

***RABUN COUNTY, GEORGIA***

***Annual Financial Report***

***For the fiscal year ended June 30, 2017***

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**RABUN COUNTY, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
*For the fiscal year ended June 30, 2017*

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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, 2017, 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 6.1 percent, 161.1 percent, and 26.5 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, 2017, 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, 2016, which are not presented with the accompanying financial statements. In our report dated November 18, 2016, 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 2016 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 2016 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 2016 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 2016 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 15, 2017, 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 15, 2017

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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, 2017. 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, 2017.

### 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 2017 of \$5,428,633, of which \$6,951,400 was a decrease in governmental activities and \$1,522,767 was an increase in business-type activities. At June 30, 2017, the County had \$48,949,003 net investment in capital assets, \$4,413,297 in restricted net position, and (\$11,080,216) in unrestricted net position. The table below shows the split of net position between governmental and business-type activities for both FY 2017 and FY 2016.

**RABUN COUNTY, GEORGIA'S NET POSITION  
June 30, 2017 and 2016**

(\$ in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current assets	\$ 21,243	\$ 25,317	\$ 758	\$ 887	\$ 22,001	\$ 26,204
Capital assets	48,529	49,464	2,327	4,791	50,856	54,255
Total assets	<u>69,772</u>	<u>74,781</u>	<u>3,085</u>	<u>5,678</u>	<u>72,857</u>	<u>80,459</u>
Deferred outflows of resources	897	686	55	43	952	729
Current liabilities	3,731	3,456	176	356	3,907	3,812
Noncurrent Liabilities	24,696	22,817	2,924	6,848	27,620	29,665
Total liabilities	<u>28,427</u>	<u>26,273</u>	<u>3,100</u>	<u>7,204</u>	<u>31,527</u>	<u>33,477</u>
Net position:						
Net Invested in capital assets	46,622	47,855	2,327	4,756	48,949	52,611
Restricted	4,413	5,460	0	0	4,413	5,460
Unrestricted	(8,793)	(4,121)	(2,287)	(6,239)	(11,080)	(10,360)
Total net position	<u>\$ 42,242</u>	<u>\$ 49,194</u>	<u>\$ 40</u>	<u>\$ (1,483)</u>	<u>\$ 42,282</u>	<u>\$ 47,711</u>

**RABUN COUNTY GEORGIA'S CHANGES IN NET POSITION**  
**FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

(\$ in thousands)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 2,384	\$ 2,130	\$ 877	\$ 970	\$ 3,261	\$ 3,100
Operating grants and contributions	709	778	0	0	709	778
Capital grants and contributions	217	189	0	0	217	189
General revenues						
Taxes	20,045	19,721	0	0	20,045	19,721
Interest	24	30	5	1	29	31
Other	78	5	0	0	78	5
<b>Total revenues</b>	<b>23,457</b>	<b>22,853</b>	<b>882</b>	<b>971</b>	<b>24,339</b>	<b>23,824</b>
<b>EXPENSES</b>						
Program Expenses:						
General Government	2,584	2,416	0	0	2,584	2,416
Judicial	1,159	1,078	0	0	1,159	1,078
Public Safety	9,516	8,904	0	0	9,516	8,904
Public Works	6,554	3,731	0	0	6,554	3,731
Health and Welfare	1,101	1,136	0	0	1,101	1,136
Culture and Recreation	1,652	1,341	0	0	1,652	1,341
Housing and Development	1,200	1,235	0	0	1,200	1,235
Interest and paying agent fees	194	238	0	0	194	238
Solid Waste	0	0	1,287	1,276	1,287	1,276
Waste-Water Facility	0	0	4,208	3,821	4,208	3,821
Golf Course	0	0	313	295	313	295
<b>Total expenses</b>	<b>23,960</b>	<b>20,079</b>	<b>5,808</b>	<b>5,392</b>	<b>29,768</b>	<b>25,471</b>
Excess (Deficiency) before transfers	(503)	2,774	(4,926)	(4,421)	(5,429)	(1,647)
Transfers In (Out)	(6,449)	(3,898)	6,449	3,898	0	0
Increase (Decrease) in net position	(6,952)	(1,124)	1,523	(523)	(5,429)	(1,647)
Net position, beginning (original)	49,194	50,318	(1,483)	(960)	47,711	49,358
Prior period adjustment	0	0	0	0	0	0
Net position, beginning (restated)	49,194	50,318	(1,483)	(960)	47,711	49,358
Net position, ending	<b>\$ 42,242</b>	<b>\$ 49,194</b>	<b>\$ 40</b>	<b>\$ (1,483)</b>	<b>\$ 42,282</b>	<b>\$ 47,711</b>

**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 increased approximately \$573,000 from FY 2016. Taxes increased approximately \$328,000 and fines, fees and forfeitures increased approximately \$128,000. Ambulance charges also increased approximately \$97,000.

Tax revenues totaled \$20,070,699, consisting of \$15,544,436 in property taxes and \$3,242,433 in special purpose local option sales taxes.

Expenditures in the governmental funds totaled \$24,984,240, a \$4,840,662 increase from FY 2016. The primary cause of the decrease was a significant increase in capital outlay expenditures and payments related to the Rabun County Water and Sewer Authority.

**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 \$398,789 and the budget for total expenditures increased \$2,417,166.

The County finished FY 2017 with revenues less than budgeted of \$116,899. However, expenditures also came in under budget by \$816,589. Fines, fees and forfeitures were under budget by \$43,496 and other revenues were under budget by \$91,724. General government expenditures were under budget by \$112,261, while public safety expenditures were under budget by \$314,829 and debt service expenditures were under budget by \$222,107.

### **CAPITAL ASSETS & LONG-TERM DEBT**

**Capital Assets.** Rabun County's government-wide investment in capital assets at June 30, 2017 was \$97,661,165, net of \$46,805,199 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 2017 were approximately \$3,837,000.

Major capital asset activity in FY 2017 was as follows:

The County purchased substantial vehicles and equipment, continued construction on the potable water plant and sewer lines (approximately \$1,556,305), and began renovations to multiple County buildings.

**Long-term debt.** At June 30, 2017, Rabun County had \$27,426,473 in debt, including contracts and bonds payable, landfill closure/postclosure care costs, and guarantee obligations; this is a decrease in total of \$2,189,795 from FY 2016. The decrease in debt was due to principal payments of debt during fiscal year 2017. Additional information on the County's long-term debt can be found in Note 9 found on pages 48 - 51.

## **ECONOMIC FACTORS AND THE 2018 BUDGET**

The economy in the County seems to be steady; for example, the un-employment rate in the County of 4.8% is in line with the State average. The County will adhere to strict budget controls for FY 2018.

We have plans of using \$1,200,000 of fund balance to complete the ongoing projects of a new golf clubhouse, a new farmer's market pavillion, a new outdoor amphitheater and renovation of the old gym at the recreation department.

## **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, 2017*

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 8,776,871	\$ 716,590	\$ 9,493,461	\$ 2,061,815
Certificates of deposit	8,058,515	0	8,058,515	16,237
Restricted cash and cash equivalents	3,351,744	0	3,351,744	701,039
Receivables (net)				
Accounts	267,633	41,215	308,848	63,229
Intergovernmental	56,361	0	56,361	0
Taxes	582,886	0	582,886	0
Notes	0	0	0	26,396
Prepays	149,090	0	149,090	54,282
<b>Total current assets</b>	<b>21,243,100</b>	<b>757,805</b>	<b>22,000,905</b>	<b>2,922,998</b>
<b>Noncurrent assets</b>				
Capital assets				
Non-depreciable	2,578,748	1,465,829	4,044,577	1,238,965
Depreciable (net)	45,950,505	860,884	46,811,389	11,526,101
Other assets				
Notes receivable	0	0	0	194,987
Investment in joint venture	0	0	0	10,001
<b>Total noncurrent assets</b>	<b>48,529,253</b>	<b>2,326,713</b>	<b>50,855,966</b>	<b>12,970,054</b>
<b>Total assets</b>	<b>69,772,353</b>	<b>3,084,518</b>	<b>72,856,871</b>	<b>15,893,052</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension experience differences	136,665	4,675	141,340	0
Pension investment return differences	308,855	40,053	348,908	0
Pension assumption changes	450,992	10,451	461,443	0
Deferred outflows of resources, net	0	0	0	180,640
<b>Total deferred outflows of resources</b>	<b>896,512</b>	<b>55,179</b>	<b>951,691</b>	<b>180,640</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables				
Accounts	353,291	34,698	387,989	11,189
Retainages	11,186	0	11,186	0
Interest	14,587	0	14,587	0
Accrued salaries and payroll liabilities	243,060	22,298	265,358	0
Compensated absences	366,822	35,892	402,714	30,200
Guarantee obligation	982,734	0	982,734	0
Contracts payable	224,133	0	224,133	0
Bonds payable	1,535,000	0	1,535,000	380,000
Closure/post-closure care	0	83,249	83,249	0
Liabilities payable from restricted assets				
Customer deposits payable	0	0	0	20,425
Interest payable	0	0	0	300,613
<b>Total current liabilities</b>	<b>3,730,813</b>	<b>176,137</b>	<b>3,906,950</b>	<b>742,427</b>

**RABUN COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
*June 30, 2017*

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Noncurrent liabilities</b>				
Compensated absences	\$ 0	\$ 0	\$ 0	\$ 26,309
Net pension liability	2,844,530	173,641	3,018,171	0
Proportionate share of net pension liability	0	0	0	662,401
Guarantee obligation	14,654,565	0	14,654,565	0
Contracts payable	3,711,558	0	3,711,558	0
Bonds payable	3,485,195	0	3,485,195	14,373,735
Closure/post-closure care	0	2,750,039	2,750,039	0
<b>Total noncurrent liabilities</b>	<b>24,695,848</b>	<b>2,923,680</b>	<b>27,619,528</b>	<b>15,062,445</b>
<b>Total liabilities</b>	<b>28,426,661</b>	<b>3,099,817</b>	<b>31,526,478</b>	<b>15,804,872</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources, net	0	0	0	1,530
<b>NET POSITION</b>				
Net investment in capital assets	46,622,290	2,326,713	48,949,003	(1,988,669)
Restricted for:				
Judicial	120,230	0	120,230	0
Public safety	332,976	0	332,976	0
Health and welfare	109,177	0	109,177	3,976
Capital outlay	3,850,914	0	3,850,914	0
Debt service	0	0	0	380,002
Unrestricted	(8,793,383)	(2,286,833)	(11,080,216)	1,871,981
<b>Total net position</b>	<b>\$ 42,242,204</b>	<b>\$ 39,880</b>	<b>\$ 42,282,084</b>	<b>\$ 267,290</b>

**RABUN COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
For the fiscal year ended June 30, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities					
General Government	\$ 2,584,268	\$ 71,632	\$ 310,935	\$ 0	\$ (2,201,701)
Judicial	1,158,591	66,969	7,200	0	(1,084,422)
Public Safety	9,515,547	1,952,781	137,362	0	(7,425,404)
Public Works	6,554,118	1,430	125,601	176,881	(6,250,206)
Health and Welfare	1,100,864	39,668	127,649	40,503	(893,044)
Culture and Recreation	1,652,447	208,735	0	0	(1,443,712)
Housing and Development	1,199,867	42,565	0	0	(1,157,302)
Interest on long-term debt	193,986	0	0	0	(193,986)
Total governmental activities	<u>23,959,688</u>	<u>2,383,780</u>	<u>708,747</u>	<u>217,384</u>	<u>(20,649,777)</u>
Business-type activities					
Solid Waste	1,286,698	625,008	0	0	(661,690)
Waste-Water Facility	4,207,965	145,352	0	0	(4,062,613)
Golf Course	313,684	106,869	0	0	(206,815)
Total business-type activities	<u>5,808,347</u>	<u>877,229</u>	<u>0</u>	<u>0</u>	<u>(4,931,118)</u>
Total primary government	<u>29,768,035</u>	<u>3,261,009</u>	<u>708,747</u>	<u>217,384</u>	<u>(25,580,895)</u>
<b>Component Units</b>					
Rabun County Library					
Culture and Recreation	351,436	20,639	31,396	0	(299,401)
Rabun County Health Department					
Health and Welfare	704,099	368,085	212,741	0	(123,273)
Rabun County Economic Development Authority					
Housing and Development	1,465,392	0	0	0	(1,465,392)
Rabun County Building Authority					
Housing and Development	0	0	0	0	0
Total component units	<u>2,520,927</u>	<u>388,724</u>	<u>244,137</u>	<u>0</u>	<u>(1,888,066)</u>
<b>Primary Government</b>					
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>	
<b>Change in net position</b>					
Net (expense) revenue	\$ (20,649,777)	\$ (4,931,118)	\$ (25,580,895)	\$ (1,888,066)	
General revenues					
Taxes					
Property	15,525,799	0	15,525,799	0	
Sales	3,242,433	0	3,242,433	0	
Insurance premium	667,140	0	667,140	0	
Other	608,769	0	608,769	0	
Interest and investment earnings	23,922	5,144	29,066	9,373	
Rental income	0	0	0	438,666	
Gain on sale of assets	33,601	0	33,601	0	
Payments from Rabun County	0	0	0	1,755,973	
Miscellaneous	45,454	0	45,454	11,112	
Transfers	(6,448,741)	6,448,741	0	0	
Total general revenues and transfers	<u>13,698,377</u>	<u>6,453,885</u>	<u>20,152,262</u>	<u>2,215,124</u>	
Change in net position	(6,951,400)	1,522,767	(5,428,633)	327,058	
Net position - beginning	49,193,604	(1,482,887)	47,710,717	(59,768)	
Net position - ending	<u>\$ 42,242,204</u>	<u>\$ 39,880</u>	<u>\$ 42,282,084</u>	<u>\$ 267,290</u>	

