UNION COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2018

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UNION COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2018

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	30-65
	Combining and Individual Fund Statements and Schedules:	
B-1	Combining Balance Sheet - Nonmajor Governmental Funds	66-67
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	68-69
B-3	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Law Library Special Revenue Fund	70
B-4	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Seizures Special Revenue Fund	71
B-5	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Sheriff Donation Special Revenue Fund	72
B-6	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Emergency 911 Special Revenue Fund	73

UNION COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2018

TABLE OF CONTENTS

EXHIBIT		PAGE
	FINANCIAL SECTION (continued)	
	Combining and Individual Fund Statements and Schedules (continued)	
B-7	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Local Victims Assistance Special Revenue Fund	74
B-8	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Jail Operations Special Revenue Fund	75
B-9	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Inmate Welfare Special Revenue Fund	76
B-10	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Drug Abuse Special Revenue Fund	77
B-11	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Juvenile Court Special Revenue Fund	78
B-12	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Multiple Grant Special Revenue Fund	79
B-13	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Hotel/Motel Tax Special Revenue Fund	80
B-14	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - SPLOST Debt Service Fund	81
C-1	Combining Balance Sheet - Agency Funds	82-83
C-2	Statement of Changes in Assets and Liabilities - Agency Funds	84
	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*	85-88
	STATE REPORTING SECTION	
D-1	Schedule of Projects Financed with Special Purpose Local Option Sales Tax	89-90

Independent Auditor's Report

Honorable Commissioner
Union County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Georgia, as of and for the year ended December 31, 2018, 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 discretely presented component unit of Union County, which represents 25.1% of the assets, (7.6%) of the net position, and 80.1% of the revenues of the aggregate discretely presented component units for the year ended December 31, 2018. 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Georgia, as of December 31, 2018, 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 7, 2019, 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 7, 2019

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

Fax 706-439-6004 unioncounty@uniongov.com Phone 706-439-6000

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, 2018. 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, 2018 by $50,295,750 (*net position*). Of this amount, $3,456,935 is reported as unrestricted net position. This is a decrease of $1,258,353 from the previous year for unrestricted. Total net position decreased by $151,392 from the previous year.

- As of December 31, 2018, Union County's governmental funds reported combined ending fund balances of $9,991,906. Approximately 19% of this total amount, or $1,926,272, is reported as unassigned and available for spending at the County's discretion. Approximately 40%, or $4,015,531, is reported as restricted for capital outlay. Information about Union County's policy on fund balance can be found in Note 2R in the *Notes to the Financial Statements* beginning on page 42.

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

  Union County maintains sixteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds 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 66-69 of this report.

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

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

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

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

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

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

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

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

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

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

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

Overview of the County's Financial Position and Operations

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

Union County
Net Position
Fiscal Years 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current	$ 19,001,524	$ 19,615,165	$ 155,841	$ 181,900	$ 19,157,365	$ 19,797,065
Noncurrent	38,850,231	39,453,441	6,187,968	5,563,769	45,038,199	45,017,210
Total assets	57,851,755	59,068,606	6,343,809	5,745,669	64,195,564	64,814,275
Liabilities:						
Current	2,835,610	2,456,164	174,675	118,466	3,010,285	2,574,630
Noncurrent	3,244,689	4,677,272	35,564	106,693	3,280,253	4,783,965
Total liabilities	6,080,299	7,133,436	210,239	225,159	6,290,538	7,358,595
Deferred inflows of resources	7,609,276	7,008,538	0	0	7,609,276	7,008,538
Net position:						
Net investment in capital assets	34,516,798	33,789,773	6,027,911	5,385,947	40,544,709	39,175,720
Restricted	6,294,106	6,556,134	0	0	6,294,106	6,556,134
Unrestricted	3,351,276	4,580,725	105,659	134,563	3,456,935	4,715,288
Total net position	$ 44,162,180	$ 44,926,632	$ 6,133,570	$ 5,520,510	$ 50,295,750	$ 50,447,142

Net position may serve over time as a useful indicator of a government's financial position. Assets for Union County exceeded liabilities by $50,295,750 at the close of 2018. Approximately 81% 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 78% at December 31, 2017. The County uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position comprises 13% of total net position. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position makes up the remaining 6%.

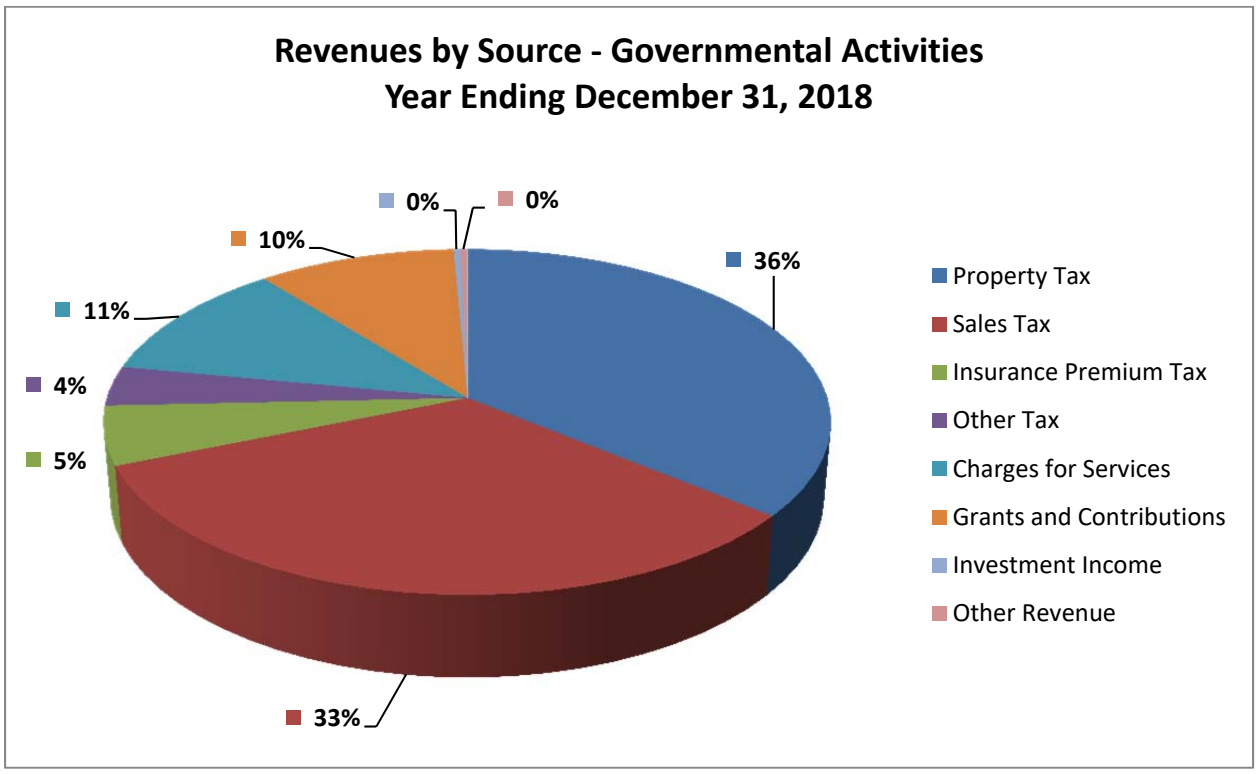
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Union County's net position changed during the year.

