

RABUN COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2016

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RABUN COUNTY, GEORGIA
FINANCIAL REPORT
For the fiscal year ended June 30, 2016

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Independent Auditor's Report

Honorable Chairman and Members
of the Board of Commissioners
Rabun 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 Rabun County, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Rabun County Health Department, a component unit of Rabun County, Georgia, which represent 5.7 percent, 633.8 percent, and 28.8 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Rabun County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rabun County, Georgia, as of June 30, 2016, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 9 and 65 through 68, respectively, 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 Rabun County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the state reporting section with 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 financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Rabun County, Georgia's basic financial statements for the year ended June 30, 2015, which are not presented with the accompanying financial statements. In our report dated December 31, 2015, we expressed unmodified opinions on the respective 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rabun County's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the 2015 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules related to the 2015 financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2015 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2015 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016, on our consideration of Rabun County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rabun County's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 18, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Rabun County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2016. Management's discussion and analysis (MD&A) focuses on current year activities and resulting changes, please read it in conjunction with the County's financial statements.

The following is a presentation of a discussion and analysis of the County's financial condition and performance for the year ended June 30, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Rabun County's basic financial statements. Rabun County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. (Pages 10-12) The government-wide financial statements provide a broad overview of Rabun County finances in a manner similar to that of private-sector businesses. The statements include:

Statement of net position presents the County's position and liabilities, with the difference between the two reported as net position. Over time, the change in net position is an indicator of the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

Statement of activities presents the revenues and expenses of the County. The difference between these is the change in net position for the year.

Both of the government-wide financial statements identify the various functions of Rabun County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Rabun County, Georgia, include general government, judicial, health and welfare, public safety, public works, recreation and culture, and housing and development. The business-type activities of Rabun County, Georgia are its Solid Waste and Recycling operations, a Waste Water Facility, and the Rabun County Golf Club.

Government-wide financial statements. The government-wide financial statements include not only Rabun County, Georgia itself (known as the primary government), but also legally separate component units (Library, Health Department, Economic Development Authority and Building Authority) for which Rabun County, Georgia is financially accountable. Financial information for these component units is reported separately from financial information presented for the primary government itself.

Fund Financial Statements. (Pages 13-22) A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources, available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide 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 doing so, readers may better understand the long-term impact of the County's near term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, SPLOST #5 Fund, and SPLOST #6 Fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found on pages 13-18 of this report.

Proprietary funds. (Pages 19-21) The County maintains three proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses a proprietary fund to account for its solid waste operation, its waste-water facility, as well as the Golf Course. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste Fund, Waste-Water Facility Fund, and Golf Course Fund, which are major funds of the County.

Fiduciary Funds. (Page 22) 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 statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used in the government-wide financial statements.

Notes to the financial statements. (Pages 26-64) The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. (Pages 65-68) The required supplementary information includes required schedules and information on the County's defined benefit pension plan.

Other information. Following the basic financial statements is other supplementary information, which includes combining and individual fund statements and schedules that can be found on pages 69 - 111 of this report. This report also includes two schedules (pages 14 and 16), 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).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Rabun County, on an entity-wide basis, had a decrease in net position during FY 2016 of \$1,647,377, of which \$1,124,590 was a decrease in governmental activities and \$522,787 was a decrease in business-type activities. At June 30, 2016, the County had \$52,611,092 net investment in capital assets, \$5,459,751 in restricted net position, and (\$10,360,326) in unrestricted net position. The table below shows the split of net position between governmental and business-type activities for both FY 2016 and FY 2015.

RABUN COUNTY, GEORGIA'S NET POSITION
June 30, 2016 and 2015

(\$ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 25,317	\$ 27,293	\$ 887	\$ 409	\$ 26,204	\$ 27,702
Capital assets	49,464	51,283	4,791	5,962	54,255	57,245
Total assets	<u>74,781</u>	<u>78,576</u>	<u>5,678</u>	<u>6,371</u>	<u>80,459</u>	<u>84,947</u>
Deferred outflows of resources	<u>686</u>	<u>31</u>	<u>43</u>	<u>3</u>	<u>729</u>	<u>34</u>
Current liabilities	3,456	4,105	356	303	3,812	4,408
Noncurrent Liabilities	22,817	24,185	6,848	7,031	29,665	31,216
Total liabilities	<u>26,273</u>	<u>28,290</u>	<u>7,204</u>	<u>7,334</u>	<u>33,477</u>	<u>35,624</u>
Net position:						
Net Invested in capital assets	47,855	50,487	4,756	1,767	52,611	52,254
Restricted	5,460	4,229	0	0	5,460	4,229
Unrestricted	(4,121)	(4,398)	(6,239)	(2,727)	(10,360)	(7,125)
Total net position	<u>\$ 49,194</u>	<u>\$ 50,318</u>	<u>\$ (1,483)</u>	<u>\$ (960)</u>	<u>\$ 47,711</u>	<u>\$ 49,358</u>

RABUN COUNTY GEORGIA'S CHANGES IN NET POSITION
FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

(\$ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program revenues						
Charges for services	\$ 2,130	\$ 2,135	\$ 970	\$ 1,026	\$ 3,100	\$ 3,161
Operating grants and contributions	778	575	0	0	778	575
Capital grants and contributions	189	465	0	0	189	465
General revenues						
Taxes	19,721	20,184	0	0	19,721	20,184
Interest	30	58	1	1	31	59
Other	5	43	0	2	5	45
Total revenues	<u>22,853</u>	<u>23,460</u>	<u>971</u>	<u>1,029</u>	<u>23,824</u>	<u>24,489</u>
EXPENSES						
Program Expenses:						
General Government	2,416	2,221	0	0	2,416	2,221
Judicial	1,078	1,022	0	0	1,078	1,022
Public Safety	8,904	8,517	0	0	8,904	8,517
Public Works	3,731	4,204	0	0	3,731	4,204
Health and Welfare	1,136	1,168	0	0	1,136	1,168
Culture and Recreation	1,341	1,287	0	0	1,341	1,287
Housing and Development	1,235	893	0	0	1,235	893
Interest and paying agent fees	238	272	0	0	238	272
Solid Waste	0	0	1,276	1,181	1,276	1,181
Waste-Water Facility	0	0	3,821	629	3,821	629
Golf Course	0	0	295	285	295	285
Total expenses	<u>20,079</u>	<u>19,584</u>	<u>5,392</u>	<u>2,095</u>	<u>25,471</u>	<u>21,679</u>
Excess (Deficiency) before transfers	2,774	3,876	(4,421)	(1,066)	(1,647)	2,810
Transfers In (Out)	(3,898)	(1,398)	3,898	1,398	0	0
Increase (Decrease) in net position	<u>(1,124)</u>	<u>2,478</u>	<u>(523)</u>	<u>332</u>	<u>(1,647)</u>	<u>2,810</u>
Net position, beginning (original)	50,318	50,740	(960)	(1,124)	49,358	49,616
Prior period adjustment	0	(2,900)	0	(168)	0	(3,068)
Net position, beginning (restated)	<u>50,318</u>	<u>47,840</u>	<u>(960)</u>	<u>(1,292)</u>	<u>49,358</u>	<u>46,548</u>
Net position, ending	<u>\$ 49,194</u>	<u>\$ 50,318</u>	<u>\$ (1,483)</u>	<u>\$ (960)</u>	<u>\$ 47,711</u>	<u>\$ 49,358</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows and outflows of spendable resources. Such information is useful in evaluating a government's near-term financing requirements.

Governmental revenues decreased approximately \$604,000 from FY 2015. Taxes decreased approximately \$501,000 and intergovernmental revenues decreased approximately \$68,000 (primarily due to PY road maintenance grants received).

Tax revenues totaled \$19,742,545, consisting of \$15,289,672 in property taxes and \$3,157,216 in special purpose local option sales tax.

Expenditures in the governmental funds totaled \$20,143,578, a \$2,113,550 decrease from FY 2015. The primary cause of the decrease was a significant decrease in capital outlay.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. In addition, the Board of Commissioners approved several adjustments to prevent budget overruns. The following highlights the differences between the original and final budget amounts:

The budget for total revenues increased \$1,412,850 and the budget for total expenditures increased \$781,952.

The County finished FY 2016 with revenues less than budgeted of \$602,959. However, expenditures also came in under budget by \$1,327,240. Property tax revenues were under budget by \$488,325 and fines and forfeitures were under budget by \$58,637. General government expenditures were under budget by \$332,554 and public safety expenditures were under budget by \$657,938

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets. Rabun County's government-wide investment in capital assets at June 30, 2016 was \$98,266,399, net of \$44,011,559 in accumulated depreciation. The investment, which includes land, buildings, roads, bridges, machinery and equipment, park facilities and vehicles, is discussed in more detail in Note 8 on pages 45 - 47. Capital asset additions in FY 2016 were approximately \$3,381,000.

Major capital asset activity in FY 2016 was as follows:

The County purchased substantial vehicles and equipment, continued construction of the expansion of the landfill (approximately \$289,000), and continued construction on the potable water plant and sewer lines (approximately \$1,989,300).

Long-term debt. At June 30, 2016, Rabun County had \$29,616,268 in debt including bonds and notes payable, landfill closure/postclosure care costs, and guarantee obligations; this is a decrease in total of \$2,160,436 from FY 2015. The decrease in debt was due to principal payments of debt during fiscal year 2016. Additional information on the County's long-term debt can be found in Note 10 found on pages 48 - 51.

ECONOMIC FACTORS AND THE 2017 BUDGET

The economy in the County seems to be steady; for example, the un-employment rate in the County of 5.7% is in line with the State average. The County will adhere to strict budget controls for FY 2017.

We have plans of using \$2,100,000 of fund balance to acquire capital assets such as new dump trucks for our Road Department, a new fire truck, a new building for Grounds and Maintenance, a new Coroner Building, a new Golf Club Facility, a new Farmer's market pavillion, a new outdoor amphitheater and various other smaller equipment.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Rabun County's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Clerk to the Commission at 25 Courthouse Square, Suite 201 Clayton, GA 30525.

BASIC FINANCIAL STATEMENTS

RABUN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 16,640,470	\$ 828,657	\$ 17,469,127	\$ 1,791,539
Certificates of deposit	2,105,808	0	2,105,808	16,206
Restricted assets				
Cash and cash equivalents	5,329,135	0	5,329,135	706,393
Receivables (net)				
Accounts	282,922	58,374	341,296	33,939
Intergovernmental	62,143	0	62,143	3,328
Taxes	498,120	0	498,120	0
Notes	0	0	0	25,616
Prepays	398,347	0	398,347	1,500
Total current assets	<u>25,316,945</u>	<u>887,031</u>	<u>26,203,976</u>	<u>2,578,521</u>
Noncurrent assets				
Capital assets				
Non-depreciable	2,919,581	3,949,941	6,869,522	1,263,423
Depreciable (net)	46,544,037	841,281	47,385,318	11,868,827
Other assets				
Notes receivable	0	0	0	221,383
Investment in joint venture	0	0	0	10,001
Total noncurrent assets	<u>49,463,618</u>	<u>4,791,222</u>	<u>54,254,840</u>	<u>13,363,634</u>
Total assets	<u>74,780,563</u>	<u>5,678,253</u>	<u>80,458,816</u>	<u>15,942,155</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	53,490	3,386	56,876	0
Pension investment return differences	367,162	23,166	390,328	0
Pension assumption changes	265,047	16,778	281,825	0
Deferred outflows of resources, net	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,585</u>
Total deferred outflows of resources	<u>685,699</u>	<u>43,330</u>	<u>729,029</u>	<u>120,585</u>
LIABILITIES				
Current liabilities				
Payables				
Accounts	417,664	64,696	482,360	10,348
Interest	18,313	13,773	32,086	0
Accrued salaries and expenses	183,968	19,465	203,433	0
Compensated absences	365,347	33,200	398,547	23,369
Guarantee obligation	980,771	0	980,771	0
Notes payable	0	170,994	170,994	0
Bonds payable	1,490,000	0	1,490,000	370,000
Closure/post-closure care	0	54,122	54,122	0
Liabilities payable from restricted assets				
Payables				
Customer deposits	0	0	0	30,230
Interest	0	0	0	306,163
Total current liabilities	<u>3,456,063</u>	<u>356,250</u>	<u>3,812,313</u>	<u>740,110</u>

RABUN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	\$ 0	\$ 0	\$ 0	\$ 22,453
Net pension liability	2,585,361	159,073	2,744,434	0
Proportionate share of net pension liability	0	0	0	560,106
Guarantee obligation	15,103,372	0	15,103,372	0
Notes payable	0	3,860,083	3,860,083	0
Bonds payable	5,127,862	0	5,127,862	14,747,593
Closure/post-closure care	0	2,829,064	2,829,064	0
Total noncurrent liabilities	22,816,595	6,848,220	29,664,815	15,330,152
Total liabilities	26,272,658	7,204,470	33,477,128	16,070,262
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources, net	0	0	0	52,246
NET POSITION				
Net investment in capital assets	47,854,916	4,756,176	52,611,092	(1,985,343)
Restricted for:				
Judicial	102,887	0	102,887	0
Public safety	236,622	0	236,622	0
Health and welfare	105,194	0	105,194	4,673
Capital outlay	5,015,248	0	5,015,248	0
Debt service	0	0	0	360,004
Unrestricted	(4,121,263)	(6,239,063)	(10,360,326)	1,560,898
Total net position	\$ 49,193,604	\$ (1,482,887)	\$ 47,710,717	\$ (59,768)

RABUN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General Government	\$ 2,416,229	\$ 53,251	\$ 325,500	\$ 0	\$ (2,037,478)
Judicial	1,078,138	61,057	7,325	0	(1,009,756)
Public Safety	8,904,265	1,723,941	80,388	22,953	(7,076,983)
Public Works	3,730,398	670	233,186	129,312	(3,367,230)
Health and Welfare	1,135,491	52,828	132,291	36,668	(913,704)
Culture and Recreation	1,341,117	203,943	0	0	(1,137,174)
Housing and Development	1,235,251	33,908	0	0	(1,201,343)
Interest on long-term debt	238,060	0	0	0	(238,060)
Total governmental activities	20,078,949	2,129,598	778,690	188,933	(16,981,728)
Business-type activities					
Solid Waste	1,276,579	519,624	0	0	(756,955)
Waste-Water Facility	3,820,891	343,171	0	0	(3,477,720)
Golf Course	294,987	107,452	0	0	(187,535)
Total business-type activities	5,392,457	970,247	0	0	(4,422,210)
Total primary government	25,471,406	3,099,845	778,690	188,933	(21,403,938)
Component Units					
Rabun County Library					
Culture and Recreation	327,017	22,889	15,275	0	(288,853)
Rabun County Health Department					
Health and Welfare	669,118	380,761	204,246	0	(84,111)
Rabun County Economic Development Authority					
Housing and Development	1,487,159	0	0	0	(1,487,159)
Rabun County Building Authority					
Housing and Development	0	0	0	0	0
Total component units	2,483,294	403,650	219,521	0	(1,860,123)
Primary Government					
	Governmental Activities	Business-Type Activities	Total	Component Units	
Change in net position					
Net (expense) revenue	\$ (16,981,728)	\$ (4,422,210)	\$ (21,403,938)	\$ (1,860,123)	
General revenues					
Taxes					
Property	15,273,595	0	15,273,595	0	
Sales	3,157,216	0	3,157,216	0	
Insurance premium	626,812	0	626,812	0	
Other	662,877	0	662,877	0	
Interest and investment earnings	29,464	1,249	30,713	10,422	
Rental income	0	0	0	462,646	
Payments from Rabun County	0	0	0	1,796,211	
Miscellaneous	5,348	0	5,348	7,309	
Transfers	(3,898,174)	3,898,174	0	0	
Total general revenues and transfers	15,857,138	3,899,423	19,756,561	2,276,588	
Change in net position	(1,124,590)	(522,787)	(1,647,377)	416,465	
Net position - beginning	50,318,194	(960,100)	49,358,094	(476,233)	
Net position - ending	\$ 49,193,604	\$ (1,482,887)	\$ 47,710,717	\$ (59,768)	

