UNION COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2016

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

TABLE OF CONTENTS

EXHIBIT		PAGE
	FINANCIAL SECTION	
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-14
	Basic Financial Statements:	
	Government-wide Financial Statements:	
A-1	Statement of Net Position	15-16
A-2	Statement of Activities	17
	Fund Financial Statements:	
	Governmental Funds:	
A-3	Balance Sheet	18
A-4	Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	19
A-5	Statement of Revenues, Expenditures and Changes in Fund Balances	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	General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	22-23
	Proprietary Funds:	
A-8	Statement of Net Position	24
A-9	Statement of Revenues, Expenses, and Changes in Net Position	25
A-10	Statement of Cash Flows	26
	Fiduciary Funds:	
A-11	Statement of Fiduciary Assets and Liabilities	27
	Component Units:	
A-12	Combining Statement of Net Position	28
A-13	Combining Statement of Activities	29
A-14	Notes to the Financial Statements	30-64
	Combining and Individual Fund Statements and Schedules:	
B-1	Combining Balance Sheet - Nonmajor Governmental Funds	65-66
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	67-68
B-3	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Law Library Special Revenue Fund	69
B-4	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Seizures Special Revenue Fund	70
B-5	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Sheriff Donation Special Revenue Fund	71
B-6	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Emergency 911 Special Revenue Fund	72
B-7	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Local Victims Assistance Special Revenue Fund	73
B-8	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Jail Operations Special Revenue Fund	74
B-9	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Inmate Welfare Special Revenue Fund	75

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

TABLE OF CONTENTS

EXHIBIT		PAGE
	FINANCIAL SECTION (continued)	
	Combining and Individual Fund Statements and Schedules (continued)	
B-10	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Drug Abuse Special Revenue Fund	76
B-11	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Juvenile Court Special Revenue Fund	77
B-12	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Multiple Grant Special Revenue Fund	78
B-13	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Hotel/Motel Tax Special Revenue Fund	79
B-14	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - SPLOST Debt Service Fund	80
C-1	Combining Balance Sheet - Agency Funds	81-82
C-2	Statement of Changes in Assets and Liabilities - Agency Funds	83
	OTHER REPORTING 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*	84-86
	STATE REPORTING SECTION	
D-1	Schedule of Projects Financed with Special Purpose Local Option Sales Tax	87-88

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 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, 2016, and the related notes to the financial statements, which collectively comprise Union County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Union County Health Department, a component unit of Union County, which represents 23.0% of the assets, 5.8% of the net position, and 79.3% of the revenues of the aggregate discretely presented component units for the year ended December 31, 2016. 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 the Union County Health Department, is based solely on the reports 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 County'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 County'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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Georgia, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons 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 combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2017, on our consideration of Union County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 27, 2017

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Lamar Paris
Union County Commissioner
65 Courthouse Street, Box 1• Blairsville, Georgia 30512

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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, 2016. 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, 2016 by $49,719,426 (*net position*). Of this amount, $6,374,100 is reported as unrestricted net position. This is an increase of $171,911 from the previous year for unrestricted. Total net position increased by $534,225 from the previous year.

- As of December 31, 2016, Union County's governmental funds reported combined ending fund balances of $11,729,078. Approximately 45% of this total amount, or $5,310,550, is reported as unassigned and available for spending at the County's discretion. Approximately 44%, or $5,195,938, 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 65. 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 sixteen 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 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 65-68 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 30-64 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 2016 and 2015

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current	$ 20,288,003	$ 21,541,062	$ (163,360)	$ (422,160)	$ 20,124,643	$ 21,118,902
Noncurrent	40,096,188	40,767,777	5,345,343	4,423,718	45,441,531	45,191,495
Total assets	60,384,191	62,308,839	5,181,983	4,001,558	65,566,174	66,310,397
Liabilities:						
Current	2,577,057	2,721,694	181,344	88,788	2,758,401	2,810,482
Noncurrent	6,071,724	7,430,670	177,822	0	6,249,546	7,430,670
Total liabilities	8,648,781	10,152,364	359,166	88,788	9,007,947	10,241,152
Deferred inflows of resources	6,838,801	6,884,044	0	0	6,838,801	6,884,044
Net position:						
Net investment in capital assets	33,052,996	32,279,968	5,096,392	4,406,083	38,149,388	36,686,051
Restricted	5,195,938	6,296,961	0	0	5,195,938	6,296,961
Unrestricted	6,647,675	6,695,502	(273,575)	(493,313)	6,374,100	6,202,189
Total net position	$ 44,896,609	$ 45,272,431	$ 4,822,817	$ 3,912,770	$ 49,719,426	$ 49,185,201

Net position may serve over time as a useful indicator of a government's financial position. Assets for Union County exceeded liabilities by $49,719,426 at the close of 2016. Approximately 77% 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 an increase from 75% at December 31, 2015. 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 10% 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 13%.

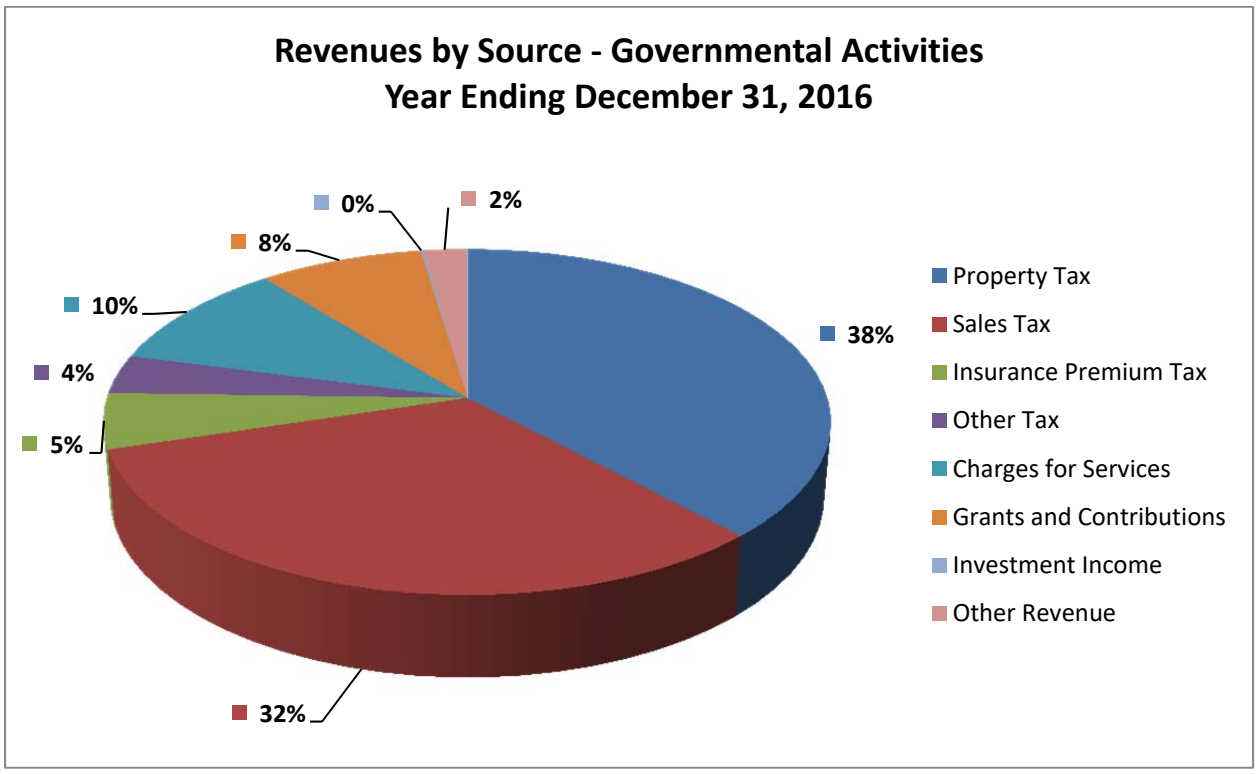
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Union County's net position changed during the year.