Union County
Changes in Net Position
Fiscal Years 2018 and 2017

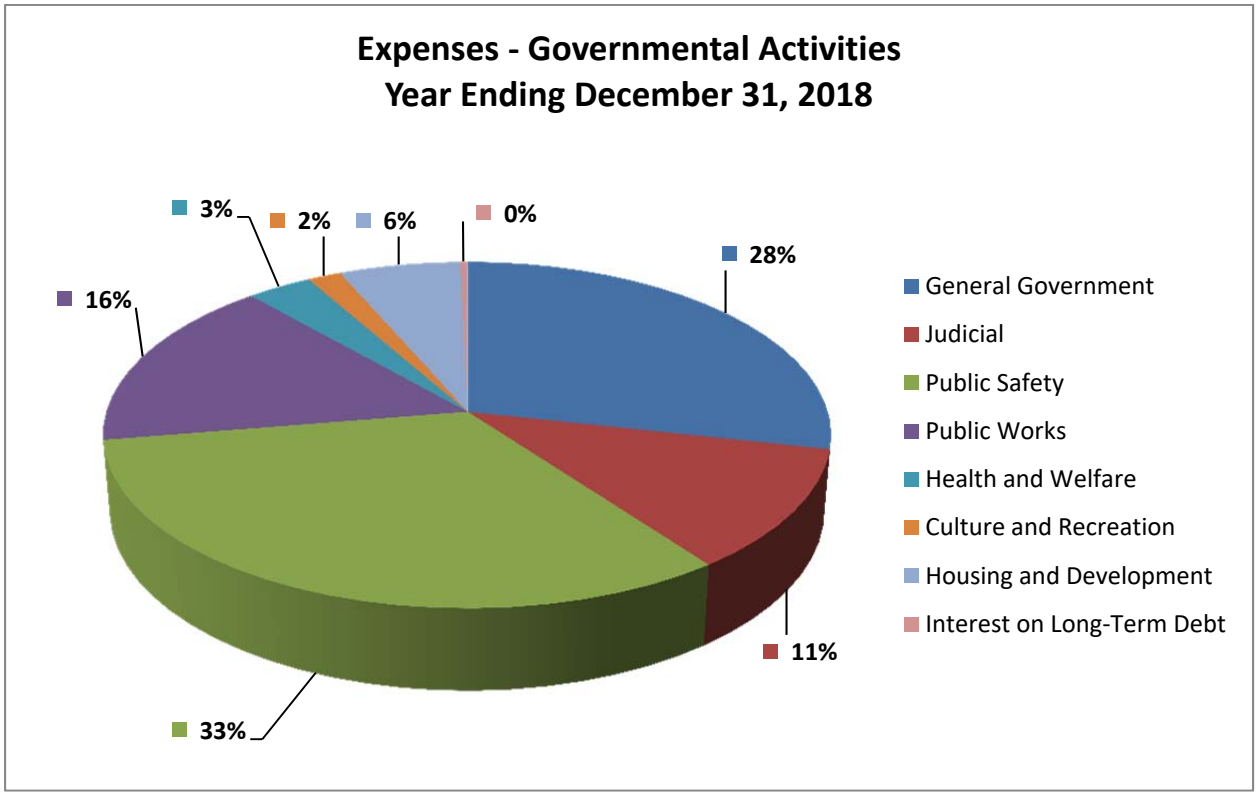
	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	$ 2,722,306	$ 2,458,184	$ 1,281,001	$ 1,282,103	$ 4,003,307	$ 3,740,287
Operating grants and contributions	1,512,748	1,140,963	0	0	1,512,748	1,140,963
Capital grants and contributions	931,946	886,764	0	0	931,946	886,764
General revenues:						
Property tax	8,727,199	8,067,880	0	0	8,727,199	8,067,880
Sales tax	7,969,090	7,482,245	0	0	7,969,090	7,482,245
Insurance premium tax	1,335,005	1,238,100	0	0	1,335,005	1,238,100
Other taxes	902,406	832,127	0	0	902,406	832,127
Interest & investment earnings	85,208	53,866	0	0	85,208	53,866
Other revenue	268,662	196,577	135,265	145,493	403,927	342,070
Total revenues	24,454,570	22,356,706	1,416,266	1,427,596	25,870,836	23,784,302
Expenses						
General Government	6,516,301	5,447,084	0	0	6,516,301	5,447,084
Judicial	2,609,255	2,140,740	0	0	2,609,255	2,140,740
Public Safety	7,466,944	6,773,966	0	0	7,466,944	6,773,966
Public Works	3,689,749	3,577,828	0	0	3,689,749	3,577,828
Health and Welfare	753,569	667,240	0	0	753,569	667,240
Culture and Recreation	388,514	424,042	0	0	388,514	424,042
Housing and Development	1,410,083	1,262,888	0	0	1,410,083	1,262,888
Interest on long-term debt	81,465	103,022	0	0	81,465	103,022
Golf Course	0	0	1,143,172	1,160,842	1,143,172	1,160,842
Meeks Park	0	0	2,026,076	1,498,934	2,026,076	1,498,934
Total expenses	22,915,880	20,396,810	3,169,248	2,659,776	26,085,128	23,056,586
Increase (decrease) in net position before transfers	1,538,690	1,959,896	(1,752,982)	(1,232,180)	(214,292)	727,716
Transfers	(2,366,042)	(1,929,873)	2,366,042	1,929,873	0	0
Increase (decrease) in net position	(827,352)	30,023	613,060	697,693	(214,292)	727,716
Net position - beginning (original)	44,926,632	44,896,609	5,520,510	4,822,817	50,447,142	49,719,426
Prior period adjustments	62,900	0	0	0	62,900	0
Net position - beginning (restated)	44,989,532	44,896,609	5,520,510	4,822,817	50,510,042	49,719,426
Net position - ending	$ 44,162,180	$ 44,926,632	$ 6,133,570	$ 5,520,510	$ 50,295,750	$ 50,447,142

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 $951,982. After transfers in of $1,565,042, the increase in net position was $613,060, or 11%.

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 $9,991,906. Of this amount, $1,926,272 (19%) 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 $2,364,901. Unassigned fund balance represents approximately 81% of total fund balance in the General Fund. 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 11% of total General Fund expenditures, while total fund balance represents approximately 14% of that same amount. The County ended the year realizing a decrease in the overall fund balance in the General Fund by $1,479,876, or approximately 38%. The County decreased unassigned fund balance in the General Fund by $1,415,330, or 42%. This decrease was due in large part to increased expenditures, largely due to increased insurance claims.

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 $788,408 and expenditures and other financing uses in total increased $2,293,408 from original to final budgets. The County experienced an increase 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 decrease in the 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 $ 2,596,495
- Meeks Park $ 3,537,075

The Golf Course Fund increased net position by $824,313. The increase is due largely to a contribution of capital assets from the Governmental Activities. The Meeks Park Fund decreased net position by $211,253. The decrease is due to the operating loss exceeding transfers from other funds.

Capital Assets and Debt Administration

Capital Assets. Union County has invested $45,038,199 in capital assets (net of accumulated depreciation) compared to $45,017,210 in the previous year. This represents an increase of 0.004%. Approximately 86% 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 2018 and 2017

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	$ 5,318,980	$ 5,284,848	$ 2,447,010	$ 2,435,497	$ 7,765,990	$ 7,720,345
Construction in progress	957,655	381,958	24,386	0	982,041	381,958
Land improvements	0	0	1,058,072	977,189	1,058,072	977,189
Buildings and improvements	32,387,121	32,372,121	3,201,715	3,169,155	35,588,836	35,541,276
Machinery and equipment	5,721,949	5,625,131	2,386,245	1,560,794	8,108,194	7,185,925
Vehicles	6,828,585	6,428,014	119,506	116,536	6,948,091	6,544,550
Infrastructure	21,343,811	21,200,630	0	0	21,343,811	21,200,630
Total	72,558,101	71,292,702	9,236,934	8,259,171	81,795,035	79,551,873
Accumulated depreciation	(33,707,870)	(31,839,261)	(3,048,966)	(2,695,402)	(36,756,836)	(34,534,663)
Net Capital Assets	$ 38,850,231	$ 39,453,441	$ 6,187,968	$ 5,563,769	$ 45,038,199	$ 45,017,210

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

- Continued improvements to Meeks Park facilities
- Purchase of vehicles and equipment for Meeks Park
- 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 50-53 of this report.

Debt/Capital Leases. On December 31, 2018, Union County had a total debt balance outstanding for governmental activities in the amount of $4,233,419, as compared to $5,588,331 the previous year. Union County's outstanding debt for governmental activities has decreased by $1,354,912 due to regular scheduled payments. On December 31, 2018, Union County had a total debt balance outstanding for business-type activities in the amount of $106,693, as compared to $177,822 the previous year. Union County's outstanding debt for business-type activities has decreased by $71,129 due to regular scheduled payments.

Additional information on the County's long-term debt can be found in Note 12 on pages 56-57 of this report.

Economic Condition and Outlook

Union County is determined to maintain a healthy 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 2019 and 2020. 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 IV)

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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 12,538,145	$ 401,107	$ 12,939,252	$ 1,207,521
Restricted cash and cash equivalents	2,766,102	0	2,766,102	0
Receivables (net)				
Accounts	103,341	12,987	116,328	70,741
Intergovernmental	1,458,232	0	1,458,232	3,043
Taxes	1,787,694	0	1,787,694	0
Prepaid items	21,090	0	21,090	0
Inventories	15,037	53,630	68,667	0
Internal balances	311,883	(311,883)	0	0
Total current assets	19,001,524	155,841	19,157,365	1,281,305
Noncurrent assets				
Land held for resale	0	0	0	1,635,919
Capital assets				
Non-depreciable	6,276,635	2,471,396	8,748,031	0
Depreciable (net)	32,573,596	3,716,572	36,290,168	198,074
Total noncurrent assets	38,850,231	6,187,968	45,038,199	1,833,993
Total assets	57,851,755	6,343,809	64,195,564	3,115,298
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	0	0	0	93,599
Deferred outflows of resources - OPEB	0	0	0	59,011
Total deferred outflows of resources	0	0	0	152,610
LIABILITIES				
Current liabilities				
Accounts payable	554,574	68,522	623,096	5,516
Accrued interest payable	4,950	0	4,950	0
Accrued salaries and payroll liabilities	187,712	10,472	198,184	6,278
Accrued expenses	0	13,986	13,986	0
Compensated absences	130,162	10,566	140,728	38,000
Capital leases payable	0	71,129	71,129	0
Notes payable	10,406	0	10,406	0
Bonds payable	1,370,000	0	1,370,000	0
Landfill post-closure care costs	40,320	0	40,320	0
Other current liabilities	537,486	0	537,486	0
Total current liabilities	2,835,610	174,675	3,010,285	49,794
Noncurrent liabilities				
Compensated absences	0	0	0	21,988
Proportionate share of net pension liability	0	0	0	509,007
Proportionate share of net OPEB liability	0	0	0	447,117
Capital leases payable	0	35,564	35,564	0
Notes payable	23,013	0	23,013	0
Bonds payable	2,830,000	0	2,830,000	0
Landfilll post-closure care costs	391,676	0	391,676	0
Total noncurrent liabilities	3,244,689	35,564	3,280,253	978,112
Total liabilities	6,080,299	210,239	6,290,538	1,027,906

See accompanying notes to the financial statements.

