	16.29%	18.86%	18.56%	18.25%	20.89%	17.32%	14.22%	15.20%	19.44%	23.59%
Planning/community development	5.90%	4.85%	4.97%	5.17%	4.74%	10.61%	3.91%	4.32%	4.29%	3.80%
Health and welfare	1.40%	1.48%	1.58%	1.46%	1.36%	1.33%	1.41%	1.30%	1.27%	1.16%
Culture and recreation	1.10%	1.18%	1.15%	1.13%	1.49%	1.59%	1.83%	3.88%	1.24%	1.48%
Sanitation	2.27%	2.30%	2.27%	2.29%	2.18%	2.01%	3.66%	2.25%	2.23%	2.18%
Interest	0.17%	0.07%	0.01%	0.01%	0.01%	0.02%	0.07%	0.06%	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	7.43%	23.27%	5.08%	11.41%	14.86%	10.69%	11.30%	12.51%	17.49%	18.29%
Judicial	20.38%	65.23%	13.52%	28.81%	37.42%	27.20%	24.44%	23.90%	19.96%	18.25%
Public safety	49.57%	-32.19%	12.85%	26.87%	33.69%	21.45%	29.35%	28.92%	21.88%	21.12%
Planning/community development	2.03%	5.06%	0.90%	1.93%	2.78%	6.24%	6.95%	8.33%	10.97%	9.91%
Health and welfare	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating grants and contributions	5.37%	8.05%	1.52%	8.93%	8.62%	6.70%	6.39%	10.46%	7.81%	9.63%
Capital grants and contributions	15.22%	30.58%	66.12%	22.05%	2.64%	27.72%	21.58%	15.90%	21.88%	22.79%
Total Program Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
General Revenues:										
Taxes:										
General property taxes	48.63%	52.28%	68.45%	50.74%	53.16%	53.66%	54.57%	54.43%	55.83%	54.51%
Recording intangibles	0.78%	0.51%	0.58%	0.38%	0.52%	0.47%	0.41%	0.56%	0.70%	0.61%
Real estate transfer taxes	0.14%	0.10%	0.11%	0.09%	0.08%	0.14%	0.14%	0.17%	0.21%	0.19%
Alcoholic beverage taxes	0.56%	0.58%	0.80%	0.58%	0.55%	0.58%	0.59%	0.59%	0.59%	0.54%
Sales taxes	35.08%	36.10%	16.68%	37.68%	35.94%	34.62%	33.59%	32.61%	34.29%	35.61%
Insurance premium tax	5.74%	5.58%	6.92%	5.53%	5.80%	6.04%	6.43%	6.74%	7.60%	7.72%
Other taxes	5.10%	1.09%	1.39%	1.04%	1.03%	1.10%	1.28%	1.29%	0.42%	0.39%
Gain on sale of capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.10%	-0.14%
Rents	0.44%	0.47%	2.76%	2.05%	1.90%	1.80%	1.74%	1.72%	0.00%	0.00%
Unrestricted investment earnings	1.75%	1.72%	0.15%	0.05%	0.04%	0.03%	0.04%	0.08%	0.15%	0.28%
Miscellaneous	1.79%	1.56%	2.16%	1.85%	0.99%	1.57%	1.21%	1.76%	0.11%	0.29%
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,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
	Amounts									
Governmental Activities										
Net investment in capital assets	$ 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	$ 35,271,627
Restricted	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	7,435,262
Unrestricted	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	(3,634,112)
Subtotal Governmental Activities Net Position	$ 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	$ 39,072,777
Business-type Activities										
Net investment in capital assets	$ 244,928	$ 232,626	$ 220,322	$ 208,019	$ 195,715	$ 183,411	$ 171,107	$ 154,912	$ 377,967	$ 367,475
Unrestricted	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	8,392,873
Subtotal Businewsss-type Activities Net Position	$ 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	$ 8,760,348
Total										
Net investment in capital assets	$ 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	$ 35,639,102
Restricted	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	7,435,262
Unrestricted	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	4,758,761
Total Net Position	$ 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	$ 47,833,125

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.

The amounts above do not include any prior period restatements.

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)

