UNION COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2015

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UNION COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2015

TABLE OF CONTENTS

		Page(s)
INTRODUCTORY SECTION:		
	Table of Contents	i-iv
FINANCIAL SECTION:		
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-14
BASIC FINANCIAL STATEMENTS		
Exhibit		
	Government-wide Statements	
A-1	Statement of Net Position	15-16
A-2	Statement of Activities	17
	Fund Financial Statements	
A-3	Balance Sheet – Governmental Funds	18
A-4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
A-5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
A-6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
A-7	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) to Actual – General Fund	22-23
A-8	Statement of Net Position – Proprietary Funds	24
A-9	Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	25
A-10	Statement of Cash Flows – Proprietary Funds	26
A-11	Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	27

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Exhibit		Page(s)
A-12	Combining Statement of Net Position – Component Units	**28**
A-13	Combining Statement of Activities – Component Units	**29**
A-14	**Notes to the Financial Statements**	**30-65**

Item #		Page #
1.	Description of Government Unit	**30**
2.	Summary of Significant Accounting Policies	**30-44**
3.	Deposit and Investment Risk	**45-46**
4.	Accounts Receivable	**47**
5.	Intergovernmental Receivables	**48**
6.	Property Taxes	**48**
7.	Interfund Receivables and Payables	**49**
8.	Interfund Transfers	**49-50**
9.	Capital Assets	**50-52**
10.	Capital Lease Agreements	**53**
11.	Operating Lease Agreements	**54-55**
12.	Long-Term Debt	**55-59**
13.	Bond Issuance	**60**
14.	Landfill Post-Closure Care Costs	**60**
15.	Deficit Fund Balances	**60**
16.	Net Investment in Capital Assets	**61**
17.	Defined Contribution Plan	**61**
18.	Hotel/Motel Lodging Tax	**62**
19.	Joint Ventures	**62**
20.	Risk Management	**63-64**
21.	Commitments and Contingencies	**65**

Table of Contents, continued

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Exhibit		Page (s)
B-1	Combining Balance Sheet – Nonmajor Governmental Funds	**66-67**
B-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	**68-69**
B-3	Law Library Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**70**
B-4	Seizures Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**71**
B-5	Sheriff Donation Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**72**
B-6	Emergency 911 Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**73**
B-7	Local Victims Assistance Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**74**
B-8	Jail Operations Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**75**
B-9	Inmate Welfare Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**76**
B-10	Drug Abuse Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**77**
B-11	Juvenile Court Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**78**
B-12	Multiple Grant Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**79**
B-13	Hotel/Motel Tax Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**80**
B-14	SPLOST Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**81**
B-15	Urban Redevelopment Agency Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**82**

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page (s)
	AGENCY FUNDS	
C-1	Combining Balance Sheet	**83-84**
C-2	Statement of Changes in Assets and Liabilities	**85**
	OTHER REPORTING SECTION	
	SINGLE AUDIT SECTION	
	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	**86-87**
	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	**88-89**
D-1	Schedule of Expenditures of Federal Awards	**90**
D-2	Notes to the Schedule of Expenditures of Federal Awards	**91**
D-3	Schedule of Findings and Questioned Costs	**92-95**
	STATE REPORTING SECTION	
E-1	Schedule of Projects Financed with Special Purpose Local Option Sales Tax	**96-97**

Independent Auditor's Report

Honorable Commissioner
Union County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Georgia, as of and for the year ended December 31, 2015, 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 Union County Health Department, a component unit of Union County, Georgia, which represents 17.7 percent, 4.1 percent, and 74.8 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Union 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 of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Georgia, as of December 31, 2015, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 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 Union County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

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

Other Reporting Required by *Governmental Auditing Standards*

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 27, 2016

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Union County Commissioner
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MANAGEMENT'S DISCUSSION AND ANALYSIS

Union County management is proud to present this narrative discussion and analysis of Union County's financial performance, making available an overview of the activities for the year ended December 31, 2015. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Union County. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous fiscal year.

Financial Highlights

- Union County's assets exceeded its liabilities at December 31, 2015 by $49,185,201 (*net position*). Of this amount, $6,202,189 is reported as unrestricted net position. This is an increase of $2,274,383 from the previous year for unrestricted. Total net position increased by $1,955,116 from the previous year.

- As of December 31, 2015, Union County's governmental funds reported combined ending fund balances of $12,572,738. Approximately 40% of this total amount, or $4,988,511, is reported as unassigned and available for spending at the County's discretion. Approximately 50%, or $6,296,961, is reported as restricted. Information about Union County's Policy on Fund Balance can be found in Note 2R in the *Notes to the Financial Statements* beginning on page 42.

More detailed information regarding these activities and funds begins on page 15.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Union County's basic financial statements. Union County's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the County as a whole). The focus of the government-wide financial statements is on the overall financial position and activities of Union County and is designed to provide a broad overview of the County's financial activities in a manner similar to a private business enterprise.

The County's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about Union County using the accrual basis of accounting, which is similar to the accounting used by non-public businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the ***Statement of Net Position*** (pages 15-16) is to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. While the purpose of County Government is not to accumulate net position, as this amount increases it can indicate the strength of the County's financial position as a whole. When this amount decreases it can indicate a weakening of the County's financial position.

The ***Statement of Activities*** (page 17) presents the revenues and expenses of the County. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the County and identifies the extent to which each function of the County draws from general revenues or is self-financing through user fees, special revenues, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide Union County into three types of activities:

- ***Governmental activities*** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as real property, sales, insurance premium and intangible finance most of these services.

- ***Business-type or Enterprise activities*** – The County charges fees to customers to assist in recovering the cost for providing certain services. The County's Golf Course and Meeks Park are reported in this category.

- ***Discretely Presented Component Units*** – A component unit is a legally separate organization for which the elected officials of the County can be financially accountable. The Development Authority of Union County and the Union County Health Department, although legally separate, function for all practical purposes as departments of Union County and have been included as an integral part of the government.

The County's government-wide financial statements are presented on pages 15-17.

Fund Financial Statements (Reporting the County's Major Funds).
The focus of fund financial statements is directed at specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 66. The County's funds are divided into three broad categories: governmental, proprietary, and fiduciary. They use different prescribed accounting methodologies.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the short-term view of the County's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash.

  Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By so doing, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

  Union County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Urban Redevelopment Agency Debt Service Fund, and SPLOST IV Capital Projects Fund, which are considered major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 66-69 of this report.

  Union County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been included for the General Fund to show the final result of actual revenues and expenditures as compared to the initial projections.

  The County's basic governmental fund financial statements are presented on pages 18-23 of this report.

- ***Proprietary Funds*** – When the County charges customers for the services it provides, whether to outside customers or internally to departments of the County, these services are generally reported in proprietary funds. The County maintains one type of proprietary funds: Enterprise Funds. These proprietary funds are prepared using the same accrual basis of accounting as the government-wide financial statements.

  Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. Union County uses enterprise funds to account for its Golf Course and Meeks Park functions.

  The County's proprietary fund financial statements are presented on pages 24-26.

  Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs and services. The accounting used for fiduciary funds is similar to that used for proprietary funds. Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements. The fiduciary fund financial statements are presented on page 27.

Notes to the financial statements.
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-65 of this report.

Other Supplementary Information.
Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 19 and 21) which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statements but as deferred inflows of resources on the fund statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the County's Financial Position and Operations

The County's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-17):

Union County
Net Position
Fiscal Years 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current	$ 21,541,062	$ 18,159,792	$ (422,160)	$ (433,793)	$ 21,118,902	$ 17,725,999
Noncurrent	40,767,777	41,885,186	4,423,718	4,431,960	45,191,495	46,317,146
Total assets	62,308,839	60,044,978	4,001,558	3,998,167	66,310,397	64,043,145
Liabilities:						
Current	2,721,694	3,757,985	88,788	138,819	2,810,482	3,896,804
Noncurrent	7,430,670	5,783,462	0	19,024	7,430,670	5,802,486
Total liabilities	10,152,364	9,541,447	88,788	157,843	10,241,152	9,699,290
Deferred inflows of resources	6,884,044	7,113,770	0	0	6,884,044	7,113,770
Net position:						
Net investment in capital assets	32,279,968	35,645,939	4,406,083	4,382,646	36,686,051	40,028,585
Restricted	6,296,961	3,273,694	0	0	6,296,961	3,273,694
Unrestricted	6,695,502	4,470,128	(493,313)	(542,322)	6,202,189	3,927,806
Total net position	$ 45,272,431	$ 43,389,761	$ 3,912,770	$ 3,840,324	$ 49,185,201	$ 47,230,085

Net position may serve over time as a useful indicator of a government's financial position. Assets for Union County exceeded liabilities by $49,185,201 at the close of 2015. Approximately 75% of Union County's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This is a decrease from 85% at December 31, 2014. The County uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position comprises 13% of total net position. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position makes up the remaining 12%.

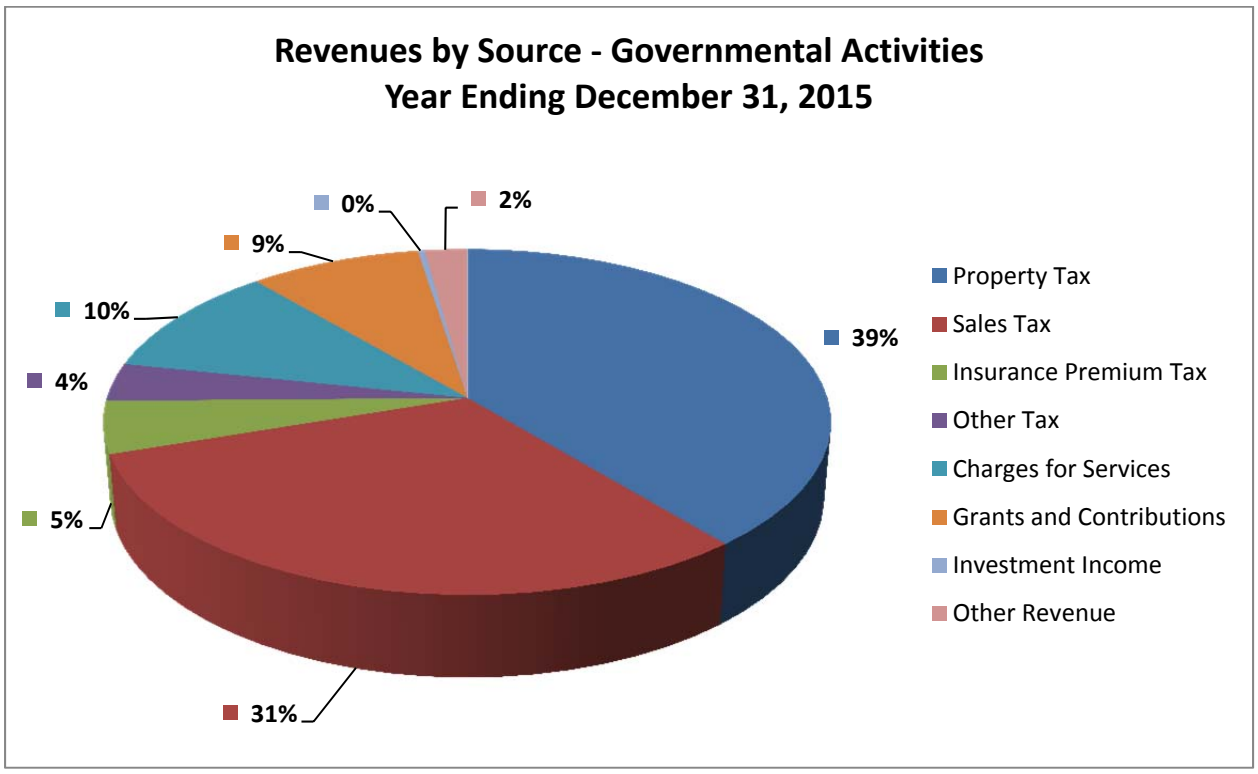
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Union County's net position changed during the year.