Exhibit A-1, continued

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2018

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	$ 0	$ 0	$ 0	$ 25,139
Deferred inflows of resources - OPEB	0	0	0	52,743
Property taxes levied for subsequent year	7,609,276	0	7,609,276	0
Total deferred inflows of resources	7,609,276	0	7,609,276	77,882
NET POSITION				
Net investment in capital assets	34,516,798	6,027,911	40,544,709	198,074
Restricted for:				
Law library operations	60,750	0	60,750	0
Judicial activities	928,867	0	928,867	0
Public safety activities	386,432	0	386,432	0
Capital outlay	4,015,531	0	4,015,531	0
Debt service	902,526	0	902,526	0
Unrestricted	3,351,276	105,659	3,456,935	1,964,046
Total net position	$ 44,162,180	$ 6,133,570	$ 50,295,750	$ 2,162,120

UNION COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2018

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	$ 6,516,301	$ 520,591	$ 5,392	$ 9,299	$ (5,981,019)
Judicial	2,609,255	159,100	1,052,770	0	(1,397,385)
Public Safety	7,466,944	1,620,914	273,547	11,067	(5,561,416)
Public Works	3,689,749	390,815	108,234	811,580	(2,379,120)
Health and Welfare	753,569	30,886	0	0	(722,683)
Culture and Recreation	388,514	0	13,169	100,000	(275,345)
Housing and Development	1,410,083	0	59,636	0	(1,350,447)
Interest on long-term debt	81,465	0	0	0	(81,465)
Total governmental activities	22,915,880	2,722,306	1,512,748	931,946	(17,748,880)
Business-type activities					
Golf Course	1,143,172	825,116	0	0	(318,056)
Meeks Park	2,026,076	455,885	0	0	(1,570,191)
Total business-type activities	3,169,248	1,281,001	0	0	(1,888,247)
Total primary government	26,085,128	4,003,307	1,512,748	931,946	(19,637,127)
Component Units					
Union County Health Department					
Health and Welfare	808,227	379,120	407,580	0	(21,527)
Development Authority of Union County					
Housing and Development	184,061	20,000	5,000	28,999	(130,062)
Total component units	992,288	399,120	412,580	28,999	(151,589)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (17,748,880)	$ (1,888,247)	$ (19,637,127)	$ (151,589)
General revenues				
Taxes				
Property	8,727,199	0	8,727,199	0
Sales	7,969,090	0	7,969,090	0
Insurance premium	1,335,005	0	1,335,005	0
Other	902,406	0	902,406	0
Interest and investment earnings	85,208	0	85,208	1,002
Payments from Union County	0	0	0	287,512
Gain on sale of capital assets	181,558	1,226	182,784	0
Other	87,104	134,039	221,143	0
Transfers	(2,366,042)	2,366,042	0	0
Total general revenues and transfers	16,921,528	2,501,307	19,422,835	288,514
Change in net position	(827,352)	613,060	(214,292)	136,925
Net position - beginning (original)	44,926,632	5,520,510	50,447,142	2,390,286
Prior period adjustments	62,900	0	62,900	(365,091)
Net position - beginning (restated)	44,989,532	5,520,510	50,510,042	2,025,195
Net position - ending	$ 44,162,180	$ 6,133,570	$ 50,295,750	$ 2,162,120

UNION COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	General	SPLOST IV	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and cash equivalents	$ 8,926,249	$ 1,833,783	$ 1,778,113	$ 12,538,145
Restricted cash and cash equivalents	0	1,863,576	902,526	2,766,102
Receivables (net)				
Accounts	28,231	0	75,110	103,341
Intergovernmental	376,923	722,324	358,985	1,458,232
Taxes	1,354,199	389,169	44,326	1,787,694
Due from other funds	157,055	0	100,000	257,055
Prepaid items	15,240	0	5,850	21,090
Inventories	15,037	0	0	15,037
Advances to other funds	408,352	0	0	408,352
Total assets	$ 11,281,286	$ 4,808,852	$ 3,264,910	$ 19,355,048
LIABILITIES				
Accounts payable	$ 268,186	$ 118,135	$ 168,253	$ 554,574
Accrued salaries and payroll liabilities	184,398	0	3,314	187,712
Due to other funds	196,469	0	157,055	353,524
Other liabilities	537,486	0	0	537,486
Total liabilities	1,186,539	118,135	328,622	1,633,296
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	7,609,276	0	0	7,609,276
Unavailable revenue - property taxes	120,570	0	0	120,570
Total deferred inflows of resources	7,729,846	0	0	7,729,846
FUND BALANCES				
Nonspendable:				
Prepaid items	15,240	0	5,850	21,090
Inventories	15,037	0	0	15,037
Advances to other funds	408,352	0	0	408,352
Restricted for:				
Law library operations	0	0	60,750	60,750
Judicial activities	0	0	928,867	928,867
Public safety activities	0	0	386,432	386,432
LMIG projects	0	722,324	0	722,324
Capital outlay	0	3,968,393	47,138	4,015,531
Debt service	0	0	902,526	902,526
Assigned for:				
Emergency 911 system operations	0	0	63,195	63,195
Tourism	0	0	86,981	86,981
Capital outlay	0	0	454,549	454,549
Unassigned	1,926,272	0	0	1,926,272
Total fund balances	2,364,901	4,690,717	2,936,288	9,991,906
Total liabilities, deferred inflows of resouces, and fund balances	$ 11,281,286	$ 4,808,852	$ 3,264,910	$ 19,355,048

UNION COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2018

Total fund balance - total governmental funds			$ 9,991,906
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			38,850,231
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			120,570
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:			
Accrued interest payable	$	(4,950)	
Compensated absences		(130,162)	
Notes payable		(33,419)	
Bonds payable		(4,200,000)	
Landfill post-closure care costs		(431,996)	(4,800,527)
Net position of governmental activities			$ 44,162,180

UNION COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2018

	General	SPLOST IV	Nonmajor Governmental Funds	Totals
REVENUES				
Taxes	$ 14,313,027	$ 4,426,887	$ 271,642	$ 19,011,556
Licenses and permits	328,240	0	0	328,240
Fines, fees and forfeitures	453,112	0	202,518	655,630
Charges for services	691,937	0	539,108	1,231,045
Intergovernmental	776,499	722,324	1,310,016	2,808,839
Interest	84,575	62,674	2,079	149,328
Contributions	66,664	0	12,460	79,124
Other	87,104	0	0	87,104
Total revenues	16,801,158	5,211,885	2,337,823	24,350,866
EXPENDITURES				
Current				
General Government	5,542,958	0	0	5,542,958
Judicial	1,394,102	0	1,207,343	2,601,445
Public Safety	6,667,767	0	873,116	7,540,883
Public Works	1,488,006	0	0	1,488,006
Health and Welfare	838,679	0	0	838,679
Culture and Recreation	321,101	0	70,803	391,904
Housing and Development	796,343	0	255,782	1,052,125
Capital outlay	0	3,266,356	5,921	3,272,277
Debt service	11,419	0	1,426,870	1,438,289
Intergovernmental	0	344,704	0	344,704
Total expenditures	17,060,375	3,611,060	3,839,835	24,511,270
Excess (deficiency) of revenues over (under) expenditures	(259,217)	1,600,825	(1,502,012)	(160,404)
Other financing sources (uses)				
Transfers in	122,129	0	1,725,100	1,847,229
Transfers out	(1,826,142)	(1,464,000)	(122,129)	(3,412,271)
Sale of capital assets	483,354	84,257	32,770	600,381
Total other financing sources (uses)	(1,220,659)	(1,379,743)	1,635,741	(964,661)
Net change in fund balance	(1,479,876)	221,082	133,729	(1,125,065)
Fund balances, January 1 (original)	3,894,777	4,469,635	2,689,659	11,054,071
Prior period adjustments	(50,000)	0	112,900	62,900
Fund balances, January 1 (restated)	3,844,777	4,469,635	2,802,559	11,116,971
Fund balances, December 31	$ 2,364,901	$ 4,690,717	$ 2,936,288	$ 9,991,906

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, 2018

Net change in fund balances - total governmental funds			$ (1,125,065)
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	$ 2,850,159		
Depreciation	(2,233,547)		616,612
In the statement of activities, gains and losses on the sale of capital assets are reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.			
Cost of assets disposed	$ (787,753)		
Related accumulated depreciation	368,931		(418,822)
Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they do not increase financial resources.			
Cost of assets contributed from business-type activities	$ 14,493		
Related accumulated depreciation	(14,493)		0
Distributions of capital assets decrease net position in the statement of activities, but do not appear in the governmental funds because they do not require the use of current financial resources.			
Cost of assets distributed to business-type activities	$ (811,500)		
Related accumulated depreciation	10,500		(801,000)
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	$ 1,354,912		
Net change in interest payable	1,912		1,356,824
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.			(460,717)
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	$ (35,504)		
Landfill post-closure care costs	40,320		4,816
Change in net position of governmental activities			$ (827,352)