Union County
Changes in Net Position
Fiscal Years 2016 and 2015

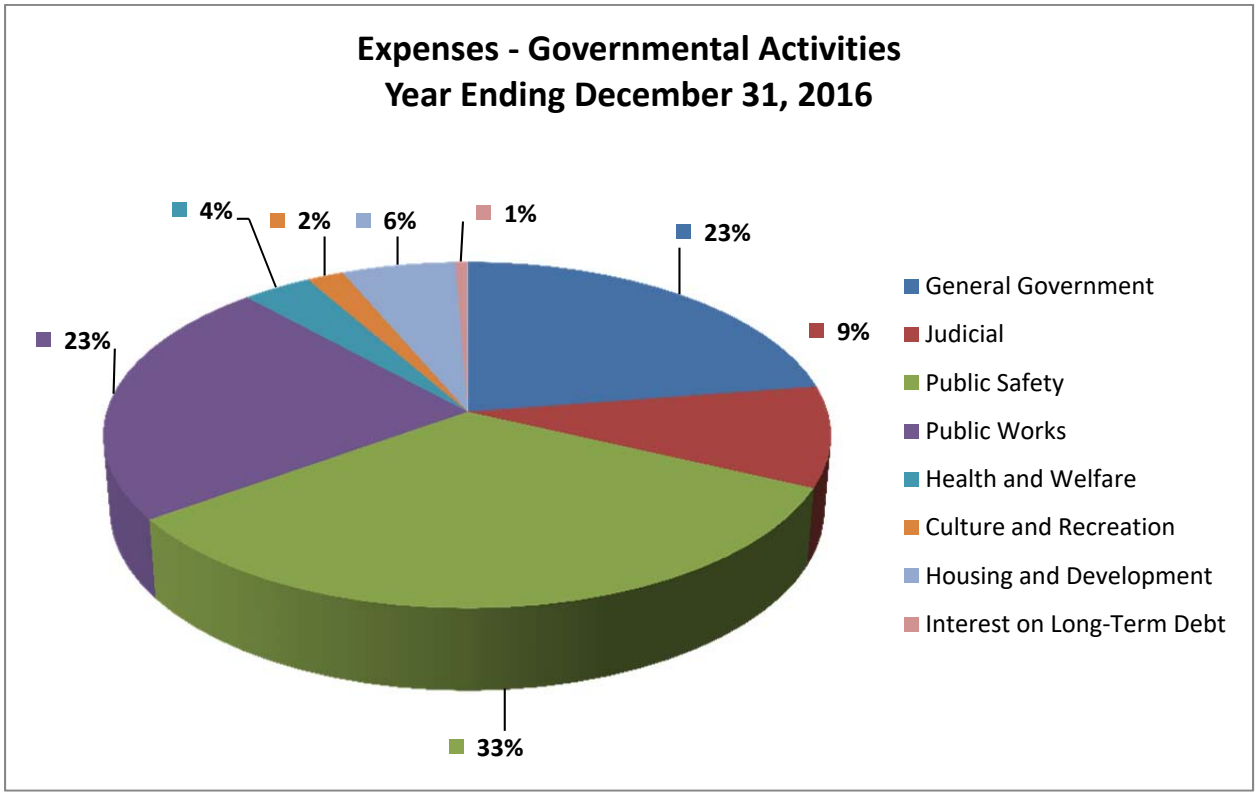
	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	$ 2,268,326	$ 2,327,754	$ 1,051,179	$ 1,112,581	$ 3,319,505	$ 3,440,335
Operating grants and contributions	939,193	749,651	0	0	939,193	749,651
Capital grants and contributions	926,165	1,191,291	0	0	926,165	1,191,291
General revenues:						
Property tax	8,488,530	8,666,591	0	0	8,488,530	8,666,591
Sales tax	7,188,029	6,872,418	0	0	7,188,029	6,872,418
Insurance premium tax	1,156,060	1,086,622	0	0	1,156,060	1,086,622
Other taxes	813,217	791,552	0	0	813,217	791,552
Interest & investment earnings	26,817	77,185	0	0	26,817	77,185
Other revenue	499,954	483,425	154,038	144,611	653,992	628,036
Total revenues	22,306,291	22,246,489	1,205,217	1,257,192	23,511,508	23,503,681
Expenses						
General Government	4,679,626	4,415,079	0	0	4,679,626	4,415,079
Judicial	1,946,726	1,574,103	0	0	1,946,726	1,574,103
Public Safety	6,858,553	6,766,491	0	0	6,858,553	6,766,491
Public Works	4,805,157	4,183,973	0	0	4,805,157	4,183,973
Health and Welfare	726,187	643,999	0	0	726,187	643,999
Culture and Recreation	388,130	336,254	0	0	388,130	336,254
Housing and Development	1,194,438	1,177,761	0	0	1,194,438	1,177,761
Interest on long-term debt	127,076	238,905	0	0	127,076	238,905
Golf Course	0	0	878,589	934,972	878,589	934,972
Meeks Park	0	0	1,372,801	1,277,028	1,372,801	1,277,028
Total expenses	20,725,893	19,336,565	2,251,390	2,212,000	22,977,283	21,548,565
Increase (decrease) in net position before transfers	1,580,398	2,909,924	(1,046,173)	(954,808)	534,225	1,955,116
Transfers	(1,956,220)	(1,027,254)	1,956,220	1,027,254	0	0
Increase (decrease) in net position	(375,822)	1,882,670	910,047	72,446	534,225	1,955,116
Net position - beginning	45,272,431	43,389,761	3,912,770	3,840,324	49,185,201	47,230,085
Net position - ending	$ 44,896,609	$ 45,272,431	$ 4,822,817	$ 3,912,770	$ 49,719,426	$ 49,185,201

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 –

Aside from transfers from other funds, business-type activities did not contribute to an increase in Union County's net position. The net loss before transfers was $887,759. After transfers in of $1,797,806, the increase in net position was $910,047, or 23%.

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 $11,729,078. Of this amount, $5,310,550 (45%) 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 $6,002,972. 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 89% of total fund balance in the General Fund. Unassigned fund balance represents approximately 38% of total General Fund expenditures, while total fund balance represents approximately 43% of that same amount. The County ended the year realizing an increase in the overall fund balance in the General Fund by $199,861, or approximately 3%. The County increased unassigned fund balance in the General Fund by $295,341, or 6%. This increase was much smaller than the prior year increase due in large part to increased expenditures with a small decrease in revenues.

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 and other financing sources in total increased $830,887 and expenditures and other financing uses in total increased $631,026 from original to final budgets. The County experienced a small decrease in revenues from the prior fiscal year. The County experienced a significant increase in expenditures from the prior fiscal year. The County ended the fiscal year with a small increase in the fund balance. Overall, the County had a small decrease in revenues and other financing sources, and increased expenditures to allow for a small increased fund balance.

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 $ 1,531,001
- Meeks Park $ 3,291,816

The Golf Course Fund increased net position by $240,277. The increase is due to transfers exceeding the operating loss. The Meeks Park Fund increased net position by $669,770. The increase is due to transfers exceeding the operating loss.

Capital Assets and Debt Administration

Capital Assets. Union County has invested $45,441,531 in capital assets (net of accumulated depreciation) compared to $45,191,495 in the previous year. This represents a decrease of 0.5%. Approximately 88% 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 2016 and 2015

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	$ 4,409,850	$ 4,227,955	$ 2,461,239	$ 2,427,997	$ 6,871,089	$ 6,655,952
Construction in progress	806,585	768,545	7,500	71,452	814,085	839,997
Land improvements	0	0	916,903	401,509	916,903	401,509
Buildings and improvements	31,963,431	31,632,912	2,796,800	2,701,765	34,760,231	34,334,677
Equipment and furniture	5,430,950	5,307,909	1,427,784	943,300	6,858,734	6,251,209
Vehicles	6,004,530	5,251,943	100,116	74,306	6,104,646	5,326,249
Infrastructure	21,200,630	21,100,368	0	0	21,200,630	21,100,368
Total	69,815,976	68,289,632	7,710,342	6,620,329	77,526,318	74,909,961
Accumulated depreciation	(29,719,788)	(27,521,855)	(2,364,999)	(2,196,611)	(32,084,787)	(29,718,466)
Net Capital Assets	$ 40,096,188	$ 40,767,777	$ 5,345,343	$ 4,423,718	$ 45,441,531	$ 45,191,495

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
- Purchase of vehicles and equipment for Meeks Park
- Improvements and additions to Poteet Creek Campground
- Continued improvements to Butternut Creek Golf Course
- Purchase of equipment for Butternut Creek Golf Course

Additional information on Union County's capital assets can be found in Note 9 on pages 51-53 of this report.

Debt/Capital Leases. On December 31, 2016, Union County had a total debt balance outstanding for governmental activities in the amount of $6,929,686, as compared to $8,258,779 the previous year. Union County's outstanding debt for governmental activities has decreased by $1,329,093 due to regular scheduled payments. On December 31, 2016, Union County had a total debt balance outstanding for business-type activities in the amount of $248,951, as compared to $17,635 the previous year. Union County's outstanding debt for business-type activities has increased by $231,316 during the course of the year due to a new capital lease.