RABUN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	<u>General</u>	<u>SPLOST #5</u>	<u>SPLOST #6</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 10,831,449	\$ 1,509,309	\$ 3,427,031	\$ 872,681	\$ 16,640,470
Certificates of deposit	2,105,808	0	0	0	2,105,808
Restricted Assets					
Cash and cash equivalents	105,194	0	5,223,941	0	5,329,135
Receivables (net)					
Accounts	209,625	0	0	73,297	282,922
Intergovernmental	54,196	0	0	7,947	62,143
Taxes	109,831	0	323,095	65,194	498,120
Prepays	398,347	0	0	0	398,347
Total assets	<u>\$ 13,814,450</u>	<u>\$ 1,509,309</u>	<u>\$ 8,974,067</u>	<u>\$ 1,019,119</u>	<u>\$ 25,316,945</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 168,043	\$ 0	\$ 244,187	\$ 5,434	\$ 417,664
Accrued salaries and expenses	169,220	0	0	14,748	183,968
Total liabilities	<u>337,263</u>	<u>0</u>	<u>244,187</u>	<u>20,182</u>	<u>601,632</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	38,941	0	0	0	38,941
Fund balances					
Nonspendable prepaids	398,347	0	0	0	398,347
Restricted for:					
Judicial	0	0	0	102,887	102,887
Public safety	0	0	0	236,622	236,622
Health and welfare	105,194	0	0	0	105,194
Capital outlay	0	1,509,309	8,729,880	0	10,239,189
Assigned to:					
Public safety	0	0	0	572,260	572,260
Housing and development	0	0	0	87,168	87,168
Unassigned	12,934,705	0	0	0	12,934,705
Total fund balances	<u>13,438,246</u>	<u>1,509,309</u>	<u>8,729,880</u>	<u>998,937</u>	<u>24,676,372</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 13,814,450</u>	<u>\$ 1,509,309</u>	<u>\$ 8,974,067</u>	<u>\$ 1,019,119</u>	<u>\$ 25,316,945</u>

RABUN COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2016

Total fund balance - total governmental funds	\$ 24,676,372
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of \$92,181,653 net of accumulated depreciation of (\$42,718,035) are not financial resources and, therefore, are not reported in the funds.	49,463,618
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the fund. These are deferred property taxes.	38,941
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:	
Deferred outflows of resources:	
Pension experience differences	53,490
Pension investment return differences	367,162
Pension assumption changes	265,047
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are guarantee obligation of (\$16,084,143), bonds payable of (\$6,617,862), interest payable of (\$18,313), compensated absences of (\$365,347), and net pension liability (\$2,585,361).	<u>(25,671,026)</u>
Net position of governmental activities	<u><u>\$ 49,193,604</u></u>

RABUN COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2016

	General	SPLOST #5	SPLOST #6	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 16,350,742	\$ 0	\$ 3,157,216	\$ 234,587	\$ 19,742,545
Licenses and permits	61,393	0	0	0	61,393
Fines, fees and forfeitures	395,213	0	0	112,731	507,944
Charges for services	1,193,549	0	0	360,745	1,554,294
Intergovernmental	832,042	0	0	0	832,042
Interest	27,558	4,170	17,475	1,906	51,109
Contributions	6,268	0	0	0	6,268
Other	4,348	0	0	1,000	5,348
Total revenues	18,871,113	4,170	3,174,691	710,969	22,760,943
EXPENDITURES					
Current					
General Government	2,510,409	0	0	0	2,510,409
Judicial	1,051,761	0	0	24,329	1,076,090
Public Safety	7,474,263	0	0	957,885	8,432,148
Public Works	1,987,891	0	0	0	1,987,891
Health and Welfare	1,087,583	0	0	0	1,087,583
Culture and Recreation	1,051,677	0	0	0	1,051,677
Housing and Development	1,445,132	0	0	195,000	1,640,132
Capital outlay	0	269,933	401,040	0	670,973
Debt service	0	0	1,686,675	0	1,686,675
Total expenditures	16,608,716	269,933	2,087,715	1,177,214	20,143,578
Excess (deficiency) of revenues over (under) expenditures	2,262,397	(265,763)	1,086,976	(466,245)	2,617,365
Other financing sources (uses)					
Transfers in	0	0	0	642,636	642,636
Transfers out	(2,551,468)	0	(1,989,342)	0	(4,540,810)
Proceeds from sale of assets	5,751	0	0	0	5,751
Total other financing sources (uses)	(2,545,717)	0	(1,989,342)	642,636	(3,892,423)
Net change in fund balance	(283,320)	(265,763)	(902,366)	176,391	(1,275,058)
Fund balances, July 1	13,721,566	1,775,072	9,632,246	822,546	25,951,430
Fund balances, June 30	\$ 13,438,246	\$ 1,509,309	\$ 8,729,880	\$ 998,937	\$ 24,676,372

RABUN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2016

Net change in fund balances - total governmental funds \$ (1,275,058)

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. This is the amount by which depreciation expense of (\$2,841,638) exceeded capital outlays of \$1,051,370 in the current period.	(1,790,268)
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balance by the cost of the assets sold of (\$115,041), net of related accumulated depreciation of \$86,092.	(28,949)
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.	(16,077)
The proceeds of debt issuance 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. This is the amount of decrease in guarantee obligation of \$433,523, debt repayments of \$1,445,000, and bond premium amortization of \$107,667.	1,986,190
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions is reported as pension expense. This is the amount by which the cost of benefits earned, net of employee contributions of (\$530,547) exceeded pension contributions of \$522,786.	(7,761)
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. These include the net decrease in compensated absences of \$3,718 and the net decrease in interest payable of \$3,615.	<u>7,333</u>
Change in net position of governmental activities	<u><u>\$ (1,124,590)</u></u>

RABUN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 16,296,497	\$ 16,824,447	\$ 16,350,742	\$ (473,705)
Licenses and permits	52,575	61,575	61,393	(182)
Fines, fees and forfeitures	405,650	453,850	395,213	(58,637)
Charges for services	1,070,450	1,246,950	1,193,549	(53,401)
Intergovernmental	199,350	831,850	832,042	192
Interest	25,000	36,400	27,558	(8,842)
Contributions	1,200	7,500	6,268	(1,232)
Other	10,500	11,500	4,348	(7,152)
Total revenues	18,061,222	19,474,072	18,871,113	(602,959)
EXPENDITURES				
Current				
General Government				
General Administration	296,741	558,189	548,569	9,620
Elections	132,371	132,371	118,417	13,954
Board of Commissioners	532,936	593,301	552,571	40,730
Tax Commissioner	332,308	333,829	309,952	23,877
Tax Assessors	332,410	347,720	335,764	11,956
Buildings and Properties	706,203	877,553	645,136	232,417
Judicial				
Clerk of Court	375,997	377,799	346,747	31,052
Probate Court	262,902	265,702	249,617	16,085
Administration of Justice	298,672	327,039	308,408	18,631
District Attorney	139,840	151,240	146,989	4,251
Public Safety				
Sheriff	1,797,818	1,839,608	1,719,815	119,793
Rabun County Jail	1,905,787	1,914,607	1,832,878	81,729
Coroner	16,576	18,926	17,259	1,667
Emergency Management Agency	123,580	166,065	160,432	5,633
Fire Department	1,136,816	1,144,676	843,517	301,159
County Marshal	294,674	295,333	284,699	10,634
E911 Mapping & Addressing	155,555	312,450	301,278	11,172
Drug Task Force	50,961	57,061	23,591	33,470
Emergency Medical Service	2,165,625	2,234,925	2,142,491	92,434
Boggs Mountain Animal Shelter	148,550	148,550	148,303	247
Public Works				
Roads and Bridges	1,938,666	1,961,466	1,858,891	102,575
Water and Sewer Authority	129,000	129,000	129,000	0
Health and Welfare				
Public Health	301,928	292,928	291,735	1,193
Public Welfare	52,000	52,000	41,042	10,958
Program on Aging	649,309	667,193	647,556	19,637
Court Appointed Special Advocates	7,500	7,500	7,500	0
F.A.I.T.H.	99,750	99,750	99,750	0
Culture and Recreation				
Civic Center	68,384	78,099	66,815	11,284
Recreation	626,461	639,356	599,952	39,404
Rabun Arena	147,745	148,545	110,838	37,707
Rabun County Library	276,732	276,732	268,517	8,215
Rabun County Historical Society	5,700	5,700	5,555	145

RABUN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
Housing and Development				
Extension Service	\$ 38,795	\$ 38,345	\$ 31,925	\$ 6,420
Planning Commission	71,899	72,639	70,703	1,936
Rabun County Economic Development Authority	1,519,259	1,355,564	1,330,070	25,494
Soil Erosion Control	14,554	14,195	12,434	1,761
Total expenditures	17,154,004	17,935,956	16,608,716	1,327,240
Excess (deficiency) of revenues over (under) expenditures	907,218	1,538,116	2,262,397	724,281
Other financing sources (uses)				
Transfers in	0	0	16,168	16,168
Transfers out	(2,107,218)	(2,545,468)	(2,567,636)	(22,168)
Sale of capital assets	0	5,800	5,751	(49)
Contingency	(250,000)	(6,148)	0	6,148
Total other financing sources (uses)	(2,357,218)	(2,545,816)	(2,545,717)	99
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,450,000)	(1,007,700)	(283,320)	724,380
Fund balances, July 1	1,450,000	1,007,700	13,721,566	12,713,866
Fund balances, June 30	\$ 0	\$ 0	\$ 13,438,246	\$ 13,438,246

RABUN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Business-Type Activities			Totals
	Solid Waste	Waste-Water Facility	Golf Course	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 508,574	\$ 190,599	\$ 129,484	\$ 828,657
Accounts receivables (net)	57,987	387	0	58,374
Total current assets	566,561	190,986	129,484	887,031
Noncurrent assets				
Capital assets				
Non-depreciable	1,407,079	2,523,062	19,800	3,949,941
Depreciable (net)	799,730	0	41,551	841,281
Total noncurrent assets	2,206,809	2,523,062	61,351	4,791,222
Total assets	2,773,370	2,714,048	190,835	5,678,253
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	2,039	0	1,347	3,386
Pension investment return differences	14,005	0	9,161	23,166
Pension assumption changes	10,105	0	6,673	16,778
Total deferred outflows of resources	26,149	0	17,181	43,330
LIABILITIES				
Current liabilities				
Payables				
Accounts	59,557	4,744	395	64,696
Interest	0	13,773	0	13,773
Accrued salaries and expenses	14,753	0	4,712	19,465
Compensated absences	17,763	0	15,437	33,200
Notes payable	0	170,994	0	170,994
Closure/post-closure care	54,122	0	0	54,122
Total current liabilities	146,195	189,511	20,544	356,250
Noncurrent liabilities				
Net pension liability	98,987	0	60,086	159,073
Notes payable	0	3,860,083	0	3,860,083
Closure/post-closure care	2,829,064	0	0	2,829,064
Total noncurrent liabilities	2,928,051	3,860,083	60,086	6,848,220
Total liabilities	3,074,246	4,049,594	80,630	7,204,470
NET POSITION				
Net investment in capital assets	2,171,763	2,523,062	61,351	4,756,176
Unrestricted	(2,446,490)	(3,858,608)	66,035	(6,239,063)
Total net position	\$ (274,727)	\$ (1,335,546)	\$ 127,386	\$ (1,482,887)

RABUN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2016

	Business-Type Activities			Totals
	Solid Waste	Waste-Water Facility	Golf Course	
OPERATING REVENUES				
Charges for sales and services	\$ 519,624	\$ 343,171	\$ 107,452	\$ 970,247
Total operating revenues	<u>519,624</u>	<u>343,171</u>	<u>107,452</u>	<u>970,247</u>
OPERATING EXPENSES				
Costs of sales and services	509,647	153,400	62,729	725,776
Personal services	681,788	93,300	222,165	997,253
Depreciation	85,144	122,751	10,093	217,988
Total operating expenses	<u>1,276,579</u>	<u>369,451</u>	<u>294,987</u>	<u>1,941,017</u>
Operating income (loss)	<u>(756,955)</u>	<u>(26,280)</u>	<u>(187,535)</u>	<u>(970,770)</u>
Non-operating revenues (expenses)				
Interest revenue	672	318	259	1,249
Interest expense	0	(168,381)	0	(168,381)
Distributions of capital assets	0	(3,283,059)	0	(3,283,059)
Total non-operating revenues (expenses)	<u>672</u>	<u>(3,451,122)</u>	<u>259</u>	<u>(3,450,191)</u>
Net income (loss) before transfers	(756,283)	(3,477,402)	(187,276)	(4,420,961)
Transfers in (out)				
Transfers in	1,245,047	2,416,596	236,531	3,898,174
Change in net position	488,764	(1,060,806)	49,255	(522,787)
Net position, July 1	(763,491)	(274,740)	78,131	(960,100)
Net position, June 30	<u>\$ (274,727)</u>	<u>\$ (1,335,546)</u>	<u>\$ 127,386</u>	<u>\$ (1,482,887)</u>

RABUN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2016

	Business-Type Activities			Totals
	Solid Waste	Waste-Water Facility	Golf Course	
Cash flows from operating activities:				
Receipts from customers	\$ 497,812	\$ 342,784	\$ 107,452	\$ 948,048
Payments to suppliers	(508,153)	(149,215)	(62,620)	(719,988)
Payments to employees	(683,122)	(141,372)	(219,578)	(1,044,072)
Net cash provided (used) by operating activities	<u>(693,463)</u>	<u>52,197</u>	<u>(174,746)</u>	<u>(816,012)</u>
Cash flows from non-capital financing activities:				
Receipts from other funds	<u>1,245,047</u>	<u>427,254</u>	<u>236,531</u>	<u>1,908,832</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(281,906)	(2,004,842)	(8,000)	(2,294,748)
Receipts from other funds	0	1,989,342	0	1,989,342
Interest payments	0	(168,942)	0	(168,942)
Principal payments - notes payable	0	(164,136)	0	(164,136)
Net cash provided (used) by capital and related financing activities	<u>(281,906)</u>	<u>(348,578)</u>	<u>(8,000)</u>	<u>(638,484)</u>
Cash flows from investing activities:				
Interest received	<u>672</u>	<u>318</u>	<u>259</u>	<u>1,249</u>
Net increase (decrease) in cash and cash equivalents	270,350	131,191	54,044	455,585
Cash and cash equivalents, July 1	<u>238,224</u>	<u>59,408</u>	<u>75,440</u>	<u>373,072</u>
Cash and cash equivalents, June 30	<u><u>\$ 508,574</u></u>	<u><u>\$ 190,599</u></u>	<u><u>\$ 129,484</u></u>	<u><u>\$ 828,657</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (756,955)	\$ (26,280)	\$ (187,535)	\$ (970,770)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	85,144	122,751	10,093	217,988
Closure/postclosure care costs	(10,110)	0	0	(10,110)
(Increase) decrease in accounts receivable	(21,812)	(387)	0	(22,199)
(Increase) decrease in pension experience differences	(2,039)	0	(1,347)	(3,386)
(Increase) decrease in pension investment return differences	(12,780)	644	(8,438)	(20,574)
(Increase) decrease in pension assumption changes	(10,105)	0	(6,673)	(16,778)
Increase (decrease) in accounts payable	11,684	4,185	141	16,010
Increase (decrease) in intergovernmental payable	(80)	0	(32)	(112)
Increase (decrease) in accrued payroll liabilities	(148)	(9,192)	3,370	(5,970)
Increase (decrease) in net pension liability	<u>23,738</u>	<u>(39,524)</u>	<u>15,675</u>	<u>(111)</u>
Total adjustments	<u>63,492</u>	<u>78,477</u>	<u>12,789</u>	<u>154,758</u>
Net cash provided (used) by operating activities	<u><u>\$ (693,463)</u></u>	<u><u>\$ 52,197</u></u>	<u><u>\$ (174,746)</u></u>	<u><u>\$ (816,012)</u></u>

Noncash capital and related financing activities:

Distributions of capital assets to other governments totaled \$3,828,148 with related accumulated depreciation totaling \$545,089.
Acquisitions of capital assets through accounts payable totaled \$35,046.