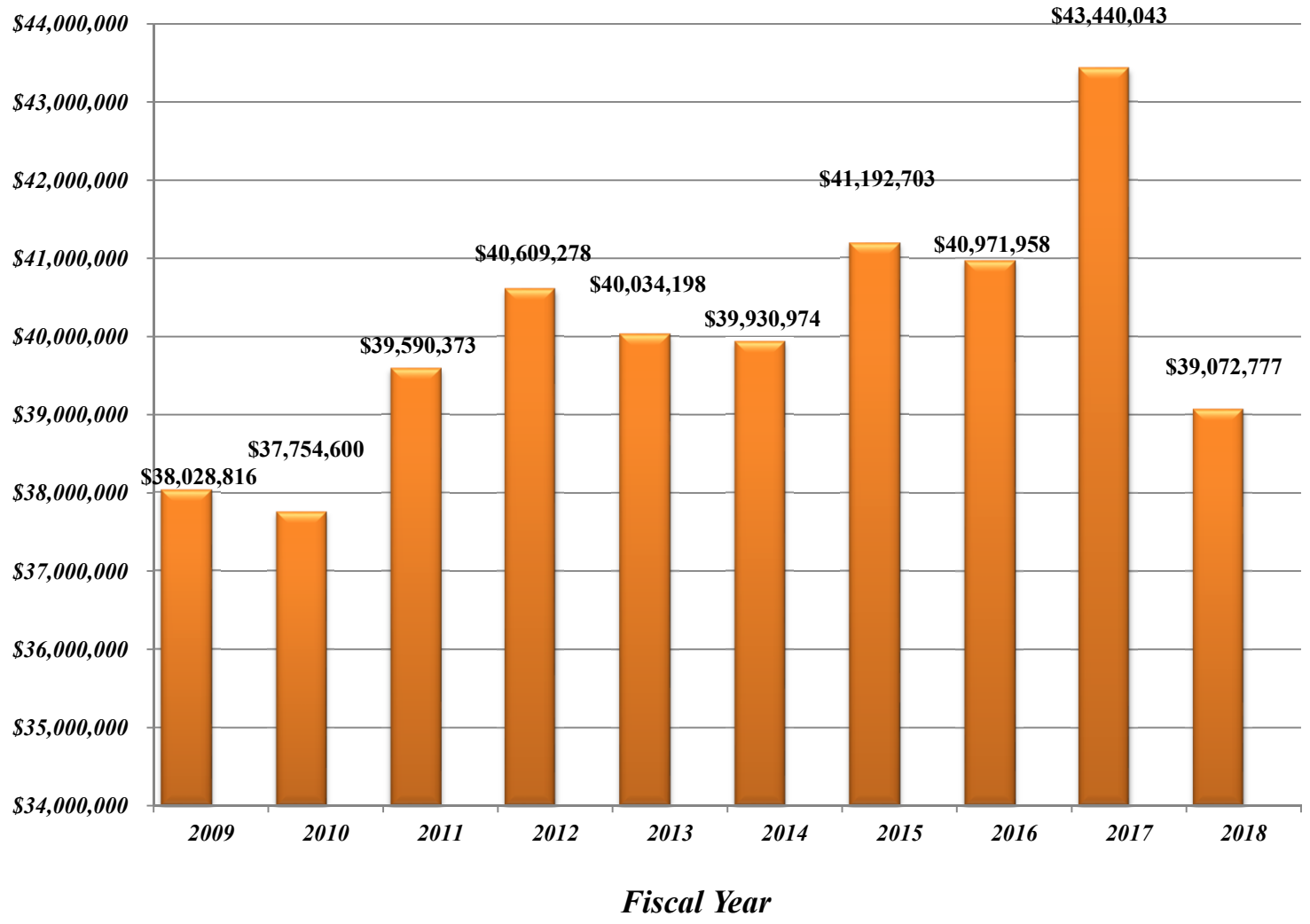


Exhibit III

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

Source	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Solid waste	$ 13,066	$ 24,096	$ 30,520	$ 21,170	$ 15,351	$ 64,216	$ (27,956)	$ 25,236	$ 62,273	$ 174,432
Program Revenues:										
Charges for services:	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	1,638,602
Net (Expense) Revenue	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	1,464,170
General Revenues and Transfers:										
Investment earnings	13,850	11,038	4,303	7,277	4,191	2,372	5,218	16,747	25,546	43,119
Gain(loss) on disposition of capital assets	-	-	-	-	-	-	-	59,376	(470)	-
Transfers	(968,240)	(465,000)	(480,000)	(680,000)	(420,000)	-	(326,607)	(371,050)	(2,269,081)	(957,076)
Total General Revenues and Transfers	(954,390)	(453,962)	(475,697)	(672,723)	(415,809)	2,372	(321,389)	(294,927)	(2,244,005)	(913,957)
Change in Net Position	$ 211,197	$ 938,263	$ 868,701	$ 907,919	$ 1,194,002	$ 1,485,952	$ 1,312,963	$ 1,318,398	$ (669,073)	$ 550,213

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	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Expenses:										
Governmental activities[1]	$ 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	$ 27,267,004
Business-type activities[2]	13,066	24,096	30,520	21,170	15,351	64,216	(27,956)	25,236	62,273	174,432
Total Expenses	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	27,441,436
Program Revenues:										
Governmental activities[1]	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	5,326,682
Business-type activities[2]	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	1,638,602
Total Program Revenues	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	6,965,284
Net (Expense) Revenue	(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)	(20,476,152)
General Revenues and Transfers:										
Governmental activities[1]	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	21,964,388
Business-type activities[2]	(954,390)	(453,962)	(475,697)	(672,723)	(415,809)	2,372	(321,389)	(294,927)	(2,244,005)	(913,957)
Total General Revenues and Transfers	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	21,050,431
Change in Net Position	$ 2,892,870	$ 871,807	$ 2,704,474	$ 1,924,406	$ 618,622	$ (271,696)	$ 2,929,859	$ 1,097,653	$ 170,142	$ 574,279

Notes:

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

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

Exhibit V

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,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Revenue Source	**Amounts**									
Taxes	$ 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	$ 21,216,029
Intergovernmental	2,024,383	741,324	928,490	1,206,938	333,833	1,447,845	1,240,790	1,072,601	1,435,025	1,689,347
Licenses and permits	101,475	97,193	78,044	75,037	82,291	80,393	92,229	111,503	114,443	131,020
Fines and forfeitures	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	921,518
Charges for services	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	1,615,583
Investment earnings and rents	445,274	456,805	459,066	424,825	404,817	375,586	365,659	377,385	30,600	70,691
Contributions and donations	-	-	-	-	-	-	-	-	-	7,636
Miscellaneous	362,746	329,440	343,734	297,046	188,083	323,457	237,081	394,894	642,036	792,889
Total revenues	$ 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	$ 26,444,713
% Change From Prior Year	-3.6%	-5.3%	-0.9%	-0.4%	-3.0%	6.6%	0.9%	-0.2%	-1.6%	7.0%
	Percentage of Change									
Taxes	71.8%	81.8%	81.3%	80.9%	84.8%	79.8%	80.0%	80.7%	80.8%	80.2%
Intergovernmental	7.8%	3.0%	3.8%	5.0%	1.4%	5.8%	4.9%	4.3%	5.8%	6.4%
Licenses and permits	0.4%	0.4%	0.3%	0.3%	0.4%	0.3%	0.4%	0.4%	0.4%	0.5%
Fines and forfeitures	4.7%	5.1%	4.8%	4.6%	4.7%	4.7%	4.3%	3.9%	3.9%	3.5%
Charges for services	12.1%	6.5%	6.4%	6.2%	6.1%	6.5%	8.0%	7.6%	6.4%	6.1%
Investment earnings	1.7%	1.9%	1.9%	1.8%	1.7%	1.5%	1.5%	1.5%	0.1%	0.3%
Miscellaneous	1.4%	1.3%	1.4%	1.2%	0.8%	1.3%	0.9%	1.6%	2.6%	3.0%
Total revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