Additional information on the County's long-term debt can be found in Note 12 on pages 56-58 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 2017 and 2018. 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, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 14,593,941	$ 376,933	$ 14,970,874	$ 960,854
Restricted cash and cash equivalents	2,636,923	0	2,636,923	0
Receivables (net)				
Accounts	517,090	4,373	521,463	6,585
Intergovernmental	92,099	0	92,099	3,201
Taxes	1,799,339	0	1,799,339	0
Prepaid items	43,151	0	43,151	0
Inventories	0	60,794	60,794	0
Internal balances	605,460	(605,460)	0	0
Total current assets	20,288,003	(163,360)	20,124,643	970,640
Noncurrent assets				
Land held for resale	0	0	0	1,720,379
Capital assets				
Non-depreciable	5,216,435	2,468,739	7,685,174	0
Depreciable (net)	34,879,753	2,876,604	37,756,357	771
Total noncurrent assets	40,096,188	5,345,343	45,441,531	1,721,150
Total assets	60,384,191	5,181,983	65,566,174	2,691,790
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources (net)	0	0	0	97,936
LIABILITIES				
Current liabilities				
Accounts payable	489,737	60,582	550,319	10,826
Accrued interest payable	9,668	0	9,668	0
Accrued salaries and payroll liabilities	259,239	22,892	282,131	8,024
Accrued expenses	0	7,563	7,563	0
Compensated absences	82,544	19,178	101,722	30,058
Capital leases payable	0	71,129	71,129	0
Notes payable	9,378	0	9,378	0
Bonds payable	1,320,000	0	1,320,000	0
Landfill post-closure care costs	29,100	0	29,100	0
Other current liabilities	377,391	0	377,391	0
Total current liabilities	2,577,057	181,344	2,758,401	48,908
Noncurrent liabilities				
Compensated absences	0	0	0	31,285
Proportionate share of net pension liability	0	0	0	518,457
Capital leases payable	0	177,822	177,822	0
Notes payable	55,308	0	55,308	0
Bonds payable	5,545,000	0	5,545,000	0
Landfilll post-closure care costs	471,416	0	471,416	0
Total noncurrent liabilities	6,071,724	177,822	6,249,546	549,742
Total liabilities	8,648,781	359,166	9,007,947	598,650

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

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues - property taxes	$ 6,838,801	$ 0	$ 6,838,801	$ 0
NET POSITION				
Net investment in capital assets	33,052,996	5,096,392	38,149,388	771
Restricted for:				
Law library operations	66,955	0	66,955	0
Judicial activities	551,916	0	551,916	0
Public safety activities	332,160	0	332,160	0
Health and welfare activities	0	0	0	110,216
Capital outlay	3,420,957	0	3,420,957	0
Debt service	823,950	0	823,950	0
Unrestricted	6,647,675	(273,575)	6,374,100	2,080,089
Total net position	$ 44,896,609	$ 4,822,817	$ 49,719,426	$ 2,191,076

See accompanying notes to the financial statements.

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

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 4,679,626	$ 264,015	$ 0	$ 100,263	$ (4,315,348)
Judicial	1,946,726	142,413	693,460	0	(1,110,853)
Public Safety	6,858,553	1,529,167	160,897	671,666	(4,496,823)
Public Works	4,805,157	310,642	16,038	152,361	(4,326,116)
Health and Welfare	726,187	22,089	0	1,875	(702,223)
Culture and Recreation	388,130	0	0	0	(388,130)
Housing and Development	1,194,438	0	68,798	0	(1,125,640)
Interest on long-term debt	127,076	0	0	0	(127,076)
Total governmental activities	20,725,893	2,268,326	939,193	926,165	(16,592,209)
Business-type activities					
Golf Course	878,589	698,715	0	0	(179,874)
Meeks Park	1,372,801	352,464	0	0	(1,020,337)
Total business-type activities	2,251,390	1,051,179	0	0	(1,200,211)
Total primary government	22,977,283	3,319,505	939,193	926,165	(17,792,420)
Component Units					
Union County Health Department					
Health and Welfare	887,335	435,105	366,305	0	(85,925)
Development Authority of Union County					
Housing and Development	221,330	20,000	3,500	0	(197,830)
Total component units	1,108,665	455,105	369,805	0	(283,755)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (16,592,209)	$ (1,200,211)	$ (17,792,420)	$ (283,755)
General revenues				
Taxes				
Property	8,488,530	0	8,488,530	0
Sales	7,188,029	0	7,188,029	0
Insurance premium	1,156,060	0	1,156,060	0
Other	813,217	0	813,217	0
Interest and investment earnings	26,817	0	26,817	603
Payments from Union County	0	0	0	287,512
Gain on sale of capital assets	323,701	27,060	350,761	45,235
Other	176,253	126,978	303,231	370
Transfers	(1,956,220)	1,956,220	0	0
Total general revenues and transfers	16,216,387	2,110,258	18,326,645	333,720
Change in net position	(375,822)	910,047	534,225	49,965
Net position - beginning (original)	45,272,431	3,912,770	49,185,201	2,312,881
Prior period adjustments	0	0	0	(171,770)
Net position - beginning (restated)	45,272,431	3,912,770	49,185,201	2,141,111
Net position - ending	$ 44,896,609	$ 4,822,817	$ 49,719,426	$ 2,191,076

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

	General	SPLOST IV	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and cash equivalents	$ 11,779,341	$ 1,272,268	$ 1,542,332	$ 14,593,941
Restricted cash and cash equivalents	0	1,812,973	823,950	2,636,923
Receivables (net)				
Accounts	438,482	0	78,608	517,090
Intergovernmental	29,408	0	62,691	92,099
Taxes	1,411,539	356,908	30,892	1,799,339
Due from other funds	20,456	0	16,708	37,164
Prepaid items	43,151	0	0	43,151
Advances to other funds	628,352	0	0	628,352
Total assets	$ 14,350,729	$ 3,442,149	$ 2,555,181	$ 20,348,059
LIABILITIES				
Accounts payable	$ 255,677	$ 88,669	$ 145,391	$ 489,737
Accrued salaries and payroll liabilities	242,531	0	16,708	259,239
Due to other funds	39,600	100	20,356	60,056
Other liabilities	377,391	0	0	377,391
Total liabilities	915,199	88,769	182,455	1,186,423
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - property taxes	6,838,801	0	0	6,838,801
Unavailable revenue - property taxes	210,900	0	0	210,900
Unavailable revenue - other	382,857	0	0	382,857
Total deferred inflows of resources	7,432,558	0	0	7,432,558
FUND BALANCES				
Nonspendable:				
Prepaid items	43,151	0	0	43,151
Advances to other funds	628,352	0	0	628,352
Restricted for:				
Law library operations	0	0	66,955	66,955
Judicial activities	0	0	551,916	551,916
Public safety activities	0	0	332,160	332,160
Capital outlay	0	3,353,380	67,577	3,420,957
Debt service	0	0	823,950	823,950
Assigned for:				
Emergency 911 system operations	0	0	71,310	71,310
Tourism	0	0	25,648	25,648
Capital outlay	0	0	454,129	454,129
Unassigned	5,331,469	0	(20,919)	5,310,550
Total fund balances	6,002,972	3,353,380	2,372,726	11,729,078
Total liabilities, deferred inflows of resouces, and fund balances	$ 14,350,729	$ 3,442,149	$ 2,555,181	$ 20,348,059

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

Total fund balance - total governmental funds		$ 11,729,078
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		40,096,188
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		593,757
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:		
Accrued interest payable	$ (9,668)	
Compensated absences	(82,544)	
Notes payable	(64,686)	
Bonds payable	(6,865,000)	
Landfill post-closure care costs	(500,516)	(7,522,414)
Net position of governmental activities		$ 44,896,609

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

	General	SPLOST IV	Nonmajor Governmental Funds	Totals
REVENUES				
Taxes	$ 13,640,896	$ 3,993,349	$ 228,583	$ 17,862,828
Licenses and permits	289,480	0	0	289,480
Fines, fees and forfeitures	453,070	0	109,257	562,327
Charges for services	361,027	0	539,703	900,730
Intergovernmental	756,670	659,249	830,899	2,246,818
Interest	26,329	12,396	937	39,662
Contributions	0	0	21,222	21,222
Other	176,179	0	74	176,253
Total revenues	15,703,651	4,664,994	1,730,675	22,099,320
EXPENDITURES				
Current				
General Government	4,409,641	0	0	4,409,641
Judicial	1,146,624	0	811,773	1,958,397
Public Safety	5,459,216	0	799,176	6,258,392
Public Works	1,476,684	0	0	1,476,684
Health and Welfare	596,491	0	0	596,491
Culture and Recreation	280,284	0	0	280,284
Housing and Development	691,033	0	209,821	900,854
Capital outlay	0	3,834,270	48,325	3,882,595
Debt service	11,068	0	1,446,961	1,458,029
Intergovernmental	0	310,241	0	310,241
Total expenditures	14,071,041	4,144,511	3,316,056	21,531,608
Excess (deficiency) of revenues over (under) expenditures	1,632,610	520,483	(1,585,381)	567,712
Other financing sources (uses)				
Transfers in	225	0	1,694,287	1,694,512
Transfers out	(1,525,867)	(1,792,191)	(174,260)	(3,492,318)
Sale of capital assets	92,893	272,541	21,000	386,434
Total other financing sources (uses)	(1,432,749)	(1,519,650)	1,541,027	(1,411,372)
Net change in fund balance	199,861	(999,167)	(44,354)	(843,660)
Fund balances, January 1	5,803,111	4,352,547	2,417,080	12,572,738
Fund balances, December 31	$ 6,002,972	$ 3,353,380	$ 2,372,726	$ 11,729,078

See accompanying notes to the financial statements.