RABUN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2016

	Agency Funds
ASSETS	
Cash	\$ 959,746
Taxes receivable, net	306,206
Total assets	\$ 1,265,952
 LIABILITIES	
Due to other agencies	\$ 1,265,952

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2016

	<u>Rabun County Library</u>	<u>Rabun County Health Department</u>	<u>Rabun County Economic Development Authority</u>	<u>Rabun County Building Authority</u>	<u>Totals</u>
ASSETS					
Current assets					
Cash and cash equivalents	\$ 53,728	\$ 879,471	\$ 852,723	\$ 5,617	\$ 1,791,539
Certificates of deposit	16,206	0	0	0	16,206
Restricted cash and cash equivalents	0	0	706,393	0	706,393
Receivables (net)					
Accounts	0	33,644	295	0	33,939
Intergovernmental	0	3,328	0	0	3,328
Notes	0	0	25,616	0	25,616
Prepaid items	1,500	0	0	0	1,500
Total current assets	71,434	916,443	1,585,027	5,617	2,578,521
Noncurrent assets					
Capital assets					
Non-depreciable	0	0	1,263,423	0	1,263,423
Depreciable (net)	191,611	0	11,677,216	0	11,868,827
Notes receivable	0	0	221,383	0	221,383
Investment in joint venture	0	0	10,001	0	10,001
Total noncurrent assets	191,611	0	13,172,023	0	13,363,634
Total assets	263,045	916,443	14,757,050	5,617	15,942,155
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources, net	0	120,585	0	0	120,585
LIABILITIES					
Current liabilities					
Accounts payable	2,492	0	7,856	0	10,348
Compensated absences	0	23,369	0	0	23,369
Bonds payable	0	0	370,000	0	370,000
Liabilities payable from restricted assets					
Payables					
Customer deposits	0	0	30,230	0	30,230
Interest	0	0	306,163	0	306,163
Total current liabilities	2,492	23,369	714,249	0	740,110
Noncurrent liabilities					
Compensated absences	0	22,453	0	0	22,453
Proportionate share of net pension liability	0	560,106	0	0	560,106
Bonds payable	0	0	14,747,593	0	14,747,593
Total noncurrent liabilities	0	582,559	14,747,593	0	15,330,152
Total liabilities	2,492	605,928	15,461,842	0	16,070,262

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2016

	<u>Rabun County Library</u>	<u>Rabun County Health Department</u>	<u>Rabun County Economic Development Authority</u>	<u>Rabun County Building Authority</u>	<u>Totals</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources, net	\$ 0	\$ 52,246	\$ 0	\$ 0	\$ 52,246
NET POSITION					
Net investment in capital assets	191,611	0	(2,176,954)	0	(1,985,343)
Restricted for:					
Health and welfare	0	4,673	0	0	4,673
Debt service	0	0	360,004	0	360,004
Unrestricted	68,942	374,181	1,112,158	5,617	1,560,898
Total net position	<u>\$ 260,553</u>	<u>\$ 378,854</u>	<u>\$ (704,792)</u>	<u>\$ 5,617</u>	<u>\$ (59,768)</u>

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended June 30, 2016

	Rabun County Library	Rabun County Health Department	Rabun County Economic Development Authority	Rabun County Building Authority	Totals
Expenses					
Health and Welfare	\$ 0	\$ 669,118	\$ 0	\$ 0	\$ 669,118
Culture and Recreation	327,017	0	0	0	327,017
Housing and Development	0	0	1,487,159	0	1,487,159
Total expenses	<u>327,017</u>	<u>669,118</u>	<u>1,487,159</u>	<u>0</u>	<u>2,483,294</u>
Program revenues					
Charges for services	22,889	380,761	0	0	403,650
Operating grants and contributions	15,275	204,246	0	0	219,521
Total program revenues	<u>38,164</u>	<u>585,007</u>	<u>0</u>	<u>0</u>	<u>623,171</u>
Net (expense) revenue	<u>(288,853)</u>	<u>(84,111)</u>	<u>(1,487,159)</u>	<u>0</u>	<u>(1,860,123)</u>
General revenues					
Interest	41	0	10,357	24	10,422
Rental income	0	0	462,646	0	462,646
Payments from Rabun County	252,151	250,686	1,293,374	0	1,796,211
Miscellaneous	7,009	0	300	0	7,309
Total general revenues	<u>259,201</u>	<u>250,686</u>	<u>1,766,677</u>	<u>24</u>	<u>2,276,588</u>
Change in net position	(29,652)	166,575	279,518	24	416,465
Net position - beginning	290,205	212,279	(984,310)	5,593	(476,233)
Net position - ending	<u>\$ 260,553</u>	<u>\$ 378,854</u>	<u>\$ (704,792)</u>	<u>\$ 5,617</u>	<u>\$ (59,768)</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

1. Description of Government Unit

Rabun County, Georgia (the County) is located in the foothills of the Georgia mountains about seventy-five miles northeast of Atlanta.

The County provides a full range of governmental services, including public safety, health and welfare services, recreational programs, public works, water and sewer services, and solid waste services.

The government is governed by an elected five member commission and four Constitutional Officers; Tax Commissioner, Magistrate Judge, Probate Judge, Sheriff, and Clerk of Superior Court.

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 Rabun 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 their operational and financial relationship with the County.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

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

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

Rabun County Library – The Rabun County Library is a member of the Northeast Georgia Regional Library System which also includes the counties of Rabun, Stephens, and White. The system is governed by the Regional Board of Trustees and each affiliated County has a County Board of Trustees. The Rabun County Library's Board of Trustees are appointed by the Board of Commissioners of Rabun County. Rabun County primarily funds the Library and approves its budgets. Complete financial statements can be obtained from the administrative offices of the Rabun County Library, 73 Jo Dotson Circle, Clayton, GA 30525.

Rabun County Health Department – The Rabun County Health Department was established as a legally separate entity and operates pursuant to the Georgia Health Code 88-2, Georgia Laws 1964. The District Health Director is the Executive Officer of the Rabun County Health Department and is responsible for the overall coordination of the local health activities. The Rabun County Health Department is funded by the State and County under the Grant-in-Aid provisions, and operated under the supervision of the local Board of Health. Complete financial statements can be obtained from the administrative offices of the Rabun County Health Department, 184 South Main Street, Clayton, GA 30525.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Rabun County Economic Development Authority – The Rabun County Development Authority was created by an act of the Georgia Assembly on March 19, 1992. The purpose of the Development Authority is to provide for the economic development of Rabun County; to promote for the public good and general welfare infrastructure, trade, commerce, business, industry, research, training support services, eleemosynary institutions, and employment opportunities. Governing the Authority is a Board in which the majority is appointed by the Rabun County Board of Commissioners. Rabun County funds the operation of the Authority when required. Separate financial statements are not issued.

Rabun County Building Authority – The Rabun County Building Authority was created on March 30, 1994 by an act of the Georgia Assembly (HB No. 2011). The Act authorizes the Building Authority to acquire, construct, and equip self-liquidating projects, including, but not limited to, buildings, sanitary and surface water sewers, streets, roads and public facilities of every nature, type and character, for use by Rabun County for its governmental, proprietary, public and administrative functions. Rabun County is granted the right and power by proper resolution of its governing authority to sell or lease to the Authority lands and buildings owned by it, to borrow money for any of its corporate purposes, to issue revenue bonds payable solely from funds pledged for that purpose and provide for the payment of the same for the rights of the holders thereof, among other provisions of the “Act”. The Authority is governed by a five member Board of Directors all of whom are appointed for three year terms by the Rabun County Board of Commissioners. Separate financial statements are not issued.

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.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements, continued

As discussed earlier, the government has three 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.

Special Purpose Local Option Sales Tax #5 Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of capital facilities financed by special purpose local option sales taxes.

Special Purpose Local Option Sales Tax #6 Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of capital facilities financed by special purpose local option sales taxes.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

The County reports the following major proprietary funds:

Solid Waste Fund – This fund is used to account for the activities of solid waste disposal and recycling programs for Rabun County.

Waste-Water Facility Fund – This fund is used to account for activities connected with the waste water and water treatment facility of Rabun County.

Golf Course Fund – This fund accounts for the operations of the County owned golf facility. Rabun County purchased the Golf Course on July 1, 2009.

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

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).

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 either for the County or for others.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Component Units

The Rabun County Library, Rabun County Health Department, Rabun County Economic Development Authority, and Rabun County Building Authority are accounted for using a current financial resources measurement focus and use the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989, are generally followed in the governmental and business type activities and enterprise fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option for following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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 and DCAR GIS 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.

The Board of Commissioners adopts an annual budget for all governmental fund types, prior to July 1, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the Board of Commissioners when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted at a public meeting.

Each year in April, a Budget Committee consisting of the Board of Commissioners, the County Manager, and the Financial Director prepare the proposed budget. Budget requests from the various County departments are presented to this committee for consideration. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Rabun County.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

These hearings are publicized in the local newspaper for at least one week before the hearings, and the budget document is made available for public inspection during this time.

The final proposed budget is presented at a Board of Commissioners meeting for final passage prior to July 1.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Any changes in total departmental expenditures/expenses, personnel benefits, or capital purchases must be approved by the Board of Commissioners.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control which is the department, sub-department, or project level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year end. The County does not use the encumbrance system of accounting.

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 market 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.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items.

K. 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.

GASB Statement No. 34 required the County to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical costs nor related depreciation had historically been reported in the financial statements. The County has previously implemented the requirements for retroactive reporting of major general infrastructure assets acquired in 1981 forward. The County elected not to report general infrastructure assets placed into service prior to July 1, 1980.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at acquisition value.

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

	Useful Life in Years	Capitalization Threshold
Land	N/A	\$ 1
Buildings and improvements	7-40	\$ 5,000
Land Improvements	15	\$ 5,000
Machinery and Equipment	7-10	\$ 5,000
Furniture and Fixtures	7	\$ 5,000
Vehicles	5-10	\$ 5,000
Computer Equipment and Software	3-5	\$ 5,000
Distribution System	50	\$ 5,000
Infrastructure	15-50	\$ 50,000

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

K. Capital Assets, continued

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

L. 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. The County reports deferred outflow of resource for deferred charges on bond refunding and their defined benefit pension plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 government has one type of item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to their defined benefit pension plans.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

M. 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.

N. 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.

O. 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.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds

Rabun County implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. 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 in spendable form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at June 30, 2016 by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision making authority. The Board of Commissioners (the County's highest level of authority) has authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance requires the passage of a resolution. The passage of the resolution must take place prior to the end of the applicable fiscal year. If the actual amount of the commitment is not available by the end of the fiscal year, the resolution, must state the process or formula to calculate the actual amount as soon as information is available. Commitments may be changed or lifted only by the Board taking the same formal action that imposed the constraint originally.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds, continued

Assigned – includes amounts that are intended to be used by the County for a specific purpose. Intent can only be expressed by the Board of Commissioners or their designee. An assignment of fund balance requires the majority vote of the Board. However, the Board has authorized the County Manager or designee to automatically assign fund balance in the following situations:

- If upon passage of a budget resolution, any fund balance is used to balance a future budget, the amount used will be automatically recorded as assigned fund balance.
- If any unspent funds for an ongoing capital project or donations for a specific purpose remain at fiscal year end, these funds will be automatically recorded as assigned fund balance until the project is complete or the donation has been spent for its intended purpose.
- If any residual fund balance exists in a special revenue fund, they will be automatically recorded as Assigned Fund Balance.

The County Manager has determined that all equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

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. The General Fund is the only fund that should report this category of fund balance.

The County will make every effort to use unassigned funds following purposes (listed in order of priority):

- To address unexpected revenue shortfalls or expenditures encountered in the current fiscal year.
- To fund nonrecurring capital expenditures. Unassigned fund balance will not be used to fund recurring expenditures or to compensate for structural budget deficits.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds, continued

When an expenditure is incurred for the purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the County to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the County that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Q. Compensation for Future Absences

It is the County's policy to permit employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from County service. Accumulated unpaid vacation pay amounts are accrued when incurred by the County in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

R. 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, as well as issuance costs, 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.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

R. Long-Term Obligations

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 an 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.

S. 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.

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.

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.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

3. Deposit and Investment Risk (continued)

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, 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. Investments are reported at fair value.

4. Accounts Receivable

Net accounts receivable at June 30, 2016 consist of the following:

Primary Government:

Major Funds

General Fund	\$ 296,816		
Less: Allowance for Uncollectibles	(87,191)		\$ 209,625
Enterprise Funds			
Solid Waste			57,987
Waste-Water Facility	438,728		
Less: Allowance for Uncollectibles	(438,341)		387

Nonmajor Funds

Emergency 911 Special Revenue Fund			73,297
Total primary government			\$ 341,296

Component Units:

Rabun County Health Department			\$ 33,644
Rabun County Economic Development Authority			295
Total component units			\$ 33,939

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2016 consist of the following:

Major Funds

General Fund		
T&T Transportation	\$ 12,922	
Georgia Department of Transportation	12,089	
Rabun County Board of Education	24,180	
City of Clayton, Georgia	881	
City of Dillard, Georgia	1,130	
City of Mountain City, Georgia	1,366	
City of Sky Valley, Georgia	46	
Town of Tallulah Falls, Georgia	200	
Appalachian Regional Drug Enforcement Office	<u>1,382</u>	\$ 54,196

Nonmajor Funds

Jail Special Revenue Fund		
City of Clayton, Georgia	1,961	
City of Dillard, Georgia	2,325	
City of Mountain City, Georgia	2,608	
City of Sky Valley, Georgia	91	
Town of Tallulah Falls, Georgia	<u>400</u>	7,385
Drug Abuse Treatment Fund		
City of Dillard, Georgia	136	
City of Mountain City, Georgia	<u>426</u>	<u>562</u>
Total primary government		<u><u>\$ 62,143</u></u>

Component Units

Rabun County Health Department		
Georgia Department of Public Health		<u><u>\$ 3,328</u></u>

6. Property Taxes

Property tax rates are set by the Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2015, based upon the assessments of January 1, 2015, were levied on August 3, 2015, billed on September 23, 2015, and due on December 20, 2015. Tax liens may be issued 90 days after the due date.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

7. Interfund Transfers

A summary of interfund receivables and payables as of June 30, 2016 is as follows:

	Transfers out:		Total
	Major Funds		
	General	SPLOST #6	
Transfers in:			
Major Funds			
Solid Waste	\$ 1,245,047	\$ 0	\$ 1,245,047
Waste-Water Facility	427,254	1,989,342	2,416,596
Golf Course	236,531	0	236,531
Nonmajor Funds			
Emergency 911	641,636	0	641,636
Hotel/Motel Tax	1,000		1,000
Total	\$ 2,551,468	\$ 1,989,342	\$ 4,540,810

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, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

8. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2016 was as follows:

	Balance 6/30/2015	Increases	Decreases	Balance 6/30/2016
Governmental activities				
Non-depreciable assets				
Land	\$ 1,899,458	\$ 55,000	\$ 0	\$ 1,954,458
Construction in progress	965,123	0	0	965,123
Total non-depreciable assets	<u>2,864,581</u>	<u>55,000</u>	<u>0</u>	<u>2,919,581</u>
Depreciable assets				
Buildings	31,711,434	200,745	0	31,912,179
Machinery and equipment	5,758,695	230,764	0	5,989,459
Vehicles	8,635,702	564,861	(115,041)	9,085,522
Infrastructure	42,274,912	0	0	42,274,912
Total depreciable assets	<u>88,380,743</u>	<u>996,370</u>	<u>(115,041)</u>	<u>89,262,072</u>
Less accumulated depreciation				
Buildings	(7,281,454)	(687,305)	0	(7,968,759)
Machinery and equipment	(2,979,275)	(488,830)	0	(3,468,105)
Vehicles	(5,817,186)	(658,269)	86,092	(6,389,363)
Infrastructure	(23,884,574)	(1,007,234)	0	(24,891,808)
Total accumulated depreciation	<u>(39,962,489)</u>	<u>(2,841,638)</u>	<u>86,092</u>	<u>(42,718,035)</u>
Total depreciable assets, net	<u>48,418,254</u>	<u>(1,845,268)</u>	<u>(28,949)</u>	<u>46,544,037</u>
Governmental activities capital assets, net	<u>\$ 51,282,835</u>	<u>\$ (1,790,268)</u>	<u>\$ (28,949)</u>	<u>\$ 49,463,618</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