Union County
Changes in Net Position
Fiscal Years 2015 and 2014

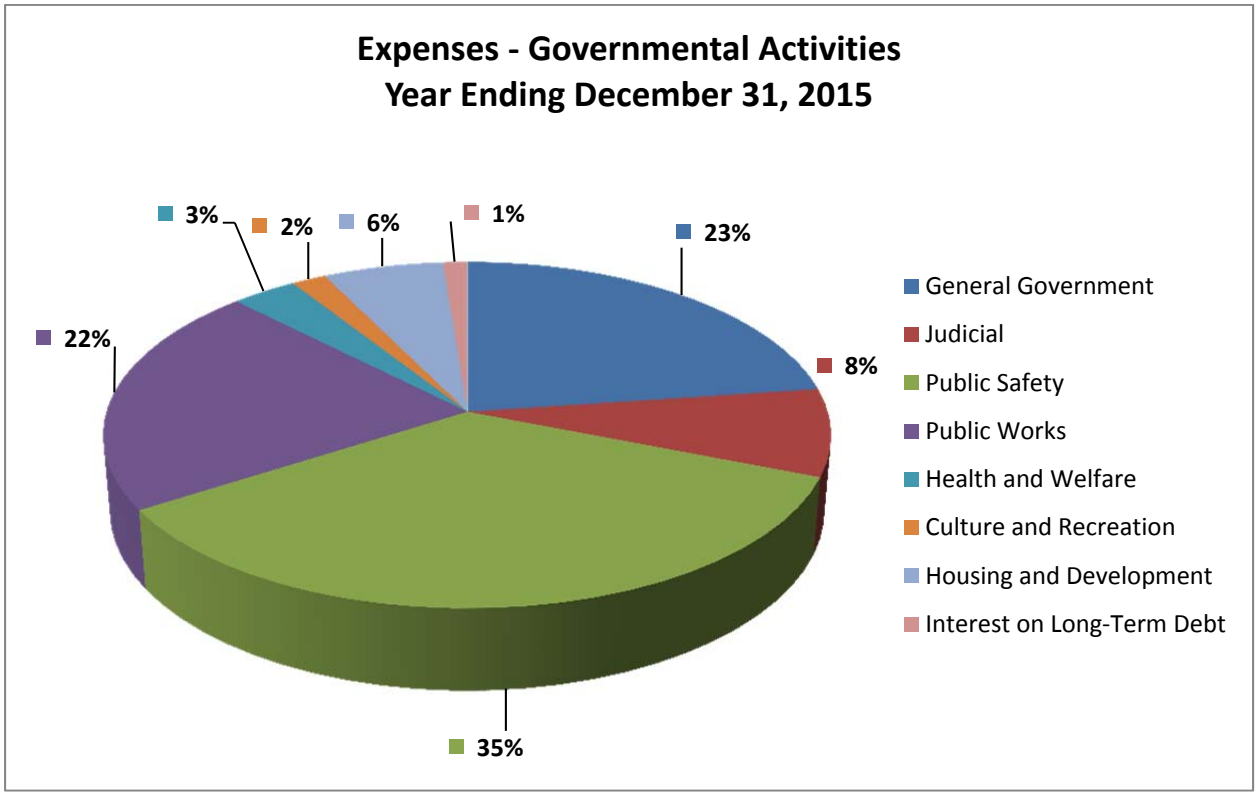
	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	$ 2,327,754	$ 2,388,909	$ 1,112,581	$ 1,108,341	$ 3,440,335	$ 3,497,250
Operating grants and contributions	749,651	753,963	0	0	749,651	753,963
Capital grants and contributions	1,191,291	1,042,464	0	0	1,191,291	1,042,464
General revenues:						
Property tax	8,666,591	7,390,716	0	0	8,666,591	7,390,716
Sales tax	6,872,418	6,676,494	0	0	6,872,418	6,676,494
Insurance premium tax	1,086,622	1,014,734	0	0	1,086,622	1,014,734
Other taxes	791,552	677,506	0	0	791,552	677,506
Interest & investment earnings	77,185	32,600	0	0	77,185	32,600
Other revenue	483,425	147,866	144,611	127,152	628,036	275,018
Total revenues	22,246,489	20,125,252	1,257,192	1,235,493	23,503,681	21,360,745
Expenses						
General Government	4,415,079	3,858,030	0	0	4,415,079	3,858,030
Judicial	1,574,103	1,477,117	0	0	1,574,103	1,477,117
Public Safety	6,766,491	6,181,150	0	0	6,766,491	6,181,150
Public Works	4,183,973	3,384,879	0	0	4,183,973	3,384,879
Health and Welfare	643,999	977,667	0	0	643,999	977,667
Culture and Recreation	336,254	283,116	0	0	336,254	283,116
Housing and Development	1,177,761	1,019,415	0	0	1,177,761	1,019,415
Interest on long-term debt	238,905	310,595	0	0	238,905	310,595
Golf Course	0	0	934,972	946,173	934,972	946,173
Meeks Park	0	0	1,277,028	1,452,981	1,277,028	1,452,981
Total expenses	19,336,565	17,491,969	2,212,000	2,399,154	21,548,565	19,891,123
Increase (decrease) in net position before transfers	2,909,924	2,633,283	(954,808)	(1,163,661)	1,955,116	1,469,622
Transfers	(1,027,254)	(2,651,419)	1,027,254	2,651,419	0	0
Increase (decrease) in net position	1,882,670	(18,136)	72,446	1,487,758	1,955,116	1,469,622
Net position - beginning	43,389,761	43,407,897	3,840,324	2,352,566	47,230,085	45,760,463
Net position - ending	$ 45,272,431	$ 43,389,761	$ 3,912,770	$ 3,840,324	$ 49,185,201	$ 47,230,085

Governmental Activities –

The following chart illustrates revenues of the governmental activities for the fiscal year:



The following chart illustrates the expenses of the governmental activities for the fiscal year:



Business-Type Activities –

Business-type activities did not contribute to a significant increase in Union County's net position with a small increase of $72,446, or 2%.

Financial Analysis of the County's Funds

Union County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The main focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of unrestricted resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

1) As the County completed this year, its governmental funds reported a combined ending fund balance of $12,572,738. Of this amount, $4,988,511 (40%) constitutes unassigned fund balance, which is available for appropriation for the general purposes of the funds in accordance with the Union County Policy on Fund Balance.

The General Fund is the chief operating fund of the County. At the end of the current year, fund balance of the General Fund was $5,803,111. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 87% of total fund balance in the General Fund. Unassigned fund balance represents approximately 40% of total General Fund expenditures, while total fund balance represents approximately 46% of that same amount. The County ended the year realizing an increase in the overall fund balance in the General Fund by $1,803,210, or approximately 45%. The County increased unassigned fund balance in the General Fund by $1,854,489, or 58%. This increase was due in large part to increased tax revenues and other revenues while holding expenditures to a smaller increase.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the year. Budgeted revenues in total increased $1,230,027 and expenditures in total increased $982,812 from original to final budgets. As expected, the County experienced an increase in revenues from the prior fiscal year. The County also experienced an increase in expenditures from the prior fiscal year. The County ended the fiscal year with significant growth in the fund balance. Overall, the County had a significant increase in revenues and other financing sources, and actually reduced expenditures to allow for the increased fund balance. We are very proud of these accomplishments on the heels of a financial recession for the country.

Proprietary Funds. Union County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of the County's two proprietary funds totaled as follows:

- Golf Course $ 1,290,724
- Meeks Park $ 2,622,046

The Golf Course Fund increased net position by $20,383. The increase is due predominantly to a gain on sale of capital assets of $15,045. The Meeks Park Fund increased net position by $52,063. The increase is due to transfers exceeding the operating loss.

Capital Assets and Debt Administration

Capital Assets. Union County has invested $45,191,495 in capital assets (net of accumulated depreciation) compared to $46,317,146 in the previous year. This represents a decrease of 2.4%. Approximately 90% of this investment is related to governmental activities and includes infrastructure, land, buildings, equipment and vehicles. Capital assets held by the County at year-end are summarized as follows:

Union County
Capital Assets (net of accumulated depreciation)
Fiscal Years 2015 and 2014

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	$ 4,227,955	$ 3,904,437	$ 2,427,997	$ 2,427,997	$ 6,655,952	$ 6,332,434
Construction in progress	768,545	652,007	71,452	21,130	839,997	673,137
Land improvements	0	0	401,509	356,412	401,509	356,412
Buildings and improvements	31,632,912	31,239,904	2,701,765	2,675,425	34,334,677	33,915,329
Equipment and furniture	5,307,909	5,144,846	943,300	1,001,066	6,251,209	6,145,912
Vehicles	5,251,943	4,870,930	74,306	74,306	5,326,249	4,945,236
Infrastructure	21,100,368	21,011,366	0	0	21,100,368	21,011,366
Total	68,289,632	66,823,490	6,620,329	6,556,336	74,909,961	73,379,826
Accumulated depreciation	(27,521,855)	(24,938,304)	(2,196,611)	(2,124,376)	(29,718,466)	(27,062,680)
Net Capital Assets	$ 40,767,777	$ 41,885,186	$ 4,423,718	$ 4,431,960	$ 45,191,495	$ 46,317,146

Major capital asset expenditures during the current year for governmental activities included the following:

- Completion of various SPLOST projects
- Purchase of vehicles and heavy equipment for various departments
- Purchase of land for continued growth for the County
- Continuing road construction, road improvements, culvert repairs and bridge repairs

Major capital asset expenditures during the current year for business-type activities included the following:

- General improvements to Meeks Park ball fields and pavilions/parking areas
- Significant improvement (33 % increase in square feet addition) to Union County Farmers Market
- Purchase of a vehicle and maintenance equipment for Meeks Park
- Improvements and additions to Poteet Creek Campground
- Continued improvements to Butternut Creek Golf Course

Additional information on Union County's capital assets can be found in Note 9 on pages 50-52 of this report.

Debt/Capital Leases. On December 31, 2015, Union County had a total debt balance outstanding for governmental activities in the amount of $8,258,779, as compared to $6,311,934 the previous year. Union County's outstanding debt for governmental activities has increased by $1,946,845 predominantly due to the issuance of the Series 2015 general obligation bond. This bond was utilized to drastically decrease the interest cost of a previous URA bond for construction of the Union County Community Center. This bond is being retired monthly with our current SPLOST and will be completely paid off at the end of SPLOST 4. On December 31, 2015, Union County had a total debt balance outstanding for business-type activities in the amount of $17,635, as compared to $49,314 the previous year. Union County's outstanding debt for business-type activities has decreased by $31,679 during the course of the year due to regular scheduled payments.

Additional information on the County's long-term debt can be found in Note 12 on pages 55-59 of this report.

Economic Condition and Outlook

Union County is determined to maintain an increase in our fund balance each year while continuing to provide exceptional services to our citizens. Moving forward the County will continue to face challenges as a result of past slow economic growth, but we are encouraged at the very positive direction of the current economy along with our strong fiscal county policies. Housing starts and retail sales related to residential and commercial construction are all increasing. Hotel stays and cabin rentals are strong. Most shops and restaurants continue to show an increase in business. Our average unemployment rate is the lowest in many years and continues to be among the lowest in our 13 county region.