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, 2016

Net change in fund balances - total governmental funds			$ (843,660)
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	$ 2,059,569	
	Depreciation	(2,456,201)	(396,632)
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	$ (475,074)	
	Related accumulated depreciation	258,268	(216,806)
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.			
	Individual contributors		100,263
Distributions of capital assets decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.			
	Business-type activities		(158,414)
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 principal payments	$ 1,329,093	
	Net change in interest payable	1,859	1,330,952
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.			(216,991)
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	$ (3,634)	
	Landfill post-closure care costs	29,100	25,466
Change in net position of governmental activities			$ (375,822)

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

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 12,490,450	$ 13,640,896	$ 13,640,896	$ 0
Licenses and permits	174,100	289,480	289,480	0
Fines, fees and forfeitures	506,000	453,070	453,070	0
Charges for services	359,300	361,027	361,027	0
Intergovernmental	457,191	756,670	756,670	0
Interest	18,000	26,329	26,329	0
Other	960,841	176,179	176,179	0
Total revenues	14,965,882	15,703,651	15,703,651	0
EXPENDITURES				
Current				
General Government				
Executive	296,061	339,385	339,385	0
Elections	155,774	158,275	158,275	0
General administration	664,914	958,724	958,724	0
Financial administration	156,345	156,775	156,775	0
Tax commissioner	294,665	306,166	306,166	0
Tax assessor	290,410	336,891	336,891	0
Risk management	283,000	1,856,043	1,856,043	0
General government buildings	287,309	297,382	297,382	0
Judicial				
Judicial administration	3,300	3,766	3,766	0
Superior court	106,707	126,155	126,155	0
Clerk of superior court	246,971	240,672	240,672	0
District attorney	99,398	82,302	82,302	0
Magistrate court	199,227	185,086	185,086	0
Probate court	214,190	208,822	208,822	0
Juvenile court	155,725	218,375	218,375	0
Grand jury	2,200	1,189	1,189	0
Public defender	81,779	80,257	80,257	0
Public Safety				
Sheriff	2,496,348	2,683,156	2,683,156	0
Jail operations	1,534,051	1,492,870	1,492,870	0
Fire and emergency management	1,026,906	985,873	985,873	0
Fire stations and buildings	0	143,332	143,332	0
Coroner	30,290	38,869	38,869	0
Animal control	146,945	115,116	115,116	0
Public Works				
Highways and streets	1,079,484	1,248,579	1,248,579	0
Solid waste	120,000	44,431	44,431	0
Public education	0	22,630	22,630	0
Maintenance and shop	145,516	161,044	161,044	0
Health and Welfare				
Public health administration	394,594	266,439	266,439	0
Ambulance contract	300,000	15,516	15,516	0
Intergovernmental welfare	36,900	1,709	1,709	0
Senior citizens	164,617	177,202	177,202	0
Community center	61,548	57,988	57,988	0
Transportation services	91,160	77,637	77,637	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, 2016

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Culture and Recreation				
Participant recreation	$ 64,600	$ 26,525	$ 26,525	$ 0
Library admission	258,851	253,759	253,759	0
Housing and Development				
Conservation	75,530	56,923	56,923	0
Agricultural	69,752	71,999	71,999	0
Building inspection	204,662	233,308	233,308	0
Planning and zoning	132,833	122,129	122,129	0
Economic development	180,500	206,674	206,674	0
Debt service				
Principal	0	9,093	9,093	0
Interest	0	1,975	1,975	0
Total expenditures	12,153,062	14,071,041	14,071,041	0
Excess (deficiency) of revenues over expenditures	2,812,820	1,632,610	1,632,610	0
Other financing sources (uses)				
Transfers in	0	225	225	0
Transfers out	(2,812,820)	(1,525,867)	(1,525,867)	0
Sale of capital assets	0	92,893	92,893	0
Total other financing sources (uses)	(2,812,820)	(1,432,749)	(1,432,749)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	199,861	199,861	0
Fund balances, January 1	0	(199,861)	5,803,111	6,002,972
Fund balances, December 31	$ 0	$ 0	$ 6,002,972	$ 6,002,972

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 200,152	$ 176,781	$ 376,933
Accounts receivable (net)	1,190	3,183	4,373
Inventories	56,625	4,169	60,794
Due from other funds	11,896	12,582	24,478
Total current assets	269,863	196,715	466,578
Noncurrent assets			
Capital assets			
Non-depreciable	1,723,587	745,152	2,468,739
Depreciable (net)	475,281	2,401,323	2,876,604
Total noncurrent assets	2,198,868	3,146,475	5,345,343
Total assets	2,468,731	3,343,190	5,811,921
LIABILITIES			
Current liabilities			
Accounts payable	41,647	18,935	60,582
Accrued salaries and payroll liabilities	10,310	12,582	22,892
Accrued expenses	965	6,598	7,563
Due to other funds	0	1,586	1,586
Compensated absences	7,505	11,673	19,178
Capital leases payable	71,129	0	71,129
Total current liabilities	131,556	51,374	182,930
Noncurrent liabilities			
Advances from other funds	628,352	0	628,352
Capital leases payable	177,822	0	177,822
Total noncurrent liabilities	806,174	0	806,174
Total liabilities	937,730	51,374	989,104
NET POSITION			
Net investment in capital assets	1,949,917	3,146,475	5,096,392
Unrestricted	(418,916)	145,341	(273,575)
Total net position	$ 1,531,001	$ 3,291,816	$ 4,822,817

See accompanying notes to the financial statements.

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

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
OPERATING REVENUES			
Charges for sales and services	$ 698,715	$ 352,464	$ 1,051,179
Other	4,834	122,144	126,978
Total operating revenues	703,549	474,608	1,178,157
OPERATING EXPENSES			
Costs of sales and services	423,679	680,041	1,103,720
Personal services	378,153	518,649	896,802
Depreciation	76,233	174,111	250,344
Total operating expenses	878,065	1,372,801	2,250,866
Operating income (loss)	(174,516)	(898,193)	(1,072,709)
Non-operating revenues (expenses)			
Interest expense	(524)	0	(524)
Gain on sale of capital assets	27,060	0	27,060
Total non-operating revenues (expenses)	26,536	0	26,536
Net income (loss) before capital contributions and transfers	(147,980)	(898,193)	(1,046,173)
Capital contributions			
Contributions of capital assets from Governmental Activities	0	158,414	158,414
Net income (loss) before transfers	(147,980)	(739,779)	(887,759)
Transfers in (out)			
Transfers in	388,257	1,409,549	1,797,806
Change in net position	240,277	669,770	910,047
Net position, January 1	1,290,724	2,622,046	3,912,770
Net position, December 31	$ 1,531,001	$ 3,291,816	$ 4,822,817

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2016

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
Cash flows from operating activities:			
Receipts from customers	$ 703,946	$ 349,981	$ 1,053,927
Payments to suppliers	(412,161)	(664,347)	(1,076,508)
Payments to employees	(381,124)	(509,522)	(890,646)
Other receipts	4,834	122,144	126,978
Net cash provided (used) by operating activities	(84,505)	(701,744)	(786,249)
Cash flows from non-capital financing activities:			
Receipts from other funds	388,257	908,074	1,296,331
Payments to other funds	(149,691)	(12,582)	(162,273)
Net cash provided (used) by non-capital financing activities	238,566	895,492	1,134,058
Cash flows from capital and related financing activities:			
Receipts from other funds	0	502,225	502,225
Proceeds from sales of capital assets	64,541	0	64,541
Payments for acquisitions of capital assets	(123,883)	(642,638)	(766,521)
Interest paid	(1,268)	0	(1,268)
Principal payments - capital leases	(53,199)	0	(53,199)
Net cash provided (used) by capital and related financing activities	(113,809)	(140,413)	(254,222)
Net increase (decrease) in cash and cash equivalents	40,252	53,335	93,587
Cash and cash equivalents, January 1	159,900	123,446	283,346
Cash and cash equivalents, December 31	$ 200,152	$ 176,781	$ 376,933
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (174,516)	$ (898,193)	$ (1,072,709)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	76,233	174,111	250,344
(Increase) decrease in accounts receivable	5,231	(2,483)	2,748
(Increase) decrease in inventories	(2,269)	(4,169)	(6,438)
Increase (decrease) in accounts payable	14,828	16,187	31,015
Increase (decrease) in accrued salaries and payroll liabilities	85	2,020	2,105
Increase (decrease) in accrued expenses	(1,041)	3,676	2,635
Increase (decrease) in compensated absences	(3,056)	7,107	4,051
Total adjustments	90,011	196,449	286,460
Net cash provided (used) by operating activities	$ (84,505)	$ (701,744)	$ (786,249)

Noncash investing, capital, and financing activities:

Contributions of capital assets from Governmental Activities totaled $158,414.