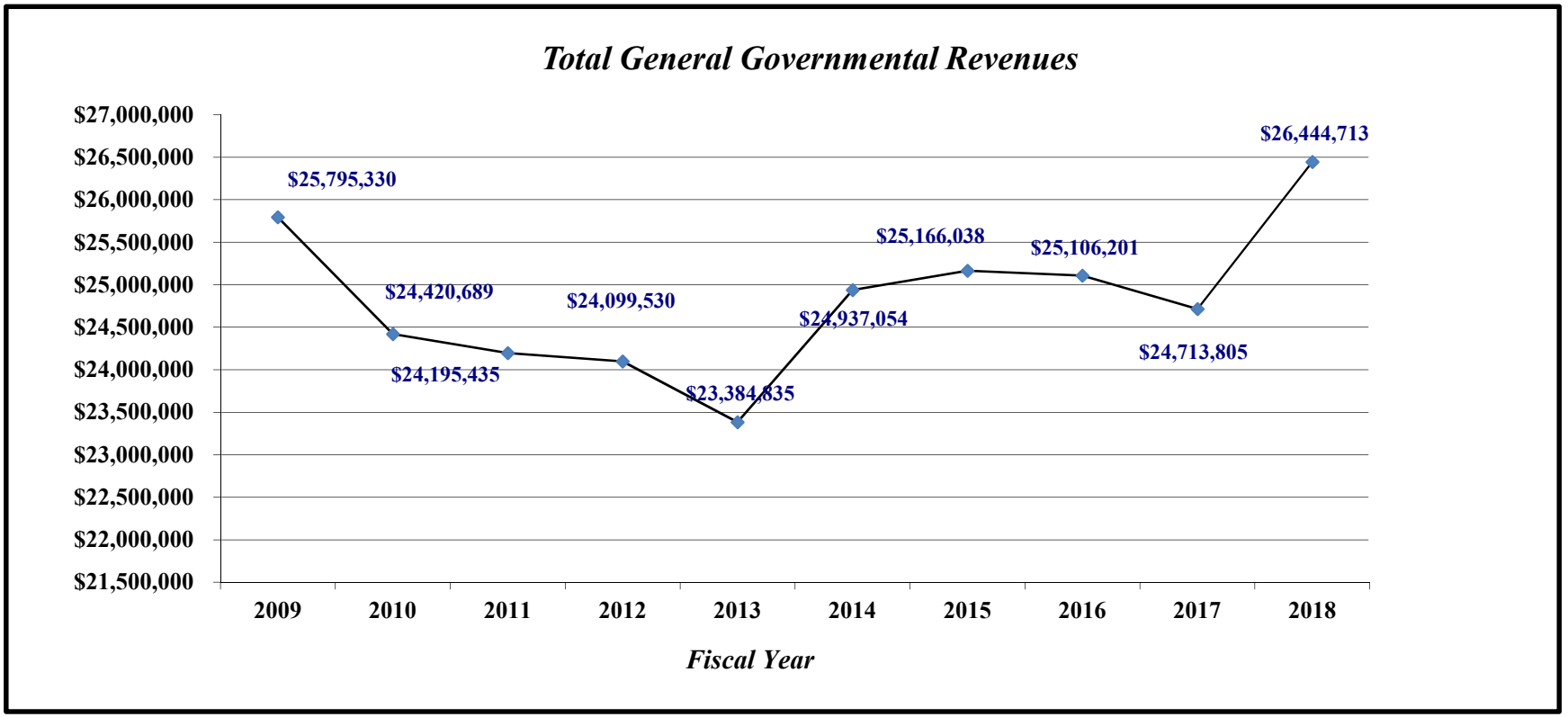
Notes:

[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							
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
2018	10,246,699	1,376,828	2,598,562	4,882,290	1,621,552	112,665	377,433	21,216,029
% Change in Dollars Over 10 Years	18.7%	25.0%	3.5%	5.5%	38.8%	-1.0%	4.3%	14.6%
	Percentage of Total							
2009	46.6%	5.9%	13.6%	25.0%	6.3%	0.6%	2.0%	100.0%
2010	49.3%	5.2%	13.2%	24.3%	5.8%	0.6%	1.5%	100.0%
2011	48.9%	5.4%	13.4%	24.7%	5.6%	0.6%	1.4%	100.0%
2012	47.3%	5.5%	13.9%	25.6%	5.8%	0.6%	1.3%	100.0%
2013	48.5%	6.3%	13.1%	24.1%	6.0%	0.6%	1.5%	100.0%
2014	48.3%	7.4%	12.5%	23.4%	6.3%	0.6%	1.5%	100.0%
2015	48.1%	7.3%	12.0%	22.5%	6.6%	0.6%	3.0%	100.0%
2016	50.1%	6.8%	11.7%	22.0%	7.0%	0.6%	1.8%	100.0%
2017	49.2%	6.6%	11.7%	22.4%	7.6%	0.6%	1.9%	100.0%
2018	48.3%	6.5%	12.2%	23.0%	7.6%	0.5%	1.8%	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	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Current:										
General government	$ 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	$ 3,492,810
Judicial	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	3,123,448
Public safety	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	10,361,924
Public works	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	5,005,883
Planning/community development	1,219,684	785,896	809,722	1,014,600	964,115	2,219,924	854,076	1,102,723	1,002,457	1,148,888
Health and welfare	329,776	907,341	373,870	309,663	309,663	334,663	309,663	309,663	309,663	292,863
Culture and recreation	217,919	217,919	217,919	218,894	317,919	352,899	337,062	323,618	324,018	323,419
Sanitation	527,313	534,562	524,724	547,694	532,553	504,299	870,514	576,264	585,650	593,702
Intergovernmental	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	2,339,524
Total Current	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	26,682,461
% Change From Prior Year	-2.3%	-3.4%	-5.4%	8.2%	4.8%	-2.6%	-3.4%	7.0%	3.0%	3.0%
Debt Service										
Principal	435,818	333,198	71,022	8,308	7,151	7,145	16,762	16,159	16,172	17,519
Interest and fees	28,663	17,111	4,316	1,237	1,156	-	-	-	-	-
Total Debt Service	464,481	350,309	75,338	9,545	8,307	7,145	16,762	16,159	16,172	17,519
% Change From Prior Year	-77.3%	-24.6%	-78.5%	-87.3%	-13.0%	-14.0%	134.6%	-3.6%	0.1%	8.3%
Total Expenditures	$ 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	$ 26,699,980
% Change From Prior Year	-8.1%	-3.8%	-6.5%	7.9%	4.8%	-2.6%	-3.4%	7.0%	3.0%	3.1%
Debt Service as a % of Noncapital Expenditures	1.93%	1.51%	0.34%	0.04%	0.03%	0.03%	0.07%	0.06%	0.06%	0.07%

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

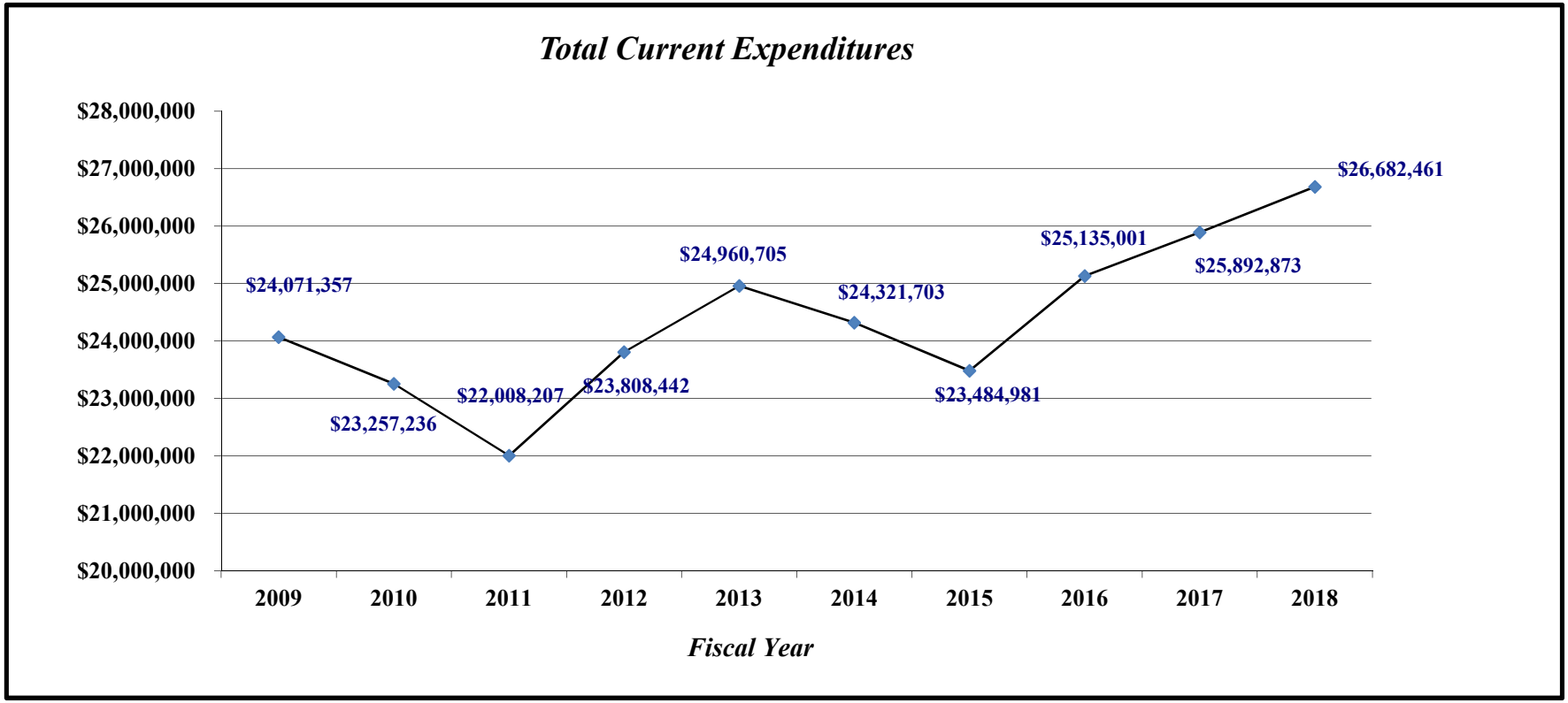
Polk County, Georgia
General Governmental Current Expenditures by Function (Unaudited) [1]
Last Ten Fiscal Years
(modified accrual basis of accounting)