We remain cautiously optimistic that the growth in revenues and business in Union County will continue. This stronger economy helps verify that the economic development policies Union County Government has pursued over the years has proved to be successful. These and many key factors were considered in preparation of the budget for 2016 and 2017. Our strong financial position and continued strong credit rating helps insure that Union County is ready to meet any future challenges:

- Continued reliance on residential taxes as an overall part of the tax base
- Strong recovery in countywide retail sales

- Reliance on Special Purpose Local Option Sales Tax for capital improvements to continue improving our quality of life and limit requirements for more property tax dollars
- Union County's unemployment rate remaining near record low levels in the 4% range, exceeding state and national averages in most months
- With continued growth there will eventually be a need for additional personnel, development, and training
- Rising cost of healthcare and other insurance benefits must always be considered as to how it will impact budgets
- We continue to actively pursue construction of SPLOST projects from our 2015 SPLOST (SPLOST 4)

Contacting the County

This financial report is designed to provide County citizens, taxpayers, customers, and creditors with a general overview of Union County's finances and to demonstrate the County's high level of accountability for the revenue it receives and the services it provides. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Union County
65 Courthouse Street
Blairsville, GA 30512
706-439-6000
unioncounty@uniongov.com
http://www.unioncountyga.gov

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BASIC FINANCIAL STATEMENTS

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 14,561,450	$ 283,346	$ 14,844,796	$ 810,256
Restricted cash and cash equivalents	3,559,564	0	3,559,564	0
Receivables (net)				
Accounts	613,245	7,121	620,366	18,536
Intergovernmental	104,658	0	104,658	20,026
Taxes	1,935,162	0	1,935,162	0
Internal balances	766,983	(766,983)	0	0
Inventories	0	54,356	54,356	0
Total current assets	21,541,062	(422,160)	21,118,902	848,818
Noncurrent assets				
Land held for resale	0	0	0	1,720,379
Capital assets				
Non-depreciable	4,996,500	2,499,449	7,495,949	0
Depreciable (net)	35,771,277	1,924,269	37,695,546	723,015
Total noncurrent assets	40,767,777	4,423,718	45,191,495	2,443,394
Total assets	62,308,839	4,001,558	66,310,397	3,292,212
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources (net)	0	0	0	10,622
LIABILITIES				
Current liabilities				
Payables				
Accounts	417,157	29,567	446,724	23,177
Retainages	17,177	0	17,177	0
Intergovernmental	25,393	0	25,393	0
Interest	11,527	744	12,271	0
Accrued salaries and payroll liabilities	208,663	20,787	229,450	6,393
Accrued expenses	0	4,928	4,928	0
Compensated absences	78,910	15,127	94,037	26,862
Capital leases payable	0	17,635	17,635	0
Notes payable	9,125	0	9,125	6,050
Bonds payable	1,320,000	0	1,320,000	0
Landfill post-closure care costs	28,600	0	28,600	0
Other current liabilities	605,142	0	605,142	0
Total current liabilities	2,721,694	88,788	2,810,482	62,482
Noncurrent liabilities				
Compensated absences	0	0	0	27,566
Proportionate share of net pension liability	0	0	0	421,945
Notes payable	64,654	0	64,654	477,960
Bonds payable	6,865,000	0	6,865,000	0
Landfilll post-closure care costs	501,016	0	501,016	0
Total noncurrent liabilities	7,430,670	0	7,430,670	927,471
Total liabilities	10,152,364	88,788	10,241,152	989,953

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues - property taxes	$ 6,884,044	$ 0	$ 6,884,044	$ 0
NET POSITION				
Net investment in capital assets	32,279,968	4,406,083	36,686,051	239,005
Restricted for:				
Law library operations	61,991	0	61,991	0
Judicial activities	467,138	0	467,138	0
Public safety activities	319,347	0	319,347	0
Health and welfare activities	0	0	0	127,642
Capital outlay	4,641,716	0	4,641,716	0
Debt service	806,769	0	806,769	0
Unrestricted	6,695,502	(493,313)	6,202,189	1,946,234
Total net position	$ 45,272,431	$ 3,912,770	$ 49,185,201	$ 2,312,881

UNION COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 4,415,079	$ 200,416	$ 0	$ 137,542	$ (4,077,121)
Judicial	1,574,103	139,679	411,003	0	(1,023,421)
Public Safety	6,766,491	1,705,272	152,422	921,462	(3,987,335)
Public Works	4,183,973	262,403	20,228	60,707	(3,840,635)
Health and Welfare	643,999	19,984	100,427	71,580	(452,008)
Culture and Recreation	336,254	0	0	0	(336,254)
Housing and Development	1,177,761	0	65,571	0	(1,112,190)
Interest on long-term debt	238,905	0	0	0	(238,905)
Total governmental activities	19,336,565	2,327,754	749,651	1,191,291	(15,067,869)
Business-type activities					
Golf Course	934,972	751,598	0	0	(183,374)
Meeks Park	1,277,028	360,983	0	0	(916,045)
Total business-type activities	2,212,000	1,112,581	0	0	(1,099,419)
Total primary government	21,548,565	3,440,335	749,651	1,191,291	(16,167,288)
Component Units					
Union County Health Department					
Health and Welfare	762,864	373,021	292,991	0	(96,852)
Development Authority of Union County					
Housing and Development	192,493	20,000	7,500	0	(164,993)
Total component units	955,357	393,021	300,491	0	(261,845)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (15,067,869)	$ (1,099,419)	$ (16,167,288)	$ (261,845)
General revenues				
Taxes				
Property	8,666,591	0	8,666,591	0
Sales	6,872,418	0	6,872,418	0
Insurance premium	1,086,622	0	1,086,622	0
Other	791,552	0	791,552	0
Interest and investment earnings	77,185	0	77,185	447
Payments from Union County	0	0	0	287,512
Gain on sale of capital assets	25,737	15,045	40,782	0
Other	457,688	129,566	587,254	66,006
Transfers	(1,027,254)	1,027,254	0	0
Total general revenues and transfers	16,950,539	1,171,865	18,122,404	353,965
Change in net position	1,882,670	72,446	1,955,116	92,120
Net position - beginning (original)	43,389,761	3,840,324	47,230,085	2,639,125
Prior period adjustments	0	0	0	(418,364)
Net position - beginning (restated)	43,389,761	3,840,324	47,230,085	2,220,761
Net position - ending	$ 45,272,431	$ 3,912,770	$ 49,185,201	$ 2,312,881

UNION COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General	Urban Redevelopment Agency	SPLOST IV	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 11,475,585	$ 0	$ 1,487,990	$ 1,597,875	$ 14,561,450
Restricted cash and cash equivalents	0	0	2,752,795	806,769	3,559,564
Receivables (net)					
Accounts	537,145	0	0	76,100	613,245
Intergovernmental	36,727	0	0	67,931	104,658
Taxes	1,571,054	0	335,352	28,756	1,935,162
Due from other funds	70,877	0	0	0	70,877
Advances to other funds	766,983	0	0	0	766,983
Total assets	$ 14,458,371	$ 0	$ 4,576,137	$ 2,577,431	$ 21,611,939
LIABILITIES					
Payables					
Accounts	$ 160,105	$ 0	$ 180,920	$ 76,132	$ 417,157
Retainages	0	0	17,177	0	17,177
Intergovernmental	0	0	25,393	0	25,393
Accrued salaries and payroll liabilities	195,221	0	0	13,442	208,663
Due to other funds	0	0	100	70,777	70,877
Other liabilities	605,142	0	0	0	605,142
Total liabilities	960,468	0	223,590	160,351	1,344,409
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue - property taxes	6,884,044	0	0	0	6,884,044
Unavailable revenue - property taxes	355,693	0	0	0	355,693
Unavailable revenue - other taxes	72,198	0	0	0	72,198
Unavailable revenue - other	382,857	0	0	0	382,857
Total deferred inflows of resources	7,694,792	0	0	0	7,694,792
FUND BALANCES					
Nonspendable					
Advances to other funds	766,983	0	0	0	766,983
Restricted for:					
Law library operations	0	0	0	61,991	61,991
Judicial activities	0	0	0	467,138	467,138
Public safety activities	0	0	0	319,347	319,347
Capital outlay	0	0	4,352,547	289,169	4,641,716
Debt service	0	0	0	806,769	806,769
Assigned for:					
Emergency 911 system operations	0	0	0	59,375	59,375
Tourism	0	0	0	6,886	6,886
Capital outlay	0	0	0	454,022	454,022
Unassigned	5,036,128	0	0	(47,617)	4,988,511
Total fund balances	5,803,111	0	4,352,547	2,417,080	12,572,738
Total liabilities, deferred inflows of resouces, and fund balances	$ 14,458,371	$ 0	$ 4,576,137	$ 2,577,431	$ 21,611,939

UNION COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2015

Total fund balance - total governmental funds			$ 12,572,738
Amounts reported for governmental activities in the statement of net position are different because:			
Some assets are not financial resources and therefore are not reported in the funds. These are:			
Capital assets, net of accumulated depreciation			40,767,777
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			810,748
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:			
Accrued interest	$	(11,527)	
Compensated absences		(78,910)	
Notes payable		(73,779)	
Bonds payable		(8,185,000)	
Landfill post-closure care costs		(529,616)	(8,878,832)
Net position of governmental activities			$ 45,272,431

UNION COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2015

	General	Urban Redevelopment Agency	SPLOST IV	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 13,389,280	$ 0	$ 3,014,986	$ 1,053,793	$ 17,458,059
Licenses and permits	221,356	0	0	0	221,356
Fines, fees and forfeitures	511,646	0	0	255,281	766,927
Charges for services	313,667	0	0	520,146	833,813
Intergovernmental	739,600	0	511,056	885,041	2,135,697
Interest	25,895	0	3,107	3,522	32,524
Contributions	0	0	55,412	12,654	68,066
Other	449,506	0	0	8,182	457,688
Total revenues	15,650,950	0	3,584,561	2,738,619	21,974,130
EXPENDITURES					
Current					
General Government	3,692,544	0	0	0	3,692,544
Judicial	1,052,430	0	0	530,233	1,582,663
Public Safety	4,992,747	0	0	1,390,056	6,382,803
Public Works	1,353,676	0	0	0	1,353,676
Health and Welfare	573,326	0	0	72,008	645,334
Culture and Recreation	297,869	0	0	0	297,869
Housing and Development	688,572	0	0	218,834	907,406
Capital outlay	0	0	967,200	1,711,848	2,679,048
Debt service	96,302	5,358,048	180,028	973,814	6,608,192
Intergovernmental	0	0	209,309	82,272	291,581
Total expenditures	12,747,466	5,358,048	1,356,537	4,979,065	24,441,116
Excess (deficiency) of revenues over (under) expenditures	2,903,484	(5,358,048)	2,228,024	(2,240,446)	(2,466,986)
Other financing sources (uses)					
Transfers in	27,938	5,358,048	36	6,734,440	12,120,462
Transfers out	(1,229,697)	0	(5,976,045)	(5,941,974)	(13,147,716)
Sale of capital assets	101,485	0	0	78,950	180,435
Issuance of debt	0	0	8,185,000	0	8,185,000
Total other financing sources (uses)	(1,100,274)	5,358,048	2,208,991	871,416	7,338,181
Net change in fund balance	1,803,210	0	4,437,015	(1,369,030)	4,871,195
Fund balances, January 1	3,999,901	0	(84,468)	3,786,110	7,701,543
Fund balances, December 31	$ 5,803,111	$ 0	$ 4,352,547	$ 2,417,080	$ 12,572,738

UNION COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2015

Net change in fund balances - total governmental funds			$ 4,871,195
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlays	$	1,567,074	
Depreciation		(2,720,312)	(1,153,238)
In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.			
Cost of assets disposed	$	(238,474)	
Related accumulated depreciation		136,761	(101,713)
Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. financial resources.			
Individual contributors			137,542
The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.			
Debt proceeds	$	(8,185,000)	
Debt principal payments		6,088,199	
Forgiveness of debt		100,000	
Amortization of bond premiums		49,956	
Net change in interest payable		101,060	(1,845,785)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue.			(40,876)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.			
Compensated absences	$	(13,055)	
Landfill post-closure care costs		28,600	15,545
Change in net position of governmental activities			$ 1,882,670

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2015

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 12,186,743	$ 13,389,280	$ 13,389,280	$ 0
Licenses and permits	135,900	221,356	221,356	0
Fines, fees and forfeitures	493,000	511,646	511,646	0
Charges for services	299,380	313,667	313,667	0
Intergovernmental	670,296	739,600	739,600	0
Interest	22,000	25,895	25,895	0
Other	613,604	449,506	449,506	0
Total revenues	14,420,923	15,650,950	15,650,950	0
EXPENDITURES				
Current				
General Government				
Executive	285,913	286,427	286,427	0
Elections	140,779	86,934	86,934	0
General administration	600,809	592,721	592,721	0
Financial administration	144,666	141,481	141,481	0
Tax Commissioner	271,803	263,410	263,410	0
Tax assessor	302,420	279,348	279,348	0
Risk management	282,000	1,727,657	1,727,657	0
General government buildings	316,139	314,566	314,566	0
Judicial				
Judicial administration	4,700	1,163	1,163	0
Superior Court	140,207	111,970	111,970	0
Clerk of superior court	249,050	225,944	225,944	0
District attorney	102,631	84,196	84,196	0
Magistrate court	194,668	182,455	182,455	0
Probate court	203,119	206,489	206,489	0
Juvenile court	158,250	150,105	150,105	0
Grand jury	2,200	1,150	1,150	0
Public defender	88,958	88,958	88,958	0
Public Safety				
Sheriff	2,352,161	2,440,617	2,440,617	0
Jail operations	1,388,692	1,403,962	1,403,962	0
Fire and emergency management	905,557	930,509	930,509	0
Fire stations and buildings	90,959	70,720	70,720	0
Coroner	30,290	33,580	33,580	0
Animal control	143,022	113,359	113,359	0
Public Works				
Highways and streets	1,079,484	1,143,579	1,143,579	0
Solid waste	54,700	41,760	41,760	0
Public education	15,300	9,941	9,941	0
Maintenance and shop	145,516	158,396	158,396	0
Health and Welfare				
Public health administration	304,794	270,220	270,220	0
Ambulance contract	400,000	35,652	35,652	0
Intergovernmental welfare	36,900	0	0	0
Senior citizens	169,687	118,806	118,806	0
Community center	58,365	65,760	65,760	0
Transportation services	98,860	82,888	82,888	0