Acquisitions of capital assets through capital leases totaled $284,515.

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

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 401,052
Taxes receivable, net	1,792,623
Total assets	$ 2,193,675
LIABILITIES	
Due to others	$ 401,052
Uncollected taxes	1,792,623
Total liabilities	$ 2,193,675

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

	Development Authority of Union County	Union County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 353,072	$ 607,782	$ 960,854
Receivables (net)			
Accounts	0	6,585	6,585
Intergovernmental	0	3,201	3,201
Total current assets	353,072	617,568	970,640
Noncurrent assets			
Land held for resale	1,720,379	0	1,720,379
Capital assets			
Depreciable (net)	0	771	771
Total noncurrent assets	1,720,379	771	1,721,150
Total assets	2,073,451	618,339	2,691,790
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources (net)	0	97,936	97,936
LIABILITIES			
Current liabilities			
Accounts payable	863	9,963	10,826
Accrued salaries and payroll liabilities	8,024	0	8,024
Compensated absences	0	30,058	30,058
Total current liabilities	8,887	40,021	48,908
Noncurrent liabilities			
Compensated absences	0	31,285	31,285
Proportionate share of net pension liability	0	518,457	518,457
Total noncurrent liabilities	0	549,742	549,742
Total liabilities	8,887	589,763	598,650
NET POSITION			
Net investment in capital assets	0	771	771
Restricted for health and welfare activities	0	110,216	110,216
Unrestricted	2,064,564	15,525	2,080,089
Total net position	$ 2,064,564	$ 126,512	$ 2,191,076

See accompanying notes to the financial statements.

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

	Development Authority of Union County	Union County Health Department	Totals
Expenses			
Health and Welfare	$ 0	$ 887,335	$ 887,335
Housing and Development	221,330	0	221,330
Total expenses	221,330	887,335	1,108,665
Program revenues			
Charges for services	20,000	435,105	455,105
Operating grants and contributions	3,500	366,305	369,805
Total program revenues	23,500	801,410	824,910
Net (expense) revenue	(197,830)	(85,925)	(283,755)
General revenues			
Interest	603	0	603
Payments from Union County	170,000	117,512	287,512
Gain on sale of assets	45,235	0	45,235
Miscellaneous	370	0	370
Total general revenues	216,208	117,512	333,720
Change in net position	18,378	31,587	49,965
Net position - beginning (original)	2,217,956	94,925	2,312,881
Prior period adjustments	(171,770)	0	(171,770)
Net position - beginning (restated)	2,046,186	94,925	2,141,111
Net position - ending	$ 2,064,564	$ 126,512	$ 2,191,076

See accompanying notes to the financial statements.

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. The Agency had no activity for the year ended December 31, 2016. 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.

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

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items. The costs of governmental fund-type prepaid items 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 acquisition value. 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, 2016 by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

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

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the 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, 2016 was 34 days. At December 31, 2016, the County's balance in Georgia Fund 1 was $6,852,240.

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, 2016, 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, 2016, 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, 2016 consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 438,482
Enterprise Funds		
Golf Course	$ 1,190	
Meeks Park	3,183	4,373
Nonmajor Funds		
Special Revenue Funds		
Law Library	946	
Emergency 911	76,149	
Local Victims Assistance	1,513	78,608
Total primary government		$ 521,463
Component Units		
Union County Health Department		$ 6,585

5. Intergovernmental Receivables

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

Primary Government:		
Major Funds		
General Fund		
Union County Board of Education	$ 14,631	
City of Blairsville	3,807	
Enotah Judicial Circuit	1,602	
Union County Development Authority	1,029	
Other Governments	8,339	$ 29,408
Nonmajor Funds		
Drug Abuse Special Revenue Fund		
Criminal Justice Coordinating Council		62,691
Total		$ 92,099
Component Units		
Union County Health Department		
Georgia Department of Public Health		$ 3,201

6. Property Taxes

Property taxes for the 2016 fiscal year were levied on August 11, 2016, with property values assessed as of January 1, 2016. Bills are payable on or before December 20, 2016, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes levied during 2016 are for fiscal year 2017. Amounts recorded as a receivable and amounts collected as of December 31, 2016 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, 2016 is as follows:

Receivable Fund	Payable Fund	Amount
General	SPLOST IV	$ 100
	Golf Course	628,352
	Nonmajor Governmental	20,356
Golf Course	General	10,310
	Meeks Park	1,586
Meeks Park	General	12,582
Nonmajor Governmental	General	16,708
		$ 689,994

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 $628,352 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, 2016 is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	Golf Course	$ 388,257
	Meeks Park	907,323
	Nonmajor Governmental	230,287
SPLOST IV	Meeks Park	328,191
	Nonmajor Governmental	1,464,000
Nonmajor Governmental	General	225
	Meeks Park	174,035
		3,492,318
Transfers of capital assets		
Governmental activities	Meeks Park	158,414
		$ 3,650,732

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, 2016 was as follows:

	Balance 12/31/2015	Increases	Decreases	Balance 12/31/2016
Governmental activities				
Non-depreciable assets				
Land and Improvements	$ 4,227,955	$ 181,895	$ 0	$ 4,409,850
Construction in progress	768,545	676,351	(638,311)	806,585
Total non-depreciable assets	4,996,500	858,246	(638,311)	5,216,435
Depreciable assets				
Buildings and improvements	31,632,912	330,519	0	31,963,431
Infrastruture	21,100,368	100,262	0	21,200,630
Machinery and equipment	5,175,476	263,041	(140,000)	5,298,517
Vehicles	5,251,943	1,087,661	(335,074)	6,004,530
Furniture and fixtures	132,433	0	0	132,433
Total depreciable assets	63,293,132	1,781,483	(475,074)	64,599,541
Less accumulated depreciation				
Buildings and improvements	(6,947,295)	(790,455)	0	(7,737,750)
Infrastructure	(12,495,823)	(980,529)	0	(13,476,352)
Machinery and equipment	(3,970,391)	(266,199)	140,000	(4,096,590)
Vehicles	(4,009,435)	(412,590)	118,268	(4,303,757)
Furniture and fixtures	(98,911)	(6,428)	0	(105,339)
Total accumulated depreciation	(27,521,855)	(2,456,201)	258,268	(29,719,788)
Total depreciable assets, net	35,771,277	(674,718)	(216,806)	34,879,753
Governmental activities capital assets, net	$ 40,767,777	$ 183,528	$ (855,117)	$ 40,096,188

9. Capital Assets (continued)

	Balance 12/31/2015	Increases	Decreases	Balance 12/31/2016
Business-type activities				
Non-depreciable assets				
Land and Improvements	$ 2,427,997	$ 33,242	$ 0	$ 2,461,239
Construction in progress	71,452	7,500	(71,452)	7,500
Total non-depreciable assets	2,499,449	40,742	(71,452)	2,468,739
Depreciable assets				
Land improvements	401,509	515,394	0	916,903
Buildings and improvements	2,701,765	95,035	0	2,796,800
Machinery and equipment	943,300	603,921	(119,437)	1,427,784
Vehicles	74,306	25,810	0	100,116
Total depreciable assets	4,120,880	1,240,160	(119,437)	5,241,603
Less accumulated depreciation				
Land improvements	(241,347)	(18,020)	0	(259,367)
Buildings and improvements	(1,134,981)	(115,626)	0	(1,250,607)
Machinery and equipment	(753,443)	(112,126)	81,956	(783,613)
Vehicles	(66,840)	(4,572)	0	(71,412)
Total accumulated depreciation	(2,196,611)	(250,344)	81,956	(2,364,999)
Total depreciable assets, net	1,924,269	989,816	(37,481)	2,876,604
Business-type activities capital assets, net	$ 4,423,718	$ 1,030,558	$ (108,933)	$ 5,345,343