8. Capital Assets (continued)

	<u>Balance 6/30/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2016</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 1,298,811	\$ 0	\$ (172,980)	\$ 1,125,831
Construction in progress	545,765	2,278,345	0	2,824,110
Total non-depreciable assets	<u>1,844,576</u>	<u>2,278,345</u>	<u>(172,980)</u>	<u>3,949,941</u>
Depreciable assets				
Buildings	4,267,744	0	(3,570,442)	697,302
Machinery and equipment	975,593	35,949	(60,027)	951,515
Vehicles	495,187	15,500	(24,699)	485,988
Total depreciable assets	<u>5,738,524</u>	<u>51,449</u>	<u>(3,655,168)</u>	<u>2,134,805</u>
Less accumulated depreciation				
Buildings	(669,455)	(134,807)	476,385	(327,877)
Machinery and equipment	(685,544)	(55,033)	58,189	(682,388)
Vehicles	(265,626)	(28,148)	10,515	(283,259)
Total accumulated depreciation	<u>(1,620,625)</u>	<u>(217,988)</u>	<u>545,089</u>	<u>(1,293,524)</u>
Total depreciable assets, net	<u>4,117,899</u>	<u>(166,539)</u>	<u>(3,110,079)</u>	<u>841,281</u>
Business-type activities capital assets, net	<u>\$ 5,962,475</u>	<u>\$ 2,111,806</u>	<u>\$ (3,283,059)</u>	<u>\$ 4,791,222</u>

Capital asset activity for the discretely presented component units for the year ended June 30, 2016 was as follows:

	<u>Balance 6/30/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2016</u>
Rabun County Library				
Depreciable assets				
Furniture and equipment	\$ 212,267	\$ 1,841	\$ 0	\$ 214,108
Books and collections	966,981	56,703	(4,882)	1,018,802
Total depreciable assets	<u>1,179,248</u>	<u>58,544</u>	<u>(4,882)</u>	<u>1,232,910</u>
Less accumulated depreciation				
Furniture and equipment	(150,569)	(9,218)	0	(159,787)
Books and collections	(818,259)	(68,135)	4,882	(881,512)
Total accumulated depreciation	<u>(968,828)</u>	<u>(77,353)</u>	<u>4,882</u>	<u>(1,041,299)</u>
Total depreciable assets, net	<u>210,420</u>	<u>(18,809)</u>	<u>0</u>	<u>191,611</u>
Rabun County Library capital assets, net	<u>\$ 210,420</u>	<u>\$ (18,809)</u>	<u>\$ 0</u>	<u>\$ 191,611</u>
Rabun County Health Department				
Depreciable assets				
Equipment	\$ 5,995	\$ 0	\$ 0	\$ 5,995
Less accumulated depreciation				
Equipment	(5,995)	0	0	(5,995)
Rabun County Health Department capital assets, net	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

8. Capital Assets (continued)

	<u>Balance 6/30/2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2016</u>
Rabun County Economic Development Authority				
Non-depreciable assets				
Land	\$ 1,263,423	\$ 0	0	\$ 1,263,423
Total non-depreciable assets	<u>1,263,423</u>	<u>0</u>	<u>0</u>	<u>1,263,423</u>
Depreciable assets				
Buildings	12,969,067	41,412	0	13,010,479
Furniture and fixtures	56,135	0	0	56,135
Total depreciable assets	<u>13,025,202</u>	<u>41,412</u>	<u>0</u>	<u>13,066,614</u>
Less accumulated depreciation				
Buildings	(1,030,424)	(324,313)	0	(1,354,737)
Furniture and fixtures	(26,642)	(8,019)	0	(34,661)
Total accumulated depreciation	<u>(1,057,066)</u>	<u>(332,332)</u>	<u>0</u>	<u>(1,389,398)</u>
Total depreciable assets, net	<u>11,968,136</u>	<u>(290,920)</u>	<u>0</u>	<u>11,677,216</u>
Rabun County Economic Development Authority capital assets, net	<u>\$ 13,231,559</u>	<u>\$ (290,920)</u>	<u>\$ 0</u>	<u>\$ 12,940,639</u>

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 211,580
Judicial	5,473
Public Safety	993,540
Public Works	1,265,883
Health and Welfare	83,416
Culture and Recreation	281,746
	<u>281,746</u>

Total depreciation expense for governmental activities \$ 2,841,638

Business-type activities

Solid Waste	\$ 85,144
Waste-Water Facility	122,751
Golf Course	10,093
	<u>10,093</u>

Total depreciation expense for business-type activities \$ 217,988

Discretely presented component units

Rabun County Library	\$ 77,353
Rabun County Economic Development Authority	332,332
	<u>332,332</u>

\$ 409,685

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

9. Long-Term Debt

General Obligation Bonds

General obligation bonds have been issued for governmental activities to pay, or to be applied or contributed toward, the cost of constructing, improving, expanding and extending public roads, highways, streets and related facilities as well as the construction, improvement and expansion of various municipal buildings.

General obligation bonds of the governmental activities are comprised of the following individual issues at June 30, 2016:

- On September 24, 2013 the County issued \$8,625,000 General Obligation Sales Tax Bonds, Series 2014, with a premium of \$663,945 and issue costs of \$188,945, for net proceeds to the County of \$9,100,000. The bonds are to fund certain 2014 SPLOST projects. The bonds are due in annual principal payments on December 1 beginning in 2016 with semi-annual interest payments (2.00% to 4.00%) due on June 1 and December 1.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,490,000	\$ 197,400	\$ 1,687,400
2018	1,535,000	152,025	1,687,025
2019	1,580,000	97,400	1,677,400
2020	1,645,000	32,900	1,677,900
	<u>\$ 6,250,000</u>	<u>\$ 479,725</u>	<u>\$ 6,729,725</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

9. Long-Term Debt (continued)

Revenue Bonds

Revenue bonds have been issued for governmental activities and are comprised of the following individual issue at June 30, 2016:

Revenue bonds have been issued for the Rabun County Economic Development Authority Component Unit and are comprised of the following individual issue at June 30, 2016:

- \$15,975,000 – Development Authority of Rabun County Revenue Bonds – Series A and B series bonds due in annual principal payments on July 1 with semi-annual interest payments (2.5% - 4.4%) due on January 1 and July 1. The bonds were issued for the purpose of paying all or a portion of the costs of the acquisition and renovation of an approximately 1,021,294 square-foot manufacturing facility located on approximately 96 acres of land in Rabun County, Georgia and related fixtures and equipment. The bonds will also be used to pay interest on the Series 2010 Bonds and the costs related to issuance of the Series 2010 Bonds.

Annual debt service requirements to maturity for revenue bonds of the Rabun County Economic Development Authority are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 370,000	\$ 606,775	\$ 976,775
2018	380,000	594,765	974,765
2019	395,000	580,702	975,702
2020	410,000	564,796	974,796
2021	425,000	547,461	972,461
2022 - 2026	2,410,000	2,451,440	4,861,440
2027 - 2031	2,940,000	1,917,250	4,857,250
2032 - 2036	3,575,000	1,267,950	4,842,950
2037 - 2041	4,360,000	464,063	4,824,063
Totals	<u>\$ 15,265,000</u>	<u>\$ 8,995,202</u>	<u>\$ 24,260,202</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

9. Long-Term Debt (continued)

Notes Payable

Waste-Water Facility Enterprise Fund

On January 29, 2008, the County entered into a lending agreement with the Georgia Environmental Facilities Authority (GEFA) to borrow up to \$6,415,000 for the purchase of an existing water supply and wastewater treatment facility located on the former Rabun Apparel manufacturing site. The project also consists of rehabilitation and conversion of these existing facilities, a new water treatment plant, new pipe lines, and appurtenant work such that these facilities will provide regional, municipal water supply and wastewater services. The project was completed on June 21, 2012. On March 1, 2013, the loan was converted from construction status to a fixed amortization loan. The original principal balance of the loan at conversion was \$4,540,854 with an annual interest rate of 4.10%. Monthly payments began on April 1, 2013 for 240 months.

Annual debt service requirements are as follows:

Years Ending June 30,	Principal	Interest	Total
2017	\$ 170,994	\$ 162,085	\$ 333,079
2018	178,138	154,941	333,079
2019	185,580	147,499	333,079
2020	193,334	139,745	333,079
2021	201,411	131,668	333,079
2022 - 2026	1,140,533	524,859	1,665,392
2027 - 2031	1,399,543	265,849	1,665,392
2032 - 2033	561,544	21,344	582,888
Totals	<u>\$ 4,031,077</u>	<u>\$ 1,547,990</u>	<u>\$ 5,579,067</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

9. Long-Term Debt (continued)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the County for the fiscal year ending June 30, 2016:

	<u>Balance 6/30/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2016</u>	<u>Due Within One Year</u>
Governmental activities					
Guarantee obligation	\$ 16,517,666	\$ 548,802	\$ 982,325	\$ 16,084,143	\$ 980,771
Bonds payable	7,695,000	0	1,445,000	6,250,000	1,490,000
Bond premium	475,529	0	107,667	367,862	0
Compensated absences	369,065	365,347	369,065	365,347	365,347
Total governmental activities	<u>\$ 25,057,260</u>	<u>\$ 914,149</u>	<u>\$ 2,904,057</u>	<u>\$ 23,067,352</u>	<u>\$ 2,836,118</u>
Business-type activities					
Notes payable	\$ 4,195,213	\$ 0	\$ 164,136	\$ 4,031,077	\$ 170,994
Landfill closure/post-closure care	2,893,296	44,012	54,122	2,883,186	54,122
Compensated absences	42,453	33,200	42,453	33,200	33,200
Total business-type activities	<u>\$ 7,130,962</u>	<u>\$ 77,212</u>	<u>\$ 260,711</u>	<u>\$ 6,947,463</u>	<u>\$ 258,316</u>
Component Units					
Rabun County Health Department					
Compensated absences	\$ 49,654	\$ 36,692	\$ 40,524	\$ 45,822	\$ 23,369
Rabun County Economic Development Authority					
Bonds Payable	15,625,000	0	360,000	15,265,000	370,000
Unamortized bond discount	(153,549)	0	(6,142)	(147,407)	0
Total component units	<u>\$ 15,521,105</u>	<u>\$ 36,692</u>	<u>\$ 394,382</u>	<u>\$ 15,163,415</u>	<u>\$ 393,369</u>

In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund. The landfill post-closure care costs are paid for by the Solid Waste Enterprise Fund. Compensated absences of the Rabun County Health Department are liquidated by the Rabun County Health Department. The total interest incurred and charged to expense for the fiscal year ended June 30, 2016 was \$238,060 for governmental activities, \$168,381 for business-type activities and \$618,463 for the component units.

See Note 20 for more detail on the guarantee obligation.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

10. Landfill Closure and Post-Closure Care Costs

On October 8, 1993, in accordance with the provisions of the Georgia Comprehensive Solid Waste Management Act (OCGA 12-8-20), the County was issued a closure certificate for its landfill. State and federal laws and regulations require the County to perform certain maintenance and monitoring operations at the landfill site for 30 years after official closure; the County has approximately 9 years remaining. The estimated cost of all post closure care activities related to the landfill is \$2,300,760, and is reflected as a long-term liability in the Solid Waste Enterprise Fund. Because of future changes in technology, laws, or regulations, these costs may change.

During the fiscal year ended June 30, 2000, the County opened a new solid waste landfill. State and federal laws and regulations require that the County place a final cover on the landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs has a balance of \$582,426 as of June 30, 2016, which is based on 51.1% usage (filled) of the landfill. It is estimated that an additional \$557,432 will be recognized as closure and post-closure care expense between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2031).

The estimated total current cost of the landfill closure and post-closure care (\$54,122) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2016. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

11. Restricted, Committed, and Assigned Fund Balances

The following is a summary of restricted, committed, and assigned fund balances of the governmental funds for the fiscal year ended June 30, 2016:

	<u>General</u>	<u>SPLOST #5</u>	<u>SPLOST #6</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted for:					
Judicial					
Juvenile supervision	\$ 0	\$ 0	\$ 0	\$ 3,922	\$ 3,922
Law library operations	0	0	0	41,355	41,355
Drug programs	0	0	0	57,610	57,610
Public Safety					
Sheriff facilities and equipment	0	0	0	236,622	236,622
Health and welfare					
Senior services	105,194	0	0	0	105,194
Capital projects	0	1,509,309	8,729,880	0	10,239,189
	<u>\$ 105,194</u>	<u>\$ 1,509,309</u>	<u>\$ 8,729,880</u>	<u>\$ 339,509</u>	<u>\$ 10,683,892</u>
Assigned to:					
Public Safety					
Emergency 911 operations	\$ 0	\$ 0	\$ 0	\$ 572,260	\$ 572,260
Housing and Development					
Trade and tourism	0	0	0	87,168	87,168
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 659,428</u>	<u>\$ 659,428</u>

12. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows for the fiscal year ended June 30, 2016:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Cost of capital assets	\$ 92,181,653	\$ 6,084,746
Accumulated depreciation	(42,718,035)	(1,293,524)
Book value	49,463,618	4,791,222
Capital-related accounts payable	(214,781)	(35,046)
Bonds payable	(6,617,862)	0
Unspent bond proceeds	5,223,941	0
Net investment in capital assets	<u>\$ 47,854,916</u>	<u>\$ 4,756,176</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

13. Deficit Equity Balances

At June 30, 2016, the Solid Waste Enterprise Fund has a deficit net position of \$274,727. This is due to the payment of services in anticipation of future revenues. The County plans to liquidate this deficit net position through future revenue recognition.

At June 30, 2016, the Waste-Water Facility Enterprise Fund has a deficit net position of \$1,335,546. This is due to the payment of services in anticipation of future revenues. The County plans to liquidate this deficit net position through future revenue recognition.

At June 30, 2016, the Rabun County Economic Development Authority Component Unit has a deficit net position of \$704,792. This is due to the payment of services in anticipation of future revenues. The County plans to liquidate this deficit net position through future revenue recognition.

14. Pension Plan

Plan Description. The Plan provides retirement, disability and death benefits to plan members and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (the ACCG Plan), an agent multiple-employer defined benefit pension plan administered by the Government Employee Benefits Corporation of Georgia (GEBCorp). The ACCG, in its role as the Plan sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County retains the authority to amend the adoption agreement, which defines the specific operational provisions of the Plan. A separately issued financial report of the Plan may be obtained by writing GEBCORP at 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Control over the operation and administration of the plan is vested with ACCG along with custody of the plan assets. The plan provides that the County has no liability with respect to payments or benefits or otherwise under the plan except to pay over to ACCG such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the County but shall be allocated to employees. All full-time County employees are eligible to participate in the Plan after completing one year of service and having reached their 21st birthday.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plan (continued)

There are no loans to any of the County officials or other “party-in-interest,” and there are no prohibited transactions. The plan assets do not include any securities or investments in Rabun County. The funds are managed by independent money managers.