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2015

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Culture and Recreation				
Participant recreation	$ 65,295	$ 45,823	$ 45,823	$ 0
Library admission	249,793	252,046	252,046	0
Housing and Development				
Conservation	51,511	60,262	60,262	0
Agricultural	68,362	66,590	66,590	0
Building inspection	198,500	227,192	227,192	0
Planning and zoning	131,076	120,848	120,848	0
Economic development	229,500	213,680	213,680	0
Debt service				
Principal	8,018	90,365	90,365	0
Interest	0	5,937	5,937	0
Total expenditures	11,764,654	12,747,466	12,747,466	0
Excess (deficiency) of revenues over expenditures	2,656,269	2,903,484	2,903,484	0
Other financing sources (uses)				
Transfers in	0	27,938	27,938	0
Transfers out	(2,659,269)	(1,229,697)	(1,229,697)	0
Sale of capital assets	3,000	101,485	101,485	0
Total other financing sources (uses)	(2,656,269)	(1,100,274)	(1,100,274)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	1,803,210	1,803,210	0
Fund balances, January 1	0	(1,803,210)	3,999,901	5,803,111
Fund balances, December 31	$ 0	$ 0	$ 5,803,111	$ 5,803,111

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 159,900	$ 123,446	$ 283,346
Accounts receivable (net)	6,421	700	7,121
Inventories	54,356	0	54,356
Due from other funds	836	0	836
Total current assets	221,513	124,146	345,659
Noncurrent assets			
Capital assets			
Non-depreciable	1,690,345	809,104	2,499,449
Depreciable (net)	213,839	1,710,430	1,924,269
Total noncurrent assets	1,904,184	2,519,534	4,423,718
Total assets	2,125,697	2,643,680	4,769,377
LIABILITIES			
Current liabilities			
Accounts payable	26,819	2,748	29,567
Accrued salaries and payroll liabilities	10,225	10,562	20,787
Accrued expenses	2,006	2,922	4,928
Due to other funds	0	836	836
Compensated absences	10,561	4,566	15,127
Accrued interest payable	744	0	744
Capital leases payable	17,635	0	17,635
Total current liabilities	67,990	21,634	89,624
Noncurrent liabilities			
Advances from other funds	766,983	0	766,983
Total liabilities	834,973	21,634	856,607
NET POSITION			
Net investment in capital assets	1,886,549	2,519,534	4,406,083
Unrestricted	(595,825)	102,512	(493,313)
Total net position	$ 1,290,724	$ 2,622,046	$ 3,912,770

UNION COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2015

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
OPERATING REVENUES			
Charges for sales and services	$ 751,598	$ 360,983	$ 1,112,581
Other	22,161	107,405	129,566
Total operating revenues	773,759	468,388	1,242,147
OPERATING EXPENSES			
Costs of sales and services	485,028	640,693	1,125,721
Personal services	403,008	479,665	882,673
Depreciation	44,572	156,670	201,242
Total operating expenses	932,608	1,277,028	2,209,636
Operating income (loss)	(158,849)	(808,640)	(967,489)
Non-operating revenues (expenses)			
Interest expense	(2,364)	0	(2,364)
Gain on sale of capital assets	15,045	0	15,045
Total non-operating revenues (expenses)	12,681	0	12,681
Net income (loss) before transfers	(146,168)	(808,640)	(954,808)
Transfers in (out)			
Transfers in	166,551	1,027,254	1,193,805
Transfers out	0	(166,551)	(166,551)
Total transfers in (out)	166,551	860,703	1,027,254
Change in net position	20,383	52,063	72,446
Net position, January 1	1,270,341	2,569,983	3,840,324
Net position, December 31	$ 1,290,724	$ 2,622,046	$ 3,912,770

UNION COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2015

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
Cash flows from operating activities:			
Receipts from customers	$ 745,867	$ 361,325	$ 1,107,192
Payments to suppliers	(484,441)	(686,261)	(1,170,702)
Payments to employees	(399,624)	(478,667)	(878,291)
Other receipts	22,161	107,405	129,566
Net cash provided (used) by operating activities	(116,037)	(696,198)	(812,235)
Cash flows from non-capital financing activities:			
Receipts from other funds	184,067	1,027,254	1,211,321
Payments to other funds	0	(168,241)	(168,241)
Net cash provided (used) by operating activities	184,067	859,013	1,043,080
Cash flows from capital and related financing activities:			
Proceeds from sales of capital assets	15,045	0	15,045
Payments for acquisitions of capital assets	(21,766)	(171,234)	(193,000)
Interest paid	(2,364)	0	(2,364)
Principal payments - capital leases	(31,679)	0	(31,679)
Net cash provided (used) by captial and related financing activities	(40,764)	(171,234)	(211,998)
Net increase (decrease) in cash and cash equivalents	27,266	(8,419)	18,847
Cash and cash equivalents, January 1	132,634	131,865	264,499
Cash and cash equivalents, December 31	$ 159,900	$ 123,446	$ 283,346
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (158,849)	$ (808,640)	$ (967,489)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	44,572	156,670	201,242
(Increase) decrease in accounts receivable	(5,731)	342	(5,389)
(Increase) decrease in inventories	(3,223)	0	(3,223)
Increase (decrease) in accounts payable	3,221	(45,858)	(42,637)
Increase (decrease) in accrued salaries and payroll liabilities	236	275	511
Increase (decrease) in accrued expenses	589	290	879
Increase (decrease) in compensated absences	3,148	723	3,871
Total adjustments	42,812	112,442	155,254
Net cash provided (used) by operating activities	$ (116,037)	$ (696,198)	$ (812,235)

UNION COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2015

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 703,989
Taxes receivable, net	2,036,779
Total assets	$ 2,740,768
LIABILITIES	
Due to others	$ 703,989
Uncollected taxes	2,036,779
Total liabilities	$ 2,740,768

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2015

	Development Authority of Union County	Union County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 266,398	$ 543,858	$ 810,256
Receivables (net)			
Accounts	0	18,536	18,536
Intergovernmental	0	20,026	20,026
Total current assets	266,398	582,420	848,818
Noncurrent assets			
Land held for resale	1,720,379	0	1,720,379
Capital assets			
Depreciable (net)	721,582	1,433	723,015
Total noncurrent assets	2,441,961	1,433	2,443,394
Total assets	2,708,359	583,853	3,292,212
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources (net)	0	10,622	10,622
LIABILITIES			
Current liabilities			
Accounts payable	0	23,177	23,177
Accrued salaries and payroll liabilities	6,393	0	6,393
Compensated absences	0	26,862	26,862
Notes payable	6,050		6,050
Total current liabilities	12,443	50,039	62,482
Noncurrent liabilities			
Compensated absences	0	27,566	27,566
Proportionate share of net pension liability	0	421,945	421,945
Notes payable	477,960	0	477,960
Total noncurrent liabilities	477,960	449,511	927,471
Total liabilities	490,403	499,550	989,953
NET POSITION			
Net investment in capital assets	237,572	1,433	239,005
Restricted for health and welfare activities	0	127,642	127,642
Unrestricted	1,980,384	(34,150)	1,946,234
Total net position	$ 2,217,956	$ 94,925	$ 2,312,881

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2015

	Development Authority of Union County	Union County Health Department	Totals
Expenses			
Health and Welfare	$	$ 762,864	$ 762,864
Housing and Development	192,493	0	192,493
Total expenses	192,493	762,864	955,357
Program revenues			
Charges for services	20,000	373,021	393,021
Operating grants and contributions	7,500	292,991	300,491
Total program revenues	27,500	666,012	693,512
Net (expense) revenue	(164,993)	(96,852)	(261,845)
General revenues			
Interest	447	0	447
Payments from Union County	170,000	117,512	287,512
Rental income	63,841	0	63,841
Miscellaneous	2,165	0	2,165
Total general revenues	236,453	117,512	353,965
Change in net position	71,460	20,660	92,120
Net position - beginning (original)	2,146,496	492,629	2,639,125
Prior period adjustments	0	(418,364)	(418,364)
Net position - beginning (restated)	2,146,496	74,265	2,220,761
Net position - ending	$ 2,217,956	$ 94,925	$ 2,312,881

1. Description of Government Unit

Union County operates under a commissioner-manager form of government under which a Commissioner is elected to serve the legislative body for the County. The Commissioner is elected at large. The County provides the following services: public safety, judicial, public works, health and welfare, culture and recreation, housing and development, and general administrative services.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the Government's operations.

The Urban Redevelopment Agency of Union County – The Authority was organized solely for the purpose of acquiring debt and financing the construction of a multi-purpose building location for use by the County, is governed by a three member board appointed by the Union County Commissioner. The assets and debt of the Urban Redevelopment Agency are reported as part of the County's assets and debt, and all activity is reported in a County debt service fund. Separate financial statements are not prepared for the Urban Redevelopment Agency. Separate financial statements are not issued.

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

The Union County Health Department – The Health Department is governed by a seven member board including the Commissioner and three members appointed by the Commissioner. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees. The Health Department has a June 30th year-end and is presented as a governmental type component unit. The Health Department's financial statements can be obtained by writing to the Union County Health Department, 67 Chase Drive, Blairsville, GA 30512.

The Development Authority of Union County – The Authority is governed by a five member board appointed by the Commissioner. The Authority is responsible for promoting economic development within Union County. The Development Authority provides a financial benefit to the County. The Authority is reported as a governmental type component unit. Separate financial statements for the Development Authority are not prepared.

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

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

As discussed earlier, the government has two discretely presented component units. While they are not considered to be major component units, they are nevertheless aggregated and shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

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

Urban Redevelopment Agency Debt Service Fund – This fund is used to account for various expenditures for land purchases and development projects, as well as the related financing of such projects of the Urban Redevelopment Agency.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Special Purpose Local Option Sales Tax IV (SPLOST IV) Capital Projects Fund – This fund is used to account for the revenues and expenditures relating to the County's 2015 1% Special Purpose Local Option Sales Tax issues.

The County reports the following major proprietary funds:

Golf Course Enterprise Fund – This fund is used to account for the activities of the Butternut Creek Golf Course.

Meeks Park Enterprise Fund – This fund is used to account for the activities of the County recreation department and community center.

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Debt Service Funds - This fund type is used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

Capital Projects Funds - This fund type is used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Fiduciary Fund Types

Agency Funds - Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held by the County as an agent to be expended in accordance with the conditions of its agency capacity.

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

F. Revenues and Expenditures/Expenses

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

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information

The County follows the following procedures in establishing budgetary data reflected in the financial statements:

1. Prior to September, County management submits to the County Commissioner a proposed operating budget for each department for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the County.
3. The budget is then adopted by the Commissioner at a public meeting.
4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be amended by formal action of the Commissioner in a regular meeting.
5. Budget amounts are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets are adopted for the General Fund, SPLOST III Fund, the special revenue funds, capital project funds, and debt service funds.
6. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, SPLOST III Fund, the special revenue funds, capital project funds, and debt service funds. All appropriations lapse at year end.

Budget amounts are as originally adopted, or as amended by the Commissioner. The supplementary budgetary appropriations made are reflected in the final budget amounts.