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 14,163,419	$ 14,313,000	$ 14,313,027	$ 27
Licenses and permits	312,000	328,000	328,240	240
Fines, fees and forfeitures	507,000	453,000	453,112	112
Charges for services	413,900	691,000	691,937	937
Intergovernmental	767,173	776,000	776,499	499
Interest	46,000	84,000	84,575	575
Contibutions	5,000	66,000	66,664	664
Other	339,600	87,000	87,104	104
Total revenues	16,554,092	16,798,000	16,801,158	3,158
EXPENDITURES				
Current				
General Government				
Executive	318,495	356,000	355,271	729
Elections	161,197	164,000	163,796	204
General administration	805,609	973,000	972,257	743
Financial administration	168,775	187,000	186,246	754
Tax commissioner	327,033	326,000	325,059	941
Tax assessor	332,479	378,000	377,711	289
Risk management	240,000	2,822,000	2,821,033	967
General government buildings	293,014	342,000	341,585	415
Judicial				
Judicial administration	3,500	6,000	5,085	915
Superior court	122,500	88,000	87,027	973
Drug court	1,000	27,000	26,474	526
Clerk of superior court	280,098	281,000	280,609	391
District attorney	97,011	151,000	150,576	424
Magistrate court	193,590	205,000	204,729	271
Probate court	234,873	237,000	236,920	80
Juvenile court	184,500	219,000	218,622	378
Grand jury	1,200	2,000	1,214	786
Public defender	85,000	124,000	123,944	56
Community service	0	59,000	58,902	98
Public Safety				
Sheriff	2,723,644	3,287,000	3,286,209	791
Jail operations	1,622,332	1,766,000	1,765,897	103
School resource officer	162,153	122,000	121,751	249
Fire and emergency management	1,062,050	1,235,000	1,234,616	384
Fire stations and buildings	85,450	92,000	91,797	203
Coroner	33,282	27,000	26,682	318
Animal control	154,972	141,000	140,815	185
Public Works				
Highways and streets	1,229,389	1,240,000	1,239,852	148
Solid waste	39,200	56,000	55,726	274
Public education	23,000	20,000	19,688	312
Maintenance and shop	134,698	173,000	172,740	260

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Health and Welfare				
Public health administration	$ 267,386	$ 329,000	$ 328,729	$ 271
Health department	0	168,000	167,155	845
Ambulance contract	320,000	19,000	18,507	493
Intergovernmental welfare	25,000	17,000	16,017	983
Senior citizens	171,491	153,000	152,538	462
Community center	59,420	63,000	62,801	199
Transportation services	84,640	93,000	92,932	68
Culture and Recreation				
Participant recreation	47,100	39,000	38,291	709
Library admission	263,500	283,000	282,810	190
Housing and Development				
Conservation	51,869	54,000	53,278	722
Agricultural	77,833	74,000	73,133	867
Building inspection	234,767	288,000	287,829	171
Planning and zoning	149,242	139,000	138,982	18
Economic development	221,000	244,000	243,121	879
Debt service				
Principal	21,300	10,000	9,913	87
Interest	0	2,000	1,506	494
Total expenditures	13,114,592	17,081,000	17,060,375	20,625
Excess (deficiency) of revenues over expenditures	3,439,500	(283,000)	(259,217)	23,783
Other financing sources (uses)				
Transfers in	500	122,000	122,129	129
Transfers out	(3,400,000)	(1,827,000)	(1,826,142)	858
Contingency	(100,000)	0	0	0
Sale of capital assets	60,000	483,000	483,354	354
Total other financing sources (uses)	(3,439,500)	(1,222,000)	(1,220,659)	1,341
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(1,505,000)	(1,479,876)	25,124
Fund balances, January 1 (original)	0	1,505,000	3,894,777	2,389,777
Prior period adjustments	0	0	(50,000)	(50,000)
Fund balances, January 1 (restated)	0	1,505,000	3,844,777	2,339,777
Fund balances, December 31	$ 0	$ 0	$ 2,364,901	$ 2,364,901

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 176,283	$ 224,824	$ 401,107
Accounts receivable (net)	0	12,987	12,987
Inventories	49,544	4,086	53,630
Due from other funds	27,796	96,469	124,265
Total current assets	253,623	338,366	591,989
Noncurrent assets			
Capital assets			
Non-depreciable	1,701,858	769,538	2,471,396
Depreciable (net)	1,210,672	2,505,900	3,716,572
Total noncurrent assets	2,912,530	3,275,438	6,187,968
Total assets	3,166,153	3,613,804	6,779,957
LIABILITIES			
Current liabilities			
Accounts payable	42,474	26,048	68,522
Accrued expenses	2,819	11,167	13,986
Accrued salaries and payroll liabilities	5,381	5,091	10,472
Due to other funds	0	27,796	27,796
Compensated absences	3,939	6,627	10,566
Capital leases payable	71,129	0	71,129
Total current liabilities	125,742	76,729	202,471
Noncurrent liabilities			
Advances from other funds	408,352	0	408,352
Capital leases payable	35,564	0	35,564
Total noncurrent liabilities	443,916	0	443,916
Total liabilities	569,658	76,729	646,387
NET POSITION			
Net investment in capital assets	2,767,173	3,260,738	6,027,911
Unrestricted	(170,678)	276,337	105,659
Total net position	$ 2,596,495	$ 3,537,075	$ 6,133,570

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, 2018

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
OPERATING REVENUES			
Charges for sales and services	$ 825,116	$ 455,885	$ 1,281,001
Other	4,809	129,230	134,039
Total operating revenues	829,925	585,115	1,415,040
OPERATING EXPENSES			
Costs of sales and services	698,134	900,701	1,598,835
Personal services	348,523	848,770	1,197,293
Depreciation	96,458	276,605	373,063
Total operating expenses	1,143,115	2,026,076	3,169,191
Operating income (loss)	(313,190)	(1,440,961)	(1,754,151)
Non-operating revenues (expenses)			
Interest expense	(57)	0	(57)
Gain on sale of capital assets	0	1,226	1,226
Total non-operating revenues (expenses)	(57)	1,226	1,169
Net income (loss) before capital contributions and transfers	(313,247)	(1,439,735)	(1,752,982)
Capital contributions			
Contributions of capital assets from Governmental Activities	801,000	0	801,000
Net income (loss) before transfers	487,753	(1,439,735)	(951,982)
Transfers in (out)			
Transfers in	336,560	1,228,482	1,565,042
Change in net position	824,313	(211,253)	613,060
Net position, January 1	1,772,182	3,748,328	5,520,510
Net position, December 31	$ 2,596,495	$ 3,537,075	$ 6,133,570

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2018

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
Cash flows from operating activities:			
Receipts from customers	$ 825,116	$ 444,343	$ 1,269,459
Payments to suppliers	(718,512)	(892,047)	(1,610,559)
Payments to employees	(341,707)	(842,609)	(1,184,316)
Other receipts	4,809	129,230	134,039
Net cash provided (used) by operating activities	(230,294)	(1,161,083)	(1,391,377)
Cash flows from non-capital financing activities:			
Receipts from other funds	336,560	1,233,319	1,569,879
Payments to other funds	(114,837)	0	(114,837)
Net cash provided (used) by non-capital financing activities	221,723	1,233,319	1,455,042
Cash flows from capital and related financing activities:			
Proceeds from sales of capital assets	0	27,650	27,650
Payments for acquisitions of capital assets	(24,257)	(145,065)	(169,322)
Interest paid	(57)	0	(57)
Principal payments - capital leases	(71,129)	0	(71,129)
Net cash provided (used) by capital and related financing activities	(95,443)	(117,415)	(212,858)
Net increase (decrease) in cash and cash equivalents	(104,014)	(45,179)	(149,193)
Cash and cash equivalents, January 1	280,297	270,003	550,300
Cash and cash equivalents, December 31	$ 176,283	$ 224,824	$ 401,107
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (313,190)	$ (1,440,961)	$ (1,754,151)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	96,458	276,605	373,063
(Increase) decrease in accounts receivable	0	(11,542)	(11,542)
(Increase) decrease in inventories	(1,914)	322	(1,592)
Increase (decrease) in accounts payable	(18,645)	5,138	(13,507)
Increase (decrease) in accrued salaries and payroll liabilities	5,381	5,091	10,472
Increase (decrease) in accrued expenses	181	3,194	3,375
Increase (decrease) in compensated absences	1,435	1,070	2,505
Total adjustments	82,896	279,878	362,774
Net cash provided (used) by operating activities	$ (230,294)	$ (1,161,083)	$ (1,391,377)

Noncash investing, capital, and financing activities:

Contributions of capital assets from Governmental Activities totaled $811,500, with related accumulated depreciation of $10,500.
Distributions of capital assets to Governmental Activities totaled $14,493, with related accumulated depreciation of $14,493.
Acquisitions of capital assets through payables totaled $53,364.