At January 1, 2015, the date of the most recent actuarial valuation, there were 220 participants consisting of the following:

Retirees, beneficiaries and disablees receiving benefits	30
Terminated vested participants entitled to but not yet receiving benefits	69
Active participants	121
Total number of participants	220

Benefits Provided. The plan provides retirement and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Benefits vest evenly over five years of service. Participants become eligible to retire with unreduced benefits at age 65 with 5 years of plan participation. The amount of monthly retirement benefits to be provided for each participant at their normal retirement date is equal to one percent of the participant's average annual compensation multiplied by the participant's total number of years of service. County Commissioners receive a benefit equal to \$30 per month multiplied by years of service. The Plan also provides benefits in the event of death or disability.

Contributions. Employees make no contributions to the plan. The County is required to contribute the amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law, using the basis described in the annual valuation report. The County's actuarially determined contribution rate for the fiscal year ended June 30, 2016 was \$555,879, or 11.6% of covered payroll. Covered payroll for employees participating in the plan as of January 1, 2015 (the most recent actuarial valuation date) was \$4,779,000 (based on covered earnings for the preceding year). The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy. This funding policy, as specified by ordinance, has been the same since the inception of the plan.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plan (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the County reported a net pension liability of \$2,744,434. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. For the fiscal year ended June 30, 2016, the County recognized pension expense of \$522,792.

The components of the net pension liability are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/14	\$ 8,196,565	\$ 6,114,164	\$ 2,082,401
Changes for the year:			
Service cost	176,831	0	176,831
Interest	603,227	0	603,227
Liability experience (gain) / loss	67,607	0	67,607
Assumption change	334,999	0	334,999
Employer contributions	0	555,879	(555,879)
Net investment income	0	39,234	(39,234)
Benefit payments	(307,059)	(307,059)	0
Administrative expense	0	(26,423)	26,423
Other changes	0	(48,059)	48,059
Net changes	875,605	213,572	662,033
Balances at 12/31/15	\$ 9,072,170	\$ 6,327,736	\$ 2,744,434

Plan fiduciary net position as a percentage of the total pension liability	69.75%
Covered payroll	\$ 4,779,000
Net pension liability as a percentage of covered payroll	57.43%

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plan (continued)

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 56,876
Net difference between projected and actual earnings on pension plan investments	390,328
Changes of assumptions	281,825
Totals	<u>\$ 729,029</u>

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

Year Ending June 30			
2017	\$	163,606	
2018		163,606	
2019		163,606	
2020		155,129	
2021		63,905	
2022		19,177	
Totals	\$	<u>729,029</u>	

Actuarial Assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		3.00%
Projected salary increases		4.50% plus service based merit increases
Cost of living adjustments		2.50%
Net investment rate of return		7.50%

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plan (continued)

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and on year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

The mortality and economic actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table:

<u>Benchmark</u>	<u>Asset Allocation</u>	<u>Average 20 Year Return</u>	<u>Weighted 20 Year Return</u>	<u>Average 30 Year Return</u>	<u>Weighted 30 Year Return</u>
S&P 500	30%	8.80%	2.64%	10.74%	3.22%
Barlay's Agg.	30%	5.75%	1.73%	7.80%	2.34%
MSCI EAFE	15%	5.44%	0.82%	9.51%	1.43%
Citi Non US WEBI	5%	5.48%	0.27%	5.48%	0.27%
NAREIT Equity	5%	9.91%	0.50%	11.35%	0.57%
Russell 2000	5%	8.96%	0.45%	9.37%	0.47%
Russell 3000	5%	8.89%	0.44%	10.58%	0.53%
S&P Mid Cap	5%	11.83%	0.59%	13.21%	0.66%
Weighted Return			<u>7.44%</u>		<u>9.49%</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plan (continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.50%	\$ 3,958,536
Current discount rate	7.50%	2,744,434
1% increase	8.50%	1,730,960

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia Benefit System financial report.

Other Plans

In addition to the plan above, various County employees are covered under the following plans, which are considered to be special funding situations: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), 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. Also, the Rabun County Library (A Component Unit of Rabun County, Georgia) participates in the Teacher's Retirement System of Georgia, which is considered to be a special funding situation. Further information regarding these plans can be obtained from the plans' annual reports.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plan (continued)

Rabun County Department of Public Health Retirement Plan

Eligible employees of the Rabun County Department of Public Health participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system. During the fiscal year ended June 30, 2016, the Department contributed \$78,032 and employees contributed \$4,798. As of June 30, 2016, the Department reported a liability in the amount of \$560,106 for its proportionate share (0.0138253%) of the net pension liability. The Department recognized pension expense of \$78,032 for the fiscal year ended June 30, 2016. Further information regarding the plan can be obtained from Department's annual audit report by contacting the administrative offices of the Rabun County Health Department, 184 South Main Street, Clayton, GA 30525.

15. Defined Contribution Plan

The County approved the adoption of the *Rabun County Matching Thrift Plan, a Defined Contribution Plan*, effective July 1, 1996. The plan is funded exclusively through the purchase of annuity contracts from the Variable Annuity Life Insurance company (VALIC). All employees are eligible for participation in the plan. Eligible employees may enter the plan in the first quarter after completion of one year of service. The plan can be amended by a majority vote of the Rabun County Board of Commissioners. Employee contributions vest when made and employer contributions made before July 1, 2011 vest as follows:

<u>Years of Service</u>	<u>% Vested</u>
1	0%
2	0%
3	100%

Normal retirement age is 60. The plan does not provide for early retirement. During the fiscal year ended June 30, 2016, plan members made contributions to the plan totaling \$59,118 and the County made contributions to the plan totaling \$27,198. The County has no fiduciary relationship with the plan and plan assets are not available to the County or its general creditors. The Plan assets are held in trust by the administrator for the exclusive benefit of the participants of the Plan. The County Commission provides for the funding policy through a County ordinance and maintains the authority to change the policy. Separate financial statements are not issued for the Plan.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

16. 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 fiscal year ending June 30, 2016 follows:

Lodging tax receipts	\$ 234,587	
Disbursements for trade and tourism	\$ 195,000	83%

17. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the year ended June 30, 2016, the County paid \$14,587 in such dues. Membership in an 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.

On August 21, 2007, the Rabun County Economic Development Authority formed a joint authority with Rabun and Banks Counties. The initial investment in the joint authority was \$10,000.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

18. Risk Financing Activities

Material estimates have been made by management about the historical cost of capital assets and the life of the depreciated fixed assets. Management has used a conservative approach on these estimates.

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Interlocal Risk Management Agency Property and Liability Insurance 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 these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, 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 agent 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 worker's compensation law of Georgia. The funds are to pay all cost taxed against the 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.

Settled claims in the past three years have not exceeded the coverages.

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2016, the County has no losses that are probable or estimable and accordingly has not recognized any liability.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

19. Contingencies

Rabun 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.

The County has guaranteed debt of the Rabun County Economic Development Authority. See Note 20 for details.

20. Nonexchange Financial Guarantee

On September 1, 2010, the County adopted a resolution authorizing the execution and delivery of an intergovernmental agreement between Rabun County, Georgia and the Rabun County Economic Development Authority, a discreetly presented component unit of Rabun County, Georgia. The intergovernmental agreement establishes Rabun County, Georgia as the guarantor of the 30-year, \$12,890,000 Series 2010A Revenue Bond issuance and the \$3,085,000 Series 2010B Revenue Bond issuance of the Rabun County Economic Development Authority. In the event the Rabun County Economic Development Authority is unable to make the required payments of the bond issuance, the intergovernmental agreement requires the County to provide funds, which shall be sufficient to make the required debt service payments through the maturity dates of the bonds with the final maturity date being July 1, 2040. This is the only nonexchange financial guarantee extended by the County.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

20. Nonexchange Financial Guarantee (continued)

The Authority issued these bonds for purchase and renovation of an industrial building facility that would then be leased to various businesses. Since completion of the facility, the Authority has been unable to lease then entire facility, which has caused significant cash shortages and therefore the Authority is unable to make the required bond payments. Due to the economic conditions, it is unlikely that the Authority will be able to lease the entire facility within the near future. As a result, in fiscal year 2015, the County began making the required bond payments and believes it is more likely than not that the County will be required to pay the remaining portion of the Authority's debt service payments based on the guarantee. At June 30, 2016, the County recognized a liability in the amount of \$16,084,143 for an amount that is the County's best estimate of the discounted present value of the future outflows the County expects to incur as a result of the guarantee. The details of these bonds are listed previously in Note 9.

During fiscal year 2016, the County paid \$982,325 in principal and interest on the guarantee obligation. The following is a summary of changes in the liability recognized for the nonexchange financial guarantee for the fiscal year ending June 30, 2016:

Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
\$ 16,517,666	\$ 548,802	\$ 982,325	\$ 16,084,143

The County does not expect to recover any payments it makes on the Authority's guaranteed debt.

REQUIRED SUPPLEMENTARY INFORMATION

RABUN COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2016
(Unaudited)

	Fiscal Year End	
	2016	2015
Total pension liability		
Service cost	\$ 176,831	\$ 189,083
Interest	603,227	567,575
Liability experience (gain) / loss	67,607	0
Assumption change	334,999	0
Benefit payments	<u>(307,059)</u>	<u>(255,518)</u>
Net change in total pension liability	875,605	501,140
Total pension liability - beginning	<u>8,196,565</u>	<u>7,695,425</u>
Total pension liability - ending (a)	<u>\$ 9,072,170</u>	<u>\$ 8,196,565</u>
Plan fiduciary net position		
Employer contributions	\$ 555,879	\$ 574,866
Net investment income	39,234	407,764
Benefit payments	(307,059)	(255,518)
Administrative expense	(26,423)	(26,987)
Other changes	<u>(48,059)</u>	<u>(77,407)</u>
Net change in total pension liability	213,572	622,718
Plan fiduciary net position - beginning	<u>6,114,164</u>	<u>5,491,446</u>
Plan fiduciary net position - ending (b)	<u>\$ 6,327,736</u>	<u>\$ 6,114,164</u>
Net pension liability (asset) - ending : (a) - (b)	<u>\$ 2,744,434</u>	<u>\$ 2,082,401</u>
Plan's fiduciary net position as a percentage of the total pension liability	69.75%	74.59%
Covered-employee payroll	\$ 4,779,000	\$ 5,108,197
Net pension liability as a percentage of covered-employee payroll	57.43%	40.77%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only two years are reported.

RABUN COUNTY, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2016
(Unaudited)

	Fiscal Year End	
	2016	2015
Actuarially determined contribution	\$ 555,879	\$ 574,866
Contributions in relation to the actuarially determined contribution	(555,879)	(574,866)
Contribution deficiency (excess)	\$ 0	\$ 0
Covered-employee payroll	\$ 4,779,000	\$ 5,108,197
Contributions as a percentage of covered-employee payroll	11.63%	11.25%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only two years are reported.

RABUN COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry Age Normal

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 15 years

Asset valuation method = Smoothed market value with a 5-year smoothing period.

Net investment rate of return = 7.5%

Projected salary increases = 4.00% per year with age based scale

Cost of living adjustments = N/A

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and on year for females. Disabled mortality rates were based on the Social Security Administration standard rate.

RABUN COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

3. Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

4. Changes of Assumptions

There have been no substantive changes since the last actuarial valuation.

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COMBINING STATEMENTS
Nonmajor Governmental Funds

RABUN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	Special Revenue Funds		
	Confiscated Assets	Jail	Law Library
ASSETS			
Cash and cash equivalents	\$ 3,713	\$ 225,524	\$ 41,355
Receivables (net)			
Accounts	0	0	0
Intergovernmental	0	7,385	0
Taxes	0	0	0
Total assets	\$ 3,713	\$ 232,909	\$ 41,355
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 0	\$ 0	\$ 0
Accrued salaries and expense	0	0	0
Total liabilities	0	0	0
Fund balances			
Restricted for:			
Judicial	0	0	41,355
Public safety	3,713	232,909	0
Assigned to:			
Public safety	0	0	0
Housing and development	0	0	0
Total fund balances	3,713	232,909	41,355
Total liabilities and fund balances	\$ 3,713	\$ 232,909	\$ 41,355

Special Revenue Funds				
Juvenile Case Management	Drug Abuse Treatment Education	Emergency 911	Hotel/Motel Tax	Total Nonmajor Governmental Funds
\$ 3,922	\$ 57,048	\$ 519,145	\$ 21,974	\$ 872,681
0	0	73,297	0	73,297
0	562	0	0	7,947
0	0	0	65,194	65,194
<u>\$ 3,922</u>	<u>\$ 57,610</u>	<u>\$ 592,442</u>	<u>\$ 87,168</u>	<u>\$ 1,019,119</u>
\$ 0	\$ 0	\$ 5,434	\$ 0	\$ 5,434
0	0	14,748	0	14,748
0	0	20,182	0	20,182
3,922	57,610	0	0	102,887
0	0	0	0	236,622
0	0	572,260	0	572,260
0	0	0	87,168	87,168
<u>3,922</u>	<u>57,610</u>	<u>572,260</u>	<u>87,168</u>	<u>998,937</u>
<u>\$ 3,922</u>	<u>\$ 57,610</u>	<u>\$ 592,442</u>	<u>\$ 87,168</u>	<u>\$ 1,019,119</u>

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2016

	<u>Special Revenue Funds</u>		
	<u>Confiscated Assets</u>	<u>Jail</u>	<u>Law Library</u>
REVENUES			
Taxes	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	207	85,325	11,050
Charges for services	0	0	0
Interest	9	469	41
Other	0	0	0
Total revenues	<u>216</u>	<u>85,794</u>	<u>11,091</u>
EXPENDITURES			
Current			
Judicial	0	0	8,534
Public safety	0	7,647	0
Housing and development	0	0	0
Total expenditures	<u>0</u>	<u>7,647</u>	<u>8,534</u>
Excess (deficiency) of revenues over (under) expenditures	216	78,147	2,557
Other financing sources (uses)			
Transfers in	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	216	78,147	2,557
Fund balances, July 1	<u>3,497</u>	<u>154,762</u>	<u>38,798</u>
Fund balances, June 30	<u>\$ 3,713</u>	<u>\$ 232,909</u>	<u>\$ 41,355</u>

Special Revenue Funds				Total
Juvenile Case Management	Drug Abuse Treatment Education	Emergency 911	Hotel/Motel Tax	Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 234,587	\$ 234,587
0	16,149	0	0	112,731
0	0	360,745	0	360,745
14	140	1,233	0	1,906
1,000	0	0	0	1,000
<u>1,014</u>	<u>16,289</u>	<u>361,978</u>	<u>234,587</u>	<u>710,969</u>
0	15,795	0	0	24,329
0	0	950,238	0	957,885
0	0	0	195,000	195,000
<u>0</u>	<u>15,795</u>	<u>950,238</u>	<u>195,000</u>	<u>1,177,214</u>
1,014	494	(588,260)	39,587	(466,245)
<u>0</u>	<u>0</u>	<u>641,636</u>	<u>1,000</u>	<u>642,636</u>
1,014	494	53,376	40,587	176,391
<u>2,908</u>	<u>57,116</u>	<u>518,884</u>	<u>46,581</u>	<u>822,546</u>
<u>\$ 3,922</u>	<u>\$ 57,610</u>	<u>\$ 572,260</u>	<u>\$ 87,168</u>	<u>\$ 998,937</u>

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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.