**RABUN COUNTY, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2017**

	<u>General</u>	<u>SPLOST #5</u>	<u>SPLOST #6</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,104,378	\$ 242,419	\$ 3,359,211	\$ 1,070,863	\$ 8,776,871
Certificates of deposit	8,058,515	0	0	0	8,058,515
Restricted cash and cash equivalents	109,177	0	3,242,567	0	3,351,744
Receivables (net)					
Accounts	194,964	0	0	72,669	267,633
Intergovernmental	50,549	0	0	5,812	56,361
Taxes	240,113	0	309,855	32,918	582,886
Prepays	149,090	0	0	0	149,090
<b>Total assets</b>	<u>\$ 12,906,786</u>	<u>\$ 242,419</u>	<u>\$ 6,911,633</u>	<u>\$ 1,182,262</u>	<u>\$ 21,243,100</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 290,344	\$ 0	\$ 60,571	\$ 2,376	\$ 353,291
Retainages payable	11,186	0	0	0	11,186
Accrued salaries and payroll liabilities	224,751	0	0	18,309	243,060
<b>Total liabilities</b>	<u>526,281</u>	<u>0</u>	<u>60,571</u>	<u>20,685</u>	<u>607,537</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	20,305	0	0	0	20,305
<b>Fund balances</b>					
Nonspendable prepaids	149,090	0	0	0	149,090
Restricted for:					
Judicial	0	0	0	120,230	120,230
Public safety	0	0	0	332,976	332,976
Health and welfare	109,177	0	0	0	109,177
Capital outlay	0	242,419	6,851,062	0	7,093,481
Assigned to:					
Public safety	0	0	0	620,646	620,646
Housing and development	0	0	0	87,725	87,725
Unassigned	12,101,933	0	0	0	12,101,933
<b>Total fund balances</b>	<u>12,360,200</u>	<u>242,419</u>	<u>6,851,062</u>	<u>1,161,577</u>	<u>20,615,258</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u>\$ 12,906,786</u>	<u>\$ 242,419</u>	<u>\$ 6,911,633</u>	<u>\$ 1,182,262</u>	<u>\$ 21,243,100</u>

**RABUN COUNTY, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**June 30, 2017**

<b>Total fund balance - total governmental funds</b>	<b>\$</b>	<b>20,615,258</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of \$93,933,215 net of accumulated depreciation of (\$45,403,962) are not financial resources and, therefore, are not reported in the funds.		48,529,253
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the fund. These are deferred property taxes.		20,305
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		136,665
Pension investment return differences		308,855
Pension assumption changes		450,992
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Compensated absences		(366,822)
Net pension liability		(2,844,530)
Interest payable		(14,587)
Guarantee obligation		(15,637,299)
Contracts payable		(3,935,691)
Bonds payable		(5,020,195)
		(18,409,124)
Net position of governmental activities	<b>\$</b>	<b>42,242,204</b>

**RABUN COUNTY, GEORGIA**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
*For the fiscal year ended June 30, 2017*

	<u>General</u>	<u>SPLOST #5</u>	<u>SPLOST #6</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>REVENUES</b>					
Taxes	\$ 16,682,172	\$ 0	\$ 3,242,433	\$ 146,094	\$ 20,070,699
Licenses and permits	68,612	0	0	0	68,612
Fines, fees and forfeitures	482,804	0	0	153,053	635,857
Charges for services	1,306,591	0	0	364,799	1,671,390
Intergovernmental	744,802	0	0	0	744,802
Interest	18,785	4,921	64,294	5,137	93,137
Contributions	4,449	0	0	0	4,449
Other	45,454	0	0	0	45,454
<b>Total revenues</b>	<b>19,353,669</b>	<b>4,921</b>	<b>3,306,727</b>	<b>669,083</b>	<b>23,334,400</b>
<b>EXPENDITURES</b>					
Current					
General Government	2,633,146	0	0	0	2,633,146
Judicial	1,156,619	0	0	15,681	1,172,300
Public Safety	8,353,948	0	0	1,016,547	9,370,495
Public Works	2,528,899	0	0	0	2,528,899
Health and Welfare	1,055,673	0	0	0	1,055,673
Culture and Recreation	1,579,456	0	0	0	1,579,456
Housing and Development	1,445,867	0	0	201,802	1,647,669
Capital outlay	0	1,271,811	1,926,078	0	3,197,889
Debt service	111,001	0	1,687,712	0	1,798,713
<b>Total expenditures</b>	<b>18,864,609</b>	<b>1,271,811</b>	<b>3,613,790</b>	<b>1,234,030</b>	<b>24,984,240</b>
Excess (deficiency) of revenues over (under) expenditures	489,060	(1,266,890)	(307,063)	(564,947)	(1,649,840)
Other financing sources (uses)					
Transfers in	0	0	0	727,587	727,587
Transfers out	(5,604,573)	0	(1,571,755)	0	(7,176,328)
Proceeds from sale of assets	109,344	0	0	0	109,344
Proceeds from issuance of debt	4,009,000	0	0	0	4,009,000
Debt issue costs	(80,877)	0	0	0	(80,877)
<b>Total other financing sources (uses)</b>	<b>(1,567,106)</b>	<b>0</b>	<b>(1,571,755)</b>	<b>727,587</b>	<b>(2,411,274)</b>
Net change in fund balance	(1,078,046)	(1,266,890)	(1,878,818)	162,640	(4,061,114)
Fund balances, July 1	13,438,246	1,509,309	8,729,880	998,937	24,676,372
<b>Fund balances, June 30</b>	<b>\$ 12,360,200</b>	<b>\$ 242,419</b>	<b>\$ 6,851,062</b>	<b>\$ 1,161,577</b>	<b>\$ 20,615,258</b>

**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, 2017**

**Net change in fund balances - total governmental funds** \$ (4,061,114)

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 (\$2,973,102) exceeded capital outlays of \$2,114,480 in the current period. (858,622)

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 (\$362,918), net of related accumulated depreciation of \$287,175. (75,743)

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. (18,636)

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 debt proceeds of (\$4,009,000), decrease in guarantee obligation of \$446,844, debt repayments of \$1,563,309, and bond premium amortization of \$107,667. (1,891,180)

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 (\$979,011) exceeded pension contributions of \$930,655. (48,356)

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 increase in compensated absences of (\$1,475) and the net decrease in interest payable of \$3,726. 2,251

Change in net position of governmental activities \$ (6,951,400)



**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, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 16,951,804	\$ 16,675,969	\$ 16,682,172	\$ 6,203
Licenses and permits	53,575	71,175	68,612	(2,563)
Fines, fees and forfeitures	380,500	526,300	482,804	(43,496)
Charges for services	1,161,700	1,340,175	1,306,591	(33,584)
Intergovernmental	477,200	651,271	744,802	93,531
Interest	30,000	63,500	18,785	(44,715)
Contributions	5,000	5,000	4,449	(551)
Other	12,000	137,178	45,454	(91,724)
<b>Total revenues</b>	<b>19,071,779</b>	<b>19,470,568</b>	<b>19,353,669</b>	<b>(116,899)</b>
<b>EXPENDITURES</b>				
Current				
General Government				
General Administration	269,170	478,320	435,053	43,267
Elections	135,048	136,598	124,147	12,451
Board of Commissioners	517,794	545,805	530,135	15,670
Tax Commissioner	356,815	359,915	339,395	20,520
Tax Assessors	329,514	346,364	331,363	15,001
Buildings and Properties	519,161	878,405	873,053	5,352
Judicial				
Clerk of Court	406,923	405,173	373,222	31,951
Probate Court	289,648	289,348	280,730	8,618
Administration of Justice	297,850	338,832	331,872	6,960
District Attorney	134,631	174,746	170,795	3,951
Public Safety				
Sheriff	1,869,833	1,991,288	1,862,798	128,490
Rabun County Jail	1,956,329	2,000,929	1,935,537	65,392
Coroner	28,528	50,088	45,454	4,634
Emergency Management Agency	145,124	148,149	137,596	10,553
Fire Department	917,548	1,453,023	1,425,437	27,586
County Marshal	323,507	366,272	358,750	7,522
E911 Mapping & Addressing	138,252	207,289	199,309	7,980
Drug Task Force	53,585	52,485	50,584	1,901
Emergency Medical Service	2,091,351	2,262,754	2,202,220	60,534
Boggs Mountain Animal Shelter	135,500	136,500	136,263	237
Public Works				
Roads and Bridges	1,894,478	2,092,828	2,040,899	51,929
Water and Sewer Authority	463,000	488,000	488,000	0
Health and Welfare				
Public Health	226,428	215,678	215,016	662
Public Welfare	62,000	57,000	55,991	1,009
Program on Aging	674,828	681,553	677,166	4,387
Court Appointed Special Advocates	7,500	7,500	7,500	0
F.A.I.T.H.	100,000	100,000	100,000	0
Culture and Recreation				
Civic Center	95,408	183,834	177,253	6,581
Recreation	604,861	840,111	816,105	24,006
Rabun Arena	134,026	302,116	288,320	13,796
Rabun County Library	295,727	295,727	292,220	3,507
Rabun County Historical Society	5,700	5,700	5,558	142

**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, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Housing and Development				
Extension Service	\$ 40,897	\$ 42,647	\$ 40,375	\$ 2,272
Planning Commission	76,070	79,660	76,535	3,125
Rabun County Economic Development Authority	1,319,092	1,317,055	1,313,473	3,582
Soil Erosion Control	14,798	16,398	15,484	914
<b>Total Current</b>	<b>16,930,924</b>	<b>19,348,090</b>	<b>18,753,608</b>	<b>594,482</b>
Debt Service				
Public Works	333,108	333,108	111,001	222,107
<b>Total expenditures</b>	<b>17,264,032</b>	<b>19,681,198</b>	<b>18,864,609</b>	<b>816,589</b>
Excess (deficiency) of revenues over (under) expenditures	1,807,747	(210,630)	489,060	699,690
Other financing sources (uses)				
Transfers out	(1,807,747)	(1,795,747)	(5,604,573)	(3,808,826)
Proceeds from sale of assets	0	111,750	109,344	(2,406)
Proceeds from issuance of debt	0	0	4,009,000	4,009,000
Debt issue costs	0	0	(80,877)	(80,877)
<b>Total other financing sources (uses)</b>	<b>(1,807,747)</b>	<b>(1,683,997)</b>	<b>(1,567,106)</b>	<b>116,891</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(1,894,627)	(1,078,046)	816,581
Fund balances, July 1	0	1,894,627	13,438,246	11,543,619
<b>Fund balances, June 30</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,360,200</b>	<b>\$ 12,360,200</b>