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

	Balance 12/31/2015	Increases	Decreases	Balance 12/31/2016
Development Authority of Union County				
Depreciable assets				
Buildings and improvement	$ 758,753	$ 0	$ (758,753)	$ 0
Machinery and equipment	4,221	0	0	4,221
Total depreciable assets	762,974	0	(758,753)	4,221
Less accumulated depreciation				
Buildings and improvement	(37,171)	(19,456)	56,627	0
Machinery and equipment	(4,221)	0	0	(4,221)
Total accumulated depreciation	(41,392)	(19,456)	56,627	(4,221)
Total depreciable assets, net	721,582	(19,456)	(702,126)	0
Development Authority of Union County capital assets, net	$ 721,582	$ (19,456)	$ (702,126)	$ 0

9. Capital Assets (continued)

	Balance 6/30/2015	Increases	Decreases	Balance 6/30/2016
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	(10,386)	(662)	0	(11,048)
Total accumulated depreciation	(10,386)	(662)	0	(11,048)
Total depreciable assets, net	1,433	(662)	0	771
Union County Health Department capital assets, net	$ 1,433	$ (662)	$ 0	$ 771

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 528,673
Judicial	7,650
Public Safety	610,101
Public Works	1,151,657
Health and Welfare	110,420
Culture and Recreation	27,957
Housing and Development	19,743
Total depreciation expense for governmental activities	$ 2,456,201
Business-type activities	
Golf Course	$ 76,233
Meeks Park	174,111
Total depreciation expense for business-type activities	$ 250,344
Component units	
Development Authority of Union County	$ 19,456
Union County Health Department	662
Total depreciation expense for component units	$ 20,118

10. Capital Lease Agreements

Business-Type Activities

The County has entered into a lease-purchase agreement to finance the acquisition of Golf Course equipment. The lease is for a period of four years, at an interest rate of 0.00%. The total balance of the lease at December 31, 2016 is $248,951 for business-type activities. As of December 31, 2016, the County had $311,575 of equipment, with associated accumulated depreciation of $34,906 financed under the capital leases. Depreciation expense for 2016 on the leased assets totaled $34,906.

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

Year Ending December 31,	Business-type Activities
2017	$ 71,129
2018	71,129
2019	71,129
2020	35,564
	248,951
Less amounts representing interest	0
Present value of minimum lease payments	$ 248,951

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 $33,579 for the year ended December 31, 2016. The future minimum lease payments for these governmental activities leases are as follows:

Year Ending December 31,		
2017	$	23,246
2018		11,277
2019		1,248
Totals	$	35,771

Business-Type Activities

The County leases golf course equipment under non-cancelable operating leases. Total costs for such leases for business-type activities were $95,026 for the year ended December 31, 2016. The future minimum lease payments for these business-type activities leases are as follows:

Year Ending December 31,		
2017	$	37,896

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, 2016. The future minimum lease payments for the lease are as follows:

Year Ending December 31,	
2017	$ 979

12. Long-Term Debt

Governmental Activities

General Obligation Bonds

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.

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

Year Ending December 31,	Principal	Interest	Total
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	$ 6,865,000	$ 294,693	$ 7,159,693

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, 2016, the loan has a balance of $64,686. 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
2017	$ 9,378	$ 1,689	$ 11,067
2018	9,640	1,427	11,067
2019	9,909	1,158	11,067
2020	10,185	882	11,067
2021	10,469	598	11,067
2022-2023	15,105	347	15,452
Totals	$ 64,686	$ 6,101	$ 70,787

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. 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. During the fiscal year ended December 31, 2016, the Authority sold the speculative building and paid the note payable in full in the amount of $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 and the component units for the respective year-ends:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable	$ 8,185,000	$ 0	$ 1,320,000	$ 6,865,000	$ 1,320,000
Notes payable	73,779	0	9,093	64,686	9,378
Landfill post-closure care costs	529,616	0	29,100	500,516	29,100
Compensated absences	78,910	82,544	78,910	82,544	82,544
Total governmental activities	$ 8,867,305	$ 82,544	$ 1,437,103	$ 7,512,746	$ 1,441,022
Business-type activities					
Capital leases payable	$ 17,635	$ 284,515	$ 53,199	$ 248,951	$ 71,129
Compensated absences	15,127	19,178	15,127	19,178	19,178
Total business-type activities	$ 32,762	$ 303,693	$ 68,326	$ 268,129	$ 90,307
Component Units					
Development Authority					
Notes payable	$ 484,010	$ 0	$ 484,010	$ 0	$ 0
Health Department					
Compensated absences	54,428	38,804	31,889	61,343	30,058
Total component units	$ 538,438	$ 38,804	$ 515,899	$ 61,343	$ 30,058

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, 2016 was $127,076 for governmental activities and $524 for business-type activities.

13. 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, 2016, the County has 7 years of monitoring remaining. Engineering studies estimate post-closure care costs of approximately $500,516 over the 7-year period. These costs are based on what it would cost to perform all post-closure care in 2016, 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.

14. Deficit Equity Balances

At December 31, 2016, the Local Victims Assistance Special Revenue Fund has a deficit fund balance of $3,994. 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, 2016, the Multiple Grant Special Revenue Fund has a deficit fund balance of $16,925. 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.

15. 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, 2016:

	Governmental Activities	Business-Type Activities
Cost of capital assets	$ 68,815,976	$ 7,710,342
Accumulated depreciation	(29,719,788)	(2,364,999)
Book value	39,096,188	5,345,343
Capital-related accounts payable	(113,506)	0
Capital leases payable	0	(248,951)
Notes payable	(64,686)	0
Bonds payable	(6,865,000)	0
Net investment in capital assets	$ 32,052,996	$ 5,096,392

16. 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, 2016, there were 109 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, 2016, the County's contributions to the 401(a) Plan were $193,321 and the employees contributed $217,772 to the 457 Plan.

17. 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, 2016 follows:

Lodging Tax Receipts	$228,583	
Disbursements for trade and tourism	$209,821	92% of tax receipts

18. 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, 2016, the County paid $23,337 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, 2016, the County made no payments to the Authority. As of December 31, 2016, 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.

19. 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, 2016, 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 claims liability is reported in other current liabilities.

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
2016	$ 511,167	$ 2,766,113	$ 3,074,476	$ 202,804
2015	874,378	1,915,545	2,278,756	511,167
2014	243,331	1,572,552	941,505	874,378

19. 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.

20. 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.

21. Changes in Beginning Balances

Development Authority of Union County Component Unit

A prior period adjustment has been made to correct the recording of liablities in a prior period. This adjustment decreased beginning net position by $171,770.

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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, 2016

	Special Revenue						
	Law Library	Seizures	Sheriff Donation	Emergency 911	Local Victims Assistance	Jail Operations	Inmate Welfare
ASSETS							
Cash and cash equivalents	$ 66,009	$ 8,677	$ 9,032	$ 1,188	$ 0	$ 309,658	$ 4,793
Restricted cash and cash equivalents	0	0	0	0	0	0	0
Receivables							
Accounts	946	0	0	76,149	1,513	0	0
Intergovernmental	0	0	0	0	0	0	0
Taxes	0	0	0	0	0	0	0
Due from other funds	0	0	0	16,708	0	0	0
Total assets	$ 66,955	$ 8,677	$ 9,032	$ 94,045	$ 1,513	$ 309,658	$ 4,793
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 0	$ 0	$ 0	$ 6,027	$ 5,507	$ 0	$ 0
Accrued salaries and payroll liabilities	0	0	0	16,708	0	0	0
Due to other funds	0	0	0	0	0	0	0
Total liabilities	0	0	0	22,735	5,507	0	0
Fund balances							
Restricted for:							
Law library operations	66,955	0	0	0	0	0	0
Judicial activities	0	0	0	0	0	0	0
Public safety activities	0	8,677	9,032	0	0	309,658	4,793
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	71,310	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	(3,994)	0	0
Total fund balances	66,955	8,677	9,032	71,310	(3,994)	309,658	4,793
Total liabilities and fund balances	$ 66,955	$ 8,677	$ 9,032	$ 94,045	$ 1,513	$ 309,658	$ 4,793