RABUN COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 10,831,449	\$ 13,367,519
Certificates of deposit	2,105,808	100,632
Receivables (net)		
Accounts	209,625	234,328
Intergovernmental	54,196	56,836
Taxes	109,831	101,510
Prepays	398,347	127,142
Due from other funds	0	20,681
Restricted assets		
Cash and cash equivalents	<u>105,194</u>	<u>100,863</u>
Total assets	<u><u>\$ 13,814,450</u></u>	<u><u>\$ 14,109,511</u></u>
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 168,043	\$ 181,191
Intergovernmental payable	0	26,841
Accrued salaries and expenses	<u>169,220</u>	<u>124,895</u>
Total liabilities	<u>337,263</u>	<u>332,927</u>
Deferred Inflows of Resources		
Unavailable revenue - property taxes	<u>38,941</u>	<u>55,018</u>
Fund balances		
Nonspendable prepaids	398,347	127,142
Restricted for health and welfare	105,194	100,863
Assigned for budget	0	1,450,000
Unassigned	<u>12,934,705</u>	<u>12,043,561</u>
Total fund balances	<u>13,438,246</u>	<u>13,721,566</u>
Total liabilities, deferred inflows, and fund balances	<u><u>\$ 13,814,450</u></u>	<u><u>\$ 14,109,511</u></u>

RABUN COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Taxes	\$ 16,350,742	\$ 16,601,336
Licenses and permits	61,393	53,844
Fines, fees and forfeitures	395,213	395,732
Charges for services	1,193,549	1,204,116
Intergovernmental	832,042	584,995
Interest	27,558	19,824
Contributions	6,268	22,819
Other	4,348	52,492
Total revenues	<u>18,871,113</u>	<u>18,935,158</u>
EXPENDITURES		
Current		
General Government	2,510,409	2,380,241
Judicial	1,051,761	1,006,281
Public Safety	7,474,263	7,589,181
Public Works	1,987,891	1,792,308
Health and Welfare	1,087,583	1,074,046
Culture and Recreation	1,051,677	1,017,964
Housing and Development	1,445,132	1,480,093
Total Current	16,608,716	16,340,114
Debt Service		
Public Works	0	88,008
Total expenditures	<u>16,608,716</u>	<u>16,428,122</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,262,397</u>	<u>2,507,036</u>
Other financing sources (uses)		
Transfers in (out)		
Emergency 911 Fund	(641,636)	(629,912)
Hotel/Motel Tax Fund	(1,000)	(16,168)
Solid Waste Fund	(1,245,047)	(695,735)
Golf Course Fund	(236,531)	(211,794)
Waste-Water Facility Fund	(427,254)	(148,271)
Proceeds from the sale of assets	5,751	35,133
Total other financing sources (uses)	<u>(2,545,717)</u>	<u>(1,666,747)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(283,320)	840,289
Fund balances, July 1	<u>13,721,566</u>	<u>12,881,277</u>
Fund balances, June 30	<u><u>\$ 13,438,246</u></u>	<u><u>\$ 13,721,566</u></u>

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current and prior year				
levies	\$ 14,967,497	\$ 14,538,618	\$ (428,879)	\$ 14,837,367
Motor vehicle tax	624,000	572,490	(51,510)	558,781
Mobile home tax	40,000	41,006	1,006	41,604
Timber tax	86,000	81,864	(4,136)	60,223
Cost, penalties, and				
interest	60,500	55,694	(4,806)	82,510
Total general property taxes	15,777,997	15,289,672	(488,325)	15,580,485
Real estate transfer tax	279,000	302,944	23,944	290,581
Franchise tax	18,500	18,398	(102)	17,867
Insurance premium tax	626,800	626,812	12	585,344
Alcohol excise tax	110,000	101,137	(8,863)	103,429
Occupational tax	12,150	11,779	(371)	23,630
Total taxes	16,824,447	16,350,742	(473,705)	16,601,336
Licenses and permits				
Alcohol licenses	34,000	33,453	(547)	33,030
Building permits	23,000	24,350	1,350	19,415
Other permits	4,575	3,590	(985)	1,399
Total licenses and permits	61,575	61,393	(182)	53,844
Fines, fees and forfeitures	453,850	395,213	(58,637)	395,732
Charges for Services				
Emergency medical services	885,000	852,453	(32,547)	857,251
Sheriff services	37,000	34,633	(2,367)	49,319
Prisoner board	5,000	4,177	(823)	4,501
Recreation fees	170,850	160,780	(10,070)	173,269
Senior center fees	64,000	52,828	(11,172)	52,488
Civic center fees	40,850	43,163	2,313	29,951
Collection commissions	14,500	14,750	250	12,959
Other charges for services	29,750	30,765	1,015	24,378
Total charges for services	1,246,950	1,193,549	(53,401)	1,204,116
Intergovernmental	831,850	832,042	192	584,995
Interest	36,400	27,558	(8,842)	19,824
Contributions	7,500	6,268	(1,232)	22,819
Other	11,500	4,348	(7,152)	52,492
Total revenues	<u>\$ 19,474,072</u>	<u>\$ 18,871,113</u>	<u>\$ (602,959)</u>	<u>\$ 18,935,158</u>

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
General Administration				
Personal services	\$ 47,341	\$ 45,007	\$ 2,334	\$ 45,685
Contract services	319,800	312,514	7,286	322,935
Materials and supplies	35,000	35,000	0	0
Capital outlay	156,048	156,048	0	160,962
Total General Administration	<u>558,189</u>	<u>548,569</u>	<u>9,620</u>	<u>529,582</u>
Elections				
Personal services	99,036	96,032	3,004	86,323
Contract services	25,750	15,600	10,150	14,553
Materials and supplies	7,585	6,785	800	16,357
Total Elections	<u>132,371</u>	<u>118,417</u>	<u>13,954</u>	<u>117,233</u>
Board of Commissioners				
Personal services	470,556	439,943	30,613	429,944
Contract services	81,120	72,505	8,615	70,506
Materials and supplies	11,275	10,973	302	10,464
Capital outlay	30,350	29,150	1,200	26,834
Total Board of Commissioners	<u>593,301</u>	<u>552,571</u>	<u>40,730</u>	<u>537,748</u>
Tax Commissioner				
Personal services	261,387	246,996	14,391	251,314
Contract services	64,135	55,700	8,435	51,328
Materials and supplies	8,307	7,256	1,051	12,768
Total Tax Commissioner	<u>333,829</u>	<u>309,952</u>	<u>23,877</u>	<u>315,410</u>
Tax Assessors				
Personal services	310,560	302,591	7,969	274,491
Contract services	33,560	30,262	3,298	26,786
Materials and supplies	3,600	2,911	689	14,922
Capital outlay	0	0	0	27,375
Total Tax Assessors	<u>347,720</u>	<u>335,764</u>	<u>11,956</u>	<u>343,574</u>
Buildings and Properties				
Personal services	288,928	258,158	30,770	215,334
Contract services	246,325	137,463	108,862	114,571
Materials and supplies	134,300	141,815	(7,515)	129,464
Capital outlay	208,000	107,700	100,300	77,325
Total Buildings and Properties	<u>877,553</u>	<u>645,136</u>	<u>232,417</u>	<u>536,694</u>
Total General Government	<u>2,842,963</u>	<u>2,510,409</u>	<u>332,554</u>	<u>2,380,241</u>

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Judicial				
Clerk of Court				
Personal services	\$ 303,974	\$ 278,744	\$ 25,230	\$ 282,078
Contract services	68,325	62,745	5,580	64,716
Materials and supplies	5,500	5,258	242	7,277
Total Clerk of Court	<u>377,799</u>	<u>346,747</u>	<u>31,052</u>	<u>354,071</u>
Probate Court				
Personal services	201,137	187,337	13,800	157,119
Contract services	60,415	58,263	2,152	44,001
Materials and supplies	4,150	4,017	133	6,022
Total Probate Court	<u>265,702</u>	<u>249,617</u>	<u>16,085</u>	<u>207,142</u>
Administration of Justice				
Personal services	46,060	45,680	380	46,233
Contract services	115,300	106,810	8,490	118,126
Payments to other agencies	165,679	155,918	9,761	150,761
Total Administration of Justice	<u>327,039</u>	<u>308,408</u>	<u>18,631</u>	<u>315,120</u>
District Attorney				
Personal services	118,715	116,612	2,103	99,736
Contract services	26,675	25,309	1,366	23,373
Materials and supplies	5,850	5,068	782	6,839
Total District Attorney	<u>151,240</u>	<u>146,989</u>	<u>4,251</u>	<u>129,948</u>
Total Judicial	<u>1,121,780</u>	<u>1,051,761</u>	<u>70,019</u>	<u>1,006,281</u>
Public Safety				
Sheriff				
Personal services	1,477,278	1,391,627	85,651	1,332,307
Contract services	136,700	124,431	12,269	110,100
Materials and supplies	125,150	127,141	(1,991)	124,322
Capital outlay	100,480	76,616	23,864	55,134
Total Sheriff	<u>1,839,608</u>	<u>1,719,815</u>	<u>119,793</u>	<u>1,621,863</u>
Rabun County Jail				
Personal services	1,273,959	1,159,549	114,410	1,135,845
Contract services	294,513	294,671	(158)	236,002
Materials and supplies	346,135	351,185	(5,050)	338,503
Capital outlay	0	27,473	(27,473)	22,700
Total Rabun County Jail	<u>1,914,607</u>	<u>1,832,878</u>	<u>81,729</u>	<u>1,733,050</u>

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Public Safety (continued)				
Coroner				
Personal services	\$ 4,306	\$ 4,289	\$ 17	\$ 4,103
Contract services	13,320	11,888	1,432	12,032
Materials and supplies	1,300	1,082	218	455
Total Coroner	<u>18,926</u>	<u>17,259</u>	<u>1,667</u>	<u>16,590</u>
Emergency Management Agency				
Personal services	29,650	28,496	1,154	11,408
Contract services	21,125	18,233	2,892	14,934
Materials and supplies	40,121	28,890	11,231	19,804
Capital outlay	75,169	84,813	(9,644)	0
Total Emergency Management Agency	<u>166,065</u>	<u>160,432</u>	<u>5,633</u>	<u>46,146</u>
Fire Department				
Personal services	285,691	270,280	15,411	221,393
Contract services	255,225	239,527	15,698	226,427
Materials and supplies	318,760	304,210	14,550	310,476
Capital outlay	285,000	29,500	255,500	69,000
Total Fire Department	<u>1,144,676</u>	<u>843,517</u>	<u>301,159</u>	<u>827,296</u>
County Marshal				
Personal services	265,008	257,406	7,602	265,112
Contract services	8,894	7,845	1,049	9,513
Materials and supplies	10,431	9,284	1,147	8,665
Payments to other agencies	11,000	10,164	836	11,651
Total County Marshal	<u>295,333</u>	<u>284,699</u>	<u>10,634</u>	<u>294,941</u>
E911 Mapping & Addressing				
Personal services	110,990	105,174	5,816	99,994
Contract services	7,215	6,948	267	6,397
Materials and supplies	187,845	182,756	5,089	57,564
Capital outlay	6,400	6,400	0	0
Total E911 Mapping & Addressing	<u>312,450</u>	<u>301,278</u>	<u>11,172</u>	<u>163,955</u>
Drug Task Force				
Personal services	55,911	22,441	33,470	43,058
Contract services	1,150	1,150	0	1,150
Total Drug Task Force	<u>57,061</u>	<u>23,591</u>	<u>33,470</u>	<u>44,208</u>

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Public Safety (continued)				
Emergency Medical Service				
Personal services	\$ 1,695,690	\$ 1,631,214	\$ 64,476	\$ 1,592,656
Contract services	135,285	123,459	11,826	129,506
Materials and supplies	146,400	130,966	15,434	116,631
Capital outlay	257,550	256,852	698	134,795
Total Emergency Medical Service	2,234,925	2,142,491	92,434	1,973,588
Boggs Mountain Animal Shelter				
Capital outlay	20,000	24,506	(4,506)	666,052
Payments to other agencies	128,550	123,797	4,753	201,492
Total Boggs Mountain Animal Shelter	148,550	148,303	247	867,544
Total Public Safety	8,132,201	7,474,263	657,938	7,589,181
Public Works				
Roads and Bridges				
Personal services	1,233,491	1,187,513	45,978	1,157,899
Contract services	179,625	156,847	22,778	165,292
Materials and supplies	386,350	329,131	57,219	340,360
Capital outlay	162,000	185,400	(23,400)	0
Total Roads and Bridges	1,961,466	1,858,891	102,575	1,663,551
Rabun County Water and Sewer Authority				
Payments to other agencies	129,000	129,000	0	128,757
Total Public Works	2,090,466	1,987,891	102,575	1,792,308
Health and Welfare				
Public Health				
Contract services	6,500	6,335	165	7,704
Materials and supplies	2,150	1,632	518	2,139
Payments to other agencies	284,278	283,768	510	285,721
Total Public Health	292,928	291,735	1,193	295,564
Public Welfare				
Contract services	1,400	700	700	0
Payments to other agencies	50,600	40,342	10,258	42,666
Total Public Welfare	52,000	41,042	10,958	42,666

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Health and Welfare (continued)				
Program on Aging				
Personal services	\$ 345,123	\$ 311,683	\$ 33,440	\$ 303,903
Contract services	52,635	34,696	17,939	57,447
Materials and supplies	255,485	255,059	426	262,516
Capital outlay	4,500	36,668	(32,168)	0
Payments to other agencies	9,450	9,450	0	9,450
Total Program on Aging	<u>667,193</u>	<u>647,556</u>	<u>19,637</u>	<u>633,316</u>
Court Appointed Special Advocates				
Payments to other agencies	7,500	7,500	0	7,500
F.A.I.T.H.				
Payments to other agencies	99,750	99,750	0	95,000
Total Health and Welfare	<u>1,119,371</u>	<u>1,087,583</u>	<u>31,788</u>	<u>1,074,046</u>
Culture and Recreation				
Civic Center				
Personal services	23,536	23,277	259	21,782
Contract services	17,163	12,979	4,184	14,068
Materials and supplies	37,400	30,559	6,841	27,056
Total Civic Center	<u>78,099</u>	<u>66,815</u>	<u>11,284</u>	<u>62,906</u>
Recreation				
Personal services	321,131	313,354	7,777	300,691
Contract services	99,600	91,169	8,431	83,573
Materials and supplies	195,680	173,481	22,199	179,440
Capital outlay	22,945	21,948	997	0
Total Recreation	<u>639,356</u>	<u>599,952</u>	<u>39,404</u>	<u>563,704</u>
Rabun Arena				
Personal services	63,375	58,691	4,684	51,679
Contract services	40,570	9,761	30,809	12,732
Materials and supplies	44,600	42,386	2,214	44,149
Total Rabun Arena	<u>148,545</u>	<u>110,838</u>	<u>37,707</u>	<u>108,560</u>
Rabun County Library				
Personal services	21,726	13,266	8,460	14,693
Contract services	2,200	2,200	0	2,170
Payments to other agencies	252,806	253,051	(245)	260,363
Total Rabun County Library	<u>276,732</u>	<u>268,517</u>	<u>8,215</u>	<u>277,226</u>
Rabun County Historical Society				
Payments to other agencies	5,700	5,555	145	5,568
Total Culture and Recreation	<u>1,148,432</u>	<u>1,051,677</u>	<u>96,755</u>	<u>1,017,964</u>

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Housing and Development				
Extension Service				
Personal services	\$ 23,195	\$ 17,470	\$ 5,725	\$ 19,899
Contract services	10,000	9,582	418	8,275
Materials and supplies	5,150	4,873	277	3,637
Total Extension Service	<u>38,345</u>	<u>31,925</u>	<u>6,420</u>	<u>31,811</u>
Planning Commission				
Personal services	64,234	63,391	843	62,192
Contract services	6,125	5,569	556	4,380
Materials and supplies	2,280	1,743	537	2,342
Total Planning Commission	<u>72,639</u>	<u>70,703</u>	<u>1,936</u>	<u>68,914</u>
Rabun County Economic Development Authority				
Payments to other agencies	<u>1,355,564</u>	<u>1,330,070</u>	<u>25,494</u>	<u>1,365,443</u>
Soil Erosion Control				
Personal services	8,079	7,517	562	7,713
Contract services	6,075	4,875	1,200	5,812
Materials and supplies	41	42	(1)	400
Total Soil Erosion Control	<u>14,195</u>	<u>12,434</u>	<u>1,761</u>	<u>13,925</u>
Total Housing and Development	<u>1,480,743</u>	<u>1,445,132</u>	<u>35,611</u>	<u>1,480,093</u>
Total Current	<u>17,935,956</u>	<u>16,608,716</u>	<u>1,327,240</u>	<u>16,340,114</u>
Debt Service				
Public Works				
Roads and Bridges	<u>0</u>	<u>0</u>	<u>0</u>	<u>88,008</u>
Total Expenditures	<u>\$ 17,935,956</u>	<u>\$ 16,608,716</u>	<u>\$ 1,327,240</u>	<u>\$ 16,428,122</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Confiscated Assets Fund – This fund is used to account for the cash or property received from drug confiscations restricted for law enforcement.