**RABUN COUNTY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*June 30, 2017*

	Business-Type Activities			Totals
	Solid Waste	Waste-Water Facility	Golf Course	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 579,069	\$ 0	\$ 137,521	\$ 716,590
Accounts receivables (net)	41,215	0	0	41,215
Total current assets	<u>620,284</u>	<u>0</u>	<u>137,521</u>	<u>757,805</u>
<b>Noncurrent assets</b>				
Capital assets				
Non-depreciable	1,407,079	0	58,750	1,465,829
Depreciable (net)	817,201	0	43,683	860,884
Total noncurrent assets	<u>2,224,280</u>	<u>0</u>	<u>102,433</u>	<u>2,326,713</u>
<b>Total assets</b>	<u>2,844,564</u>	<u>0</u>	<u>239,954</u>	<u>3,084,518</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension experience differences	2,386	0	2,289	4,675
Pension investment return differences	24,477	0	15,576	40,053
Pension assumption changes	5,333	0	5,118	10,451
Total deferred outflows of resources	<u>32,196</u>	<u>0</u>	<u>22,983</u>	<u>55,179</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	34,028	0	670	34,698
Accrued salaries and payroll liabilities	16,913	0	5,385	22,298
Compensated absences	19,451	0	16,441	35,892
Closure/post-closure care	83,249	0	0	83,249
Total current liabilities	<u>153,641</u>	<u>0</u>	<u>22,496</u>	<u>176,137</u>
<b>Noncurrent liabilities</b>				
Net pension liability	106,421	0	67,220	173,641
Closure/post-closure care	2,750,039	0	0	2,750,039
Total noncurrent liabilities	<u>2,856,460</u>	<u>0</u>	<u>67,220</u>	<u>2,923,680</u>
<b>Total liabilities</b>	<u>3,010,101</u>	<u>0</u>	<u>89,716</u>	<u>3,099,817</u>
<b>NET POSITION</b>				
Investment in capital assets	2,224,280	0	102,433	2,326,713
Unrestricted	(2,357,621)	0	70,788	(2,286,833)
<b>Total net position</b>	<u>\$ (133,341)</u>	<u>\$ 0</u>	<u>\$ 173,221</u>	<u>\$ 39,880</u>

**RABUN COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended June 30, 2017**

	<b>Business-Type Activities</b>			<b>Totals</b>
	<b>Solid Waste</b>	<b>Waste-Water Facility</b>	<b>Golf Course</b>	
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 625,008	\$ 145,352	\$ 106,869	\$ 877,229
<b>Total operating revenues</b>	<b>625,008</b>	<b>145,352</b>	<b>106,869</b>	<b>877,229</b>
<b>OPERATING EXPENSES</b>				
Costs of sales and services	509,066	0	60,767	569,833
Personal services	682,537	23,504	240,299	946,340
Depreciation	95,095	0	12,618	107,713
<b>Total operating expenses</b>	<b>1,286,698</b>	<b>23,504</b>	<b>313,684</b>	<b>1,623,886</b>
Operating income (loss)	(661,690)	121,848	(206,815)	(746,657)
Non-operating revenues (expenses)				
Interest revenue	3,076	1,344	724	5,144
Interest expense	0	(105,094)	0	(105,094)
Distributions of capital assets	0	(4,079,367)	0	(4,079,367)
<b>Total non-operating revenues (expenses)</b>	<b>3,076</b>	<b>(4,183,117)</b>	<b>724</b>	<b>(4,179,317)</b>
Net income (loss) before transfers	(658,614)	(4,061,269)	(206,091)	(4,925,974)
Transfers in (out)				
Transfers in	800,000	5,396,815	251,926	6,448,741
Change in net position	141,386	1,335,546	45,835	1,522,767
Net position, July 1	(274,727)	(1,335,546)	127,386	(1,482,887)
<b>Net position, June 30</b>	<b>\$ (133,341)</b>	<b>\$ 0</b>	<b>\$ 173,221</b>	<b>\$ 39,880</b>

**RABUN COUNTY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the fiscal year ended June 30, 2017

	Business-Type Activities			Totals
	Solid Waste	Waste-Water Facility	Golf Course	
<b>Cash flows from operating activities:</b>				
Receipts from customers	\$ 641,780	\$ 145,739	\$ 106,869	\$ 894,388
Payments to suppliers	(549,447)	(4,744)	(60,492)	(614,683)
Payments to employees	(677,302)	(23,504)	(237,290)	(938,096)
Net cash provided (used) by operating activities	<u>(584,969)</u>	<u>117,491</u>	<u>(190,913)</u>	<u>(658,391)</u>
<b>Cash flows from non-capital financing activities:</b>				
Receipts from other funds	<u>800,000</u>	<u>3,840,510</u>	<u>236,476</u>	<u>4,876,986</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets	(112,566)	(1,556,305)	(53,700)	(1,722,571)
Payment of capital related accounts payable	(35,046)	0	0	(35,046)
Receipts from other funds	0	1,556,305	15,450	1,571,755
Interest payments	0	(118,867)	0	(118,867)
Principal payments - notes payable	0	(4,031,077)	0	(4,031,077)
Net cash provided (used) by capital and related financing activities	<u>(147,612)</u>	<u>(4,149,944)</u>	<u>(38,250)</u>	<u>(4,335,806)</u>
<b>Cash flows from investing activities:</b>				
Interest received	<u>3,076</u>	<u>1,344</u>	<u>724</u>	<u>5,144</u>
Net increase (decrease) in cash and cash equivalents	70,495	(190,599)	8,037	(112,067)
Cash and cash equivalents, July 1	<u>508,574</u>	<u>190,599</u>	<u>129,484</u>	<u>828,657</u>
<b>Cash and cash equivalents, June 30</b>	<u>\$ 579,069</u>	<u>\$ 0</u>	<u>\$ 137,521</u>	<u>\$ 716,590</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (661,690)	\$ 121,848	\$ (206,815)	\$ (746,657)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	95,095	0	12,618	107,713
Closure/postclosure care costs	(49,898)	0	0	(49,898)
(Increase) decrease in accounts receivable	16,772	387	0	17,159
(Increase) decrease in pension experience differences	(347)	0	(942)	(1,289)
(Increase) decrease in pension investment return differences	(10,472)	0	(6,415)	(16,887)
(Increase) decrease in pension assumption changes	4,772	0	1,555	6,327
Increase (decrease) in accounts payable	9,517	(4,744)	275	5,048
Increase (decrease) in accrued payroll liabilities	3,848	0	1,677	5,525
Increase (decrease) in net pension liability	7,434	0	7,134	14,568
Total adjustments	<u>76,721</u>	<u>(4,357)</u>	<u>15,902</u>	<u>88,266</u>
Net cash provided (used) by operating activities	<u>\$ (584,969)</u>	<u>\$ 117,491</u>	<u>\$ (190,913)</u>	<u>\$ (658,391)</u>

**Noncash capital and related financing activities:**

Distributions of capital assets to other governments totaled \$4,079,367, with related accumulated depreciation totaling \$0.

**RABUN COUNTY, GEORGIA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
*June 30, 2017*

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash	\$ 1,182,831
Taxes receivable, net	206,524
<b>Total assets</b>	<b>\$ 1,389,355</b>
 <b>LIABILITIES</b>	
Due to other agencies	\$ 1,389,355

**RABUN COUNTY, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**June 30, 2017**

	<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>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 46,701	\$ 907,632	\$ 1,101,834	\$ 5,648	\$ 2,061,815
Certificates of deposit	16,237	0	0	0	16,237
Restricted cash and cash equivalents	0	0	701,039	0	701,039
Receivables (net)					
Accounts	0	63,229	0	0	63,229
Notes	0	0	26,396	0	26,396
Prepays	1,500	0	52,782	0	54,282
	<u>64,438</u>	<u>970,861</u>	<u>1,882,051</u>	<u>5,648</u>	<u>2,922,998</u>
Total current assets					
<b>Noncurrent assets</b>					
Capital assets					
Non-depreciable	0	0	1,238,965	0	1,238,965
Depreciable (net)	177,461	0	11,348,640	0	11,526,101
Notes receivable	0	0	194,987	0	194,987
Investment in joint venture	0	0	10,001	0	10,001
	<u>177,461</u>	<u>0</u>	<u>12,792,593</u>	<u>0</u>	<u>12,970,054</u>
Total noncurrent assets					
<b>Total assets</b>	<u>241,899</u>	<u>970,861</u>	<u>14,674,644</u>	<u>5,648</u>	<u>15,893,052</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources, net	<u>0</u>	<u>180,640</u>	<u>0</u>	<u>0</u>	<u>180,640</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	3,095	480	7,614	0	11,189
Compensated absences	0	30,200	0	0	30,200
Bonds payable	0	0	380,000	0	380,000
Liabilities payable from restricted assets					
Customer deposits payable	0	0	20,425	0	20,425
Interest payable	0	0	300,613	0	300,613
	<u>3,095</u>	<u>30,680</u>	<u>708,652</u>	<u>0</u>	<u>742,427</u>
Total current liabilities					
<b>Noncurrent liabilities</b>					
Compensated absences	0	26,309	0	0	26,309
Proportionate share of net pension liability	0	662,401	0	0	662,401
Bonds payable	0	0	14,373,735	0	14,373,735
	<u>0</u>	<u>688,710</u>	<u>14,373,735</u>	<u>0</u>	<u>15,062,445</u>
Total noncurrent liabilities					
<b>Total liabilities</b>	<u>3,095</u>	<u>719,390</u>	<u>15,082,387</u>	<u>0</u>	<u>15,804,872</u>

**RABUN COUNTY, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
*June 30, 2017*

	<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>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources, net	\$ 0	\$ 1,530	\$ 0	\$ 0	\$ 1,530
<b>NET POSITION</b>					
Net investment in capital assets	177,461	0	(2,166,130)	0	(1,988,669)
Restricted for:					
Health and welfare	0	3,976	0	0	3,976
Debt service	0	0	380,002	0	380,002
Unrestricted	61,343	426,605	1,378,385	5,648	1,871,981
<b>Total net position</b>	<u>\$ 238,804</u>	<u>\$ 430,581</u>	<u>\$ (407,743)</u>	<u>\$ 5,648</u>	<u>\$ 267,290</u>



**RABUN COUNTY, GEORGIA**  
**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
*For the fiscal year ended June 30, 2017*

	<b>Rabun County Library</b>	<b>Rabun County Health Department</b>	<b>Rabun County Economic Development Authority</b>	<b>Rabun County Building Authority</b>	<b>Totals</b>
<b>Expenses</b>					
Health and Welfare	\$ 0	\$ 704,099	\$ 0	\$ 0	\$ 704,099
Culture and Recreation	351,436	0	0	0	351,436
Housing and Development	0	0	1,465,392	0	1,465,392
<b>Total expenses</b>	<u>351,436</u>	<u>704,099</u>	<u>1,465,392</u>	<u>0</u>	<u>2,520,927</u>
<b>Program revenues</b>					
Charges for services	20,639	368,085	0	0	388,724
Operating grants and contributions	31,396	212,741	0	0	244,137
<b>Total program revenues</b>	<u>52,035</u>	<u>580,826</u>	<u>0</u>	<u>0</u>	<u>632,861</u>
<b>Net (expense) revenue</b>	<u>(299,401)</u>	<u>(123,273)</u>	<u>(1,465,392)</u>	<u>0</u>	<u>(1,888,066)</u>
<b>General revenues</b>					
Interest	40	0	9,302	31	9,373
Rental income	0	0	438,666	0	438,666
Payments from Rabun County	267,500	175,000	1,313,473	0	1,755,973
Miscellaneous	10,112	0	1,000	0	11,112
<b>Total general revenues</b>	<u>277,652</u>	<u>175,000</u>	<u>1,762,441</u>	<u>31</u>	<u>2,215,124</u>
<b>Change in net position</b>	(21,749)	51,727	297,049	31	327,058
<b>Net position - beginning</b>	<u>260,553</u>	<u>378,854</u>	<u>(704,792)</u>	<u>5,617</u>	<u>(59,768)</u>
<b>Net position - ending</b>	<u>\$ 238,804</u>	<u>\$ 430,581</u>	<u>\$ (407,743)</u>	<u>\$ 5,648</u>	<u>\$ 267,290</u>

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2017*

**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 five 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, 2017**

**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, 2017**

**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, 2017*

**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, 2017*

**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, 2017*

**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, 2017*

**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, 2017*

**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, 2017*

**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, 2017*

**2. Summary of Significant Accounting Policies (continued)**

**J. Prepaids**

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaids.