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

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

I. Intergovernmental Receivables

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

J. Inventories

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

K. Prepaids

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaids. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, not including infrastructure are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The County has elected to capitalize all general infrastructure assets regardless of acquisition date and has used estimated historical cost to value these assets.

Major outlays for capital assets and improvements are capitalized as projects as constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

	Useful Life in Years
Land	N/A
Land Improvements	7-20
Buildings and Improvements	15-50
Infrastructure	7-50
Machinery and Equipment	3-20
Vehicles	2-15
Furniture and Fixtures	5-7

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

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category. The governmental funds balance sheet and government wide statement of net position reports unearned property tax revenues as a deferred inflow of resources as the amount represents resources associated with an imposed non-exchange revenue transaction reported as a receivable before the period for which the property taxes were levied. These revenues will be recognized as an inflow of resources in the period for which they were levied. Additionally, the governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

N. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

2. Summary of Significant Accounting Policies (continued)

O. Net Position Flow Assumption

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

P. Fund Balance Flow Assumption

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

Q. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

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

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management 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.

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at December 31, 2015 by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

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

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

Assigned – includes amounts that are intended to be used by the County for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent can only be expressed by the Commissioner or their designee. Assigned Fund Balance differs from Committed Fund Balance in that assignments do not require a resolution.

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In addition, any remaining deficits in the County's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned.

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

S. Net Position

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

2. Summary of Significant Accounting Policies (continued)

T. Long-Term Obligations

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

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

U. Capital Contributions

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

V. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

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

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

The County participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

3. Deposit and Investment Risk (continued)

The Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at December 31, 2015 was 36 days. At December 31, 2015, the County's balance in Georgia Fund 1 was $5,469,914.

Concentration of Credit Risk

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

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

Discretely Presented Component Unit – Development Authority

Interest rate risk

The Development Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

As of December 31, 2015, all of the Development Authority's deposits and investments were collateralized with the depository financial institution.

Discretely Presented Component Unit – Health Department

Interest rate risk

The Health Department does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

As of June 30, 2015, all of the Health Department's deposits and investments were collateralized with the depository financial institution.

4. Accounts Receivable

Net accounts receivable at December 31, 2015 consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 537,145
Enterprise Funds		
Golf Course	$ 6,421	
Meeks Park	700	7,121
Nonmajor Funds		
Special Revenue Funds		
Law Library	595	
Emergency 911	74,547	
Local Victims Assistance	958	76,100
Total primary government		$ 620,366
Component Units		
Union County Health Department		$ 18,536

5. Intergovernmental Receivables

Intergovernmental receivables at December 31, 2015 consist of the following:

Primary Government:		
Major Funds		
General Fund		
Union County Board of Education	$ 9,845	
City of Blairsville	2,196	
Enotah Judicial Circuit	2,238	
Union County Development Authority	1,671	
Other Governments	20,777	$ 36,727
Nonmajor Funds		
Drug Abuse Special RevenueFund		
Criminal Justice Coordinating Council	49,252	
Multiple Grant Special Revenue Fund		
Georgia Emergency Management Agency	15,300	
US Forestry Service	3,379	67,931
Total		$ 104,658
Component Units		
Union County Health Department		
Georgia Department of Public Health		$ 20,026

6. Property Taxes

Property taxes for the 2015 fiscal year were levied on September 10, 2015, with property values assessed as of January 1, 2015. Bills are payable on or before January 20, 2016, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes levied during 2015 are for fiscal year 2016. Amounts recorded as a receivable and amounts collected as of December 31, 2015 related to these taxes are recorded as unearned revenue in both the fund and government-wide financial statements.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of December 31, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
General	SPLOST IV	$ 100
	Golf Course	766,983
	Nonmajor Governmental	70,777
Golf Course	Meeks Park	836
		$ 838,696

The balances reported as Due to/Due from resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made. The $766,983 is reported in the General Fund as an advance to other fund and as an advance from other fund in the Golf Course Fund; this balance is not expected to be repaid within one year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

8. Interfund Transfers

A summary of interfund transfers as of December 31, 2015 is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	SPLOST IV	$ 36
	Meeks Park	977,524
	Nonmajor Governmental	252,137
SPLOST IV	Nonmajor Governmental	5,976,045
Meeks Park	Golf Course	166,551
Nonmajor Governmental	General	27,938
	Urban Redevelopment Agency	5,358,048
	Meeks Park	49,730
	Nonmajor Governmental	506,258
		$ 13,314,267

8. Interfund Transfers (continued)

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) move capital assets between governmental activities and business-type activities.

Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

9. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2015 was as follows:

	Balance 12/31/2014	Increases	Decreases	Balance 12/31/2015
Governmental activities				
Non-depreciable assets				
Land and Improvements	$ 3,904,437	$ 323,518	$ 0	$ 4,227,955
Construction in progress	652,007	512,341	(395,803)	768,545
Total non-depreciable assets	4,556,444	835,859	(395,803)	4,996,500
Depreciable assets				
Buildings and improvements	31,239,904	393,008	0	31,632,912
Infrastruture	21,011,366	89,002	0	21,100,368
Machinery and equipment	5,012,413	210,028	(46,965)	5,175,476
Vehicles	4,870,930	572,522	(191,509)	5,251,943
Furniture and fixtures	132,433	0	0	132,433
Total depreciable assets	62,267,046	1,264,560	(238,474)	63,293,132
Less accumulated depreciation				
Buildings and improvements	(6,190,202)	(757,093)	0	(6,947,295)
Infrastructure	(11,223,362)	(1,272,461)	0	(12,495,823)
Machinery and equipment	(3,700,959)	(325,729)	56,297	(3,970,391)
Vehicles	(3,731,298)	(358,601)	80,464	(4,009,435)
Furniture and fixtures	(92,483)	(6,428)	0	(98,911)
Total accumulated depreciation	(24,938,304)	(2,720,312)	136,761	(27,521,855)
Total depreciable assets, net	37,328,742	(1,455,752)	(101,713)	35,771,277
Governmental activities capital assets, net	$ 41,885,186	$ (619,893)	$ (497,516)	$ 40,767,777

9. Capital Assets (continued)

	Balance 12/31/2014	Increases	Decreases	Balance 12/31/2015
Business-type activities				
Non-depreciable assets				
Land and Improvements	$ 2,427,997	$ 0	$ 0	$ 2,427,997
Construction in progress	21,130	82,950	(32,628)	71,452
Total non-depreciable assets	2,449,127	82,950	(32,628)	2,499,449
Depreciable assets				
Land improvements	356,412	45,097	0	401,509
Buildings and improvements	2,675,425	26,340	0	2,701,765
Machinery and equipment	1,001,066	71,241	(129,007)	943,300
Vehicles	74,306	0	0	74,306
Total depreciable assets	4,107,209	142,678	(129,007)	4,120,880
Less accumulated depreciation				
Land improvements	(224,831)	(16,516)	0	(241,347)
Buildings and improvements	(1,025,057)	(109,924)	0	(1,134,981)
Machinery and equipment	(809,639)	(72,811)	129,007	(753,443)
Vehicles	(64,849)	(1,991)	0	(66,840)
Total accumulated depreciation	(2,124,376)	(201,242)	129,007	(2,196,611)
Total depreciable assets, net	1,982,833	(58,564)	0	1,924,269
Business-type activities capital assets, net	$ 4,431,960	$ 24,386	$ (32,628)	$ 4,423,718

Capital asset activity for the discretely presented component units for the respective year ends was as follows:

	Balance 12/31/2014	Increases	Decreases	Balance 12/31/2015
Development Authority of Union County				
Depreciable assets				
Buildings and improvement	$ 755,063	$ 3,690	$ 0	$ 758,753
Machinery and equipment	4,221	0	0	4,221
Total depreciable assets	759,284	3,690	0	762,974
Less accumulated depreciation				
Buildings and improvement	(17,747)	(19,424)	0	(37,171)
Machinery and equipment	(4,221)	0	0	(4,221)
Total accumulated depreciation	(21,968)	(19,424)	0	(41,392)
Total depreciable assets, net	737,316	(15,734)	0	721,582
Development Authority of Union County capital assets, net	$ 737,316	$ (15,734)	$ 0	$ 721,582

9. Capital Assets (continued)

	Balance 6/30/2014	Increases	Decreases	Balance 6/30/2015
Union County Health Department				
Depreciable assets				
Equipment	$ 11,819	$ 0	$ 0	$ 11,819
Total depreciable assets	11,819	0	0	11,819
Less accumulated depreciation				
Equipment	(9,725)	(661)	0	(10,386)
Total accumulated depreciation	(9,725)	(661)	0	(10,386)
Union County Health Department capital assets, net	$ 2,094	$ (661)	$ 0	$ 1,433

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 547,473
Judicial	7,650
Public Safety	623,950
Public Works	1,432,043
Health and Welfare	61,496
Culture and Recreation	27,957
Housing and Development	19,743
Total depreciation expense for governmental activities	$ 2,720,312
Business-type activities	
Golf Course	$ 44,572
Meeks Park	156,670
Total depreciation expense for business-type activities	$ 201,242
Component units	
Development Authority of Union County	$ 19,424
Union County Health Department	661
Total depreciation expense for component units	$ 20,085

10. Capital Lease Agreements

Governmental Activities

The County entered into a lease-purchase agreement to finance the acquisition of public safety vehicles. The terms of the agreement meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The lease was for a period of three years, at an interest rate of 4.75%. The County also entered into a lease-purchase agreement to finance the acquisition of construction equipment for use in public works activities. The lease was an interest free loan for a period of two years. The remaining balance of the leases was paid in full during 2015 for governmental activities.

Business-Type Activities

The County has entered into three lease-purchase agreements to finance the acquisition of Golf Course equipment. The leases are for periods of four years, at interest rates of 6.98%, 6.98% and 4.25% respectively. The total balance of the leases at December 31, 2015 is $17,365 for business-type activities. As of December 31, 2015, the County had $119,437 of equipment, with associated accumulated depreciation of $72,523 financed under the capital leases. Depreciation expense for 2015 on the leased assets totaled $18,866.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2015:

Year Ending December,	Business-type Activities
2016	$ 17,958
Less amounts representing interest	(323)
Present value of minimum lease payments	$ 17,635

11. Operating Lease Agreements

Governmental Activities

The County leases copy machines and several pieces of judicial and public safety equipment under non-cancelable operating leases. Total costs for such leases for governmental activities were $32,949 for the year ended December 31, 2015. The future minimum lease payments for these governmental activities leases are as follows:

Year Ending December 31,		
2016	$	29,175
2017		18,842
2018		6,873
2019		1,248
Totals	$	56,138

Business-Type Activities

The County leases golf course equipment under non-cancelable operating leases. Total costs for such leases for business-type activities were $74,427 for the year ended December 31, 2015. The future minimum lease payments for these business-type activities leases are as follows:

Year Ending December 31,		
2016	$	95,026
2017		37,896
Totals	$	132,922

11. Operating Lease Agreements (continued)

Development Authority of Union County Component Unit

The Development Authority of Union County has one vehicle under a non-cancelable operating lease. Total costs for the lease totaled $5,875 for the year ended December 31, 2015. The future minimum lease payments for the lease are as follows:

Year Ending December 31,		
2016	$	5,875
2017		979
Totals	$	6,854

12. Long-Term Debt

Governmental Activities

General Obligation Bonds

During 2009, the County issued $5,000,000 of Series 2009 general obligation bonds. The 2009 Bonds were issued for the purpose of providing funds to finance the costs of various SPLOST III projects. They bear interest rates from 2.0% to 3.0% and are payable on February 1 and August 1 of each year. The 2009 bonds matured on August 1, 2015.

During 2015, the County issued $8,185,000 Series 2015 general obligation bond. The 2015 Bond was issued for the purpose of providing funds to finance the costs of various SPLOST IV projects. It bears an interest rate of 1.69% and is payable on June 1 and December 1 of each year. The 2015 bond matures on June 1, 2021.