	For the Year Ended June 30,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Function	**Amounts**									
Current:										
General government	$ 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	$ 3,492,810
Judicial	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	3,123,448
Public safety	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	10,361,924
Public works	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	5,005,883
Planning/community development	1,219,684	785,896	809,722	1,014,600	964,115	2,219,924	854,076	1,102,723	1,002,457	1,148,888
Health and welfare	329,776	907,341	373,870	309,663	309,663	334,663	309,663	309,663	309,663	292,863
Culture and recreation	217,919	217,919	217,919	218,894	317,919	352,899	337,062	323,618	324,018	323,419
Sanitation	527,313	534,562	524,724	547,694	532,553	504,299	870,514	576,264	585,650	593,702
Intergovernmental	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	2,339,524
Total Current	$ 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	$ 26,682,461
	Percentage of Total									
Current:										
General government	13.6%	12.7%	14.0%	14.0%	13.8%	13.3%	13.7%	14.2%	13.4%	13.1%
Judicial	9.8%	9.7%	10.6%	10.4%	10.0%	10.5%	11.3%	11.2%	11.2%	11.7%
Public safety	43.1%	39.7%	41.1%	42.2%	40.5%	40.1%	40.0%	41.1%	42.2%	38.8%
Public works	14.1%	14.8%	15.4%	14.9%	18.3%	13.2%	15.9%	13.8%	16.8%	18.8%
Planning/community development	5.1%	3.4%	3.7%	4.3%	3.9%	9.1%	3.6%	4.4%	3.9%	4.3%
Health and welfare	1.4%	3.9%	1.7%	1.3%	1.2%	1.4%	1.3%	1.2%	1.2%	1.1%
Culture and recreation	0.9%	0.9%	1.0%	0.9%	1.3%	1.5%	1.4%	1.3%	1.3%	1.2%
Sanitation	2.2%	2.3%	2.4%	2.3%	2.1%	2.1%	3.7%	2.3%	2.3%	2.2%
Intergovernmental	9.9%	12.5%	10.2%	9.7%	8.9%	8.9%	8.9%	10.6%	7.9%	8.8%
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	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Total Revenues	$ 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	$ 26,444,713
Total Expenditures	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	26,699,980
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,259,492	813,144	2,111,890	281,543	(1,584,177)	608,206	1,664,295	(44,959)	(1,195,240)	(255,267)
Other Financing Sources (Uses)										
Sale of capital assets	-	371,855	47,321	89,818	15,600	31,133	27,990	-	23,130	-
Inception of capital lease	-	-	7,426	-	-	-	-	-	-	-
Transfers in	1,424,497	998,192	937,355	943,492	786,323	336,122	706,886	755,772	2,617,210	1,285,076
Transfers out	(456,257)	(533,192)	(457,355)	(263,492)	(366,323)	(336,122)	(380,279)	(384,722)	(348,129)	(328,000)
Total Other Financing Sources (Uses)	968,240	836,855	534,747	769,818	435,600	31,133	354,597	371,050	2,292,211	957,076
Net Change in Fund Balances	$ 2,227,732	$ 1,649,999	$ 2,646,637	$ 1,051,361	$ (1,148,577)	$ 639,339	$ 2,018,892	$ 326,091	$ 1,096,971	$ 701,809