**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:

	<b>Useful Life in Years</b>	<b>Capitalization Threshold</b>
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, 2017*

**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 outflows of resources for their defined benefit pension plans.

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, 2017*

**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, 2017*

**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, 2017 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, 2017*

**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, 2017*

**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, 2017*

**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, 2017*

**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, 2017 consist of the following:

**Primary Government:**

**Major Funds**

General Fund	\$ 306,846		
Less: Allowance for Uncollectibles	(111,882)		\$ 194,964
Enterprise Funds			
Solid Waste			41,215
<b>Nonmajor Funds</b>			
Emergency 911 Special Revenue Fund			72,669
Total primary government			\$ 308,848
<b>Component Units:</b>			
Rabun County Health Department			\$ 63,229

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2017*

**5. Intergovernmental Receivables**

Intergovernmental receivables at June 30, 2017 consist of the following:

**Primary Government:**

**Major Funds**

General Fund

T&T Transportation	\$	6,383	
Georgia Department of Transportation		10,359	
Georgia Emergency Management Agency		7,800	
Rabun County Board of Education		19,519	
City of Clayton, Georgia		1,382	
City of Dillard, Georgia		321	
City of Mountain City, Georgia		826	
Town of Tallulah Falls, Georgia		505	
Habersham County, Georgia		1,939	
Appalachian Regional Drug Enforcement Office		1,515	\$ 50,549

**Nonmajor Funds**

Jail Special Revenue Fund

City of Clayton, Georgia		3,163	
City of Dillard, Georgia		647	
City of Mountain City, Georgia		1,502	
Town of Tallulah Falls, Georgia		500	5,812

Total primary government		\$ 56,361	
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**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 1<sup>st</sup> each year. Property taxes for digest year 2016, based upon the assessments of January 1, 2016, were levied on August 4, 2016, billed on September 9, 2016, and due on December 20, 2016. Tax liens may be issued 90 days after the due date.

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2017**

**7. Interfund Transfers**

A summary of interfund transfers for the fiscal year ended June 30, 2017 is as follows:

	Transfers out:		
	Major Funds		
	General	SPLOST #6	Total
<b>Transfers in:</b>			
<b>Major Funds</b>			
Solid Waste	\$ 800,000	\$ 0	\$ 800,000
Waste-Water Facility	3,840,510	1,556,305	5,396,815
Golf Course	236,476	15,450	251,926
<b>Nonmajor Funds</b>			
Emergency 911	671,587	0	671,587
Hotel/Motel Tax	56,000	0	56,000
	\$ 5,604,573	\$ 1,571,755	\$ 7,176,328
Total	\$ 5,604,573	\$ 1,571,755	\$ 7,176,328

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, 2017**

**8. Capital Assets**

Capital asset activity for the primary government for the year ended June 30, 2017 was as follows:

	<b>Balance 6/30/2016</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 6/30/2017</b>
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 1,954,458	\$ 0	\$ 0	\$ 1,954,458
Construction in progress	965,123	603,119	(943,952)	624,290
Total non-depreciable assets	<u>2,919,581</u>	<u>603,119</u>	<u>(943,952)</u>	<u>2,578,748</u>
Depreciable assets				
Buildings	31,912,179	41,614	0	31,953,793
Machinery and equipment	5,989,459	289,005	0	6,278,464
Vehicles	9,085,522	1,180,282	(362,918)	9,902,886
Infrastructure	42,274,912	944,412	0	43,219,324
Total depreciable assets	<u>89,262,072</u>	<u>2,455,313</u>	<u>(362,918)</u>	<u>91,354,467</u>
Less accumulated depreciation				
Buildings	(7,968,759)	(687,368)	0	(8,656,127)
Machinery and equipment	(3,468,105)	(517,080)	0	(3,985,185)
Vehicles	(6,389,363)	(745,400)	287,175	(6,847,588)
Infrastructure	(24,891,808)	(1,023,254)	0	(25,915,062)
Total accumulated depreciation	<u>(42,718,035)</u>	<u>(2,973,102)</u>	<u>287,175</u>	<u>(45,403,962)</u>
Total depreciable assets, net	<u>46,544,037</u>	<u>(517,789)</u>	<u>(75,743)</u>	<u>45,950,505</u>
Governmental activities capital assets, net	<u>\$ 49,463,618</u>	<u>\$ 85,330</u>	<u>\$ (1,019,695)</u>	<u>\$ 48,529,253</u>

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2017**

**8. Capital Assets (continued)**

	<u>Balance 6/30/2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2017</u>
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 1,125,831	\$ 0	\$ 0	\$ 1,125,831
Construction in progress	2,824,110	1,595,255	(4,079,367)	339,998
Total non-depreciable assets	<u>3,949,941</u>	<u>1,595,255</u>	<u>(4,079,367)</u>	<u>1,465,829</u>
Depreciable assets				
Buildings	697,302	0	0	697,302
Machinery and equipment	951,515	127,316	0	1,078,831
Vehicles	485,988	0	0	485,988
Total depreciable assets	<u>2,134,805</u>	<u>127,316</u>	<u>0</u>	<u>2,262,121</u>
Less accumulated depreciation				
Buildings	(327,877)	(15,552)	0	(343,429)
Machinery and equipment	(682,388)	(65,402)	0	(747,790)
Vehicles	(283,259)	(26,759)	0	(310,018)
Total accumulated depreciation	<u>(1,293,524)</u>	<u>(107,713)</u>	<u>0</u>	<u>(1,401,237)</u>
Total depreciable assets, net	<u>841,281</u>	<u>19,603</u>	<u>0</u>	<u>860,884</u>
Business-type activities capital assets, net	<u>\$ 4,791,222</u>	<u>\$ 1,614,858</u>	<u>\$ (4,079,367)</u>	<u>\$ 2,326,713</u>

Capital asset activity for the discretely presented component units for the year ended June 30, 2017 was as follows:

	<u>Balance 6/30/2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2017</u>
<b>Rabun County Library</b>				
Depreciable assets				
Furniture and equipment	\$ 214,108	\$ 16,418	\$ (43,536)	\$ 186,990
Books and collections	1,018,802	54,927	(12,735)	1,060,994
Total depreciable assets	<u>1,232,910</u>	<u>71,345</u>	<u>(56,271)</u>	<u>1,247,984</u>
Less accumulated depreciation				
Furniture and equipment	(159,787)	(8,077)	38,773	(129,091)
Books and collections	(881,512)	(72,655)	12,735	(941,432)
Total accumulated depreciation	<u>(1,041,299)</u>	<u>(80,732)</u>	<u>51,508</u>	<u>(1,070,523)</u>
Total depreciable assets, net	<u>191,611</u>	<u>(9,387)</u>	<u>(4,763)</u>	<u>177,461</u>
Rabun County Library capital assets, net	<u>\$ 191,611</u>	<u>\$ (9,387)</u>	<u>\$ (4,763)</u>	<u>\$ 177,461</u>
<b>Rabun County Health Department</b>				
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, 2017**

**8. Capital Assets (continued)**

	<u>Balance 6/30/2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2017</u>
<b>Rabun County Economic Development Authority</b>				
Non-depreciable assets				
Land	\$ 1,263,423	\$ 0	(24,458)	\$ 1,238,965
Total non-depreciable assets	<u>1,263,423</u>	<u>0</u>	<u>(24,458)</u>	<u>1,238,965</u>
Depreciable assets				
Buildings	13,010,479	0	0	13,010,479
Furniture and fixtures	56,135	4,879	0	61,014
Total depreciable assets	<u>13,066,614</u>	<u>4,879</u>	<u>0</u>	<u>13,071,493</u>
Less accumulated depreciation				
Buildings	(1,354,737)	(325,261)	0	(1,679,998)
Furniture and fixtures	(34,661)	(8,194)	0	(42,855)
Total accumulated depreciation	<u>(1,389,398)</u>	<u>(333,455)</u>	<u>0</u>	<u>(1,722,853)</u>
Total depreciable assets, net	<u>11,677,216</u>	<u>(328,576)</u>	<u>0</u>	<u>11,348,640</u>
Rabun County Economic Development Authority capital assets, net	<u>\$ 12,940,639</u>	<u>\$ (328,576)</u>	<u>\$ (24,458)</u>	<u>\$ 12,587,605</u>

Depreciation expense was charged to functions/programs as follows:

**Primary Government:**

**Governmental activities**

General Government	\$ 223,316
Judicial	9,595
Public Safety	1,045,608
Public Works	1,316,045
Health and Welfare	83,499
Culture and Recreation	295,039

Total depreciation expense for governmental activities \$ 2,973,102

**Business-type activities**

Solid Waste	\$ 95,095
Golf Course	12,618

Total depreciation expense for business-type activities \$ 107,713

**Component units:**

Rabun County Library	\$ 80,732
Rabun County Economic Development Authority	333,455

Total depreciation expense for component units \$ 414,187

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2017*

**9. Long-Term Debt**

**Contracts Payable**

***Rabun County Water and Sewerage Authority Revenue Refunding Bonds, Series 2017:*** The County entered into an intergovernmental contract with the Rabun County Water and Sewer Authority (Authority) to pay for the \$4,009,000 in Water and Sewerage Revenue Refunding Bonds, Series 2017. The purpose of the bonds are to retire the outstanding balance of the lending agreement with the Georgia Environmental Finance Authority (GEFA), for the purchase of an existing water supply and wastewater treatment facility located on the former Rabun Apparel manufacturing site. Beginning March 23, 2017, the Series 2017 bonds are due in monthly principal and interest payments with an interest rate of 2.84%.

The annual requirements to amortize contracts payable as of June 30, 2017 are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 224,133	\$ 108,871	\$ 333,004
2019	230,582	102,422	333,004
2020	237,216	95,788	333,004
2021	244,042	88,962	333,004
2022	251,063	81,941	333,004
2023-2027	1,367,921	297,099	1,665,020
2028-2032	1,380,734	90,036	1,470,770
Totals	<u>\$ 3,935,691</u>	<u>\$ 865,119</u>	<u>\$ 4,800,810</u>

**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.



**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2017*

**9. Long-Term Debt (continued)**

**General Obligation Bonds, continued**

General obligation bonds of the governmental activities are comprised of the following individual issue at June 30, 2017:

- 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:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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
Totals	<u>\$ 4,760,000</u>	<u>\$ 282,325</u>	<u>\$ 5,042,325</u>

**Revenue Bonds**

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, 2017:

- \$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.

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2017*

**9. Long-Term Debt (continued)**

**Revenue Bonds, continued**

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	445,000	528,740	973,740
2023 - 2027	2,510,000	2,352,250	4,862,250
2028 - 2032	3,055,000	1,797,350	4,852,350
2033 - 2037	3,720,000	1,121,547	4,841,547
2038 - 2041	3,555,000	300,816	3,855,816
Totals	<u>\$ 14,895,000</u>	<u>\$ 8,388,427</u>	<u>\$ 23,283,427</u>

**Notes Payable**

**Waste-Water Facility Enterprise Fund**

On January 29, 2008, the County entered into a lending agreement with the Georgia Environmental Finance 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. On February 23, 2017, the remaining balance of the notes was paid through the issuance of the Water and Sewerage Revenue Refunding Bonds, Series 2017.

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2017**

**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, 2017:

	<u>Balance 6/30/2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2017</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Guarantee obligation	\$ 16,084,143	\$ 535,481	\$ 982,325	\$ 15,637,299	\$ 982,734
Contracts payable	0	4,009,000	73,309	3,935,691	224,133
Bonds payable	6,250,000	0	1,490,000	4,760,000	1,535,000
Bond premium	367,862	0	107,667	260,195	0
Compensated absences	365,347	366,822	365,347	366,822	366,822
Total governmental activities	<u>\$ 23,067,352</u>	<u>\$ 4,911,303</u>	<u>\$ 3,018,648</u>	<u>\$ 24,960,007</u>	<u>\$ 3,108,689</u>
<b>Business-type activities</b>					
Notes payable	\$ 4,031,077	\$ 0	\$ 4,031,077	\$ 0	\$ 0
Landfill closure/post-closure care	2,883,186	33,351	83,249	2,833,288	83,249
Compensated absences	33,200	35,892	33,200	35,892	35,892
Total business-type activities	<u>\$ 6,947,463</u>	<u>\$ 69,243</u>	<u>\$ 4,147,526</u>	<u>\$ 2,869,180</u>	<u>\$ 119,141</u>
<b>Component Units</b>					
Rabun County Health Department					
Compensated absences	\$ 45,822	\$ 40,849	\$ 30,162	\$ 56,509	\$ 30,200
Rabun County Economic Development Authority					
Bonds Payable	15,265,000	0	370,000	14,895,000	380,000
Unamortized bond discount	(147,407)	0	(6,142)	(141,265)	0
Total component units	<u>\$ 15,163,415</u>	<u>\$ 40,849</u>	<u>\$ 394,020</u>	<u>\$ 14,810,244</u>	<u>\$ 410,200</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, 2017 was \$193,986 for governmental activities, \$105,094 for business-type activities, and \$607,367 for the component units.

See Note 20 for additional details on the guarantee obligation.

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2017**

**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 \$2,217,512 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 \$615,776 as of June 30, 2017, which is based on 53.3% usage (filled) of the landfill. It is estimated that an additional \$538,900 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 (2036).