UNION COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2018

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 780,197
Taxes receivable, net	1,738,415
Total assets	$ 2,518,612
LIABILITIES	
Due to others	$ 780,197
Uncollected taxes	1,738,415
Total liabilities	$ 2,518,612

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2018

	Development Authority of Union County	Union County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 499,180	$ 708,341	$ 1,207,521
Accounts receivable (net)	95	70,646	70,741
Intergovernmental receivables	0	3,043	3,043
Total current assets	499,275	782,030	1,281,305
Noncurrent assets			
Land held for resale	1,635,919	0	1,635,919
Depreciable capital assets (net)	198,074	0	198,074
Total noncurrent assets	1,833,993	0	1,833,993
Total assets	2,333,268	782,030	3,115,298
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	0	93,599	93,599
Deferred outflows of resources - OPEB	0	59,011	59,011
Total deferred outflows of resources	0	152,610	152,610
LIABILITIES			
Current liabilities			
Accounts payable	0	5,516	5,516
Accrued salaries and payroll liabilities	6,278	0	6,278
Compensated absences	0	38,000	38,000
Total current liabilities	6,278	43,516	49,794
Noncurrent liabilities			
Compensated absences	0	21,988	21,988
Proportionate share of net pension liability	0	509,007	509,007
Proportionate share of net OPEB liability	0	447,117	447,117
Total noncurrent liabilities	0	978,112	978,112
Total liabilities	6,278	1,021,628	1,027,906
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	0	25,139	25,139
Deferred inflows of resources - OPEB	0	52,743	52,743
Total deferred inflows of resources	0	77,882	77,882
NET POSITION			
Investment in capital assets	198,074	0	198,074
Unrestricted	2,128,916	(164,870)	1,964,046
Total net position	$ 2,326,990	$ (164,870)	$ 2,162,120

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2018

	Development Authority of Union County	Union County Health Department	Totals
Expenses			
Health and Welfare	$ 0	$ 808,227	$ 808,227
Housing and Development	184,061	0	184,061
Total expenses	184,061	808,227	992,288
Program revenues			
Charges for services	20,000	379,120	399,120
Operating grants and contributions	5,000	407,580	412,580
Capital grants and contributions	28,999	0	28,999
Total program revenues	53,999	786,700	840,699
Net (expense) revenue	(130,062)	(21,527)	(151,589)
General revenues			
Interest	1,002	0	1,002
Payments from Union County	170,000	117,512	287,512
Total general revenues	171,002	117,512	288,514
Change in net position	40,940	95,985	136,925
Net position - beginning (original)	2,286,050	104,236	2,390,286
Prior period adjustments	0	(365,091)	(365,091)
Net position - beginning (restated)	2,286,050	(260,855)	2,025,195
Net position - ending	$ 2,326,990	$ (164,870)	$ 2,162,120

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 current year. 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, the special revenue funds, capital projects funds, and debt service funds.
6. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, 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 the current year 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 acquisition value. 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 report deferred inflow of resources for property taxes levied for the subsequent year 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 other 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 year end 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 the end of the current year was 21 days. As of the end of the current year, the County's balance in Georgia Fund 1 was $6,540,595.

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 the end of the current year, 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 the end of the current year, all of the Health Department's deposits and investments were collateralized with the depository financial institution.

4. Accounts Receivable

Net accounts receivable as of the end of the current year consist of the following:

Major Funds		
General Fund		$ 28,231
Enterprise Funds		
Meeks Park		12,987
Nonmajor Funds		
Special Revenue Funds		
Law Library	$ 544	
Emergency 911	72,847	
Local Victims Assistance	1,719	75,110
Total primary government		$ 116,328
Component Units:		
Development Authority of Union County		$ 95
Union County Health Department		70,646
Total component units		$ 70,741

5. Intergovernmental Receivables

Intergovernmental receivables as of the end of the current year consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 376,923
SPLOST IV Capital Projects Fund		722,324
Nonmajor Funds		
Special Revenue Funds		
Drug Abuse	$ 258,985	
Multiple Grant	100,000	358,985
Total primary government		$ 1,458,232
Component Units:		
Union County Health Department		$ 3,043

6. Property Taxes

Property taxes for the 2018 fiscal year were levied on September 13, 2018, with property values assessed as of January 1, 2018. Bills are payable on or before December 20, 2018, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes levied during 2018 are for fiscal year 2019. Amounts recorded as a receivable and amounts collected as of December 31, 2018 related to these taxes are recorded as deferred inflows of resources in both the fund and government-wide financial statements.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of the end of the current year is as follows:

Receivable Fund	Payable Fund	Amount
General	Golf Course	$ 408,352
	Nonmajor Governmental	157,055
Golf Course	Meeks Park	27,796
Meeks Park	General	96,469
Nonmajor Governmental	General	100,000
		$ 689,672

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 $408,352 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 for the current year is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	Golf Course	$ 336,560
	Meeks Park	1,228,482
	Nonmajor Governmental	261,100
SPLOST IV	Nonmajor Governmental	1,464,000
Nonmajor Governmental	General Fund	122,129
		3,412,271
Transfers of capital assets		
Governmental activities	Golf Course	801,000
		$ 4,213,271

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 governmental activities for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Nondepreciable assets				
Land	$ 5,284,848	$ 34,132	$ 0	$ 5,318,980
Construction in progress	381,958	1,519,878	(944,181)	957,655
Total nondepreciable assets	5,666,806	1,554,010	(944,181)	6,276,635
Depreciable assets				
Buildings and improvements	32,372,121	15,000	0	32,387,121
Infrastructure	21,200,630	143,181	0	21,343,811
Machinery and equipment	5,492,698	96,818	0	5,589,516
Vehicles	6,428,014	1,198,824	(798,253)	6,828,585
Equipment	132,433	0	0	132,433
Total depreciable assets	65,625,896	1,453,823	(798,253)	66,281,466
Less accumulated depreciation				
Buildings and improvements	(8,550,052)	(813,726)	0	(9,363,778)
Infrastructure	(14,309,789)	(693,093)	0	(15,002,882)
Machinery and equipment	(4,272,738)	(227,740)	0	(4,500,478)
Vehicles	(4,594,991)	(507,234)	379,431	(4,722,794)
Equipment	(111,691)	(6,247)	0	(117,938)
Total accumulated depreciation	(31,839,261)	(2,248,040)	379,431	(33,707,870)
Total depreciable assets, net	33,786,635	(794,217)	(418,822)	32,573,596
Governmental activities capital assets, net	$ 39,453,441	$ 759,793	$ (1,363,003)	$ 38,850,231

Decreases in construction in progress for the governmental activities consist of projects placed in service in the amount of $143,181 and projects transferred to the business-type activities in the amount of $801,000.

9. Capital Assets (continued)

Capital asset activity for the business-type activities for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Nondepreciable assets				
Land	$ 2,435,497	$ 11,513	$ 0	$ 2,447,010
Construction in progress	0	825,386	(801,000)	24,386
Total nondepreciable assets	2,435,497	836,899	(801,000)	2,471,396
Depreciable assets				
Land improvements	977,189	80,883	0	1,058,072
Buildings and improvements	3,169,155	32,560	0	3,201,715
Machinery and equipment	1,560,794	844,344	(18,893)	2,386,245
Vehicles	116,536	40,500	(37,530)	119,506
Total depreciable assets	5,823,674	998,287	(56,423)	6,765,538
Less accumulated depreciation				
Land improvements	(306,738)	(46,448)	0	(353,186)
Buildings and improvements	(1,370,728)	(138,781)	0	(1,509,509)
Machinery and equipment	(942,891)	(177,701)	18,893	(1,101,699)
Vehicles	(75,045)	(20,633)	11,106	(84,572)
Total accumulated depreciation	(2,695,402)	(383,563)	29,999	(3,048,966)
Total depreciable assets, net	3,128,272	614,724	(26,424)	3,716,572
Business-type activities capital assets, net	$ 5,563,769	$ 1,451,623	$ (827,424)	$ 6,187,968

Decreases in construction in progress for the business-type activities consist of projects placed in service in the amount of $801,000.

9. Capital Assets (continued)

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

	Beginning Balance	Increases	Decreases	Ending Balance
Development Authority of Union County				
Nondepreciable assets				
Construction in progress	$ 171,001	$ 28,999	$ (200,000)	$ 0
Depreciable assets				
Buildings	0	200,000	0	200,000
Machinery and equipment	4,221	0	0	4,221
Total depreciable assets	4,221	200,000	0	204,221
Less accumulated depreciation				
Buildings	0	(1,926)	0	(1,926)
Machinery and equipment	(4,221)	0	0	(4,221)
Total accumulated depreciation	(4,221)	(1,926)	0	(6,147)
Total depreciable assets, net	0	198,074	0	198,074
Development Authority of Union County capital assets, net	$ 171,001	$ 227,073	$ (200,000)	$ 198,074
Union County Health Department				
Depreciable assets				
Equipment	$ 11,819	$ 0	$ 0	$ 11,819
Less accumulated depreciation				
Equipment	(11,709)	(110)	0	(11,819)
Union County Health Department capital assets, net	$ 110	$ (110)	$ 0	$ 0

9. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 574,699
Judicial	35,607
Public Safety	614,879
Public Works	866,711
Health and Welfare	72,856
Culture and Recreation	49,052
Housing and Development	19,743
Total depreciation expense for governmental activities	$ 2,233,547
Business-type activities	
Golf Course	$ 96,458
Meeks Park	276,605
Total depreciation expense for business-type activities	$ 373,063
Component units	
Development Authority of Union County	$ 1,926
Union County Health Department	110
Total depreciation expense for component units	$ 2,036

	Governmental Activities	Business-type Activities	Component Units
Current year depreciation expense	$ 2,233,547	$ 373,063	$ 2,036
Prior accumulated depreciation on assets transferred between governmental, business-type activities, and component units	14,493	10,500	0
Additions to accumulated depreciation	$ 2,248,040	$ 383,563	$ 2,036

10. Capital Lease Agreements

Business-Type Activities

In 2016, the County 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 remaining balance of the lease as of the end of the current year is $106,693 for business-type activities. As of the end of the current year, the County had $349,055 of equipment, with associated accumulated depreciation of $174,528, financed under the capital leases. Depreciation expense on the leased assets for the current year totaled $69,811.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of the end of the current year:

Year Ending December 31,	Business-type Activities
2019	$ 71,129
2020	35,564
	106,693
Less amounts representing interest	0
Present value of minimum lease payments	$ 106,693

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. Costs for such leases for governmental activities totaled $29,307 for the current year. The future minimum lease payments for these governmental activities leases are as follows:

Year Ending December 31,		
2019	$	31,829
2020		18,783
2021		3,107
Totals	$	53,719

Development Authority of Union County Component Unit

The Development Authority of Union County has one vehicle under a non-cancelable operating lease. Costs for the lease totaled $6,156 for the current year. The future minimum lease payments for the lease are as follows:

Year Ending December 31,		
2019	$	6,156
2020		1,026
Totals	$	7,182

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 interest at a 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 requirements to maturity on the general obligation bond are as follows:

Year Ending December 31,	Principal	Interest	Total
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	$ 4,200,000	$ 107,484	$ 4,307,484

Notes Payable

In 2013, the County entered into an agreement with Bank of the Ozarks to finance the purchase of a rescue fire truck for one of the County's volunteer fire departments. As of the end of the current year, the loan has a balance of $33,419. The note bears interest at a 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
2019	$ 10,406	$ 661	$ 11,067
2020	10,541	526	11,067
2021	10,835	232	11,067
2022	1,637	11	1,648
Totals	$ 33,419	$ 1,430	$ 34,849

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	$ 5,545,000	$ 0	$ 1,345,000	$ 4,200,000	$ 1,370,000
Notes payable	43,331	0	9,912	33,419	10,406
Landfill post-closure care costs	472,316	0	40,320	431,996	40,320
Compensated absences	94,658	130,162	94,658	130,162	130,162
Total governmental activities	$ 6,155,305	$ 130,162	$ 1,489,890	$ 4,795,577	$ 1,550,888
Business-type activities					
Capital leases payable	$ 177,822	$ 0	$ 71,129	$ 106,693	$ 71,129
Compensated absences	8,061	10,566	8,061	10,566	10,566
Total business-type activities	$ 185,883	$ 10,566	$ 79,190	$ 117,259	$ 81,695
Component Units					
Union County Health Department					
Compensated absences	$ 60,705	$ 41,702	$ 42,419	$ 59,988	$ 38,000

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. For governmental activities, landfill post-closure care costs and compensated absences are liquidated by the General Fund. The total interest incurred and charged to expense for the current year was $81,465 for governmental activities and $57 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 the end of the current year, the County has 5 years of monitoring remaining. Engineering studies estimate post-closure care costs of approximately $431,996 over the 5-year period. These costs are based on what it would cost to perform all post-closure care in the current year, 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. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows as of the end of the current year:

	Governmental Activities	Business-Type Activities
Cost of capital assets	$ 72,558,101	$ 9,236,934
Accumulated depreciation	(33,707,870)	(3,048,966)
Book value	38,850,231	6,187,968
Capital-related accounts payable	(100,014)	(53,364)
Capital leases payable	0	(106,693)
Notes payable	(33,419)	0
Bonds payable	(4,200,000)	0
Net investment in capital assets	$ 34,516,798	$ 6,027,911

15. Retirement Plans

County Plans

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. As of the end of the current year, there were 141 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 the current year, the County's contributions to the 401(a) Plan were $419,313 and the employees contributed $331,715 to the 457 Plan.

In addition to the plans above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

15. Retirement Plans (continued)

Union County Health Department Retirement Plan

Eligible employees of the Union County Health Department participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system. During the fiscal year ended June 30, 2018, the Department contributed $81,361. As of June 30, 2018, the Department reported a liability in the amount of $509,007 for its proportionate share (0.012533%) of the net pension liability. The Department recognized pension expense of $81,361 for the fiscal year ended June 30, 2018. Further information regarding the plan can be obtained from Department's annual audit report by contacting Union County Health Department, 67 Chase Drive, Blairsville, Georgia 30512.

16. Post-Employment Benefits Other Than Pensions

Union County Health Department OPEB Plans

Eligible employees of the Union County Health Department are provided OPEB through the State of Georgia OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment benefit plan. During the fiscal year ended June 30, 2018, the Health Department contributed $156,679. As of June 30, 2018, the Health Department reported a net liability in the amount of $447,117 for its proportionate share (0.011889% for the State of Georgia OPEB Fund and 0.014338% for the SEAD-OPEB Fund) of the net OPEB liability. The Health Department recognized OPEB expense of $56,936 for the fiscal year ended June 30, 2018. Further information regarding the plans can be obtained from Department's annual audit report by contacting Union County Health Department, 67 Chase Drive, Blairsville, Georgia 30512.

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 current year follows:

Lodging Tax Receipts	$271,642	
Disbursements for trade and tourism	$255,782	94% of tax receipts

18. Tax Abatements

Union County is subject to tax incentives granted by the Development Authority of Union County. These incentives are negotiated on an individual basis as a reduction of property taxes and have the stated purpose of increasing business activity and employment in the County by allowing localities to abate property taxes for a variety of economic development purposes, including business relocation, retention, and expansion. The incentives may be granted to any business located within or promising to relocate to a local government's geographic area. The County has not made any commitments as part of the agreements other than to reduce taxes. For the current year, Union County abated property taxes totaling $2,706 under an abatement agreement with a local manufacturer investing in personal property for its manufacturing facility in Union County.

19. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the current year, the County paid $24,236 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.

19. Joint Ventures (continued)

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 current year, the County made no payments to the Authority. As of the end of the current year, the Authority does not have any debt outstanding. A copy of the Authority's financial statements can be obtained from North Georgia Waste Management Authority, 170 Scoggins Drive, Demorest, Georgia 30535.

20. Risk Management

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

Medical Self-Insurance

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

The County purchases commercial insurance for claims in excess of coverage provided by the County. During the current year, 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.

20. Risk Management (continued)

Medical Self-Insurance, continued

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
2018	$ 383,215	$ 2,564,773	$ 2,410,502	$ 537,486
2017	377,391	2,374,847	2,369,023	383,215
2016	511,167	1,603,549	1,737,325	377,391

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.

20. Risk Management (continued)

General Liability and Workers' Compensation, continued

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

21. 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.

22. Changes in Beginning Balances

Governmental Activities

General Fund

A prior period adjustment has been made to correct amounts due to other funds at the end of the prior year. This adjustment decreased beginning fund balance by $50,000.

Drug Abuse Special Revenue Fund

A prior period adjustment has been made to correct intergovernmental receivables at the end of the prior year. This adjustment increased beginning fund balance by $62,900.

A prior period adjustment has been made to correct amounts due from other funds at the end of the prior year. This adjustment increased beginning fund balance by $50,000.

The net effect of these adjustments was to increase beginning fund balance in the Drug Abuse Special Revenue Fund by $112,900.

The net effect of these adjustments was to increase beginning net position in the Governmental Activities by $62,900.

23. New Accounting Standards

The County early implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the County's current year.

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, 2018

	Special Revenue						
	Law Library	Seizures	Sheriff Donation	Emergency 911	Local Victims Assistance	Jail Operations	Inmate Welfare
ASSETS							
Cash and cash equivalents	$ 60,206	$ 13,282	$ 8,261	$ 1,573	$ 20,562	$ 352,629	$ 7,260
Restricted cash and cash equivalents	0	0	0	0	0	0	0
Receivables							
Accounts	544	0	0	72,847	1,719	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	0	0	0	0
Prepaid items	0	0	0	5,850	0	0	0
Total assets	$ 60,750	$ 13,282	$ 8,261	$ 80,270	$ 22,281	$ 352,629	$ 7,260
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 0	$ 0	$ 0	$ 7,911	$ 0	$ 0	$ 0
Accrued salaries	0	0	0	3,314	0	0	0
Due to other funds	0	0	0	0	0	0	0
Total liabilities	0	0	0	11,225	0	0	0
Fund balances							
Nonspendable:							
Prepaid items	0	0	0	5,850	0	0	0
Restricted for:							
Law library operations	60,750	0	0	0	0	0	0
Judicial activities	0	0	0	0	22,281	0	0
Public safety activities	0	13,282	8,261	0	0	352,629	7,260
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	63,195	0	0	0
Tourism	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Total fund balances	60,750	13,282	8,261	69,045	22,281	352,629	7,260
Total liabilities and fund balances	$ 60,750	$ 13,282	$ 8,261	$ 80,270	$ 22,281	$ 352,629	$ 7,260

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
$ 681,420	$ 16,820	$ 7,590	$ 106,823	$ 0	$ 47,138	$ 454,549	$ 1,778,113
0	0	0	0	902,526	0	0	902,526
0	0	0	0	0	0	0	75,110
258,985	0	100,000	0	0	0	0	358,985
0	0	0	44,326	0	0	0	44,326
100,000	0	0	0	0	0	0	100,000
0	0	0	0	0	0	0	5,850
$ 1,040,405	$ 16,820	$ 107,590	$ 151,149	$ 902,526	$ 47,138	$ 454,549	$ 3,264,910
$ 93,584	$ 0	$ 2,590	$ 64,168	$ 0	$ 0	$ 0	$ 168,253
0	0	0	0	0	0	0	3,314
56,480	575	100,000	0	0	0	0	157,055
150,064	575	102,590	64,168	0	0	0	328,622
0	0	0	0	0	0	0	5,850
0	0	0	0	0	0	0	60,750
890,341	16,245	0	0	0	0	0	928,867
0	0	5,000	0	0	0	0	386,432
0	0	0	0	0	47,138	0	47,138
0	0	0	0	902,526	0	0	902,526
0	0	0	0	0	0	0	63,195
0	0	0	86,981	0	0	0	86,981
0	0	0	0	0	0	454,549	454,549
890,341	16,245	5,000	86,981	902,526	47,138	454,549	2,936,288
$ 1,040,405	$ 16,820	$ 107,590	$ 151,149	$ 902,526	$ 47,138	$ 454,549	$ 3,264,910