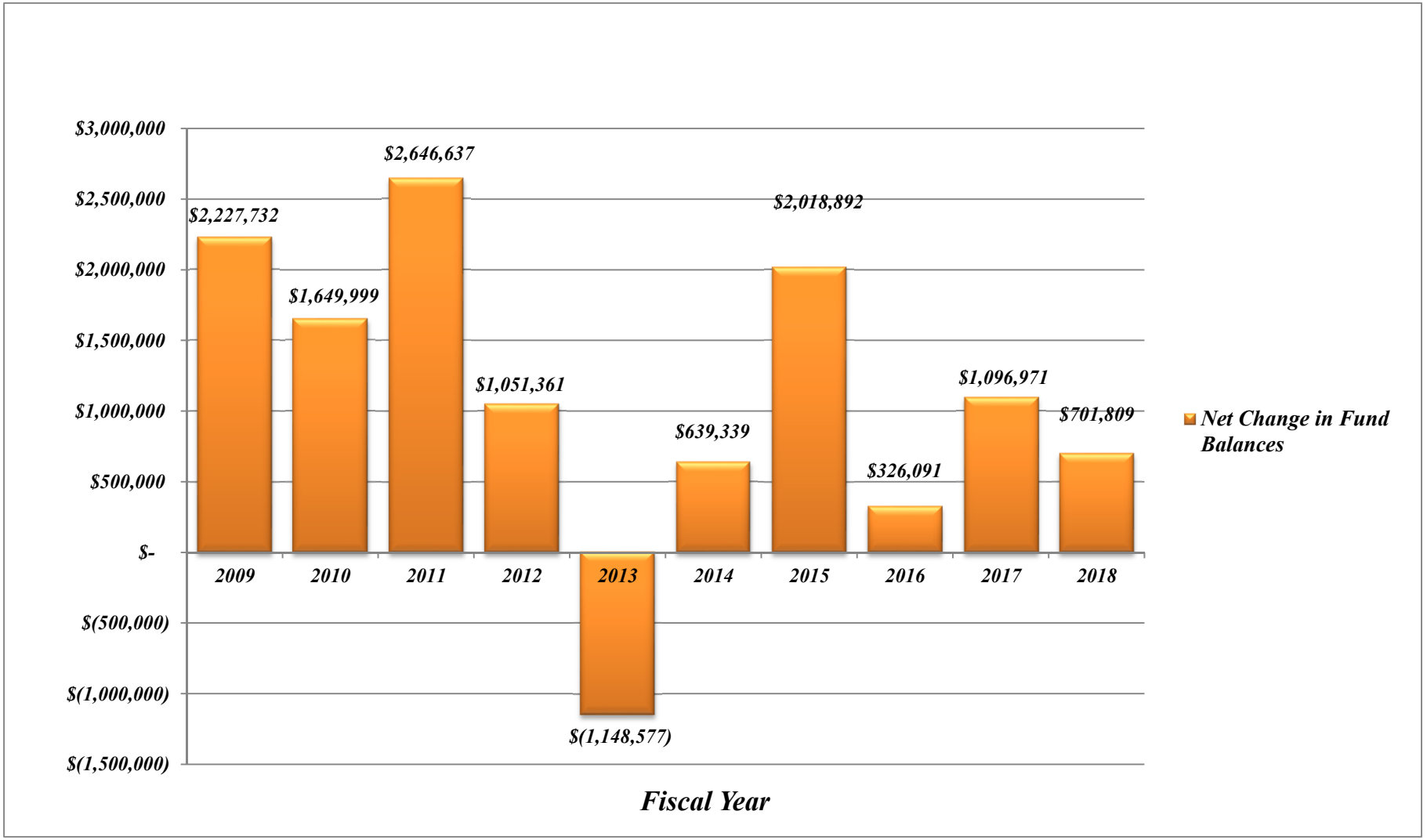
Data Source:
Applicable years' comprehensive annual financial report.

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

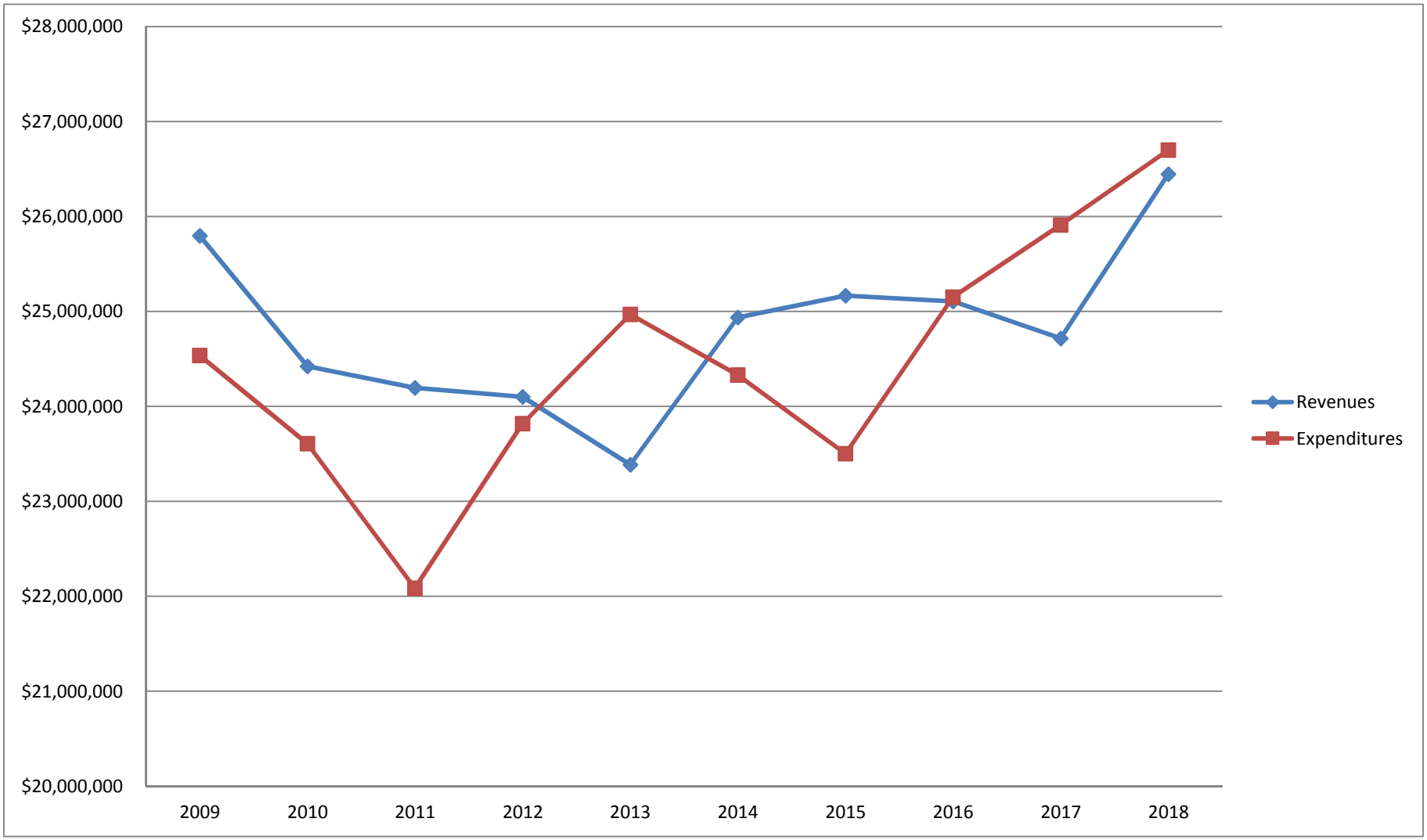


Exhibit X

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

	June 30,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
General Fund										
Reserved	$ 1,177,411	$ 1,028,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	3,262,876	4,325,891	-	-	-	-	-	-	-	-
Nonspendable	-	-	1,077,856	957,426	1,098,405	1,084,853	847,776	691,060	615,784	1,076,071
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	9,064,709
Subtotal General Fund	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	10,140,780
General Fund Percentage Change	22.2%	20.6%	32.2%	4.7%	1.6%	4.9%	6.5%	2.1%	14.9%	2.7%
All Other Governmental Funds										
Reserved	2,009,183	2,478,416	-	-	-	-	-	-	-	-
Unreserved	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	7,435,262
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)	(334,913)
Subtotal All Other Governmental Funds	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	7,100,349
All Other Governmental Funds Percentage Change	69.5%	30.3%	23.3%	14.8%	-22.7%	6.2%	32.8%	2.4%	6.9%	6.5%