The estimated total current cost of the landfill closure and post-closure care (\$1,154,676) 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, 2017. 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, 2017**

**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, 2017:

	<u>General</u>	<u>SPLOST #5</u>	<u>SPLOST #6</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Restricted for:</b>					
Judicial					
Juvenile supervision	\$ 0	\$ 0	\$ 0	\$ 3,943	\$ 3,943
Law library operations	0	0	0	43,535	43,535
Drug programs	0	0	0	72,752	72,752
Public Safety					
Sheriff facilities and equipment	0	0	0	332,976	332,976
Health and welfare					
Senior services	109,177	0	0	0	109,177
Capital projects	0	242,419	6,851,062	0	7,093,481
	<u>\$ 109,177</u>	<u>\$ 242,419</u>	<u>\$ 6,851,062</u>	<u>\$ 453,206</u>	<u>\$ 7,655,864</u>
<b>Assigned to:</b>					
Public Safety					
Emergency 911 operations	\$ 0	\$ 0	\$ 0	\$ 620,646	\$ 620,646
Housing and Development					
Trade and tourism	0	0	0	87,725	87,725
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 708,371</u>	<u>\$ 708,371</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, 2017:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Cost of capital assets	\$ 93,933,215	\$ 3,727,950
Accumulated depreciation	(45,403,962)	(1,401,237)
Book value	48,529,253	2,326,713
Capital-related accounts payable	(118,149)	0
Retainages payable	(11,186)	0
Bonds payable	(5,020,195)	0
Unspent bond proceeds	3,242,567	0
Net investment in capital assets	<u>\$ 46,622,290</u>	<u>\$ 2,326,713</u>

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2017**

**13. Deficit Equity Balances**

At June 30, 2017, the Solid Waste Enterprise Fund has a deficit net position of \$133,341. 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.

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.

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2017*

**14. Pension Plan (continued)**

At January 1, 2016, the date of the most recent actuarial valuation, there were 218 participants consisting of the following:

Retirees, beneficiaries and disablees receiving benefits	38
Terminated vested participants entitled to but not yet receiving benefits	66
Active participants	114
Total number of participants	218

*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, 2017 was \$596,698, or 12.89% of covered payroll. Covered payroll for employees participating in the plan as of January 1, 2016 (the most recent actuarial valuation date) was \$4,630,206 (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, 2017**

**14. Pension Plan (continued)**

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At June 30, 2017, the County reported a net pension liability of \$3,018,171. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. For the fiscal year ended June 30, 2017, the County recognized pension expense of \$647,771.

The components of the net pension liability are as follows:

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at 12/31/15</b>	<b>\$ 9,072,170</b>	<b>\$ 6,327,736</b>	<b>\$ 2,744,434</b>
<b>Changes for the year:</b>			
Service cost	176,250	0	176,250
Interest	665,599	0	665,599
Liability experience (gain) / loss	117,911	0	117,911
Assumption change	298,506	0	298,506
Employer contributions	0	596,698	(596,698)
Net investment income	0	464,247	(464,247)
Benefit payments	(395,048)	(395,048)	0
Administrative expense	0	(28,792)	28,792
Other changes	0	(47,624)	47,624
<b>Net changes</b>	<b>863,218</b>	<b>589,481</b>	<b>273,737</b>
<b>Balances at 12/31/16</b>	<b>\$ 9,935,388</b>	<b>\$ 6,917,217</b>	<b>\$ 3,018,171</b>

Plan fiduciary net position as a percentage of the total pension liability	69.62%
Covered payroll	\$ 4,630,206
Net pension liability as a percentage of covered payroll	65.18%



**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2017*

**14. Pension Plan (continued)**

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 141,340
Net difference between projected and actual earnings on pension plan investments	348,908
Changes of assumptions	461,443
Totals	\$ 951,691

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

<b>Year Ending June 30</b>			
2018	\$	241,400	
2019		241,400	
2020		232,923	
2021		141,699	
2022		94,269	
Totals	\$	951,691	

*Actuarial Assumptions.* The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		3.00%
Projected salary increases		4.00% plus service based merit increases
Cost of living adjustments		N/A
Net investment rate of return		7.25%

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2017*

**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 male rates from a 1977 Social Security Administration study.

The mortality and economic actuarial assumptions used in the January 1, 2016 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, 2016 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%	7.91%	2.37%	10.22%	3.07%
Barlay's Agg.	30%	5.60%	1.68%	6.56%	1.97%
MSCI EAFE	15%	4.29%	0.64%	5.73%	0.86%
Citi Non US WEBI	5%	4.66%	0.23%	5.98%	0.30%
NAREIT Equity	5%	10.79%	0.54%	10.44%	0.52%
Russell 2000	5%	8.06%	0.40%	9.33%	0.47%
Russell 3000	5%	8.03%	0.40%	10.14%	0.51%
S&P Mid Cap	5%	11.22%	0.56%	11.53%	0.58%
Weighted Return			<u>6.82%</u>		<u>8.28%</u>

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2017*

**14. Pension Plan (continued)**

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that 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 (6.25 percent) or one percentage-point higher (8.25 percent) than the current rate:

	<b>Discount Rate</b>	<b>Net Pension Liability</b>
1% decrease	6.25%	\$ 4,356,868
Current discount rate	7.25%	3,018,171
1% increase	8.25%	1,899,772

*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, 2017*

**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, 2017, the Department contributed \$79,321 and employees contributed \$7,400. As of June 30, 2017, the Department reported a liability in the amount of \$662,401 for its proportionate share (0.014003%) of the net pension liability. The Department recognized pension expense of \$79,321 for the fiscal year ended June 30, 2017. 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, 2017, plan members made contributions to the plan totaling \$266,844 and the County made contributions to the plan totaling \$68,922. 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, 2017**

**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, 2017 follows:

Lodging tax receipts	\$ 146,094	
Disbursements for trade and tourism	\$ 146,094	100%

**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, 2017, the County paid \$14,604 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, 2017**

**18. Risk Financing Activities**

Material estimates have been made by management about the historical cost of capital assets and the life of the depreciated capital 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, 2017, 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, 2017*

**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 additional 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, 2017*

**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, 2017, the County recognized a liability in the amount of \$15,637,299 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 2017, 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, 2017:

<b>Balance 6/30/2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 6/30/2017</b>
\$ 16,084,143	\$ 535,481	\$ 982,325	\$ 15,637,299

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, 2017**  
**(Unaudited)**

	Fiscal Year End		
	2017	2016	2015
<b>Total pension liability</b>			
Service cost	\$ 176,250	\$ 176,831	\$ 189,083
Interest	665,599	603,227	567,575
Liability experience (gain) / loss	117,911	67,607	0
Assumption change	298,506	334,999	0
Benefit payments	(395,048)	(307,059)	(255,518)
Net change in total pension liability	863,218	875,605	501,140
Total pension liability - beginning	9,072,170	8,196,565	7,695,425
<b>Total pension liability - ending (a)</b>	<u><u>\$ 9,935,388</u></u>	<u><u>\$ 9,072,170</u></u>	<u><u>\$ 8,196,565</u></u>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 596,698	\$ 555,879	\$ 574,866
Net investment income	464,247	39,234	407,764
Benefit payments	(395,048)	(307,059)	(255,518)
Administrative expense	(28,792)	(26,423)	(26,987)
Other changes	(47,624)	(48,059)	(77,407)
Net change in total pension liability	589,481	213,572	622,718
Plan fiduciary net position - beginning	6,327,736	6,114,164	5,491,446
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 6,917,217</u></u>	<u><u>\$ 6,327,736</u></u>	<u><u>\$ 6,114,164</u></u>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<u><u>\$ 3,018,171</u></u>	<u><u>\$ 2,744,434</u></u>	<u><u>\$ 2,082,401</u></u>
Plan's fiduciary net position as a percentage of the total pension liability	69.62%	69.75%	74.59%
Covered payroll	\$ 4,630,206	\$ 4,779,000	\$ 5,108,197
Net pension liability as a percentage of covered payroll	65.18%	57.43%	40.77%

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

**RABUN COUNTY, GEORGIA**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2017**  
**(Unaudited)**

	Fiscal Year End		
	2017	2016	2015
Actuarially determined contribution	\$ 596,698	\$ 555,879	\$ 574,866
Contributions in relation to the actuarially determined contribution	(596,698)	(555,879)	(574,866)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 4,630,206	\$ 4,779,000	\$ 5,108,197
Contributions as a percentage of covered payroll	12.89%	11.63%	11.25%

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

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2017**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of January 1, 2016, 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 = 7.25%

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 one year for females. Disabled mortality rates were based on the male rates from a 1977 Social Security Administration study.

**RABUN COUNTY, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2017**

**3. Changes in Benefits**

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

**4. Changes of Assumptions**

As of December 31, 2016, the expected long-term rate of return was revised to 7.25%.

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**COMBINING STATEMENTS**  
***Nonmajor Governmental Funds***

**RABUN COUNTY, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2017**

	<b>Special Revenue Funds</b>		
	<b>Confiscated Assets</b>	<b>Jail</b>	<b>Law Library</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,486	\$ 325,662	\$ 43,535
Receivables (net)			
Accounts	0	0	0
Intergovernmental	0	5,812	0
Taxes	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total assets</b>	<u>\$ 2,486</u>	<u>\$ 331,474</u>	<u>\$ 43,535</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 0	\$ 984	\$ 0
Accrued salaries and payroll liabilities	0	0	0
	<u>0</u>	<u>984</u>	<u>0</u>
<b>Total liabilities</b>	<u>0</u>	<u>984</u>	<u>0</u>
<b>Fund balances</b>			
Restricted for:			
Judicial	0	0	43,535
Public safety	2,486	330,490	0
Assigned to:			
Public safety	0	0	0
Housing and development	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total fund balances</b>	<u>2,486</u>	<u>330,490</u>	<u>43,535</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,486</u>	<u>\$ 331,474</u>	<u>\$ 43,535</u>



<b>Special Revenue Funds</b>				
<b>Juvenile Case Management</b>	<b>Drug Abuse Treatment Education</b>	<b>Emergency 911</b>	<b>Hotel/Motel Tax</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 3,943	\$ 73,025	\$ 567,405	\$ 54,807	\$ 1,070,863
0	0	72,669	0	72,669
0	0	0	0	5,812
0	0	0	32,918	32,918
<u>\$ 3,943</u>	<u>\$ 73,025</u>	<u>\$ 640,074</u>	<u>\$ 87,725</u>	<u>\$ 1,182,262</u>
\$ 0	\$ 273	\$ 1,119	\$ 0	\$ 2,376
0	0	18,309	0	18,309
0	273	19,428	0	20,685
3,943	72,752	0	0	120,230
0	0	0	0	332,976
0	0	620,646	0	620,646
0	0	0	87,725	87,725
<u>3,943</u>	<u>72,752</u>	<u>620,646</u>	<u>87,725</u>	<u>1,161,577</u>
<u>\$ 3,943</u>	<u>\$ 73,025</u>	<u>\$ 640,074</u>	<u>\$ 87,725</u>	<u>\$ 1,182,262</u>

**RABUN COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
*For the fiscal year ended June 30, 2017*

	<b>Special Revenue Funds</b>		
	<b>Confiscated Assets</b>	<b>Jail</b>	<b>Law Library</b>
<b>REVENUES</b>			
Taxes	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	2,197	118,243	10,805
Charges for services	0	0	0
Interest	16	1,483	41
<b>Total revenues</b>	<b>2,213</b>	<b>119,726</b>	<b>10,846</b>
<b>EXPENDITURES</b>			
Current			
Judicial	0	0	8,666
Public safety	3,440	22,145	0
Housing and development	0	0	0
<b>Total expenditures</b>	<b>3,440</b>	<b>22,145</b>	<b>8,666</b>
Excess (deficiency) of revenues over (under) expenditures	(1,227)	97,581	2,180
Other financing sources (uses)			
Transfers in	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,227)	97,581	2,180
Fund balances, July 1	3,713	232,909	41,355
<b>Fund balances, June 30</b>	<b>\$ 2,486</b>	<b>\$ 330,490</b>	<b>\$ 43,535</b>

<b>Special Revenue Funds</b>				
<b>Juvenile Case Management</b>	<b>Drug Abuse Treatment Education</b>	<b>Emergency 911</b>	<b>Hotel/Motel Tax</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 0	\$ 0	\$ 0	\$ 146,094	\$ 146,094
0	21,808	0	0	153,053
0	0	364,799	0	364,799
21	349	2,962	265	5,137
21	22,157	367,761	146,359	669,083
0	7,015	0	0	15,681
0	0	990,962	0	1,016,547
0	0	0	201,802	201,802
0	7,015	990,962	201,802	1,234,030
21	15,142	(623,201)	(55,443)	(564,947)
0	0	671,587	56,000	727,587
21	15,142	48,386	557	162,640
3,922	57,610	572,260	87,168	998,937
<u>\$ 3,943</u>	<u>\$ 72,752</u>	<u>\$ 620,646</u>	<u>\$ 87,725</u>	<u>\$ 1,161,577</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, 2017 and 2016**