12. Long-Term Debt (continued)

Governmental Activities, continued

General Obligation Bonds (continued)

The County's debt service requirement to maturity on the general obligation bond is as follows:

Year Ending December 31,	Principal	Interest	Total
2016	$ 1,320,000	$ 127,173	$ 1,447,173
2017	1,320,000	104,864	1,424,864
2018	1,345,000	82,345	1,427,345
2019	1,370,000	59,403	1,429,403
2020	1,400,000	35,997	1,435,997
2021	1,430,000	12,084	1,442,084
Totals	$ 8,185,000	$ 421,866	$ 8,606,866

Revenue Bonds

In November 2010, the Urban Redevelopment Agency of Union County, a blended component unit, issued $5,105,000 in revenue bonds to pay the construction costs of a multipurpose building on the golf course. The Authority will sell the multipurpose building upon completion of the project to the County pursuant to an agreement of sale for $5,105,000. The bonds are secured by the installment payments of the purchase price made by the County to the Agency. The bonds, which bear interest at rates from 4.5% to 5.0%, mature August 1, 2030. The bonds were paid in full during 2015.

Contracts Payable

In 1979, the County entered into an agreement to provide a maximum of $100,000 annually to the Hospital Authority of Union County (the "Authority") through 2015. The purpose of the payments is to aid in the funding of the Authority's operations. The amount may be reduced in any given year, but only by the direction of the Authority. During 2015, the Authority did not require the County to make the final payment of $100,000 and this portion of the contract was forgiven by the Authority. The contract agreement did not bear interest.

12. Long-Term Debt (continued)

Governmental Activities, continued

Notes Payable

In 2013, the County entered into an agreement with Community and Southern Bank to finance the purchase of a rescue fire truck for one of the County's volunteer fire departments. As of December 31, 2015, the loan has a balance of $73,779. The note bears an interest rate of 2.76%.

The County's debt service requirements to maturity on the note payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2016	$ 9,125	$ 1,942	$ 11,067
2017	9,379	1,688	11,067
2018	9,641	1,426	11,067
2019	9,910	1,158	11,068
2020	10,186	881	11,067
2021-2023	25,538	943	26,481
Totals	$ 73,779	$ 8,038	$ 81,817

Development Authority of Union County Component Unit

Notes Payable

In March 2011, the Development Authority of Union County entered into a note payable agreement with the OneGeorgia Authority, a department of the State of Georgia Department of Community Affairs, to finance the construction of a speculative building. The note has a draw period ending on September 30, 2016. As of December 31, 2015, the Authority has drawn the full available principal of the note of $484,010. Quarterly principal payments of $6,050 are due on January 1, April 1, July 1, and October 1 of every year, commencing at the earlier of October 1, 2016 or the time that the building is leased at a 70% occupancy rate. The note is secured by the building lessee rent payments, does not bear interest and matures on October 1, 2036.

12. Long-Term Debt (continued)

Development Authority of Union County Component Unit

Notes Payable

The Authority's debt service requirements to maturity on the note payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2016	$ 6,050	$ 0	$ 6,050
2017	24,201	0	24,201
2018	24,201	0	24,201
2019	24,201	0	24,201
2020	24,201	0	24,201
2021-2025	121,005	0	121,005
2026-2030	121,005	0	121,005
2031-2035	121,005	0	121,005
2036	18,141	0	18,141
Totals	$ 484,010	$ 0	$ 484,010

12. Long-Term Debt (continued)

Changes in Long - Term Debt

The following is a summary of changes in long-term debt of the County for the year ended December 31, 2015:

	Balance 12/31/2014	Additions	Deductions	Balance 12/31/2015	Due Within One Year
Governmental activities					
Bonds payable	$ 5,995,000	$ 8,185,000	$ 5,995,000	$ 8,185,000	$ 1,320,000
Plus: premiums	49,956	0	49,956	0	0
Total bonds payable	6,044,956	8,185,000	6,044,956	8,185,000	1,320,000
Contracts payable	100,000	0	100,000	0	0
Capital leases payable	74,658	0	74,658	0	0
Notes payable	92,320	0	18,541	73,779	9,125
Landfill post-closure care costs	558,216	0	28,600	529,616	28,600
Compensated absences	65,855	126,143	113,088	78,910	78,910
Total governmental activities	$ 6,936,005	$ 8,311,143	$ 6,379,843	$ 8,867,305	$ 1,436,635
Business-type activities					
Capital leases payable	$ 49,314	$ 0	$ 31,679	$ 17,635	$ 17,635
Compensated absences	11,256	25,550	21,679	15,127	15,127
Total business-type activities	$ 60,570	$ 25,550	$ 53,358	$ 32,762	$ 32,762
Component Units					
Development Authority					
Notes payable	$ 484,010	$ 0	$ 0	$ 484,010	$ 6,050
Health Department					
Compensated absences	53,038	34,473	33,083	54,428	26,862
Total component units	$ 537,048	$ 34,473	$ 33,083	$ 538,438	$ 32,912

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. For governmental activities, compensated absences and landfill post-closure care costs are liquidated by the General Fund. The total interest incurred and charged to expense for the year ended December 31, 2015 was $238,905 for governmental activities and $2,364 for business-type activities.

13. Bond Issuance

On August 27, 2015, the County issued $8,185,000 Series 2015 general obligation bond with an interest rate of 1.69%. The net proceeds were $7,997,045 ($8,185,000 less $187,955 in underwriting fees, insurance, and other costs of issuance). In 2013, a 1% Special Purpose Local Option Sales Tax (SPLOST) was approved by the voters. The County's portion of the tax is to be used to repay a portion of the bond debt.

14. Landfill Post-Closure Care Costs

Effective April 8, 1994, the Union County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of December 31, 2015, the County has 8 years of monitoring remaining. Engineering studies estimate post-closure care costs of approximately $529,616 over the 8-year period. These costs are based on what it would cost to perform all post-closure care in 2015, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

15. Deficit Equity Balances

At December 31, 2015, the Local Victims Assistance Special Revenue Fund has a deficit fund balance of $695. This is due to the payment of services in anticipation of future fine revenues. The County plans to liquidate this deficit fund balance through future revenue recognition.

At December 31, 2015, the Multiple Grant Special Revenue Fund has a deficit fund balance of $46,922. This is due to the payment of services in anticipation of future grant revenues. The County plans to liquidate this deficit fund balance through future revenue recognition.

16. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows for the fiscal year ended December 31, 2015:

	Governmental Activities	Business-Type Activities
Cost of capital assets	$ 68,289,632	$ 6,620,329
Accumulated depreciation	(27,521,855)	(2,196,611)
Book value	40,767,777	4,423,718
Capital-related accounts payable	(211,853)	0
Retainages payable	(17,177)	0
Capital leases payable	0	(17,635)
Notes payable	(73,779)	0
Bonds payable	(8,185,000)	0
Net investment in capital assets	$ 32,279,968	$ 4,406,083

17. Defined Contribution Plan

The County participates in a deferred compensation plan, administered by GEBCorp, for employees under Internal Revenue Code section 457. The plan allows any full time employees to voluntarily defer receipt of their gross compensation, not to exceed the maximum annual contribution established by the Internal Revenue Service. The County offers to match employee contributions up to 6% of the employee's salary. The County's match is deposited into the 401(a). All amounts of compensation under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants in the deferred compensation plan.

Additionally, the County provides a single employer 401(a) defined contribution plan established and administered by the County for all full time employees. At December 31, 2015, there were 95 plan members. Employees are not required to contribute to the Plan. Employees are eligible after six months of employment and are fully vested after three years. Plan provisions and contribution requirements are established and may be amended by resolution of the County Commissioner. Separate financial statements are note issued for the Plan.

For year ended December 31, 2015, the County's contributions to the 401(a) Plan were $173,590 and the employees contributed $193,818 to the 457 Plan.

18. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the year ended December 31, 2015 follows:

Lodging Tax Receipts	$250,770	
Disbursements for trade and tourism	$199,632	80% of tax receipts

19. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the year ended December 31, 2015, the County paid $23,100 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, Georgia 30501.

The County participates with Lumpkin and Towns Counties in the North Georgia Waste Management Authority. The Authority studied solid waste disposal issues, developed a plan to recycle waste paper and has leased those facilities to private entities. Union County has an ongoing financial interest and obligation for funding debt service requirements. The participating counties are annually assessed varying amounts to cover the Authority's inability to service its debt. During the year ended December 31, 2015, the County made no payments to the Authority. As of December 31, 2015, the Authority does not have any debt outstanding. A copy of the Authority's financial statements can be obtained from North Georgia Waste Management Authority, 170 Scoggins Drive, Demorest, Georgia 30535.

20. Risk Management

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents.

Medical Self-Insurance

The County provides health coverage for its employees under a plan of partial self-insurance. Under this plan, the County covers claim settlements and judgments out of its General Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The County purchases commercial insurance for claims in excess of coverage provided by the County. During the year ended December 31, 2015, excess coverage was obtained for any individual claim in excess of $30,000. The County pays most of the coverage for eligible employees and their dependents. Employee contributions are used to pay claims and expenses of the plan incurred during the year.

The following describes the activity for the past three years:

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes In Estimates	Claims Paid	End of Year Claims Liability
2015	$ 874,378	$ 1,915,545	$ 2,278,756	$ 511,167
2014	243,331	1,572,552	941,505	874,378
2013	212,371	1,111,284	1,080,324	243,331

20. Risk Management (continued)

General Liability and Workers' Compensation

The County participates in the Georgia Interlocal Risk Management Agency Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of the risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's 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 pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

The County also carries insurance for all other risks of loss, including general liability and errors and omission coverage through a private insurance company. Settled claims have not exceeded insurance coverage in any of the past three years. There have been no significant reductions of insurance coverage from coverage in the prior year.

21. Commitments and Contingencies

Union County participates in a number of Revenue Sharing Grants. Expenditures financed by Revenue Sharing Grants are subject to a compliance audit by the grantor or its representative. If expenditures are disallowed due to noncompliance with program regulations, the County may be required to reimburse the grantor government. The County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the County.

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Law Library Fund – This fund is used to account for the revenues and related expenditures of operating the County's Law Library. The revenues collected are from legally restricted fines, as provided by State law.

Seizures Fund – This fund is used to account for funds from seizures, which are restricted by law, to be used for law enforcement activities. Funds may be used for any public safety purpose except salaries of law enforcement personnel, as restricted by State law.

Sheriff Donation Fund – This fund is used to account for contributions received from donors that are restricted for use as specified by the donor.

Emergency 911 Fund – This fund is used to account for the monthly 911 charges to help fund the cost of providing emergency 911 services. Revenues are expended for system operations and capital assets, as restricted by State law.

Local Victims Assistance Fund – This fund is used to account for the 4% fee added to Court fines restricted by State law, for the benefit of victims of crime and their families.

Jail Operations Fund – This fund is used to account for collection for penalty assessments in certain court case. Penalty assessments are restricted for construction, operation, and staffing of County correctional and detention center, as required by State law.

Inmate Welfare Fund – This fund is used to account for monies collected from inmates for purchase of supplies. The profit from these sales is used for the benefit of the general inmate population.

Drug Abuse Fund – This fund is used to account for funds collected from fines and forfeitures to be used to create and maintain a Drug Abuse Fund. Proceeds are restricted by State law for drug abuse treatment and education programs.

Juvenile Court Fund – This fund is used to account for funds from fines and forfeitures to be used for law enforcement activities. The allowable expenditures of these fines are restricted under State law.

Multiple Grant Fund – This fund is used to account for governmental grants received and the related expenditures.

Hotel/Motel Tax Fund – This fund is used to account for monies collected from the 5% lodging tax. Revenues collected are restricted by State law for the promotion of tourism.

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

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

SPLOST Debt Service Fund – This fund is used to account for the debt service expenditures of the County's various projects funded through sales tax proceeds.

CAPITAL PROJECTS FUNDS

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

Special Purpose Local Option Sales Tax III Fund – This fund is used to account for the expenditures of the 2009 SPLOST.

Capital Projects Fund – This fund is used to account for the resources accumulated and used for the acquisition and construction of major capital projects.