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2018

	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	8,944	135,769	0	0	16,401	21,000	0
Charges for services	0	0	0	383,506	0	0	12,910
Intergovernmental	0	0	0	0	0	0	0
Interest	123	0	0	0	0	171	0
Contributions	0	0	7,952	0	0	0	0
Total revenues	9,067	135,769	7,952	383,506	16,401	21,171	12,910
EXPENDITURES							
Current							
Judicial	8,659	0	0	0	6,174	0	0
Public Safety	0	167,874	8,657	605,680	0	0	22,053
Culture and Recreation	0	0	0	0	0	0	0
Housing and Development	0	0	0	0	0	0	0
Debt service	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Total expenditures	8,659	167,874	8,657	605,680	6,174	0	22,053
Excess (deficiency) of revenues over (under) expenditures	408	(32,105)	(705)	(222,174)	10,227	21,171	(9,143)
Other financing sources (uses)							
Transfers in	0	0	0	213,500	0	0	0
Transfers out	0	0	0	0	0	0	0
Sale of capital assets	0	32,770	0	0	0	0	0
Total other financing sources (uses)	0	32,770	0	213,500	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	408	665	(705)	(8,674)	10,227	21,171	(9,143)
Fund balances, January 1 (original)	60,342	12,617	8,966	77,719	12,054	331,458	16,403
Prior period adjustments	0	0	0	0	0	0	0
Fund balances, January 1 (restated)	60,342	12,617	8,966	77,719	12,054	331,458	16,403
Fund balances, December 31	$ 60,750	$ 13,282	$ 8,261	$ 69,045	$ 22,281	$ 352,629	$ 7,260

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	$ 271,642	$ 0	$ 0	$ 0	$ 271,642
19,854	550	0	0	0	0	0	202,518
142,692	0	0	0	0	0	0	539,108
1,052,770	0	257,246	0	0	0	0	1,310,016
102	8	0	0	1,439	7	229	2,079
0	0	4,508	0	0	0	0	12,460
1,215,418	558	261,754	271,642	1,439	7	229	2,337,823
1,192,510	0	0	0	0	0	0	1,207,343
30	0	68,822	0	0	0	0	873,116
0	0	70,803	0	0	0	0	70,803
0	0	0	255,782	0	0	0	255,782
0	0	0	0	1,426,870	0	0	1,426,870
0	0	0	0	0	5,921	0	5,921
1,192,540	0	139,625	255,782	1,426,870	5,921	0	3,839,835
22,878	558	122,129	15,860	(1,425,431)	(5,914)	229	(1,502,012)
47,600	0	0	0	1,464,000	0	0	1,725,100
0	0	(122,129)	0	0	0	0	(122,129)
0	0	0	0	0	0	0	32,770
47,600	0	(122,129)	0	1,464,000	0	0	1,635,741
70,478	558	0	15,860	38,569	(5,914)	229	133,729
706,963	15,687	5,000	71,121	863,957	53,052	454,320	2,689,659
112,900	0	0	0	0	0	0	112,900
819,863	15,687	5,000	71,121	863,957	53,052	454,320	2,802,559
$ 890,341	$ 16,245	$ 5,000	$ 86,981	$ 902,526	$ 47,138	$ 454,549	$ 2,936,288

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 8,945	$ 8,944	$ (1)
Interest	55	123	68
Total revenues	9,000	9,067	67
EXPENDITURES			
Current			
Judicial			
Contract services	5,445	3,582	1,863
Materials and supplies	3,555	5,077	(1,522)
Total expenditures	9,000	8,659	341
Excess (deficiency) of revenues over (under) expenditures	0	408	408
Fund balance, January 1	0	60,342	60,342
Fund balance, December 31	$ 0	$ 60,750	$ 60,750

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 168,000	$ 135,769	$ (32,231)
Total revenues	168,000	135,769	(32,231)
EXPENDITURES			
Current			
Public Safety			
Contract services	0	88	(88)
Materials and supplies	168,000	11,854	156,146
Capital outlay	0	136,897	(136,897)
Payments to others	0	19,035	(19,035)
Total expenditures	168,000	167,874	126
Excess (deficiency) of revenues over (under) expenditures	0	(32,105)	(32,105)
Other financing sources (uses)			
Sale of capital assets	0	32,770	32,770
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	665	665
Fund balance, January 1	0	12,617	12,617
Fund balance, December 31	$ 0	$ 13,282	$ 13,282

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Contributions	$ 9,000	$ 7,952	$ (1,048)
Total revenues	9,000	7,952	(1,048)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	9,000	8,657	343
Total expenditures	9,000	8,657	343
Excess (deficiency) of revenues over (under) expenditures	0	(705)	(705)
Fund balance, January 1	0	8,966	8,966
Fund balance, December 31	$ 0	$ 8,261	$ 8,261

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 392,500	$ 383,506	$ (8,994)
Total revenues	392,500	383,506	(8,994)
EXPENDITURES			
Current			
Public Safety			
Personal services	444,000	438,302	5,698
Contract services	149,300	151,455	(2,155)
Materials and supplies	12,700	15,923	(3,223)
Total expenditures	606,000	605,680	320
Excess (deficiency) of revenues over (under) expenditures	(213,500)	(222,174)	(8,674)
Other financing sources (uses)			
Transfers in (out)			
General Fund	213,500	213,500	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(8,674)	(8,674)
Fund balance, January 1	0	77,719	77,719
Fund balance, December 31	$ 0	$ 69,045	$ 69,045

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 23,800	$ 16,401	$ (7,399)
Total revenues	23,800	16,401	(7,399)
EXPENDITURES			
Current			
Judicial			
Payments to others	23,800	6,174	17,626
Total expenditures	23,800	6,174	17,626
Excess (deficiency) of revenues over (under) expenditures	0	10,227	10,227
Fund balance, January 1	0	12,054	12,054
Fund balances, December 31	$ 0	$ 22,281	$ 22,281

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 22,800	$ 21,000	$ (1,800)
Interest	150	171	21
Total revenues	22,950	21,171	(1,779)
EXPENDITURES			
Total expenditures	22,950	0	22,950
Excess (deficiency) of revenues over (under) expenditures	0	21,171	21,171
Fund balance, January 1	0	331,458	331,458
Fund balance, December 31	$ 0	$ 352,629	$ 352,629

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 23,000	$ 12,910	$ (10,090)
Total revenues	23,000	12,910	(10,090)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	23,000	22,053	947
Total expenditures	23,000	22,053	947
Excess (deficiency) of revenues over (under) expenditures	0	(9,143)	(9,143)
Fund balance, January 1	0	16,403	16,403
Fund balance, December 31	$ 0	$ 7,260	$ 7,260

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 43,000	$ 19,854	$ (23,146)
Charges for services	0	142,692	142,692
Intergovernmental	1,149,900	1,052,770	(97,130)
Interest	100	102	2
Total revenues	1,193,000	1,215,418	22,418
EXPENDITURES			
Current			
Judicial			
Contract services	1,149,900	1,170,923	(21,023)
Materials and supplies	0	21,262	(21,262)
Payments to others	43,100	325	42,775
Public Safety			
Materials and supplies	0	30	(30)
Total expenditures	1,193,000	1,192,540	460
Excess (deficiency) of revenues over (under) expenditures	0	22,878	22,878
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	47,600	47,600
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	70,478	70,478
Fund balance, January 1 (original)	0	706,963	706,963
Prior period adjustments	0	112,900	112,900
Fund balance, January 1 (restated)	0	819,863	819,863
Fund balance, December 31	$ 0	$ 890,341	$ 890,341

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 395	$ 550	$ 155
Interest	5	8	3
Total revenues	400	558	158
EXPENDITURES			
Total expenditures	400	0	400
Excess (deficiency) of revenues over (under) expenditures	0	558	558
Fund balance, January 1	0	15,687	15,687
Fund balance, December 31	$ 0	$ 16,245	$ 16,245

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 210,000	$ 257,246	$ 47,246
Contributions	0	4,508	4,508
Total revenues	210,000	261,754	51,754
EXPENDITURES			
Current			
Public Safety			
Contract services	10,000	9,256	744
Materials and supplies	13,000	13,436	(436)
Capital outlay	46,000	46,130	(130)
Culture and Recreation			
Capital outlay	235,048	70,803	164,245
Total expenditures	304,048	139,625	164,423
Excess (deficiency) of revenues over (under) expenditures	(94,048)	122,129	216,177
Other financing sources (uses)			
Transfers in (out)			
General Fund	94,048	(122,129)	(216,177)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	0	0	0
Fund balance, January 1	0	5,000	5,000
Fund balance, December 31	$ 0	$ 5,000	$ 5,000