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
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%
2018	488,783,776	167,233,628	121,573,842	75,499,406	71,625,558	81,096,859	37,074,892	1,480,298	113,550,057	930,818,202	11.061	2,327,045,505	-0.7%
*	$ 487,118,226	$ 158,549,637	$ 123,715,089	$ 83,766,973	$ 54,644,690	$ 84,429,164	$ 76,873,598	$ 2,150,877	$ 112,168,357	$ 959,079,897		$ 2,397,699,743	
**	-2.5%	17.8%	12.7%	-10.1%	77.4%	-29.5%	-62.5%	46.4%	25.9%	-6.9%		-6.9%	
	Percentage of Total												
2009	46.0%	13.0%	9.9%	7.7%	3.7%	10.5%	9.1%	0.1%	8.3%	91.7%			
2010	46.6%	13.8%	10.9%	7.8%	3.8%	7.9%	9.1%	0.1%	8.9%	91.1%			
2011	47.2%	13.9%	11.4%	7.7%	3.9%	7.7%	8.0%	0.1%	9.0%	91.0%			
2012	45.7%	13.6%	12.9%	8.0%	3.9%	7.5%	8.3%	0.1%	10.2%	89.8%			
2013	43.8%	14.9%	12.2%	8.6%	5.0%	7.2%	8.1%	0.1%	10.7%	89.3%			
2014	43.3%	15.2%	11.5%	8.4%	5.3%	7.8%	8.4%	0.2%	11.2%	88.8%			
2015	44.5%	15.2%	11.8%	7.7%	6.0%	7.6%	7.2%	0.1%	12.1%	87.9%			
2016	45.4%	15.8%	11.8%	7.6%	6.3%	7.4%	5.5%	0.1%	11.3%	88.7%			
2017	45.4%	16.5%	11.4%	7.4%	6.4%	7.5%	4.3%	1.0%	12.2%	87.8%			
2018	46.8%	16.0%	11.6%	7.2%	6.9%	7.8%	3.5%	0.1%	10.9%	89.1%			

**** 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:

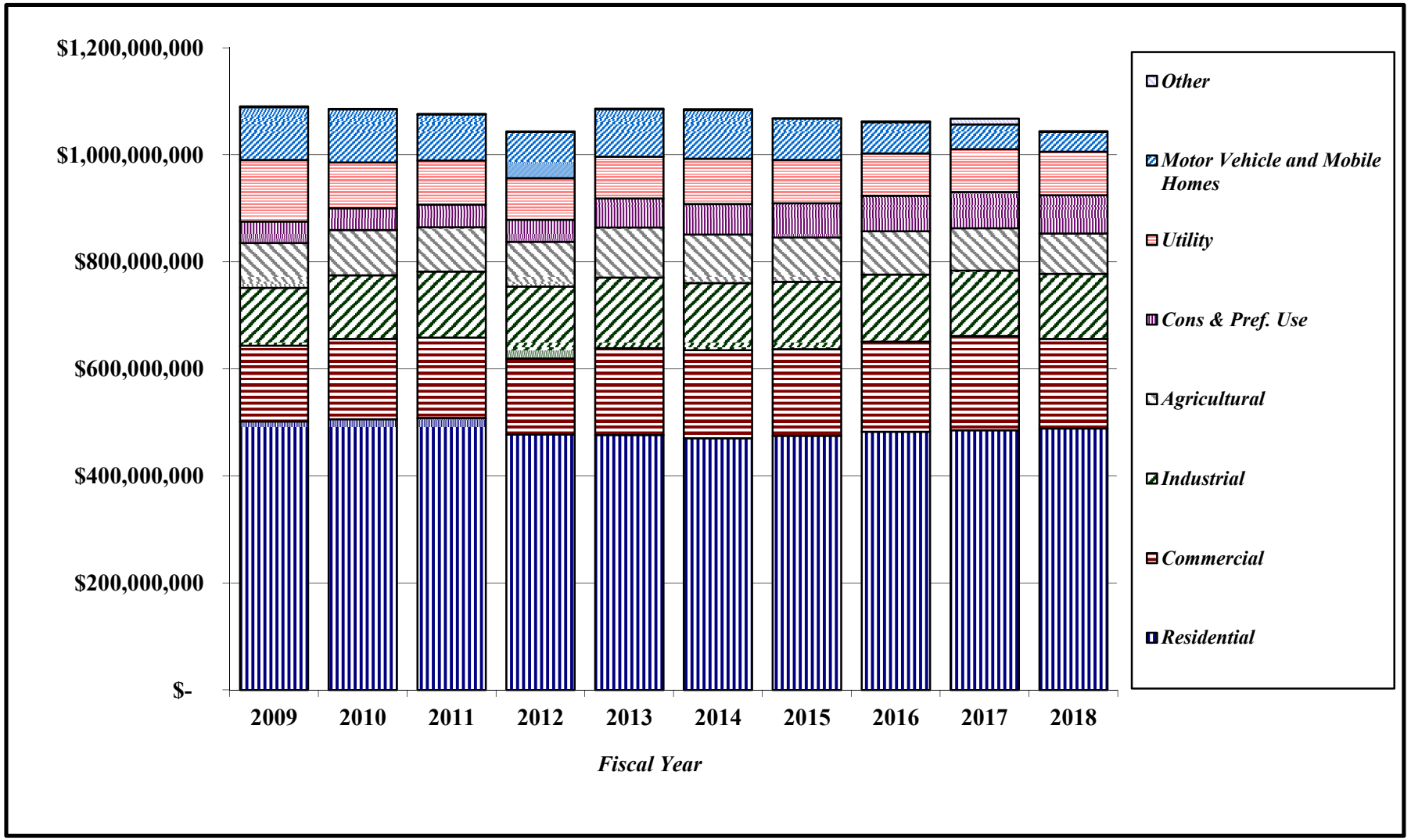
Georgia Department of Revenue, Tax Digest Consolidation Summary, http://www.etax.dor.ga.gov/PTD/cds/csheets/index.aspx

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)

		Direct	Overlapping [1]	Underlying Rate [2]				
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
2008	2009	11.253	0.250	15.280	12.000	5.000	10.980	9.212
2009	2010	10.850	0.250	15.280	12.000	5.000	10.980	9.189
2010	2011	10.850	0.250	15.280	12.000	5.000	10.980	9.160
2011	2012	10.850	0.250	16.280	12.400	5.000	11.500	9.160
2012	2013	10.850	0.200	16.280	12.400	5.000	11.340	8.989
2013	2014	10.850	0.150	16.280	12.400	5.000	11.340	8.989
2014	2015	11.120	0.100	16.274	12.513	5.000	11.337	8.989
2015	2016	11.120	0.050	16.183	12.513	5.000	11.309	8.901
2016	2017	11.120	0.050	16.151	11.610	5.000	11.286	8.888
2017	2018	11.061	0.050	16.151	11.610	5.000	11.201	8.883

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:

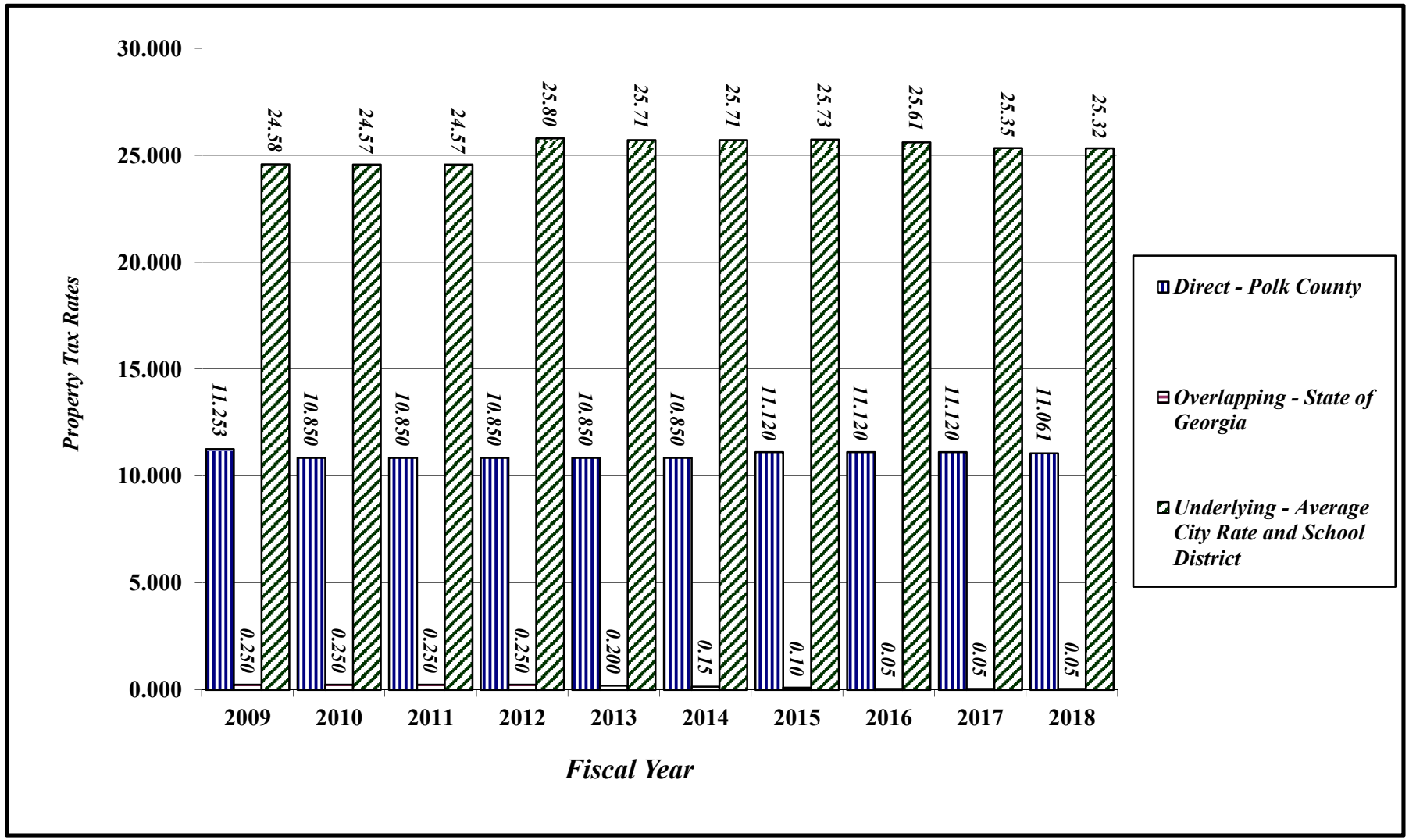
Georgia Department of Revenue, Property Tax Division,
http://www.etax.dor.ga.gov/PTD/cds/csheets/millrate.aspx

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 Ten Fiscal Years

For The Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year[2]	Collected Within the Fiscal Year of The Levy		Collections in Subsequent Year By Year of Levy	Total Collections to Date		Total Uncollected Taxes [1]	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2009	$ 8,923,112	$ 8,095,674	90.73%	$ 384,648	$ 8,480,322	95.04%	$ 442,790	4.96%
2010	9,651,443	9,077,253	94.05%	360,886	9,438,139	97.79%	213,304	2.21%
2011	9,682,549	8,978,746	92.73%	465,281	9,444,027	97.54%	238,523	2.46%
2012	9,227,066	8,466,254	91.75%	447,684	8,913,938	96.61%	313,128	3.39%
2013	9,556,138	8,771,333	91.79%	514,124	9,285,457	97.17%	270,682	2.83%
2014	9,391,629	8,854,604	94.28%	383,993	9,238,597	98.37%	153,032	1.63%
2015	9,577,732	9,103,402	95.05%	337,385	9,440,787	98.57%	136,946	1.43%
2016	9,760,389	9,262,394	94.90%	297,334	9,559,728	97.94%	200,661	2.06%
2017	9,731,377	9,311,446	95.68%	127,500	9,438,946	96.99%	292,431	3.01%
2018	9,886,217	9,384,627	94.93%	-	9,384,627	94.93%	501,590	5.07%

Notes:

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

[2] 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.

Data Source:

Polk County Tax Commissioner's Office

Polk County, Georgia

Principal Property Taxpayers (Unaudited) [2]

For The Fiscal Year Ended June 30, 2018

	2018		
Principal Taxpayer	**Taxable Assessed Value** [1]	**Rank**	**Percentage of Total Taxable Assessed Value**
Georgia Power	$ 27,634,426	1	2.97%
Smarr EMC	26,014,446	2	2.79%
Meggitt Polymers & Composites	19,756,477	3	2.12%
Norfolk Southern CBND	10,994,426	4	1.18%
Honda of America MFG Inc	10,946,122	5	1.18%
Tip Top Poultry	10,369,984	6	1.11%
GEO Specialty Chemicals	8,471,345	7	0.91%
HNI Corporation	8,255,925	8	0.89%
Advance Pierre Foods	7,463,016	9	0.80%
Walmart Real Estate Business	6,764,446	10	0.73%
Total Principal Taxpayers	136,670,613		14.68%
All Other Taxpayers	794,147,589		85.32%
Total	$ 930,818,202		100.00%

Notes:

[1] Includes freeport exemption as applicable.

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

Data Source:

Polk County Tax Commissioner's Office

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]			
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%
2018	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, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Underlying Debt[2, 3]			
Cities			
Cedartown			
Revenue bonds	$ 1,455,000	100.0%	$ 1,455,000
Capital leases	531,658	100.0%	531,658
Notes payable	519,471	100.0%	519,471
Rockmart			
Capital leases	1,487,608	100.0%	1,487,608
Notes payable	3,437,890	100.0%	3,437,890
Aragon	-	100.0%	-
Polk County School Board			
General obligation bonds	10,090,000	100.0%	10,090,000
Appreciation bonds	2,000,000	100.0%	2,000,000
Capital leases	418,022	100.0%	418,022
Total Underlying Debt			19,939,649
County Direct Debt			-
Total Direct and Underlying Debt			$ 19,939,649

[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.