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
$ 538,369	$ 15,679	$ 0	$ 19,504	$ 0	$ 115,294	$ 454,129	$ 1,542,332
0	0	0	0	823,950	0	0	823,950
0	0	0	0	0	0	0	78,608
62,691	0	0	0	0	0	0	62,691
0	0	0	30,892	0	0	0	30,892
0	0	0	0	0	0	0	16,708
$ 601,060	$ 15,679	$ 0	$ 50,396	$ 823,950	$ 115,294	$ 454,129	$ 2,555,181
$ 61,392	$ 0	$ 0	$ 24,748	$ 0	$ 47,717	$ 0	$ 145,391
0	0	0	0	0	0	0	16,708
3,431	0	16,925	0	0	0	0	20,356
64,823	0	16,925	24,748	0	47,717	0	182,455
0	0	0	0	0	0	0	66,955
536,237	15,679	0	0	0	0	0	551,916
0	0	0	0	0	0	0	332,160
0	0	0	0	0	67,577	0	67,577
0	0	0	0	823,950	0	0	823,950
0	0	0	0	0	0	0	71,310
0	0	0	25,648	0	0	0	25,648
0	0	0	0	0	0	454,129	454,129
0	0	(16,925)	0	0	0	0	(20,919)
536,237	15,679	(16,925)	25,648	823,950	67,577	454,129	2,372,726
$ 601,060	$ 15,679	$ 0	$ 50,396	$ 823,950	$ 115,294	$ 454,129	$ 2,555,181

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

	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	8,257	13,981	0	0	16,203	21,865	0
Charges for services	0	0	0	383,760	0	0	13,530
Intergovernmental	0	0	0	0	0	0	0
Interest	126	0	0	0	0	71	0
Contributions	0	1,349	14,264	0	0	0	0
Other	0	74	0	0	0	0	0
Total revenues	8,383	15,404	14,264	383,760	16,203	21,936	13,530
EXPENDITURES							
Current							
Judicial	3,419	0	0	0	19,277	0	0
Public Safety	0	51,458	10,128	601,643	0	0	11,735
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
Total expenditures	3,419	51,458	10,128	601,643	19,277	0	11,735
Excess (deficiency) of revenues over (under) expenditures	4,964	(36,054)	4,136	(217,883)	(3,074)	21,936	1,795
Other financing sources (uses)							
Transfers in	0	0	0	229,818	0	0	0
Transfers out	0	0	0	0	(225)	0	0
Sale of capital assets	0	21,000	0	0	0	0	0
Total other financing sources (uses)	0	21,000	0	229,818	(225)	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,964	(15,054)	4,136	11,935	(3,299)	21,936	1,795
Fund balances, January 1	61,991	23,731	4,896	59,375	(695)	287,722	2,998
Fund balances, December 31	$ 66,955	$ 8,677	$ 9,032	$ 71,310	$ (3,994)	$ 309,658	$ 4,793

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	$ 228,583	$ 0	$ 0	$ 0	$ 228,583
48,326	625	0	0	0	0	0	109,257
142,413	0	0	0	0	0	0	539,703
683,302	0	147,278	0	0	319	0	830,899
38	4	0	0	142	449	107	937
5,609	0	0	0	0	0	0	21,222
0	0	0	0	0	0	0	74
879,688	629	147,278	228,583	142	768	107	1,730,675
789,077	0	0	0	0	0	0	811,773
6,931	0	117,281	0	0	0	0	799,176
0	0	0	209,821	0	0	0	209,821
0	0	0	0	0	48,325	0	48,325
0	0	0	0	1,446,961	0	0	1,446,961
796,008	0	117,281	209,821	1,446,961	48,325	0	3,316,056
83,680	629	29,997	18,762	(1,446,819)	(47,557)	107	(1,585,381)
469	0	0	0	1,464,000	0	0	1,694,287
0	0	0	0	0	(174,035)	0	(174,260)
0	0	0	0	0	0	0	21,000
469	0	0	0	1,464,000	(174,035)	0	1,541,027
84,149	629	29,997	18,762	17,181	(221,592)	107	(44,354)
452,088	15,050	(46,922)	6,886	806,769	289,169	454,022	2,417,080
$ 536,237	$ 15,679	$ (16,925)	$ 25,648	$ 823,950	$ 67,577	$ 454,129	$ 2,372,726

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 8,257	$ 8,257	$ 0
Interest	126	126	0
Total revenues	8,383	8,383	0
EXPENDITURES			
Current			
Judicial			
Contract services	2,027	2,027	0
Materials and supplies	1,392	1,392	0
Total expenditures	3,419	3,419	0
Excess (deficiency) of revenues over (under) expenditures	4,964	4,964	0
Fund balance, January 1	(4,964)	61,991	66,955
Fund balance, December 31	$ 0	$ 66,955	$ 66,955

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 13,981	$ 13,981	$ 0
Contributions	1,349	1,349	0
Other	74	74	0
Total revenues	15,404	15,404	0
EXPENDITURES			
Current			
Public Safety			
Contract services	225	225	0
Materials and supplies	5,650	5,650	0
Capital outlay	40,988	40,988	0
Payments to others	4,595	4,595	0
Total expenditures	51,458	51,458	0
Excess (deficiency) of revenues over (under) expenditures	(36,054)	(36,054)	0
Other financing sources (uses)			
Sale of capital assets	21,000	21,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(15,054)	(15,054)	0
Fund balance, January 1	15,054	23,731	8,677
Fund balance, December 31	$ 0	$ 8,677	$ 8,677

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Contributions	$ 14,264	$ 14,264	$ 0
Total revenues	14,264	14,264	0
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	10,128	10,128	0
Total expenditures	10,128	10,128	0
Excess (deficiency) of revenues over (under) expenditures	4,136	4,136	0
Fund balance, January 1	(4,136)	4,896	9,032
Fund balance, December 31	$ 0	$ 9,032	$ 9,032

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 383,760	$ 383,760	$ 0
Total revenues	383,760	383,760	0
EXPENDITURES			
Current			
Public Safety			
Personal services	430,896	430,896	0
Contract services	147,602	147,602	0
Materials and supplies	23,145	23,145	0
Total expenditures	601,643	601,643	0
Excess (deficiency) of revenues over (under) expenditures	(217,883)	(217,883)	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	229,818	229,818	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	11,935	11,935	0
Fund balance, January 1	(11,935)	59,375	71,310
Fund balance, December 31	$ 0	$ 71,310	$ 71,310

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 16,203	$ 16,203	$ 0
Total revenues	16,203	16,203	0
EXPENDITURES			
Current			
Judicial			
Payments to others	19,277	19,277	0
Total expenditures	19,277	19,277	0
Excess (deficiency) of revenues over (under) expenditures	(3,074)	(3,074)	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	(225)	(225)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,299)	(3,299)	0
Fund balance, January 1	3,299	(695)	(3,994)
Fund balances, December 31	$ 0	$ (3,994)	$ (3,994)

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 21,865	$ 21,865	$ 0
Interest	71	71	0
Total revenues	21,936	21,936	0
EXPENDITURES			
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	21,936	21,936	0
Fund balance, January 1	(21,936)	287,722	309,658
Fund balance, December 31	$ 0	$ 309,658	$ 309,658

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 13,530	$ 13,530	$ 0
Total revenues	13,530	13,530	0
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	11,735	11,735	0
Total expenditures	11,735	11,735	0
Excess (deficiency) of revenues over (under) expenditures	1,795	1,795	0
Fund balance, January 1	(1,795)	2,998	4,793
Fund balance, December 31	$ 0	$ 4,793	$ 4,793

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 48,326	$ 48,326	$ 0
Charges for services	142,413	142,413	0
Intergovernmental	683,302	683,302	0
Interest	38	38	0
Contributions	5,609	5,609	0
Total revenues	879,688	879,688	0
EXPENDITURES			
Current			
Judicial			
Contract services	782,059	782,059	0
Materials and supplies	7,018	7,018	0
Public Safety			
Materials and supplies	6,931	6,931	0
Total expenditures	796,008	796,008	0
Excess (deficiency) of revenues over (under) expenditures	83,680	83,680	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	469	469	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	84,149	84,149	0
Fund balance, January 1	(84,149)	452,088	536,237
Fund balance, December 31	$ 0	$ 536,237	$ 536,237

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 625	$ 625	$ 0
Interest	4	4	0
Total revenues	629	629	0
EXPENDITURES			
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	629	629	0
Fund balance, January 1	(629)	15,050	15,679
Fund balance, December 31	$ 0	$ 15,679	$ 15,679

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 147,278	$ 147,278	$ 0
Total revenues	147,278	147,278	0
EXPENDITURES			
Current			
Public Safety			
Contract services	1,700	1,700	0
Material and supplies	115,581	115,581	0
Total expenditures	117,281	117,281	0
Excess (deficiency) of revenues over (under) expenditures	29,997	29,997	0
Fund balance, January 1	(29,997)	(46,922)	(16,925)
Fund balance, December 31	$ 0	$ (16,925)	$ (16,925)