COMBINING STATEMENTS

Nonmajor Governmental Funds

UNION COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2015

	Special Revenue						
	Law Library	Seizures	Sheriff Donation	Emergency 911	Local Victims Assistance	Jail Operations	Inmate Welfare
ASSETS							
Cash and cash equivalents	$ 61,396	$ 23,731	$ 4,896	$ 76	$ 0	$ 287,722	$ 2,998
Restricted cash and cash equivalents	0	0	0	0	0	0	0
Receivables							
Accounts	595	0	0	74,547	958	0	0
Intergovernmental	0	0	0	0	0	0	0
Taxes	0	0	0	0	0	0	0
Total assets	$ 61,991	$ 23,731	$ 4,896	$ 74,623	$ 958	$ 287,722	$ 2,998
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 0	$ 0	$ 0	$ 1,806	$ 1,653	$ 0	$ 0
Accrued salaries and payroll liabilities	0	0	0	13,442	0	0	0
Due to other funds	0	0	0	0	0	0	0
Total liabilities	0	0	0	15,248	1,653	0	0
Fund balances							
Restricted for:							
Law library operations	61,991	0	0	0	0	0	0
Judicial activities	0	0	0	0	0	0	0
Public safety activities	0	23,731	4,896	0	0	287,722	2,998
Capital outlay	0	0	0	0	0	0	0
Debt service	0	0	0	0	0	0	0
Assigned for:							
Emergency 911 system operations	0	0	0	59,375	0	0	0
Tourism	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Unassigned	0	0	0	0	(695)	0	0
Total fund balances	61,991	23,731	4,896	59,375	(695)	287,722	2,998
Total liabilities and fund balances	$ 61,991	$ 23,731	$ 4,896	$ 74,623	$ 958	$ 287,722	$ 2,998

Special Revenue				Debt Service	Capital Projects		
Drug Abuse	Juvenile Court	Mulitple Grant	Hotel/ Motel Tax	SPLOST Debt Service	SPLOST III	Capital Projects	Total Nonmajor Governmental Funds
$ 408,012	$ 15,050	$ 0	$ 5,558	$ 0	$ 334,414	$ 454,022	$ 1,597,875
0	0	0	0	806,769	0	0	806,769
0	0	0	0	0	0	0	76,100
49,252	0	18,679	0	0	0	0	67,931
0	0	0	28,756	0	0	0	28,756
$ 457,264	$ 15,050	$ 18,679	$ 34,314	$ 806,769	$ 334,414	$ 454,022	$ 2,577,431
$ 0	$ 0	$ 0	$ 27,428	$ 0	$ 45,245	$ 0	$ 76,132
0	0	0	0	0	0	0	13,442
5,176	0	65,601	0	0	0	0	70,777
5,176	0	65,601	27,428	0	45,245	0	160,351
0	0	0	0	0	0	0	61,991
452,088	15,050	0	0	0	0	0	467,138
0	0	0	0	0	0	0	319,347
0	0	0	0	0	289,169	0	289,169
0	0	0	0	806,769	0	0	806,769
0	0	0	0	0	0	0	59,375
0	0	0	6,886	0	0	0	6,886
0	0	0	0	0	0	454,022	454,022
0	0	(46,922)	0	0	0	0	(47,617)
452,088	15,050	(46,922)	6,886	806,769	289,169	454,022	2,417,080
$ 457,264	$ 15,050	$ 18,679	$ 34,314	$ 806,769	$ 334,414	$ 454,022	$ 2,577,431

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2015

	Special Revenue						
	Law Library	**Seizures**	**Sheriff Donation**	**Emergency 911**	**Local Victims Assistance**	**Jail Operations**	**Inmate Welfare**
REVENUES							
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	9,213	156,155	0	0	18,196	29,080	0
Charges for services	0	0	0	372,484	0	183	7,800
Intergovernmental	0	0	0	0	0	0	0
Interest	120	1,010	0	0	0	27	0
Contributions	0	2,475	6,740	0	0	0	0
Other	699	0	0	0	0	0	0
Total revenues	10,032	159,640	6,740	372,484	18,196	29,290	7,800
EXPENDITURES							
Current							
Judicial	5,924	0	0	0	16,300	0	0
Public Safety	0	330,775	5,115	581,103	0	0	12,750
Health and Welfare	0	0	0	0	0	0	0
Housing and Development	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Debt service	0	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0	0
Total expenditures	5,924	330,775	5,115	581,103	16,300	0	12,750
Excess (deficiency) of revenues over (under) expenditures	4,108	(171,135)	1,625	(208,619)	1,896	29,290	(4,950)
Other financing sources (uses)							
Transfers in	0	0	0	209,857	0	0	0
Transfers out	0	0	0	0	(496)	0	0
Sale of capital assets	0	78,950	0	0	0	0	0
Total other financing sources (uses)	0	78,950	0	209,857	(496)	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,108	(92,185)	1,625	1,238	1,400	29,290	(4,950)
Fund balances, January 1	57,883	115,916	3,271	58,137	(2,095)	258,432	7,948
Fund balances, December 31	$ 61,991	$ 23,731	$ 4,896	$ 59,375	$ (695)	$ 287,722	$ 2,998

Special Revenue				Debt Service	Capital Projects		
Drug Abuse	Juvenile Court	Multiple Grant	Hotel/ Motel Tax	SPLOST Debt Service	SPLOST III	Capital Projects	Total Nonmajor Governmental Funds
$ 0	$ 0	$ 0	$ 250,770	$ 0	$ 803,023	$ 0	$ 1,053,793
42,287	350	0	0	0	0	0	255,281
139,679	0	0	0	0	0	0	520,146
404,793	0	480,248	0	0	0	0	885,041
15	1	0	0	121	2,188	40	3,522
3,439	0	0	0	0	0	0	12,654
7,483	0	0	0	0	0	0	8,182
597,696	351	480,248	250,770	121	805,211	40	2,738,619
508,009	0	0	0	0	0	0	530,233
5,151	0	455,162	0	0	0	0	1,390,056
0	0	72,008	0	0	0	0	72,008
0	0	0	218,834	0	0	0	218,834
0	0	0	0	0	1,711,848	0	1,711,848
0	0	0	0	964,064	9,750	0	973,814
0	0	0	0	0	82,272	0	82,272
513,160	0	527,170	218,834	964,064	1,803,870	0	4,979,065
84,536	351	(46,922)	31,936	(963,943)	(998,659)	40	(2,240,446)
0	0	0	0	6,482,303	42,280	0	6,734,440
0	0	0	(27,442)	(5,358,048)	(555,988)	0	(5,941,974)
0	0	0	0	0	0	0	78,950
0	0	0	(27,442)	1,124,255	(513,708)	0	871,416
84,536	351	(46,922)	4,494	160,312	(1,512,367)	40	(1,369,030)
367,552	14,699	0	2,392	646,457	1,801,536	453,982	3,786,110
$ 452,088	$ 15,050	$ (46,922)	$ 6,886	$ 806,769	$ 289,169	$ 454,022	$ 2,417,080

UNION COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 9,213	$ 9,213	$ 0
Interest	120	120	0
Other	699	699	0
Total revenues	10,032	10,032	0
EXPENDITURES			
Current			
Judicial			
Contract Service	3,465	3,465	0
Materials and supplies	2,459	2,459	0
Total expenditures	5,924	5,924	0
Excess (deficiency) of revenues over (under) expenditures	4,108	4,108	0
Fund balance, January 1	(4,108)	57,883	61,991
Fund balance, December 31	$ 0	$ 61,991	$ 61,991

UNION COUNTY, GEORGIA
SEIZURES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 156,155	$ 156,155	$ 0
Interest	1,010	1,010	0
Contributions	2,475	2,475	0
Total revenues	159,640	159,640	0
EXPENDITURES			
Current			
Public Safety			
Contract services	3,418	3,418	0
Materials and supplies	41,553	41,553	0
Capital outlay	209,484	209,484	0
Payments to others	76,320	76,320	0
Total expenditures	330,775	330,775	0
Excess (deficiency) of revenues over (under) expenditures	(171,135)	(171,135)	0
Other financing sources (uses)			
Sale of capital assets	78,950	78,950	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(92,185)	(92,185)	0
Fund balance, January 1	92,185	115,916	23,731
Fund balance, December 31	$ 0	$ 23,731	$ 23,731

UNION COUNTY, GEORGIA
SHERIFF DONATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUES			
Contributions	$ 6,740	$ 6,740	$ 0
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	5,115	5,115	0
Excess (deficiency) of revenues over (under) expenditures	1,625	1,625	0
Fund balance, January 1	(1,625)	3,271	4,896
Fund balance, December 31	$ 0	$ 4,896	$ 4,896

UNION COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 372,484	$ 372,484	$ 0
EXPENDITURES			
Current			
Public Safety			
Personal services	414,948	414,948	0
Contract services	141,604	141,604	0
Materials and supplies	24,551	24,551	0
Total expenditures	581,103	581,103	0
Excess (deficiency) of revenues over (under) expenditures	(208,619)	(208,619)	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	209,857	209,857	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,238	1,238	0
Fund balance, January 1	(1,238)	58,137	59,375
Fund balance, December 31	$ 0	$ 59,375	$ 59,375

UNION COUNTY, GEORGIA
LOCAL VICTIMS ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 18,196	$ 18,196	$ 0
EXPENDITURES			
Current			
Judicial			
Payments to others	16,300	16,300	0
Excess (deficiency) of revenues over (under) expenditures	1,896	1,896	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	(496)	(496)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,400	1,400	0
Fund balance, January 1	(1,400)	(2,095)	(695)
Fund balances, December 31	$ 0	$ (695)	$ (695)

UNION COUNTY, GEORGIA
JAIL OPERATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 29,080	$ 29,080	$ 0
Charges for services	183	183	0
Interest	27	27	0
Total revenues	29,290	29,290	0
EXPENDITURES			
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	29,290	29,290	0
Fund balance, January 1	(29,290)	258,432	287,722
Fund balance, December 31	$ 0	$ 287,722	$ 287,722

UNION COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 7,800	$ 7,800	$ 0
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	12,750	12,750	0
Excess (deficiency) of revenues over (under) expenditures	(4,950)	(4,950)	0
Fund balance, January 1	4,950	7,948	2,998
Fund balance, December 31	$ 0	$ 2,998	$ 2,998

UNION COUNTY, GEORGIA
DRUG ABUSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 42,287	$ 42,287	$ 0
Charges for services	139,679	139,679	0
Intergovernmental	404,793	404,793	0
Interest	15	15	0
Contributions	3,439	3,439	0
Other	7,483	7,483	0
Total revenues	597,696	597,696	0
EXPENDITURES			
Current			
Judicial			
Contract services	501,097	501,097	0
Materials and supplies	6,912	6,912	0
Public Safety			
Materials and supplies	5,151	5,151	0
Total expenditures	513,160	513,160	0
Excess (deficiency) of revenues over (under) expenditures	84,536	84,536	0
Fund balance, January 1	(84,536)	367,552	452,088
Fund balance, December 31	$ 0	$ 452,088	$ 452,088

UNION COUNTY, GEORGIA
JUVENILE COURT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 350	$ 350	$ 0
Interest	1	1	0
Total revenues	351	351	0
EXPENDITURES			
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	351	351	0
Fund balance, January 1	(351)	14,699	15,050
Fund balance, December 31	$ 0	$ 15,050	$ 15,050

UNION COUNTY, GEORGIA
MULTIPLE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 480,248	$ 480,248	$ 0
Total revenues	480,248	480,248	0
EXPENDITURES			
Current			
Public Safety			
Contract services	15,300	15,300	0
Material and supplies	14,143	14,143	0
Capital outlay	425,719	425,719	0
Health and Welfare			
Material and supplies	427	427	0
Contract services	71,581	71,581	0
Total expenditures	527,170	527,170	0
Excess (deficiency) of revenues over (under) expenditures	(46,922)	(46,922)	0
Fund balance, January 1	46,922	0	(46,922)
Fund balance, December 31	$ 0	$ (46,922)	$ (46,922)

UNION COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	**Actual**	**Variance**
REVENUES			
Hotel/motel taxes	$ 250,770	$ 250,770	$ 0
EXPENDITURES			
Current			
Housing and Development			
Contract services	19,202	19,202	0
Payments to others	199,632	199,632	0
Total expenditures	218,834	218,834	0
Excess (deficiency) of revenues over (under) expenditures	31,936	31,936	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	(27,442)	(27,442)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,494	4,494	0
Fund balance, January 1	(4,494)	2,392	6,886
Fund balances, December 31	$ 0	$ 6,886	$ 6,886

UNION COUNTY, GEORGIA
SPLOST DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	Actual	Variance
REVENUE			
Interest	$ 121	$ 121	$ 0
EXPENDITURES			
Debt Service			
Principal	890,000	890,000	0
Interest	74,064	74,064	0
Total expenditures	964,064	964,064	0
Excess (deficiency) of revenues over (under) expenditures	(963,943)	(963,943)	0
Other financing sources (uses)			
Transfers in (out)			
SPLOST III Fund	506,258	506,258	0
SPLOST IV Fund	5,976,045	5,976,045	0
Urban Redevelopment Agency Fund	(5,358,048)	(5,358,048)	0
Total other financing sources (uses)	1,124,255	1,124,255	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	160,312	160,312	0
Fund balances, January 1	(160,312)	646,457	806,769
Fund balances, December 31	$ 0	$ 806,769	$ 806,769

UNION COUNTY, GEORGIA
URBAN REDEVELOPMENT AGENCY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015

	2015		
	Final Budget	**Actual**	**Variance**
REVENUE			
Total revenues	$ 0	$ 0	$ 0
EXPENDITURES			
Debt Service			
Principal	5,105,000	5,105,000	0
Interest	253,048	253,048	0
Total expenditures	5,358,048	5,358,048	0
Excess (deficiency) of revenues over (under) expenditures	(5,358,048)	(5,358,048)	0
Other financing sources (uses)			
Transfers in (out)			
SPLOST Debt Service Fund	5,358,048	5,358,048	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balances, January 1	0	0	0
Fund balances, December 31	$ 0	$ 0	$ 0

AGENCY FUNDS

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

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

Sheriff - This fund accounts for deposits held for incarcerated inmates.