Jail Fund – This fund is used to account for fines and fees received restricted for the maintenance of the County Jail.

Law Library Fund – This fund is used to account for fines and fees received restricted for operation of the Rabun County Law Library.

Juvenile Case Management Fund – This fund is used to account for fines and fees received restricted for juvenile supervision.

Drug Abuse Treatment Education Fund – This fund is used to account for fines and fees received restricted for drug treatment and education programs in the County.

Emergency 911 Fund – This fund is used to account for the County's share of telephone fees restricted for the operation of the 911 emergency system.

Hotel/Motel Tax Fund – This fund is used to account for hotel/motel tax collections restricted for trade and tourism in Rabun County.

RABUN COUNTY, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

ASSETS	2016	2015
Cash and cash equivalents	\$ 3,713	\$ 3,497
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for public safety	\$ 3,713	\$ 3,497

RABUN COUNTY, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016
(With comparative actual amounts for the fiscal year ended June 30, 2015)

	<u>2016</u>			<u>2015</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Fines, fees, and forfeitures	\$ 1,750	\$ 207	\$ (1,543)	\$ 0
Interest	<u>0</u>	<u>9</u>	<u>9</u>	<u>5</u>
Total revenues	<u>1,750</u>	<u>216</u>	<u>(1,534)</u>	<u>5</u>
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	<u>1,750</u>	<u>0</u>	<u>1,750</u>	<u>222</u>
Total expenditures	<u>1,750</u>	<u>0</u>	<u>1,750</u>	<u>222</u>
Excess (deficiency) of revenues over (under) expenditures	0	216	216	(217)
Fund balances, July 1	<u>0</u>	<u>3,497</u>	<u>3,497</u>	<u>3,714</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 3,713</u></u>	<u><u>\$ 3,713</u></u>	<u><u>\$ 3,497</u></u>

**RABUN COUNTY, GEORGIA
 JAIL SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 June 30, 2016 and 2015**

ASSETS	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 225,524	\$ 151,283
Intergovernmental receivable	<u>7,385</u>	<u>3,479</u>
Total assets	<u><u>\$ 232,909</u></u>	<u><u>\$ 154,762</u></u>
 LIABILITIES AND FUND BALANCES		
 Fund balances		
Restricted for public safety	<u><u>\$ 232,909</u></u>	<u><u>\$ 154,762</u></u>

**RABUN COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL**

For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 79,750	\$ 85,325	\$ 5,575	\$ 72,670
Interest	0	469	469	250
Total revenues	<u>79,750</u>	<u>85,794</u>	<u>6,044</u>	<u>72,920</u>
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	79,750	7,647	72,103	93,167
Capital outlay	0	0	0	22,700
Total expenditures	<u>79,750</u>	<u>7,647</u>	<u>72,103</u>	<u>115,867</u>
Excess (deficiency) of revenues over (under) expenditures	0	78,147	78,147	(42,947)
Fund balances, July 1	0	154,762	154,762	197,709
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 232,909</u>	<u>\$ 232,909</u>	<u>\$ 154,762</u>

RABUN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

ASSETS	2016	2015
Cash and cash equivalents	\$ 41,355	\$ 38,798
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for judicial	\$ 41,355	\$ 38,798

RABUN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 10,000	\$ 11,050	\$ 1,050	\$ 9,662
Interest	45	41	(4)	37
Total revenues	10,045	11,091	1,046	9,699
EXPENDITURES				
Current				
Judicial				
Contract services	2,400	2,600	(200)	2,400
Materials and supplies	7,645	5,934	1,711	7,033
Total expenditures	10,045	8,534	1,511	9,433
Excess (deficiency) of revenues over (under) expenditures	0	2,557	2,557	266
Fund balances, July 1	0	38,798	38,798	38,532
Fund balances, June 30	\$ 0	\$ 41,355	\$ 41,355	\$ 38,798

RABUN COUNTY, GEORGIA
JUVENILE CASE MANAGEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

ASSETS	2016	2015
Cash and cash equivalents	\$ 3,922	\$ 2,908
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for judicial	\$ 3,922	\$ 2,908

RABUN COUNTY, GEORGIA
JUVENILE CASE MANAGEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016
(With comparative actual amounts for the fiscal year ended June 30, 2015)

	<u>2016</u>			<u>2015</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Intergovernmental	\$ 1,000	\$ 0	\$ (1,000)	\$ 0
Interest	0	14	14	4
Other	0	1,000	1,000	0
Total revenues	<u>1,000</u>	<u>1,014</u>	<u>14</u>	<u>4</u>
EXPENDITURES				
Current				
Judicial				
Contract services	<u>1,000</u>	<u>0</u>	<u>1,000</u>	<u>0</u>
Total expenditures	<u>1,000</u>	<u>0</u>	<u>1,000</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	1,014	1,014	4
Fund balances, July 1	<u>0</u>	<u>2,908</u>	<u>2,908</u>	<u>2,904</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 3,922</u></u>	<u><u>\$ 3,922</u></u>	<u><u>\$ 2,908</u></u>

RABUN COUNTY, GEORGIA
DRUG ABUSE TREATMENT EDUCATION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 57,048	\$ 56,580
Intergovernmental receivable	<u>562</u>	<u>536</u>
Total assets	<u>\$ 57,610</u>	<u>\$ 57,116</u>
 LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for judicial	<u>\$ 57,610</u>	<u>\$ 57,116</u>
Total liabilities and fund balances	<u>\$ 57,610</u>	<u>\$ 57,116</u>

RABUN COUNTY, GEORGIA
DRUG ABUSE TREATMENT EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016
(With comparative actual amounts for the fiscal year ended June 30, 2015)

	<u>2016</u>			<u>2015</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Fines, fees, and forfeitures	\$ 20,550	\$ 16,149	\$ (4,401)	\$ 18,552
Interest	0	140	140	72
Total revenues	<u>20,550</u>	<u>16,289</u>	<u>(4,261)</u>	<u>18,624</u>
EXPENDITURES				
Current				
Judicial				
Contract services	0	421	(421)	0
Materials and supplies	20,550	7,075	13,475	5,969
Capital outlay	0	8,299	(8,299)	0
Total expenditures	<u>20,550</u>	<u>15,795</u>	<u>4,755</u>	<u>5,969</u>
Excess (deficiency) of revenues over (under) expenditures	0	494	494	12,655
Fund balances, July 1	0	57,116	57,116	44,461
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 57,610</u>	<u>\$ 57,610</u>	<u>\$ 57,116</u>

RABUN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 519,145	\$ 458,851
Accounts receivable (net)	<u>73,297</u>	<u>72,700</u>
Total assets	<u><u>\$ 592,442</u></u>	<u><u>\$ 531,551</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 5,434	\$ 2,300
Intergovernmental payable	0	158
Accrued salaries and expenses	<u>14,748</u>	<u>10,209</u>
Total liabilities	20,182	12,667
Fund balances		
Assigned to public safety	<u>572,260</u>	<u>518,884</u>
Total liabilities and fund balances	<u><u>\$ 592,442</u></u>	<u><u>\$ 531,551</u></u>

RABUN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 355,000	\$ 360,745	\$ 5,745	\$ 354,127
Interest	0	1,233	1,233	624
Total revenues	355,000	361,978	6,978	354,751
EXPENDITURES				
Current				
Public Safety				
Personal Services	720,549	695,654	24,895	650,739
Contract services	250,207	231,810	18,397	224,762
Materials and supplies	25,880	22,774	3,106	13,932
Capital outlay	0	0	0	31,647
Total expenditures	996,636	950,238	46,398	921,080
Excess (deficiency) of revenues over (under) expenditures	(641,636)	(588,260)	53,376	(566,329)
Other financing sources (uses)				
Transfers in (out)				
General Fund	641,636	641,636	0	629,912
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	53,376	53,376	63,583
Fund balances, July 1	0	518,884	518,884	455,301
Fund balances, June 30	\$ 0	\$ 572,260	\$ 572,260	\$ 518,884

RABUN COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

ASSETS	2016	2015
Cash and cash equivalents	\$ 21,974	\$ 4,745
Taxes receivable	65,194	62,517
Total assets	\$ 87,168	\$ 67,262
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	\$ 0	\$ 20,681
Fund balances		
Assigned to housing and development	87,168	46,581
Total liabilities and fund balances	\$ 87,168	\$ 67,262

RABUN COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL

For the fiscal year ended June 30, 2016

(With comparative actual amounts for the fiscal year ended June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	\$ 200,000	\$ 234,587	\$ 34,587	\$ 428,213
Total revenues	<u>200,000</u>	<u>234,587</u>	<u>34,587</u>	<u>428,213</u>
EXPENDITURES				
Current				
Housing and Development				
Tourism				
Rabun County Convention and Visitors Bureau	195,000	195,000	0	397,800
Total expenditures	<u>195,000</u>	<u>195,000</u>	<u>0</u>	<u>397,800</u>
Excess (deficiency) of revenues over (under) expenditures	5,000	39,587	34,587	30,413
Other financing sources (uses)				
Transfers in (out)				
General Fund	(5,000)	1,000	6,000	16,168
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	40,587	40,587	46,581
Fund balances, July 1	0	46,581	46,581	0
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 87,168</u>	<u>\$ 87,168</u>	<u>\$ 46,581</u>

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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 #5 Fund – This fund is used to account for long-term projects financed by the 2007 passage of a special purpose local option sales tax.

Special Purpose Local Option Sales Tax #6 Fund – This fund is used to account for long-term projects financed by the 2013 passage of a special purpose local option sales tax.

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

ASSETS	2016	2015
Cash and cash equivalents	\$ 1,509,309	\$ 2,525,533
Total assets	\$ 1,509,309	\$ 2,525,533
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 0	\$ 688,377
Retainage payable	0	62,084
Total liabilities	0	750,461
 Fund balances		
Restricted for capital outlay	1,509,309	1,775,072
Total liabilities and fund balances	\$ 1,509,309	\$ 2,525,533

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2016 and 2015

REVENUES	<u>2016</u>	<u>2015</u>
Intergovernmental	\$ 0	\$ 315,501
Interest	4,170	3,871
	<hr/>	<hr/>
Total revenues	4,170	319,372
	<hr/>	<hr/>
EXPENDITURES		
Capital Outlay		
Public Safety		
Fire Department	200	154,970
Public Works		
Roads and Bridges	269,733	1,419,542
Health and Welfare		
Public Health	0	669,577
	<hr/>	<hr/>
Total expenditures	269,933	2,244,089
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(265,763)	(1,924,717)
Fund balances, July 1	1,775,072	3,699,789
	<hr/>	<hr/>
Fund balances, June 30	<u>\$ 1,509,309</u>	<u>\$ 1,775,072</u>

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #6
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 3,427,031	\$ 1,935,275
Taxes receivable	323,095	304,302
Restricted assets		
Cash and cash equivalents	<u>5,223,941</u>	<u>7,583,306</u>
 Total assets	 <u><u>\$ 8,974,067</u></u>	 <u><u>\$ 9,822,883</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 244,187	\$ 174,813
Retainage payable	<u>0</u>	<u>15,824</u>
 Total liabilities	 244,187	 190,637
 Fund balances		
Restricted for capital outlay	<u>8,729,880</u>	<u>9,632,246</u>
 Total liabilities and fund balances	 <u><u>\$ 8,974,067</u></u>	 <u><u>\$ 9,822,883</u></u>

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #6
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2016 and 2015

REVENUES	<u>2016</u>	<u>2015</u>
Taxes	\$ 3,157,216	\$ 3,214,341
Interest	17,475	12,042
Total revenues	<u>3,174,691</u>	<u>3,226,383</u>
 EXPENDITURES		
Capital Outlay		
Public Safety	698	0
Public Works	400,342	863,515
Debt Service	1,686,675	1,203,311
Intergovernmental	0	67,720
Total expenditures	<u>2,087,715</u>	<u>2,134,546</u>
Excess (deficiency) of revenues over (under) expenditures	1,086,976	1,091,837
Other financing sources (uses)		
Transfers in (out)		
Waste-Water Facility Fund	<u>(1,989,342)</u>	<u>(342,333)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(902,366)	749,504
Fund balances, July 1	<u>9,632,246</u>	<u>8,882,742</u>
Fund balances, June 30	<u><u>\$ 8,729,880</u></u>	<u><u>\$ 9,632,246</u></u>

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Solid Waste Fund – This fund is used to account for the activities of solid waste disposal and recycling programs for Rabun County.

Waste-Water Facility Fund – This fund is used to account for activities connected with the waste water and water treatment facility of Rabun County.

Golf Course Fund – This fund is used to account for activities connected with the operations of a public golf course owned by Rabun County.

RABUN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2016 and 2015

ASSETS

	2016	2015
Current assets		
Cash and cash equivalents	\$ 508,574	\$ 238,224
Accounts receivable (net)	57,987	36,175
Total current assets	566,561	274,399
Capital assets		
Non-depreciable	1,407,079	1,118,076
Depreciable (net)	799,730	856,925
Total capital assets (net of accumulated depreciation)	2,206,809	1,975,001
Total assets	2,773,370	2,249,400
DEFERRED OUTFLOWS OF RESOURCES		
Pension experience differences	2,039	0
Pension investment return differences	14,005	1,225
Pension assumption changes	10,105	0
Total deferred outflows of resources	26,149	1,225
LIABILITIES		
Current liabilities		
Accounts payable	59,557	12,827
Intergovernmental payable	0	80
Accrued salaries and other payroll liabilities	14,753	10,796
Compensated absences	17,763	21,868
Closure/post-closure care	54,122	52,500
Total current liabilities	146,195	98,071
Noncurrent liabilities		
Net pension liability	98,987	75,249
Closure/post-closure care	2,829,064	2,840,796
Total noncurrent liabilities	2,928,051	2,916,045
Total liabilities	3,074,246	3,014,116
NET POSITION		
Net investment in capital assets	2,171,763	1,975,001
Unrestricted	(2,446,490)	(2,738,492)
Total net position	\$ (274,727)	\$ (763,491)

RABUN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for sales and services	\$ 519,624	\$ 489,536
Other	0	2,830
Total operating revenues	<u>519,624</u>	<u>492,366</u>
OPERATING EXPENSES		
Costs of sales and services	509,647	422,612
Personal services	681,788	669,395
Depreciation	85,144	88,054
Total operating expenses	<u>1,276,579</u>	<u>1,180,061</u>
Operating income (loss)	(756,955)	(687,695)
Non-operating revenues (expenses)		
Interest revenue	672	77
Net income (loss) before transfers	(756,283)	(687,618)
Transfers in (out)		
General fund	1,245,047	695,735
Change in net position	<u>488,764</u>	<u>8,117</u>
Net position, July 1 (original)	(763,491)	(691,966)
Prior period adjustments	0	(79,642)
Net position, July 1 (restated)	<u>(763,491)</u>	<u>(771,608)</u>
Net position, June 30	<u><u>\$ (274,727)</u></u>	<u><u>\$ (763,491)</u></u>

RABUN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Receipts from customers	\$ 497,812	\$ 513,620
Payments to suppliers	(508,153)	(434,337)
Payments to employees	<u>(683,122)</u>	<u>(670,014)</u>
Net cash provided (used) by operating activities	<u>(693,463)</u>	<u>(590,731)</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	<u>1,245,047</u>	<u>695,735</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(281,906)</u>	<u>0</u>
Cash flows from investing activities:		
Interest received	<u>672</u>	<u>77</u>
Net increase (decrease) in cash and cash equivalents	270,350	105,081
Cash and cash equivalents, July 1	<u>238,224</u>	<u>133,143</u>
Cash and cash equivalents, June 30	<u><u>\$ 508,574</u></u>	<u><u>\$ 238,224</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (756,955)</u>	<u>\$ (687,695)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	85,144	88,054
Closure/post-closure care costs	(10,110)	(10,760)
(Increase) decrease in accounts receivable	(21,812)	21,254
(Increase) decrease in pension experience differences	(2,039)	0
(Increase) decrease in pension investment return differences	(12,780)	(1,225)
(Increase) decrease in pension assumption changes	(10,105)	0
Increase (decrease) in accounts payable	11,684	(976)
Increase (decrease) in intergovernmental payable	(80)	11
Increase (decrease) in accrued payroll liabilities	(148)	4,999
Increase (decrease) in net pension liability	<u>23,738</u>	<u>(4,393)</u>
Total adjustments	<u>63,492</u>	<u>96,964</u>
Net cash provided (used) by operating activities	<u><u>\$ (693,463)</u></u>	<u><u>\$ (590,731)</u></u>

Noncash capital and related financing activities:

Acquisitions of capital assets through accounts payable totaled \$35,046 for the fiscal year ended June 30, 2016.