<b>ASSETS</b>	<u><b>2017</b></u>	<u><b>2016</b></u>
Cash and cash equivalents	\$ 4,104,378	\$ 10,831,449
Certificates of deposit	8,058,515	2,105,808
Receivables (net)		
Accounts	194,964	209,625
Intergovernmental	50,549	54,196
Taxes	240,113	109,831
Prepays	149,090	398,347
Restricted cash and cash equivalents	<u>109,177</u>	<u>105,194</u>
<b>Total assets</b>	<u><u>\$ 12,906,786</u></u>	<u><u>\$ 13,814,450</u></u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 290,344	\$ 168,043
Retainages payable	11,186	0
Accrued salaries and payroll liabilities	<u>224,751</u>	<u>169,220</u>
<b>Total liabilities</b>	<u>526,281</u>	<u>337,263</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue - property taxes	<u>20,305</u>	<u>38,941</u>
<b>Fund balances</b>		
Nonspendable prepaids	149,090	398,347
Restricted for health and welfare	109,177	105,194
Unassigned	<u>12,101,933</u>	<u>12,934,705</u>
<b>Total fund balances</b>	<u>12,360,200</u>	<u>13,438,246</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u><u>\$ 12,906,786</u></u>	<u><u>\$ 13,814,450</u></u>

**RABUN COUNTY, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For the fiscal years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Taxes	\$ 16,682,172	\$ 16,350,742
Licenses and permits	68,612	61,393
Fines, fees and forfeitures	482,804	395,213
Charges for services	1,306,591	1,193,549
Intergovernmental	744,802	832,042
Interest	18,785	27,558
Contributions	4,449	6,268
Other	45,454	4,348
<b>Total revenues</b>	<u>19,353,669</u>	<u>18,871,113</u>
<b>EXPENDITURES</b>		
Current		
General Government	2,633,146	2,510,409
Judicial	1,156,619	1,051,761
Public Safety	8,353,948	7,474,263
Public Works	2,528,899	1,987,891
Health and Welfare	1,055,673	1,087,583
Culture and Recreation	1,579,456	1,051,677
Housing and Development	1,445,867	1,445,132
<b>Total Current</b>	<u>18,753,608</u>	<u>16,608,716</u>
Debt Service		
Public Works	111,001	0
<b>Total expenditures</b>	<u>18,864,609</u>	<u>16,608,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>489,060</u>	<u>2,262,397</u>
Other financing sources (uses)		
Transfers in (out)		
Emergency 911 Fund	(671,587)	(641,636)
Hotel/Motel Tax Fund	(56,000)	(1,000)
Solid Waste Fund	(800,000)	(1,245,047)
Golf Course Fund	(236,476)	(236,531)
Waste-Water Facility Fund	(3,840,510)	(427,254)
Proceeds from sale of assets	109,344	5,751
Proceeds from issuance of debt	4,009,000	0
Debt issue costs	(80,877)	0
<b>Total other financing sources (uses)</b>	<u>(1,567,106)</u>	<u>(2,545,717)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,078,046)</u>	<u>(283,320)</u>
Fund balances, July 1	<u>13,438,246</u>	<u>13,721,566</u>
<b>Fund balances, June 30</b>	<u><u>\$ 12,360,200</u></u>	<u><u>\$ 13,438,246</u></u>

**RABUN COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2017**

*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Current and prior year				
levies	\$ 14,844,804	\$ 14,960,017	\$ 115,213	\$ 14,538,618
Motor vehicle tax	572,400	519,159	(53,241)	572,490
Mobile home tax	38,000	35,481	(2,519)	41,006
Timber tax	0	0	0	81,864
Cost, penalties, and				
interest	38,000	29,779	(8,221)	55,694
Total general property taxes	15,493,204	15,544,436	51,232	15,289,672
Real estate transfer tax	340,000	312,236	(27,764)	302,944
Franchise tax	24,600	19,781	(4,819)	18,398
Insurance premium tax	667,300	667,140	(160)	626,812
Alcohol excise tax	108,000	95,901	(12,099)	101,137
Occupational tax	42,865	42,678	(187)	11,779
Total taxes	16,675,969	16,682,172	6,203	16,350,742
<b>Licenses and permits</b>				
Alcohol licenses	46,000	45,613	(387)	33,453
Building permits	22,000	22,159	159	24,350
Other permits	3,175	840	(2,335)	3,590
Total licenses and permits	71,175	68,612	(2,563)	61,393
<b>Fines, fees and forfeitures</b>	526,300	482,804	(43,496)	395,213
<b>Charges for Services</b>				
Emergency medical services	938,000	949,217	11,217	852,453
Sheriff services	37,900	35,313	(2,587)	34,633
Prisoner board	8,500	6,600	(1,900)	4,177
Recreation fees	172,100	163,618	(8,482)	160,780
Senior center fees	57,500	39,668	(17,832)	52,828
Civic center fees	46,500	45,117	(1,383)	43,163
Collection commissions	30,000	19,780	(10,220)	14,750
Other charges for services	49,675	47,278	(2,397)	30,765
Total charges for services	1,340,175	1,306,591	(33,584)	1,193,549
<b>Intergovernmental</b>	651,271	744,802	93,531	832,042
<b>Interest</b>	63,500	18,785	(44,715)	27,558
<b>Contributions</b>	5,000	4,449	(551)	6,268
<b>Other</b>	137,178	45,454	(91,724)	4,348
<b>Total revenues</b>	<u>\$ 19,470,568</u>	<u>\$ 19,353,669</u>	<u>\$ (116,899)</u>	<u>\$ 18,871,113</u>



**RABUN COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2017**  
**(With comparative actual amounts for the fiscal year ended June 30, 2016)**

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
General Administration				
Personal services	\$ 123,720	\$ 113,887	\$ 9,833	\$ 45,007
Contract services	354,600	321,166	33,434	312,514
Materials and supplies	0	0	0	35,000
Capital outlay	0	0	0	156,048
Total General Administration	<u>478,320</u>	<u>435,053</u>	<u>43,267</u>	<u>548,569</u>
Elections				
Personal services	104,663	102,885	1,778	96,032
Contract services	25,350	16,195	9,155	15,600
Materials and supplies	6,585	5,067	1,518	6,785
Total Elections	<u>136,598</u>	<u>124,147</u>	<u>12,451</u>	<u>118,417</u>
Board of Commissioners				
Personal services	456,945	453,511	3,434	439,943
Contract services	78,135	68,574	9,561	72,505
Materials and supplies	10,725	8,050	2,675	10,973
Capital outlay	0	0	0	29,150
Total Board of Commissioners	<u>545,805</u>	<u>530,135</u>	<u>15,670</u>	<u>552,571</u>
Tax Commissioner				
Personal services	289,180	287,021	2,159	246,996
Contract services	65,685	49,164	16,521	55,700
Materials and supplies	5,050	3,210	1,840	7,256
Total Tax Commissioner	<u>359,915</u>	<u>339,395</u>	<u>20,520</u>	<u>309,952</u>
Tax Assessors				
Personal services	304,389	294,445	9,944	302,591
Contract services	34,825	29,799	5,026	30,262
Materials and supplies	7,150	7,119	31	2,911
Total Tax Assessors	<u>346,364</u>	<u>331,363</u>	<u>15,001</u>	<u>335,764</u>
Buildings and Properties				
Personal services	283,361	283,009	352	258,158
Contract services	160,260	157,750	2,510	137,463
Materials and supplies	158,634	153,318	5,316	141,815
Capital outlay	276,150	278,976	(2,826)	107,700
Total Buildings and Properties	<u>878,405</u>	<u>873,053</u>	<u>5,352</u>	<u>645,136</u>
Total General Government	<u>2,745,407</u>	<u>2,633,146</u>	<u>112,261</u>	<u>2,510,409</u>

**RABUN COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2017**

*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>Judicial</b>				
Clerk of Court				
Personal services	\$ 335,298	\$ 313,185	\$ 22,113	\$ 278,744
Contract services	63,725	53,887	9,838	62,745
Materials and supplies	6,150	6,150	0	5,258
Total Clerk of Court	<u>405,173</u>	<u>373,222</u>	<u>31,951</u>	<u>346,747</u>
Probate Court				
Personal services	214,465	212,224	2,241	187,337
Contract services	70,629	64,488	6,141	58,263
Materials and supplies	4,254	4,018	236	4,017
Total Probate Court	<u>289,348</u>	<u>280,730</u>	<u>8,618</u>	<u>249,617</u>
Administration of Justice				
Personal services	46,401	46,305	96	45,680
Contract services	119,800	115,954	3,846	106,810
Payments to other agencies	172,631	169,613	3,018	155,918
Total Administration of Justice	<u>338,832</u>	<u>331,872</u>	<u>6,960</u>	<u>308,408</u>
District Attorney				
Personal services	115,806	115,401	405	116,612
Contract services	23,925	21,679	2,246	25,309
Materials and supplies	7,015	5,938	1,077	5,068
Capital outlay	28,000	27,777	223	0
Total District Attorney	<u>174,746</u>	<u>170,795</u>	<u>3,951</u>	<u>146,989</u>
Total Judicial	<u>1,208,099</u>	<u>1,156,619</u>	<u>51,480</u>	<u>1,051,761</u>
<b>Public Safety</b>				
Sheriff				
Personal services	1,591,888	1,474,586	117,302	1,391,627
Contract services	153,875	147,086	6,789	124,431
Materials and supplies	144,388	156,511	(12,123)	127,141
Capital outlay	101,137	84,615	16,522	76,616
Total Sheriff	<u>1,991,288</u>	<u>1,862,798</u>	<u>128,490</u>	<u>1,719,815</u>
Rabun County Jail				
Personal services	1,223,301	1,178,213	45,088	1,159,549
Contract services	372,788	365,306	7,482	294,671
Materials and supplies	404,840	392,018	12,822	351,185
Capital outlay	0	0	0	27,473
Total Rabun County Jail	<u>2,000,929</u>	<u>1,935,537</u>	<u>65,392</u>	<u>1,832,878</u>

**RABUN COUNTY, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended June 30, 2017**

*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>Public Safety (continued)</b>				
Coroner				
Personal services	\$ 4,521	\$ 4,234	\$ 287	\$ 4,289
Contract services	16,517	13,385	3,132	11,888
Materials and supplies	2,300	1,179	1,121	1,082
Capital outlay	26,750	26,656	94	0
Total Coroner	<u>50,088</u>	<u>45,454</u>	<u>4,634</u>	<u>17,259</u>
Emergency Management Agency				
Personal services	31,174	30,267	907	28,496
Contract services	40,475	33,423	7,052	18,233
Materials and supplies	66,500	64,302	2,198	28,890
Capital outlay	10,000	9,604	396	84,813
Total Emergency Management Agency	<u>148,149</u>	<u>137,596</u>	<u>10,553</u>	<u>160,432</u>
Fire Department				
Personal services	351,123	345,337	5,786	270,280
Contract services	251,600	253,101	(1,501)	239,527
Materials and supplies	345,300	267,875	77,425	304,210
Capital outlay	505,000	559,124	(54,124)	29,500
Total Fire Department	<u>1,453,023</u>	<u>1,425,437</u>	<u>27,586</u>	<u>843,517</u>
County Marshal				
Personal services	298,437	294,861	3,576	257,406
Contract services	9,585	8,726	859	7,845
Materials and supplies	11,600	11,024	576	9,284
Capital outlay	35,250	35,206	44	0
Payments to other agencies	11,400	8,933	2,467	10,164
Total County Marshal	<u>366,272</u>	<u>358,750</u>	<u>7,522</u>	<u>284,699</u>
E911 Mapping & Addressing				
Personal services	95,769	95,517	252	105,174
Contract services	6,620	5,405	1,215	6,948
Materials and supplies	69,807	63,348	6,459	182,756
Capital outlay	35,093	35,039	54	6,400
Total E911 Mapping & Addressing	<u>207,289</u>	<u>199,309</u>	<u>7,980</u>	<u>301,278</u>
Drug Task Force				
Personal services	51,335	49,434	1,901	22,441
Contract services	1,150	1,150	0	1,150
Total Drug Task Force	<u>52,485</u>	<u>50,584</u>	<u>1,901</u>	<u>23,591</u>