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

UNION COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
December 31, 2015

	Tax Commissioner	Sheriff
ASSETS		
Cash and cash equivalents	$ 339,751	$ 23,691
Taxes receivable, net	2,036,779	0
Total assets	$ 2,376,530	$ 23,691
LIABILITIES		
Due to others	$ 339,751	$ 23,691
Uncollected taxes	2,036,779	0
Total liabilities	$ 2,376,530	$ 23,691

Clerk of Courts	Probate Court	Magistrate Court	Totals
$ 324,852	$ 13,056	$ 2,639	$ 703,989
0	0	0	2,036,779
$ 324,852	$ 13,056	$ 2,639	$ 2,740,768
$ 324,852	$ 13,056	$ 2,639	$ 703,989
0	0	0	2,036,779
$ 324,852	$ 13,056	$ 2,639	$ 2,740,768

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UNION COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended December 31, 2015

	Balance January 1	Additions	Deletions	Balance December 31
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 246,803	$ 26,619,731	$ 26,526,783	$ 339,751
Taxes receivable, net	2,093,968	20,564,546	20,621,735	2,036,779
Total	$ 2,340,771	$ 47,184,277	$ 47,148,518	$ 2,376,530
LIABILITIES				
Due to others	$ 246,803	$ 26,619,731	$ 26,526,783	$ 339,751
Uncollected taxes	2,093,968	20,564,546	20,621,735	2,036,779
Total	$ 2,340,771	$ 47,184,277	$ 47,148,518	$ 2,376,530
SHERIFF				
ASSETS				
Cash and cash equivalents	$ 20,624	$ 218,275	$ 215,208	$ 23,691
LIABILITIES				
Due to others	$ 20,624	$ 218,275	$ 215,208	$ 23,691
CLERK OF COURTS				
ASSETS				
Cash and cash equivalents	$ 316,254	$ 1,270,552	$ 1,261,954	$ 324,852
LIABILITIES				
Due to others	$ 316,254	$ 1,270,552	$ 1,261,954	$ 324,852
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 23,358	$ 352,739	$ 363,041	$ 13,056
LIABILITIES				
Due to others	$ 23,358	$ 352,739	$ 363,041	$ 13,056
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 4,567	$ 101,667	$ 103,595	$ 2,639
LIABILITIES				
Due to others	$ 4,567	$ 101,667	$ 103,595	$ 2,639
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 611,606	$ 28,562,964	$ 28,470,581	$ 703,989
Taxes receivable, net	2,093,968	20,564,546	20,621,735	2,036,779
Total	$ 2,705,574	$ 49,127,510	$ 49,092,316	$ 2,740,768
LIABILITIES				
Due to others	$ 611,606	$ 28,562,964	$ 28,470,581	$ 703,989
Uncollected taxes	2,093,968	20,564,546	20,621,735	2,036,779
Total	$ 2,705,574	$ 49,127,510	$ 49,092,316	$ 2,740,768

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SINGLE AUDIT SECTION

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

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

Honorable Commissioner
Union County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Georgia, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Union County, Georgia's basic financial statements and have issued our report thereon dated June 27, 2016. Our report includes a reference to other auditors who audited the financial statements of the Union County Health Department, as described in our report on Union County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Union 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 Union County's internal control. Accordingly, we do not express an opinion on the effectiveness of Union 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-01, which we consider to be a significant deficiency.

Compliance and Other Matters

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

Union County, Georgia's Response to Findings

Union County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Union County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 27, 2016

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

Honorable Commissioner
Union County, Georgia

Report on Compliance for Each Major Federal Program

We have audited Union County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bartow County's major federal programs for the year ended December 31, 2015. Union County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Union County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants
Gainesville, Georgia
June 27, 2016

UNION COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
Department of Agriculture			
Schools and Roads - Grants to States	10.665	N/A	$ 75,791
Passed through the Georgia Association of Conservation District Supervisors, Incorporated:			
Environmental Quality Incentives Program	10.912	GACD S-02-14-008	27,185
Total Department of Agriculture			102,976
Department of Interior			
Payments in Lieu of Taxes	15.226	N/A	173,246
Department of Transportation			
Passed through the Georgia Department of Transportation:			
Formula Grants for Other Than Urbanized Areas	20.509	T005004	10,627
		T005064	9,601
		T005260	63,519
Total Department of Transportation			83,747
Department of Homeland Security			
Passed through the Georgia Emergency Management Agency (GEMA):			
Emergency Management Performance Grants	97.042	OEM14	2,697
		OEM15	13,533
			16,230
Pre-Disaster Mitigation	97.047	PDM-PL-04-GA-2013-002	15,300
Assistance to Firefighters Grant	97.044	N/A	386,864
Total Department of Homeland Security			418,394
Total Federal Awards			$ 778,363

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

UNION COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2015

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Union County, Georgia, under programs for the federal government for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

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

3. De Minimis Indirect Cost Rate

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

UNION COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant Deficiencie(s) identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant Deficiencie(s) identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported

Identification of major programs:

97.044 Assistance to Firefighters Grant

Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

2015-01

Condition: While performing audit procedures on receipts for marriage licenses and firearm permits at the Probate Court, we noted instances where deposits were not made timely. We noted 18 of 30 (60%) receipts tested were held for more than seven days before depositing.

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

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

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

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. Action was taken immediately upon receipt of this comment and management has offered to provide assistance in implementing this recommendation.

B. Prior Year Audit Findings Follow-Ups

Comment 14-1

Condition: While performing audit procedures at the Clerk of Court, we noted that there is no evidence of approval or supporting documentation for voided transactions.

Corrected

Comment 14-2

Condition: While performing audit procedures at the Clerk of Court, we noted instances where deposits were not made timely. Receipts were held for more than seven days before depositing in 15 of 40 (38%) receipts tested.

Corrected

Comment 14-3

Condition: While performing audit procedures at the Probate Court, we noted that there is no approval process or original supporting documentation for voided transactions.

Corrected

2. Financial Statement Findings and Responses (continued)

B. Prior Year Audit Findings Follow-Ups, continued

Comment 14-4

Condition: While performing audit procedures on receipts for marriage licenses and firearm permits at the Probate Court, we noted instances where deposits were not made timely. We noted 18 of 30 (60%) receipts tested were held for more than seven days before depositing.

Not corrected

Comment 14-5

Condition: While performing audit procedures at Tax Commissioner's Office, we noted that tag and title back-outs had no evidence of approval.

Corrected

Comment 14-6

Condition: While performing audit procedures on credit cards at the Community Center, we noted instances where supporting documentation was not attached to the credit card transactions. While approval was evident, supporting documentation was not attached to the credit card statement in 5/10 (50%) transactions tested. All transactions tested were approved and appeared appropriate.

Corrected

Comment 14-7

Condition: While performing audit procedures on credit cards at the Golf Course, we noted instances where supporting documentation was not attached to the credit card transactions. While approval was evident, supporting documentation was not attached to the credit card statement in 4/10 (40%) transactions tested. All transactions tested were approved and appeared appropriate.

Corrected

Comment 14-8

Condition: During audit procedures on journal entries, we noted that journal entries originated by the Finance Director did not have evidence of approval. All journal entries reviewed during audit procedures appeared appropriate.

Corrected

2. Financial Statement Findings and Responses (continued)

B. Prior Year Audit Findings Follow-Ups, continued

Comment 14-9

Condition: While performing audit procedures at Clerk of Court, we noted that monthly payouts to other agencies were not made in a timely manner.

Corrected

3. Federal Award Findings and Questioned Costs

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

STATE REPORTING SECTION

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

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2015

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2009 SPLOST					
Administration Costs	$ 630,000	$ 500,000	$ 356,627	$ 34,359	$ 390,986
Roads & Bridges	11,760,000	5,587,341	5,489,985	1,138,072	6,628,057
Jail Renovation & Expansion	1,960,000	87,490	63,504	0	63,504
Administrative Annex Renovations	490,000	500,000	23,796	0	23,796
Park & Recreation Facilities	5,047,000	4,296,789	4,094,736	506,820	4,601,556
Library Renovation, Expansion & Books	882,000	937,479	937,479	0	937,479
Public Safety Facilities, Vehicles & Equipment	2,009,000	2,509,759	2,565,665	13,906	2,579,571
Solid Waste Transfer Station	833,000	287,101	47,787	33,057	80,844
Farmers Market Facilities	784,000	1,199,860	1,193,461	0	1,193,461
Civic Center Renovation & Expansion	245,000	250,000	249,858	0	249,858
Multi-use Building for Economic Development, Community Center & Golf Course Shop	3,430,000	2,000,000	1,422,465	0	1,422,465
Historic Facilities Renovations	1,323,000	529,091	480,455	0	480,455
Animal Control Facilities	147,000	150,000	148,785	0	148,785
City of Blairsville Facilities	1,960,000	1,286,438	1,231,336	82,272	1,313,608
Total	$ 31,500,000	$ 20,121,348	$ 18,305,939	$ 1,808,486	$ 20,114,425
Principal payments on lease				2,834	
Transfers to Debt Service Funds, for sinking fund requirements				506,258	
Expenditures financed through transfers from General Fund				42,280	
Total SPLOST III Fund Expenditures and Transfers Out				$ 2,359,858	

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2015

	Estimated Cost *		Expenditures		
			Prior	Current	
Project	Original	Current	Years	Year	Total
2015 SPLOST					
Acquisition of Union County Community Center	$ 5,500,000	$ 5,500,000	$ 0	$ 5,414,628	$ 5,414,628
Administrative Facilities Upgrades, Improvements, Equipment & Vehicles	1,000,000	1,000,000	40,803	89,023	129,826
Library Upgrades, Improvements, & Equipment	100,000	100,000	0	11,457	11,457
Public Safety Facilities, Vehicles & Equipment	1,000,000	1,000,000	40,000	109,564	149,564
Roads, Streets & Bridges	6,000,000	6,000,000	0	554,912	554,912
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	3,400,000	3,400,000	3,665	320,513	324,178
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	0	2,057	2,057
Economic Development Facilities & Land Acquisition	300,000	300,000	0	3,086	3,086
City of Blairsville	1,500,000	1,500,000	0	209,309	209,309
Total	$ 19,000,000	$ 19,000,000	$ 84,468	$ 6,714,549	$ 6,799,017
Transfers to Debt Service Funds, for sinking fund requirements				617,997	
Expenditures financed through transfers from General Fund				36	
Total SPLOST IV Fund Expenditures and Transfers Out				$ 7,332,582	

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

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