Exhibit XVII

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

	June 30,									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Assessed Value [1]	$ 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	$ 930,818,202
Legal Debt Margin										
Debt limit (10% of assessed value)[2]	$ 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	$ 93,081,820
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	$ 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	$ 93,081,820
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

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

June 30,	Governmental Activities			Estimated [2] Population	Per Capita
	Installment Contracts	Notes	Total		
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	-
2018	-	-	-	42,085	-

Data Sources:

[1] Applicable years' comprehensive annual financial report.

[2] Demographic and economic statistics table.

Exhibit XIX

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	
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	42,085	-	-	7,821	5.1%	4.8%	4.2%	17,322
2018	-	-	-	7,811	4.0%	3.8%	3.7%	17,949

Data Sources:

[1] http://recenter.tamu.edu/data/popc/popcs13.html - 2018 data was not available.

[2] U.S. Bureau of Economic Analysis - 2017 and 2018 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, 2018 [1]

Employer	Type of Business	2018 Number of Employees	Rank	Percentage of Major County Employers
Meggit Polymers and Composites	Manufacture aircraft fuel tanks	1,169	1	6.51%
Hon Company	Furniture Office Equipment	680	2	3.79%
Tip Top Poultry Inc.	Poultry Cooking Plant	650	3	3.62%
Jefferson Southern Corp.	Manufacture Auto Parrts	300	4	1.67%
AT&T	Telecommunications (Mobility)	200	5	1.11%
Angelica Textile Services	Commercial Laundry	150	6	0.84%
Advanced Storage Systems	Manufacture Storage Systems	145	7	0.81%
EBY Brown	Wholesale Grocer	142	8	0.79%
Agro Merchants Group	Refrigerated Warehouse	135	9	0.75%
Gildan Yarns	Manufacture Yarn	104	10	0.58%
Total Principal Employees		3,675		20.47%
Other Employees-estimated		14,274		79.53%
Total Employees		17,949		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.

Exhibit XXI

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

Function/program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Board of commissioners	6	6	6	6	6	6	6	6	6	6
Administration	2	2	2	2	2	2	2	1	1	1
County clerk	1	1	1	1	1	1	1	1	1	1
Human resources	-	-	-	-	2	2	2	2	2	2
Finance	4	4	4	4	3	3	3	3	3	3
Information technology	2	2	2	2	1	1	2	2	1	1
Voter registration	3	3	3	3	2	2	2	2	2	2
Tax commissioner	9	9	9	9	9	9	9	9	10	9
Tax assessor	10	10	10	9	9	10	10	10	8	8
Total General Government	37	37	37	36	35	36	37	36	34	33
Judicial										
Probate court	6	6	6	7	6	6	6	6	6	6
Juvenile court	2	1	1	2	2	2	2	3	3	3
Magistrate court	6	6	6	6	6	6	6	5	5	6
Clerk of superior court	11	11	11	10	10	11	11	11	11	12
District attorney	2	2	2	2	3	3	3	3	3	3
DUI/drug court	1	1	1	1	1	1	1	1	1	2
Total Judicial	28	27	27	28	28	29	29	29	29	32
Public Safety										
Police protection	121	119	117	124	108	112	109	109	116	119
Fire protection	1	1	1	1	1	1	-	-	-	-
E-911	17	15	18	18	18	17	18	16	17	18
Emergency management	1	1	1	1	1	1	2	2	2	2
Total Public Safety	140	136	137	144	128	131	129	127	135	139
Highways and Streets										
Highways and streets	29	32	29	32	32	32	29	33	34	34
County shop	4	4	4	4	4	4	4	4	3	3
Sanitation	2	2	2	2	2	2	2	2	2	2
Total Highways and Streets	35	38	35	38	38	38	35	39	39	39
Culture and Recreation										
Transportation	-	-	-	-	-	-	-	-	-	-
Total Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Total	240	238	236	246	229	234	230	231	237	243
Percentage Change From Prior Year	-4.4%	-0.8%	-0.8%	4.2%	-6.9%	2.2%	-1.7%	0.4%	2.6%	2.5%

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

	Fiscal Year									
Function/program	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Fire										
Emergency responses	553	672	804	802	832	775	890	557	739	774
Medical responses	-	-	73	153	188	168	239	237	198	130

Data Source *:*
Fire Departments.

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

	Fiscal Year									
Function/Program	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
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, 2018

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	$ 6,009,276	$ 1,000,000	$ 7,009,276	$ 2,010,174	4,999,102	119%
Transportation equipment and facilities	2,540,000	1,456,650	-	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	3,748,559	-	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	14,570,156	1,000,000	15,570,156	2,010,174	13,559,982	70%
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	$ 28,782,989	$ 1,000,000	$ 29,782,989	$ 2,010,174	$ 27,772,815	77%

Polk County, Georgia

Schedule of Projects Constructed With

Special Purpose Local Option Sales Tax

For the Fiscal Year Ended June 30, 2018

Project	Original Estimated Cost	Prior Years	Current Year	Total	Less Intergovernmental Revenue	Net SPLOST Expenditures	Estimated Percentage of Completion
2014 SPLOST							
Public infrastructure improvements	$ 5,900,000	$ 373,230	$ 141,495	$ 514,725	$ -	514,725	9%
Transportation equipment and vehicles	390,000	90,383	-	90,383	-	90,383	23%
County buildings, facilities, and equipment	2,760,000	234,628	144,187	378,815	-	378,815	14%
Public safety equipment and vehicles	6,089,000	1,256,871	638,563	1,895,434	-	1,895,434	31%
Economic development	1,300,000	-	-	-	-	-	0%
Public works equipment and vehicles	1,760,000	192,625	182,888	375,513	-	375,513	21%
Recreation facilities	1,200,000	575,000	80,000	655,000	-	655,000	55%
Project total	19,399,000	2,722,737	1,187,133	3,909,870	-	3,909,870	20%
Intergovernmental:						-	
City of Cedartown	8,970,000	3,325,764	1,212,761	4,538,525	-	4,538,525	51%
City of Rockmart	7,233,000	2,680,353	977,923	3,658,276	-	3,658,276	51%
City of Aragon	509,000	188,681	68,840	257,521	-	257,521	51%
Intergovernmental total	16,712,000	6,194,798	2,259,524	8,454,322	-	8,454,322	51%
Program Total	$ 36,111,000	$ 8,917,535	$ 3,446,657	$ 12,364,192	$ -	$ 12,364,192	34%

NICHOLS, CAULEY & ASSOCIATES, LLC
1825 Barrett Lakes Blvd, Suite 200
Kennesaw, Georgia 30144
770-422-0598 FAX 678-214-2355
kennesaw@nicholscauley.com

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 21, 2018. Our report includes a reference to other auditors who audited the financial statements of the Polk County Health Department, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Polk County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 December 21, 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
December 21, 2018