**RABUN COUNTY, GEORGIA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
For the fiscal year ended June 30, 2017**

*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	<b>2017</b>			<b>2016</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Public Safety (continued)</b>				
Emergency Medical Service				
Personal services	\$ 1,845,951	\$ 1,796,380	\$ 49,571	\$ 1,631,214
Contract services	142,650	135,863	6,787	123,459
Materials and supplies	127,328	123,152	4,176	130,966
Capital outlay	146,825	146,825	0	256,852
Total Emergency Medical Service	<u>2,262,754</u>	<u>2,202,220</u>	<u>60,534</u>	<u>2,142,491</u>
Boggs Mountain Animal Shelter				
Capital outlay	0	0	0	24,506
Payments to other agencies	136,500	136,263	237	123,797
Total Boggs Mountain Animal Shelter	<u>136,500</u>	<u>136,263</u>	<u>237</u>	<u>148,303</u>
Total Public Safety	<u>8,668,777</u>	<u>8,353,948</u>	<u>314,829</u>	<u>7,474,263</u>
<b>Public Works</b>				
Roads and Bridges				
Personal services	1,302,883	1,296,928	5,955	1,187,513
Contract services	169,725	158,100	11,625	156,847
Materials and supplies	360,220	325,981	34,239	329,131
Capital outlay	260,000	259,890	110	185,400
Total Roads and Bridges	<u>2,092,828</u>	<u>2,040,899</u>	<u>51,929</u>	<u>1,858,891</u>
Rabun County Water and Sewer Authority				
Payments to other agencies	488,000	488,000	0	129,000
Total Public Works	<u>2,580,828</u>	<u>2,528,899</u>	<u>51,929</u>	<u>1,987,891</u>
<b>Health and Welfare</b>				
Public Health				
Contract services	6,900	6,803	97	6,335
Materials and supplies	1,600	1,593	7	1,632
Payments to other agencies	207,178	206,620	558	283,768
Total Public Health	<u>215,678</u>	<u>215,016</u>	<u>662</u>	<u>291,735</u>
Public Welfare				
Contract services	1,400	1,400	0	700
Payments to other agencies	55,600	54,591	1,009	40,342
Total Public Welfare	<u>57,000</u>	<u>55,991</u>	<u>1,009</u>	<u>41,042</u>

**RABUN COUNTY, GEORGIA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
For the fiscal year ended June 30, 2017**

*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>Health and Welfare (continued)</b>				
Program on Aging				
Personal services	\$ 329,288	\$ 319,699	\$ 9,589	\$ 311,683
Contract services	62,465	54,192	8,273	34,696
Materials and supplies	255,250	248,903	6,347	255,059
Capital outlay	25,100	44,922	(19,822)	36,668
Payments to other agencies	9,450	9,450	0	9,450
Total Program on Aging	<u>681,553</u>	<u>677,166</u>	<u>4,387</u>	<u>647,556</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	100,000	100,000	0	99,750
Total Health and Welfare	<u>1,061,731</u>	<u>1,055,673</u>	<u>6,058</u>	<u>1,087,583</u>
<b>Culture and Recreation</b>				
Civic Center				
Personal services	36,684	32,604	4,080	23,277
Contract services	86,398	85,610	788	12,979
Materials and supplies	35,752	34,376	1,376	30,559
Capital outlay	25,000	24,663	337	0
Total Civic Center	<u>183,834</u>	<u>177,253</u>	<u>6,581</u>	<u>66,815</u>
Recreation				
Personal services	348,061	342,752	5,309	313,354
Contract services	115,200	108,339	6,861	91,169
Materials and supplies	188,850	171,091	17,759	173,481
Capital outlay	188,000	193,923	(5,923)	21,948
Total Recreation	<u>840,111</u>	<u>816,105</u>	<u>24,006</u>	<u>599,952</u>
Rabun Arena				
Personal services	108,271	100,265	8,006	58,691
Contract services	141,395	137,641	3,754	9,761
Materials and supplies	52,450	42,519	9,931	42,386
Capital outlay	0	7,895	(7,895)	0
Total Rabun Arena	<u>302,116</u>	<u>288,320</u>	<u>13,796</u>	<u>110,838</u>
Rabun County Library				
Personal services	25,027	21,392	3,635	13,266
Contract services	2,200	2,200	0	2,200
Payments to other agencies	268,500	268,628	(128)	253,051
Total Rabun County Library	<u>295,727</u>	<u>292,220</u>	<u>3,507</u>	<u>268,517</u>
Rabun County Historical Society				
Payments to other agencies	5,700	5,558	142	5,555
Total Culture and Recreation	<u>1,627,488</u>	<u>1,579,456</u>	<u>48,032</u>	<u>1,051,677</u>

**RABUN COUNTY, GEORGIA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
For the fiscal year ended June 30, 2017**

*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	<u>2017</u>			<u>2016</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Housing and Development</b>				
Extension Service				
Personal services	\$ 28,422	\$ 27,813	\$ 609	\$ 17,470
Contract services	9,475	8,642	833	9,582
Materials and supplies	4,750	3,920	830	4,873
Total Extension Service	<u>42,647</u>	<u>40,375</u>	<u>2,272</u>	<u>31,925</u>
Planning Commission				
Personal services	69,990	69,393	597	63,391
Contract services	7,270	5,167	2,103	5,569
Materials and supplies	2,400	1,975	425	1,743
Total Planning Commission	<u>79,660</u>	<u>76,535</u>	<u>3,125</u>	<u>70,703</u>
Rabun County Economic Development Authority				
Payments to other agencies	1,317,055	1,313,473	3,582	1,330,070
Soil Erosion Control				
Personal services	8,423	7,787	636	7,517
Contract services	7,575	7,475	100	4,875
Materials and supplies	400	222	178	42
Total Soil Erosion Control	<u>16,398</u>	<u>15,484</u>	<u>914</u>	<u>12,434</u>
Total Housing and Development	<u>1,455,760</u>	<u>1,445,867</u>	<u>9,893</u>	<u>1,445,132</u>
Total Current	<u>19,348,090</u>	<u>18,753,608</u>	<u>594,482</u>	<u>16,608,716</u>
<b>Debt Service</b>				
<b>Public Works</b>				
Rabun County Water and Sewer Authority	333,108	111,001	222,107	0
Total Debt Service	<u>333,108</u>	<u>111,001</u>	<u>222,107</u>	<u>0</u>
Total Expenditures	<u>\$ 19,681,198</u>	<u>\$ 18,864,609</u>	<u>\$ 816,589</u>	<u>\$ 16,608,716</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, 2017 and 2016**

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 2,486	\$ 3,713
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Fund balances</b>		
Restricted for public safety	\$ 2,486	\$ 3,713



**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, 2017**  
*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	<u>2017</u>			<u>2016</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 3,450	\$ 2,197	\$ (1,253)	\$ 207
Interest	0	16	16	9
<b>Total revenues</b>	<u>3,450</u>	<u>2,213</u>	<u>(1,237)</u>	<u>216</u>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Materials and supplies	3,450	3,440	10	0
<b>Total expenditures</b>	<u>3,450</u>	<u>3,440</u>	<u>10</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	(1,227)	(1,227)	216
Fund balances, July 1	<u>0</u>	<u>3,713</u>	<u>3,713</u>	<u>3,497</u>
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 2,486</u>	<u>\$ 2,486</u>	<u>\$ 3,713</u>

**RABUN COUNTY, GEORGIA  
JAIL SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2017 and 2016**

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 325,662	\$ 225,524
Intergovernmental receivable	5,812	7,385
<b>Total assets</b>	<u>\$ 331,474</u>	<u>\$ 232,909</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 984	\$ 0
<b>Fund balances</b>		
Restricted for public safety	<u>330,490</u>	<u>232,909</u>
<b>Total liabilities and fund balances</b>	<u>\$ 331,474</u>	<u>\$ 232,909</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, 2017**  
*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 125,100	\$ 118,243	\$ (6,857)	\$ 85,325
Interest	0	1,483	1,483	469
<b>Total revenues</b>	<u>125,100</u>	<u>119,726</u>	<u>(5,374)</u>	<u>85,794</u>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Materials and supplies	88,100	16,075	72,025	7,647
Capital outlay	37,000	6,070	30,930	0
<b>Total expenditures</b>	<u>125,100</u>	<u>22,145</u>	<u>102,955</u>	<u>7,647</u>
Excess (deficiency) of revenues over (under) expenditures	0	97,581	97,581	78,147
Fund balances, July 1	<u>0</u>	<u>232,909</u>	<u>232,909</u>	<u>154,762</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 330,490</u></u>	<u><u>\$ 330,490</u></u>	<u><u>\$ 232,909</u></u>

**RABUN COUNTY, GEORGIA  
LAW LIBRARY SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2017 and 2016**

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	<u>\$ 43,535</u>	<u>\$ 41,355</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Fund balances</b>		
Restricted for judicial	<u>\$ 43,535</u>	<u>\$ 41,355</u>

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

*For the fiscal year ended June 30, 2017*

*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 8,650	\$ 10,805	\$ 2,155	\$ 11,050
Interest	150	41	(109)	41
<b>Total revenues</b>	<u>8,800</u>	<u>10,846</u>	<u>2,046</u>	<u>11,091</u>
<b>EXPENDITURES</b>				
Current				
Judicial				
Contract services	5,000	2,400	2,600	2,600
Materials and supplies	3,800	6,266	(2,466)	5,934
<b>Total expenditures</b>	<u>8,800</u>	<u>8,666</u>	<u>134</u>	<u>8,534</u>
Excess (deficiency) of revenues over (under) expenditures	0	2,180	2,180	2,557
Fund balances, July 1	0	41,355	41,355	38,798
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 43,535</u></u>	<u><u>\$ 43,535</u></u>	<u><u>\$ 41,355</u></u>

**RABUN COUNTY, GEORGIA**  
**JUVENILE CASE MANAGEMENT SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2017 and 2016*

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
Cash and cash equivalents	\$ 3,943	\$ 3,922
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Fund balances</b>		
Restricted for judicial	\$ 3,943	\$ 3,922

**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, 2017**  
*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 1,000	\$ 0	\$ (1,000)	\$ 0
Interest	0	21	21	14
Other	0	0	0	1,000
<b>Total revenues</b>	<u>1,000</u>	<u>21</u>	<u>(979)</u>	<u>1,014</u>
<b>EXPENDITURES</b>				
Current				
Judicial				
Contract services	1,000	0	1,000	0
<b>Total expenditures</b>	<u>1,000</u>	<u>0</u>	<u>1,000</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	21	21	1,014
Fund balances, July 1	0	3,922	3,922	2,908
<b>Fund balances, June 30</b>	<u>\$ 0</u>	<u>\$ 3,943</u>	<u>\$ 3,943</u>	<u>\$ 3,922</u>

**RABUN COUNTY, GEORGIA**  
**DRUG ABUSE TREATMENT EDUCATION SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2017 and 2016*

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
Cash and cash equivalents	\$ 73,025	\$ 57,048
Intergovernmental receivable	0	562
<b>Total assets</b>	<b>\$ 73,025</b>	<b>\$ 57,610</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 273	\$ 0
 <b>Fund balances</b>		
Restricted for judicial	72,752	57,610
<b>Total liabilities and fund balances</b>	<b>\$ 73,025</b>	<b>\$ 57,610</b>



**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, 2017**  
*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Fines, fees, and forfeitures	\$ 27,500	\$ 21,808	\$ (5,692)	\$ 16,149
Interest	0	349	349	140
<b>Total revenues</b>	<u>27,500</u>	<u>22,157</u>	<u>(5,343)</u>	<u>16,289</u>
<b>EXPENDITURES</b>				
Current				
Judicial				
Contract services	0	0	0	421
Materials and supplies	27,500	7,015	20,485	7,075
Capital outlay	0	0	0	8,299
<b>Total expenditures</b>	<u>27,500</u>	<u>7,015</u>	<u>20,485</u>	<u>15,795</u>
Excess (deficiency) of revenues over (under) expenditures	0	15,142	15,142	494
Fund balances, July 1	<u>0</u>	<u>57,610</u>	<u>57,610</u>	<u>57,116</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 72,752</u></u>	<u><u>\$ 72,752</u></u>	<u><u>\$ 57,610</u></u>