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, 2018

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 256,000	$ 271,642	$ 15,642
Total revenues	256,000	271,642	15,642
EXPENDITURES			
Current			
Housing and Development			
Payments to others	256,000	255,782	218
Total expenditures	256,000	255,782	218
Excess (deficiency) of revenues over (under) expenditures	0	15,860	15,860
Fund balance, January 1	0	71,121	71,121
Fund balances, December 31	$ 0	$ 86,981	$ 86,981

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, 2018

	Final Budget	Actual	Variance
REVENUE			
Interest	$ 150	$ 1,439	$ 1,289
Total revenues	150	1,439	1,289
EXPENDITURES			
Debt Service			
Principal	1,300,000	1,345,000	(45,000)
Interest	164,150	81,870	82,280
Total expenditures	1,464,150	1,426,870	37,280
Excess (deficiency) of revenues over (under) expenditures	(1,464,000)	(1,425,431)	38,569
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	0	38,569	38,569
Fund balances, January 1	0	863,957	863,957
Fund balances, December 31	$ 0	$ 902,526	$ 902,526

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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, 2018

	Tax Commissioner	Sheriff
ASSETS		
Cash and cash equivalents	$ 386,388	$ 25,816
Taxes receivable, net	1,738,415	0
Total assets	$ 2,124,803	$ 25,816
LIABILITIES		
Due to others	$ 386,388	$ 25,816
Uncollected taxes	1,738,415	0
Total liabilities	$ 2,124,803	$ 25,816

Clerk of Courts	Probate Court	Magistrate Court	Totals
$ 349,732	$ 14,248	$ 4,013	$ 780,197
0	0	0	1,738,415
$ 349,732	$ 14,248	$ 4,013	$ 2,518,612
$ 349,732	$ 14,248	$ 4,013	$ 780,197
0	0	0	1,738,415
$ 349,732	$ 14,248	$ 4,013	$ 2,518,612

UNION COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended December 31, 2018

	Balance January 1	Additions	Deletions	Balance December 31
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 37,057	$ 29,350,271	$ 29,000,940	$ 386,388
Taxes receivable, net	1,874,101	14,395,041	14,530,727	1,738,415
Total	$ 1,911,158	$ 43,745,312	$ 43,531,667	$ 2,124,803
LIABILITIES				
Due to others	$ 37,057	$ 29,350,271	$ 29,000,940	$ 386,388
Uncollected taxes	1,874,101	14,395,041	14,530,727	1,738,415
Total	$ 1,911,158	$ 43,745,312	$ 43,531,667	$ 2,124,803
SHERIFF				
ASSETS				
Cash and cash equivalents	$ 19,084	$ 190,652	$ 183,920	$ 25,816
LIABILITIES				
Due to others	$ 19,084	$ 190,652	$ 183,920	$ 25,816
CLERK OF COURTS				
ASSETS				
Cash and cash equivalents	$ 336,767	$ 1,428,524	$ 1,415,559	$ 349,732
LIABILITIES				
Due to others	$ 336,767	$ 1,428,524	$ 1,415,559	$ 349,732
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 16,681	$ 301,138	$ 303,571	$ 14,248
LIABILITIES				
Due to others	$ 16,681	$ 301,138	$ 303,571	$ 14,248
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 5,695	$ 139,004	$ 140,686	$ 4,013
LIABILITIES				
Due to others	$ 5,695	$ 139,004	$ 140,686	$ 4,013
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 415,284	$ 31,409,589	$ 31,044,676	$ 780,197
Taxes receivable, net	1,874,101	14,395,041	14,530,727	1,738,415
Total	$ 2,289,385	$ 45,804,630	$ 45,575,403	$ 2,518,612
LIABILITIES				
Due to others	$ 415,284	$ 31,409,589	$ 31,044,676	$ 780,197
Uncollected taxes	1,874,101	14,395,041	14,530,727	1,738,415
Total	$ 2,289,385	$ 45,804,630	$ 45,575,403	$ 2,518,612

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, 2018, 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 7, 2019. 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 have not been identified. However, as described below, we did identify 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 deficiencies to be material weaknesses:

2018-001

Condition: The County lacks sufficient controls and procedures regarding year-end close to ensure timely and accurate financial reporting. This included material adjustments during the audit process.

Criteria: Internal controls should be in place to ensure the County can perform timely and accurate year-end close procedures for the County to be able to produce its annual financial statements timely.

Cause: Various posting and classification errors lead to account balances not agreeing to subsidiary ledgers.

2018-001, continued

Effect: Failure to properly design and implement internal controls over year-end close procedures may lead to financial statements that are materially misstated and lead to delays in financial reporting.

Recommendation: We recommend that the County's Finance Department continue to implement and/or strengthen internal controls over the year-end closeout procedures. We also recommend management reconcile account balances monthly to the subsidiary ledgers to ensure proper and timely recording.

Management Response: Management concurs with this finding. Management will ensure that proper internal controls over the year-end close procedures are designed and implemented. Also, the Finance Department will ensure that account balances are reconciled monthly to the subsidiary ledgers. This action was taken immediately upon receipt of the comment from our auditors.

2018-002

Condition: The 2017 financial statements were restated for errors and incorrectly reported amounts. The beginning balances were materially restated.

Criteria: Financial reporting should be in accordance with generally accepted accounting principles and report accurately the financial statements of the County.

Cause: County staff did not sufficiently review year-end procedures before issuing financial statements.

Effect: A lack of procedures for proper financial reporting can lead to financial statements that are materially misstated.

Recommendation: Management should review their procedures for recording assets and liabilities and strengthen internal controls over reporting to provide for accurate financial reporting.

Management Response: Management concurs with this finding. County staff will review all year-end balances 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 to be significant deficiencies:

2018-003

Condition: County personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the County relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for governments of similar size and structure to Union County. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the Finance Department is not trained to perform the daily accounting functions, but that the County has elected as a cost benefit to outsource this expertise to their auditors.

Criteria: Effective internal control requires that the County accept responsibility and understanding of the audited financial report.

2018-003, continued

Cause: County personnel do not have the necessary training in the application of generally accepted accounting principles and the preparation of financial statements.

Effect: Failure to understand the financial statements may lead to material misstatements.

Recommendation: County personnel should continue to receive training in the identification and application of generally accepted accounting principles and the preparation of the County's financial statements.

Management Response: Management concurs with this finding. The County has determined that the cost of training County personnel to prepare the financial statements is prohibitive. The governing body and management have determined that personnel should receive training to the extent that is economically feasible and to continue to rely on the technical assistance of the external auditor or other qualified professional when necessary. This action was taken immediately upon receipt of the comment from our auditors.

2018-004

Condition: While performing audit procedures on building permits, we noted instances where deposits were not made timely. We noted 6 of 36 (17%) receipts tested were held for more than seven days before depositing.

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

Cause: Staff is not depositing receipts at a minimum once per week.

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

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

Management Response: Management concurs with this finding. Management has advised the department head to implement the recommendation and to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

2018-005

Condition: While performing audit procedures at the Clerk of Court, we were unable to sight approval for 18 of 20 (90%) voided transactions selected for testing.

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

Cause: Management is not approving voided transactions in a timely manner.

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.

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 the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*:

2018-006

Condition: While performing audit procedures at the Tax Commissioner's office, we noted the monthly payouts of title ad valorem tax were incorrectly calculated.

Criteria: State of Georgia Code provides guidelines regarding the calculation of title ad valorem tax payouts.

Cause: The Tax Commissioner's office is not correctly calculating the payouts of title ad valorem tax.

Effect: Incorrect payouts of title ad valorem tax will place the County in violation of state law.

Recommendation: The Tax Commissioner's office should review and correct the calculation of title ad valorem tax payouts.

Management Response: The Tax Commissioner's Office corrected the calculation of future title ad valorem tax payouts immediately upon receiving this comment from our auditors.

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 7, 2019

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, 2018

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2009 SPLOST					
Administration Costs	$ 630,000	$ 500,000	$ 391,194	$ 0	$ 391,194
Roads & Bridges	11,760,000	5,587,341	6,628,057	5,347	6,633,404
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	4,884,270	574	4,884,844
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	$ 20,397,347	$ 5,921	$ 20,403,268

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2018

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2015 SPLOST					
Acquisition of Union County Community Center	$ 5,500,000	$ 5,500,000	$ 5,513,362	$ 40,744	$ 5,554,106
Administrative Facilities Upgrades, Improvements, Equipment & Vehicles	1,000,000	1,000,000	550,260	225,249	775,509
Library Upgrades, Improvements, & Equipment	100,000	100,000	48,780	13,916	62,696
Public Safety Facilities, Vehicles & Equipment	1,000,000	1,000,000	1,274,609	511,886	1,786,495
Roads, Streets & Bridges	6,000,000	6,000,000	2,688,931	1,553,529	4,242,460
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	3,400,000	3,400,000	869,643	895,587	1,765,230
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	123,475	912	124,387
Economic Development Facilities & Land Acquisition	300,000	300,000	5,319	22,116	27,435
City of Blairsville	1,500,000	1,500,000	842,807	344,704	1,187,511
Total	$ 19,000,000	$ 19,000,000	$ 11,917,186	$ 3,608,643	$ 15,525,829
Transfers to SPLOST Debt Service Fund for sinking fund requirements				1,464,000	
Interest expenditures in the SPLOST Debt Service Fund				(81,840)	
Expenditures financed by other revenues and other financing sources				84,257	
Total SPLOST IV Fund Expenditures and Transfers Out				$ 5,075,060	

* 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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