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, 2016

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 228,583	$ 228,583	$ 0
Total revenues	228,583	228,583	0
EXPENDITURES			
Current			
Housing and Development			
Payments to others	209,821	209,821	0
Total expenditures	209,821	209,821	0
Excess (deficiency) of revenues over (under) expenditures	18,762	18,762	0
Fund balance, January 1	(18,762)	6,886	25,648
Fund balances, December 31	$ 0	$ 25,648	$ 25,648

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, 2016

	Final Budget	Actual	Variance
REVENUE			
Interest	$ 142	$ 142	$ 0
Total revenues	142	142	0
EXPENDITURES			
Debt Service			
Principal	1,320,000	1,320,000	0
Interest	126,961	126,961	0
Total expenditures	1,446,961	1,446,961	0
Excess (deficiency) of revenues over (under) expenditures	(1,446,819)	(1,446,819)	0
Other financing sources (uses)			
Transfers in (out)			
SPLOST III Fund	1,464,000	1,464,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	17,181	17,181	0
Fund balances, January 1	(17,181)	806,769	823,950
Fund balances, December 31	$ 0	$ 823,950	$ 823,950

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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, 2016

	Tax Commissioner	Sheriff
ASSETS		
Cash and cash equivalents	$ 11,427	$ 18,828
Taxes receivable, net	1,792,623	0
Total assets	$ 1,804,050	$ 18,828
LIABILITIES		
Due to others	$ 11,427	$ 18,828
Uncollected taxes	1,792,623	0
Total liabilities	$ 1,804,050	$ 18,828

Clerk of Courts	Probate Court	Magistrate Court	Totals
$ 352,225	$ 15,553	$ 3,019	$ 401,052
0	0	0	1,792,623
$ 352,225	$ 15,553	$ 3,019	$ 2,193,675
$ 352,225	$ 15,553	$ 3,019	$ 401,052
0	0	0	1,792,623
$ 352,225	$ 15,553	$ 3,019	$ 2,193,675

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

	Balance January 1	Additions	Deletions	Balance December 31
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 339,751	$ 27,440,081	$ 27,768,405	$ 11,427
Taxes receivable, net	2,036,779	20,683,692	20,927,848	1,792,623
Total	$ 2,376,530	$ 48,123,773	$ 48,696,253	$ 1,804,050
LIABILITIES				
Due to others	$ 339,751	$ 27,440,081	$ 27,768,405	$ 11,427
Uncollected taxes	2,036,779	20,683,692	20,927,848	1,792,623
Total	$ 2,376,530	$ 48,123,773	$ 48,696,253	$ 1,804,050
SHERIFF				
ASSETS				
Cash and cash equivalents	$ 23,691	$ 197,255	$ 202,118	$ 18,828
LIABILITIES				
Due to others	$ 23,691	$ 197,255	$ 202,118	$ 18,828
CLERK OF COURTS				
ASSETS				
Cash and cash equivalents	$ 324,852	$ 1,322,732	$ 1,295,359	$ 352,225
LIABILITIES				
Due to others	$ 324,852	$ 1,322,732	$ 1,295,359	$ 352,225
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 13,056	$ 332,510	$ 330,013	$ 15,553
LIABILITIES				
Due to others	$ 13,056	$ 332,510	$ 330,013	$ 15,553
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 2,639	$ 104,961	$ 104,581	$ 3,019
LIABILITIES				
Due to others	$ 2,639	$ 104,961	$ 104,581	$ 3,019
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 703,989	$ 29,397,539	$ 29,700,476	$ 401,052
Taxes receivable, net	2,036,779	20,683,692	20,927,848	1,792,623
Total	$ 2,740,768	$ 50,081,231	$ 50,628,324	$ 2,193,675
LIABILITIES				
Due to others	$ 703,989	$ 29,397,539	$ 29,700,476	$ 401,052
Uncollected taxes	2,036,779	20,683,692	20,927,848	1,792,623
Total	$ 2,740,768	$ 50,081,231	$ 50,628,324	$ 2,193,675

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OTHER REPORTING SECTION

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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, 2016, 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, 2017. 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, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Union County, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in internal control to be a material weakness:

2016-001

Condition: The 2015 financial statements were restated for errors and incorrectly reported amounts in the Development Authority of Union County Component Unit.

Criteria: Generally accepted accounting principles require that accruals be properly calculated and recorded.

Effect: Failure to properly apply generally accepted accounting principles led to financial statements that were materially misstated.

Recommendation: Management should review their year-end procedures for recording assets and liabilities.

2016-001, continued

Management Response: Management concurs with this finding. The Finance Director will review all year-end accruals to ensure they are properly calculated and recorded. This action was taken immediately upon receipt of the comment from our auditors.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:

2016-002

Condition: While performing audit procedures at the Clerk of Court, we were unable to sight approval for 6 of 10 (60%) voided transactions selected for testing.

Criteria: Proper internal controls require that all voided transactions are properly approved.

Effect: Failure to maintain proper supporting documentation with evidence of approval for voided transactions subjects the assets of the County to greater risk of misappropriation.

Recommendation: Supporting documentation with evidence of approval should be retained at the Court's office.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2016-003

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.

Criteria: Proper segregation of duties requires that the duties of authorizing and recording adjustments to the general ledger be performed by different employees.

Effect: Failure to properly segregate the duties of authorizing and recording adjustments to the general ledger exposes the County to a greater risk of loss due to fraud.

Recommendation: In order to provide adequate segregation of duties, someone other than the person recording the adjustments should review and document approval of the adjustments.

Management Response: Management concurs with this finding. The County will segregate duties of the journal entry process. This action was taken immediately upon receipt of the comment from our auditors.

2016-004

Condition: While performing audit procedures on disbursements, we noted that there is no evidence of approval on 23 of 125 (18%) disbursement transactions.

Criteria: Proper internal controls require that all disbursements transactions are properly approved.

Effect: Failure to approve disbursement transactions subjects the assets of the County to greater risk of misappropriation.

Recommendation: To ensure that sufficient internal controls, the County should approve all disbursement transactions.

2016-004, continued

Management Response: Management concurs with this finding. The County will immediately begin approving every disbursement transaction. This action was taken immediately upon receipt of the comment from our auditors.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Union County, Georgia's financial statements are free from 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 Responses to Findings

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

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 27, 2017

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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, 2016

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2009 SPLOST					
Administration Costs	$ 630,000	$ 500,000	$ 390,986	$ 208	$ 391,194
Roads & Bridges	11,760,000	5,587,341	6,628,057	0	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	4,601,556	221,833	4,823,389
Library Renovation, Expansion & Books	882,000	937,479	937,479	0	937,479
Public Safety Facilities, Vehicles & Equipment	2,009,000	2,509,759	2,579,571	0	2,579,571
Solid Waste Transfer Station	833,000	287,101	80,844	0	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	1,313,608	0	1,313,608
Total	$ 31,500,000	$ 20,121,348	$ 20,114,425	$ 222,041	$ 20,336,466
Expenditures financed by intergovernmental revenues				319	
Total SPLOST III Fund Expenditures and Transfers Out				$ 222,360	

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

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2015 SPLOST					
Acquisition of Union County Community Center	$ 5,500,000	$ 5,500,000	$ 5,414,628	$ 39,902	$ 5,454,530
Administrative Facilities Upgrades, Improvements, Equipment & Vehicles	1,000,000	1,000,000	129,826	282,524	412,350
Library Upgrades, Improvements, & Equipment	100,000	100,000	11,457	17,497	28,954
Public Safety Facilities, Vehicles & Equipment	1,000,000	1,000,000	149,564	721,181	870,745
Roads, Streets & Bridges	6,000,000	6,000,000	43,856	2,023,522	2,067,378
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	3,400,000	3,400,000	324,178	367,858	692,036
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	2,057	120,100	122,157
Economic Development Facilities & Land Acquisition	300,000	300,000	3,086	2,176	5,262
City of Blairsville	1,500,000	1,500,000	209,309	310,241	519,550
Total	$ 19,000,000	$ 19,000,000	$ 6,287,961	$ 3,885,001	$ 10,172,962
Transfers to Debt Service Funds, for sinking fund requirements				1,464,000	
Interest expenditures in the SPLOST Debt Service Fund				(126,960)	
Expenditures financed by intergovernmental revenues				659,249	
Expenditures financed by contributions in previous fiscal year				55,412	
Total SPLOST IV Fund Expenditures and Transfers Out				$ 5,936,702	

NOTE: The prior years expenditures for Roads, Streets & Bridges have been restated by $511,056 for expenditures financed by intergovernmental revenues.

* 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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