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2016 and 2015

ASSETS

	2016	2015
Current assets		
Cash and cash equivalents	\$ 190,599	\$ 59,408
Accounts receivable, net	387	0
Total current assets	190,986	59,408
Capital assets		
Non-depreciable	2,523,062	706,700
Depreciable (net)	0	3,217,330
Total capital assets (net of accumulated depreciation)	2,523,062	3,924,030
Total assets	2,714,048	3,983,438

DEFERRED OUTFLOWS OF RESOURCES

Pension investment return differences	0	644
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LIABILITIES

Current liabilities

Payables		
Accounts	4,744	559
Interest	13,773	14,334
Accrued salaries and other payroll liabilities	0	2,133
Compensated absences	0	7,059
Notes payable	170,994	164,136
Total current liabilities	189,511	188,221

Noncurrent liabilities

Net pension liability	0	39,524
Notes payable	3,860,083	4,031,077
Total noncurrent liabilities	3,860,083	4,070,601
Total liabilities	4,049,594	4,258,822

NET POSITION

Net investment in capital assets	2,523,062	(271,183)
Unrestricted	(3,858,608)	(3,557)
Total net position	\$ (1,335,546)	\$ (274,740)

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for sales and services	\$ 343,171	\$ 439,863
Total operating revenues	<u>343,171</u>	<u>439,863</u>
OPERATING EXPENSES		
Costs of sales and services	153,400	191,915
Personal services	93,300	140,676
Depreciation	122,751	121,637
Total operating expenses	<u>369,451</u>	<u>454,228</u>
Operating income (loss)	<u>(26,280)</u>	<u>(14,365)</u>
Non-operating revenues (expenses)		
Interest revenue	318	209
Interest expense	(168,381)	(174,986)
Distributions of capital assets	(3,283,059)	0
Total non-operating revenues (expenses)	<u>(3,451,122)</u>	<u>(174,777)</u>
Net income (loss) before transfers	<u>(3,477,402)</u>	<u>(189,142)</u>
Transfers in (out)		
General Fund	427,254	148,271
SPLOST #6 Fund	1,989,342	342,333
Total transfers in (out)	<u>2,416,596</u>	<u>490,604</u>
Change in net position	<u>(1,060,806)</u>	<u>301,462</u>
Net position, July 1 (original)	(274,740)	(534,370)
Prior period adjustments	0	(41,832)
Net position, July 1 (restated)	<u>(274,740)</u>	<u>(576,202)</u>
Net position, June 30	<u>\$ (1,335,546)</u>	<u>\$ (274,740)</u>

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Receipts from customers	\$ 342,784	\$ 440,833
Payments to suppliers	(149,215)	(193,425)
Payments to employees	(141,372)	(147,574)
	<u>52,197</u>	<u>99,834</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	<u>427,254</u>	<u>148,271</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(2,004,842)	(342,333)
Receipts from other funds	1,989,342	342,333
Interest payments	(168,942)	(175,524)
Principal payments - notes payable	(164,136)	(157,555)
	<u>(348,578)</u>	<u>(333,079)</u>
Cash flows from investing activities:		
Interest received	<u>318</u>	<u>209</u>
Net increase (decrease) in cash and cash equivalents	131,191	(84,765)
Cash and cash equivalents, July 1	<u>59,408</u>	<u>144,173</u>
Cash and cash equivalents, June 30	<u><u>\$ 190,599</u></u>	<u><u>\$ 59,408</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (26,280)</u>	<u>\$ (14,365)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	122,751	121,637
(Increase) decrease in accounts receivable	(387)	970
(Increase) decrease in pension investment return differences	644	(644)
Increase (decrease) in accounts payable	4,185	(1,481)
Increase (decrease) in intergovernmental payable	0	(29)
Increase (decrease) in accrued payroll liabilities	(9,192)	(3,946)
Increase (decrease) in net pension liability	(39,524)	(2,308)
	<u>78,477</u>	<u>114,199</u>
Net cash provided (used) by operating activities	<u><u>\$ 52,197</u></u>	<u><u>\$ 99,834</u></u>

Noncash capital and related financing activities:

Distributions of capital assets to other governments totaled \$3,828,148 with related accumulated depreciation totaling \$545,089 for the fiscal year ended June 30, 2016.

RABUN COUNTY, GEORGIA
GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2016 and 2015

ASSETS

	2016	2015
Current assets		
Cash and cash equivalents	\$ 129,484	\$ 75,440
Capital assets		
Non-depreciable	19,800	19,800
Depreciable (net)	41,551	43,644
Total capital assets (net of accumulated depreciation)	61,351	63,444
Total assets	190,835	138,884

DEFERRED OUTFLOWS OF RESOURCES

Pension experience differences	1,347	0
Pension investment return differences	9,161	723
Pension assumption changes	6,673	0
Total deferred outflows of resources	17,181	723

LIABILITIES

Current liabilities

Accounts payable	395	254
Intergovernmental payable	0	32
Accrued salaries and other payroll liabilities	4,712	3,253
Compensated absences	15,437	13,526
Total current liabilities	20,544	17,065

Noncurrent liabilities

Net pension liability	60,086	44,411
Total liabilities	80,630	61,476

NET POSITION

Investment in capital assets	61,351	63,444
Unrestricted	66,035	14,687
Total net position	\$ 127,386	\$ 78,131

RABUN COUNTY, GEORGIA
GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for sales and services	\$ 107,452	\$ 96,704
Total operating revenues	<u>107,452</u>	<u>96,704</u>
OPERATING EXPENSES		
Costs of sales and services	62,729	62,948
Personal services	222,165	210,752
Depreciation	10,093	11,724
Total operating expenses	<u>294,987</u>	<u>285,424</u>
Operating income (loss)	(187,535)	(188,720)
Non-operating revenues (expenses)		
Interest revenue	<u>259</u>	<u>100</u>
Net income (loss) before transfers	(187,276)	(188,620)
Transfer in (out)		
General Fund	<u>236,531</u>	<u>211,794</u>
Change in net position	<u>49,255</u>	<u>23,174</u>
Net position, July 1 (original)	78,131	101,961
Prior period adjustments	<u>0</u>	<u>(47,004)</u>
Net position, July 1 (restated)	<u>78,131</u>	<u>54,957</u>
Net position, June 30	<u><u>\$ 127,386</u></u>	<u><u>\$ 78,131</u></u>

RABUN COUNTY, GEORGIA
GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Receipts from customers	\$ 107,452	\$ 96,704
Payments to suppliers	(62,620)	(62,948)
Payments to employees	(219,578)	(212,603)
	<u>(174,746)</u>	<u>(178,847)</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	<u>236,531</u>	<u>211,794</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(8,000)</u>	<u>(17,900)</u>
Cash flows from investing activities:		
Interest received	<u>259</u>	<u>100</u>
Net increase (decrease) in cash and cash equivalents	54,044	15,147
Cash and cash equivalents, July 1	<u>75,440</u>	<u>60,293</u>
Cash and cash equivalents, June 30	<u><u>\$ 129,484</u></u>	<u><u>\$ 75,440</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (187,535)	\$ (188,720)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	10,093	11,724
(Increase) decrease in pension experience differences	(1,347)	0
(Increase) decrease in pension investment return differences	(8,438)	(723)
(Increase) decrease in pension assumption changes	(6,673)	0
Increase (decrease) in accounts payable	141	0
Increase (decrease) in intergovernmental payable	(32)	0
Increase (decrease) in payroll liabilities	3,370	1,465
Increase (decrease) in net pension liability	15,675	(2,593)
	<u>12,789</u>	<u>9,873</u>
Total adjustments	<u>12,789</u>	<u>9,873</u>
Net cash provided (used) by operating activities	<u><u>\$ (174,746)</u></u>	<u><u>\$ (178,847)</u></u>

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.

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

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

RABUN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2016

	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>
ASSETS		
Cash	\$ 580,667	\$ 297,417
Taxes receivable, net	<u>306,206</u>	<u>0</u>
Total assets	<u><u>\$ 886,873</u></u>	<u><u>\$ 297,417</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other agencies	<u><u>\$ 886,873</u></u>	<u><u>\$ 297,417</u></u>

<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Sheriff Department</u>	<u>Totals</u>
\$ 44,159	\$ 10,807	\$ 26,696	\$ 959,746
<u>0</u>	<u>0</u>	<u>0</u>	<u>306,206</u>
<u>\$ 44,159</u>	<u>\$ 10,807</u>	<u>\$ 26,696</u>	<u>\$ 1,265,952</u>
<u>\$ 44,159</u>	<u>\$ 10,807</u>	<u>\$ 26,696</u>	<u>\$ 1,265,952</u>

RABUN COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2016

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
TAX COMMISSIONER				
ASSETS				
Cash	\$ 720,880	\$ 34,459,391	\$ 34,599,604	\$ 580,667
Taxes receivable, net	276,133	30,299,447	30,269,374	306,206
Total	<u>\$ 997,013</u>	<u>\$ 64,758,838</u>	<u>\$ 64,868,978</u>	<u>\$ 886,873</u>
LIABILITIES				
Due to other agencies	<u>\$ 997,013</u>	<u>\$ 64,758,838</u>	<u>\$ 64,868,978</u>	<u>\$ 886,873</u>
CLERK OF SUPERIOR COURT				
ASSETS				
Cash	<u>\$ 166,592</u>	<u>\$ 1,040,936</u>	<u>\$ 910,111</u>	<u>\$ 297,417</u>
LIABILITIES				
Due to other agencies	<u>\$ 166,592</u>	<u>\$ 1,040,936</u>	<u>\$ 910,111</u>	<u>\$ 297,417</u>
PROBATE COURT				
ASSETS				
Cash	<u>\$ 42,773</u>	<u>\$ 577,553</u>	<u>\$ 576,167</u>	<u>\$ 44,159</u>
LIABILITIES				
Due to other agencies	<u>\$ 42,773</u>	<u>\$ 577,553</u>	<u>\$ 576,167</u>	<u>\$ 44,159</u>
MAGISTRATE COURT				
ASSETS				
Cash	<u>\$ 7,432</u>	<u>\$ 75,191</u>	<u>\$ 71,816</u>	<u>\$ 10,807</u>
LIABILITIES				
Due to other agencies	<u>\$ 7,432</u>	<u>\$ 75,191</u>	<u>\$ 71,816</u>	<u>\$ 10,807</u>
SHERIFF DEPARTMENT				
ASSETS				
Cash	<u>\$ 21,093</u>	<u>\$ 114,082</u>	<u>\$ 108,479</u>	<u>\$ 26,696</u>
LIABILITIES				
Due to other agencies	<u>\$ 21,093</u>	<u>\$ 114,082</u>	<u>\$ 108,479</u>	<u>\$ 26,696</u>
TOTALS				
ASSETS				
Cash	\$ 958,770	\$ 36,267,153	\$ 36,266,177	\$ 959,746
Taxes receivable, net	276,133	30,299,447	30,269,374	306,206
Total	<u>\$ 1,234,903</u>	<u>\$ 66,566,600</u>	<u>\$ 66,535,551</u>	<u>\$ 1,265,952</u>
LIABILITIES				
Due to other agencies	<u>\$ 1,234,903</u>	<u>\$ 66,566,600</u>	<u>\$ 66,535,551</u>	<u>\$ 1,265,952</u>

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 Chairman and Members
of the Board of Commissioners
Rabun 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 Rabun County, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Rabun County, Georgia's basic financial statements and have issued our report thereon dated November 18, 2016. Our report includes a reference to other auditors who audited the financial statements of the Rabun County Health Department, as described in our report on Rabun 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 Rabun 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 Rabun County's internal control. Accordingly, we do not express an opinion on the effectiveness of Rabun County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify the following deficiency in internal control that we consider to be a significant deficiency:

2016-001

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 the County. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, future 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 County Clerk/CFO 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. As required, we have indicated this as a significant deficiency in our letter on Internal Control and Compliance.

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

Effect: Failure to understand the vast amount of requirements for reporting in 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 agrees with this finding and understands the requirement of SAS 115 to issue this statement as a Significant Deficiency. All employees of the Board of Commissioners Finance Office will continue to seek training in the application of generally accepted accounting principles and in the preparation of the County's financial statements. Until such time it is financially feasible for the County finance staff to prepare the County's financial statements, the Finance Office will continue to rely on an independent auditor to prepare them.

Compliance and Other Matters

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

Rabun County, Georgia's Response to Finding

Rabun County, Georgia's response to the finding identified in our audit is described above. Rabun County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Rabun County, Georgia'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 18, 2016

STATE REPORTING SECTION

RABUN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2016

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>SPLOST #5</u>					
Roads, Streets and Bridges	\$ 7,541,850	\$ 7,541,850	\$ 4,470,010	\$ 269,733	\$ 4,739,743
Hospital Building	3,500,000	3,500,000	3,876,165	0	3,876,165
Multipurpose Arena	1,500,000	1,500,000	2,962,495	0	2,962,495
Health Department	1,000,000	1,000,000	1,010,430	0	1,010,430
Fire Fighting Equipment	1,000,000	1,000,000	1,340,059	200	1,340,259
Courthouse	900,000	900,000	979,286	0	979,286
City of Clayton	2,058,000	2,058,000	2,058,000	0	2,058,000
City of Dillard	450,000	450,000	450,000	0	450,000
City of Sky Valley	450,000	450,000	450,000	0	450,000
Mountain City	300,000	300,000	300,000	0	300,000
City of Tiger	300,000	300,000	300,000	0	300,000
City of Tallulah Falls	150,000	150,000	150,000	0	150,000
Total	<u><u>\$ 19,149,850</u></u>	<u><u>\$ 19,149,850</u></u>	<u><u>\$ 18,346,445</u></u>	<u><u>\$ 269,933</u></u>	<u><u>\$ 18,616,378</u></u>

RABUN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2016

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>SPLOST #6</u>					
Roads, Streets and Bridges	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 0	\$ 0
Water and Sewer Improvement:	9,100,000	9,100,000	1,690,286	1,686,675	3,376,961
Parks and Recreation	2,000,000	2,000,000	0	0	0
Solid Waste Mgt Infrastructure	300,000	300,000	0	0	0
Senior Center	200,000	200,000	0	0	0
Fire Improvements	1,500,000	1,500,000	735	698	1,433
City of Dillard	400,000	400,000	400,000	0	400,000
City of Sky Valley	350,000	350,000	350,000	0	350,000
Mountain City	500,000	500,000	500,000	0	500,000
City of Tiger	450,000	450,000	450,000	0	450,000
City of Tallulah Falls	200,000	200,000	200,000	0	200,000
Total	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 3,591,021</u>	<u>\$ 1,687,373</u>	<u>\$ 5,278,394</u>
Current year SPLOST #6 Expenditures				\$ 1,687,373	
Debt proceeds expended				2,389,684	
Total expenditures and transfers out of the SPLOST #6 Capital Projects Fund				<u>\$ 4,077,057</u>	

* 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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