**RABUN COUNTY, GEORGIA**  
**EMERGENCY 911 SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2017 and 2016*

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 567,405	\$ 519,145
Accounts receivable (net)	<u>72,669</u>	<u>73,297</u>
<b>Total assets</b>	<u><u>\$ 640,074</u></u>	<u><u>\$ 592,442</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,119	\$ 5,434
Accrued salaries and payroll liabilities	<u>18,309</u>	<u>14,748</u>
<b>Total liabilities</b>	19,428	20,182
 <b>Fund balances</b>		
Assigned to public safety	<u>620,646</u>	<u>572,260</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 640,074</u></u>	<u><u>\$ 592,442</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, 2017**  
*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	2017			2016
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Charges for services	\$ 400,000	\$ 364,799	\$ (35,201)	\$ 360,745
Interest	0	2,962	2,962	1,233
<b>Total revenues</b>	400,000	367,761	(32,239)	361,978
<b>EXPENDITURES</b>				
Current				
Public Safety				
Personal Services	792,661	735,323	57,338	695,654
Contract services	224,907	204,359	20,548	231,810
Materials and supplies	22,019	19,363	2,656	22,774
Capital outlay	32,000	31,917	83	0
<b>Total expenditures</b>	1,071,587	990,962	80,625	950,238
Excess (deficiency) of revenues over (under) expenditures	(671,587)	(623,201)	48,386	(588,260)
Other financing sources (uses)				
Transfers in (out)				
General Fund	671,587	671,587	0	641,636
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	48,386	48,386	53,376
Fund balances, July 1	0	572,260	572,260	518,884
<b>Fund balances, June 30</b>	\$ 0	\$ 620,646	\$ 620,646	\$ 572,260

**RABUN COUNTY, GEORGIA**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2017 and 2016*

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 54,807	\$ 21,974
Taxes receivable	<u>32,918</u>	<u>65,194</u>
<b>Total assets</b>	<u>\$ 87,725</u>	<u>\$ 87,168</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
 <b>Fund balances</b>		
Assigned to housing and development	<u>\$ 87,725</u>	<u>\$ 87,168</u>

**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, 2017**  
*(With comparative actual amounts for the fiscal year ended June 30, 2016)*

	<u>2017</u>			<u>2016</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Taxes	\$ 147,000	\$ 146,094	\$ (906)	\$ 234,587
Interest	0	265	265	0
<b>Total revenues</b>	<u>147,000</u>	<u>146,359</u>	<u>(641)</u>	<u>234,587</u>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Tourism				
Rabun County Convention and Visitors Bureau	<u>203,000</u>	<u>201,802</u>	<u>1,198</u>	<u>195,000</u>
<b>Total expenditures</b>	<u>203,000</u>	<u>201,802</u>	<u>1,198</u>	<u>195,000</u>
Excess (deficiency) of revenues over (under) expenditures	(56,000)	(55,443)	557	39,587
Other financing sources (uses)				
Transfers in (out)				
General Fund	<u>56,000</u>	<u>56,000</u>	<u>0</u>	<u>1,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	557	557	40,587
Fund balances, July 1	<u>0</u>	<u>87,168</u>	<u>87,168</u>	<u>46,581</u>
<b>Fund balances, June 30</b>	<u><u>\$ 0</u></u>	<u><u>\$ 87,725</u></u>	<u><u>\$ 87,725</u></u>	<u><u>\$ 87,168</u></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, 2017 and 2016*

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 242,419	\$ 1,509,309
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Fund balances</b>		
Restricted for capital outlay	<u>\$ 242,419</u>	<u>\$ 1,509,309</u>



**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, 2017 and 2016*

<b>REVENUES</b>	<u>2017</u>	<u>2016</u>
Interest	\$ 4,921	\$ 4,170
<b>Total revenues</b>	<u>4,921</u>	<u>4,170</u>
 <b>EXPENDITURES</b>		
Capital Outlay		
Public Safety		
Fire Department	0	200
Public Works		
Roads and Bridges	<u>1,271,811</u>	<u>269,733</u>
<b>Total expenditures</b>	<u>1,271,811</u>	<u>269,933</u>
Excess (deficiency) of revenues over (under) expenditures	(1,266,890)	(265,763)
Fund balances, July 1	<u>1,509,309</u>	<u>1,775,072</u>
<b>Fund balances, June 30</b>	<u>\$ 242,419</u>	<u>\$ 1,509,309</u>

**RABUN COUNTY, GEORGIA**  
**SPECIAL PURPOSE LOCAL OPTION SALES TAX #6**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*June 30, 2017 and 2016*

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$ 3,359,211	\$ 3,427,031
Taxes receivable	309,855	323,095
Restricted cash and cash equivalents	<u>3,242,567</u>	<u>5,223,941</u>
Total assets	<u>\$ 6,911,633</u>	<u>\$ 8,974,067</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 60,571	\$ 244,187
<b>Fund balances</b>		
Restricted for capital outlay	<u>6,851,062</u>	<u>8,729,880</u>
Total liabilities and fund balances	<u>\$ 6,911,633</u>	<u>\$ 8,974,067</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, 2017 and 2016*

<b>REVENUES</b>	<u>2017</u>	<u>2016</u>
Taxes	\$ 3,242,433	\$ 3,157,216
Interest	64,294	17,475
<b>Total revenues</b>	<u>3,306,727</u>	<u>3,174,691</u>
 <b>EXPENDITURES</b>		
Capital Outlay		
Public Safety		
Fire Department	130,023	698
Public Works		
Water and Sewer	1,576,803	400,342
Health and Welfare		
Program on Aging	189,652	0
Culture and Recreation		
Recreation	29,600	0
Debt Service	<u>1,687,712</u>	<u>1,686,675</u>
<b>Total expenditures</b>	<u>3,613,790</u>	<u>2,087,715</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(307,063)</u>	<u>1,086,976</u>
 Other financing sources (uses)		
Transfers in (out)		
Waste-Water Facility Fund	(1,556,305)	(1,989,342)
Golf Course Fund	<u>(15,450)</u>	<u>0</u>
<b>Total other financing sources (uses)</b>	<u>(1,571,755)</u>	<u>(1,989,342)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,878,818)	(902,366)
Fund balances, July 1	<u>8,729,880</u>	<u>9,632,246</u>
<b>Fund balances, June 30</b>	<u><u>\$ 6,851,062</u></u>	<u><u>\$ 8,729,880</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, 2017 and 2016**

**ASSETS**

	<b>2017</b>	<b>2016</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 579,069	\$ 508,574
Accounts receivable (net)	41,215	57,987
Total current assets	620,284	566,561
<b>Capital assets</b>		
Non-depreciable	1,407,079	1,407,079
Depreciable (net)	817,201	799,730
Total capital assets (net of accumulated depreciation)	2,224,280	2,206,809
<b>Total assets</b>	2,844,564	2,773,370

**DEFERRED OUTFLOWS OF RESOURCES**

Pension experience differences	2,386	2,039
Pension investment return differences	24,477	14,005
Pension assumption changes	5,333	10,105
<b>Total deferred outflows of resources</b>	32,196	26,149

**LIABILITIES**

**Current liabilities**

Accounts payable	34,028	59,557
Accrued salaries and payroll liabilities	16,913	14,753
Compensated absences	19,451	17,763
Closure/post-closure care	83,249	54,122
Total current liabilities	153,641	146,195

**Noncurrent liabilities**

Net pension liability	106,421	98,987
Closure/post-closure care	2,750,039	2,829,064
Total noncurrent liabilities	2,856,460	2,928,051
<b>Total liabilities</b>	3,010,101	3,074,246

**NET POSITION**

Net investment in capital assets	2,224,280	2,171,763
Unrestricted	(2,357,621)	(2,446,490)
<b>Total net position</b>	\$ (133,341)	\$ (274,727)

**RABUN COUNTY, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 625,008	\$ 519,624
<b>Total operating revenues</b>	<u>625,008</u>	<u>519,624</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	509,066	509,647
Personal services	682,537	681,788
Depreciation	95,095	85,144
<b>Total operating expenses</b>	<u>1,286,698</u>	<u>1,276,579</u>
Operating income (loss)	(661,690)	(756,955)
Non-operating revenues (expenses)		
Interest revenue	<u>3,076</u>	<u>672</u>
Net income (loss) before transfers	(658,614)	(756,283)
Transfers in (out)		
General fund	<u>800,000</u>	<u>1,245,047</u>
Change in net position	141,386	488,764
Net position, July 1	<u>(274,727)</u>	<u>(763,491)</u>
<b>Net position, June 30</b>	<u><u>\$ (133,341)</u></u>	<u><u>\$ (274,727)</u></u>

**RABUN COUNTY, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 641,780	\$ 497,812
Payments to suppliers	(549,447)	(508,153)
Payments to employees	(677,302)	(683,122)
	<u>(584,969)</u>	<u>(693,463)</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	800,000	1,245,047
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(112,566)	(281,906)
Payment of capital related accounts payable	(35,046)	0
	<u>(147,612)</u>	<u>(281,906)</u>
<b>Cash flows from investing activities:</b>		
Interest received	3,076	672
Net increase (decrease) in cash and cash equivalents	70,495	270,350
Cash and cash equivalents, July 1	508,574	238,224
<b>Cash and cash equivalents, June 30</b>	<u>\$ 579,069</u>	<u>\$ 508,574</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (661,690)	\$ (756,955)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	95,095	85,144
Closure/post-closure care costs	(49,898)	(10,110)
(Increase) decrease in accounts receivable	16,772	(21,812)
(Increase) decrease in pension experience differences	(347)	(2,039)
(Increase) decrease in pension investment return differences	(10,472)	(12,780)
(Increase) decrease in pension assumption changes	4,772	(10,105)
Increase (decrease) in accounts payable	9,517	11,684
Increase (decrease) in intergovernmental payable	0	(80)
Increase (decrease) in accrued payroll liabilities	3,848	(148)
Increase (decrease) in net pension liability	7,434	23,738
	<u>76,721</u>	<u>63,492</u>
Total adjustments	<u>76,721</u>	<u>63,492</u>
Net cash provided (used) by operating activities	<u>\$ (584,969)</u>	<u>\$ (693,463)</u>

**Noncash capital and related financing activities:**

Acquisitions of capital assets through accounts payable totaled \$0 and \$35,046 for the fiscal years ended June 30, 2017 and 2016, respectively.



**RABUN COUNTY, GEORGIA**  
**WASTE-WATER FACILITY ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2017 and 2016**

**ASSETS**

	<b>2017</b>	<b>2016</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 0	\$ 190,599
Accounts receivable, net	0	387
Total current assets	0	190,986
<b>Capital assets</b>		
Non-depreciable	0	2,523,062
<b>Total assets</b>	0	2,714,048

**LIABILITIES**

<b>Current liabilities</b>		
Accounts payable	0	4,744
Interest payable	0	13,773
Notes payable	0	170,994
Total current liabilities	0	189,511
<b>Noncurrent liabilities</b>		
Notes payable	0	3,860,083
<b>Total liabilities</b>	0	4,049,594
<b>NET POSITION</b>		
Investment in capital assets	0	2,523,062
Unrestricted	0	(3,858,608)
<b>Total net position</b>	\$ 0	\$ (1,335,546)

**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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 145,352	\$ 343,171
<b>Total operating revenues</b>	<u>145,352</u>	<u>343,171</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	0	153,400
Personal services	23,504	93,300
Depreciation	0	122,751
<b>Total operating expenses</b>	<u>23,504</u>	<u>369,451</u>
Operating income (loss)	<u>121,848</u>	<u>(26,280)</u>
Non-operating revenues (expenses)		
Interest revenue	1,344	318
Interest expense	(105,094)	(168,381)
Distributions of capital assets	(4,079,367)	(3,283,059)
<b>Total non-operating revenues (expenses)</b>	<u>(4,183,117)</u>	<u>(3,451,122)</u>
Net income (loss) before transfers	<u>(4,061,269)</u>	<u>(3,477,402)</u>
Transfers in (out)		
General Fund	3,840,510	427,254
SPLOST #6 Fund	1,556,305	1,989,342
<b>Total transfers in (out)</b>	<u>5,396,815</u>	<u>2,416,596</u>
Change in net position	1,335,546	(1,060,806)
Net position, July 1	<u>(1,335,546)</u>	<u>(274,740)</u>
<b>Net position, June 30</b>	<u>\$ 0</u>	<u>\$ (1,335,546)</u>

**RABUN COUNTY, GEORGIA**  
**WASTE-WATER FACILITY ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 145,739	\$ 342,784
Payments to suppliers	(4,744)	(149,215)
Payments to employees	(23,504)	(141,372)
	<u>117,491</u>	<u>52,197</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	3,840,510	427,254
	<u>3,840,510</u>	<u>427,254</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(1,556,305)	(2,004,842)
Receipts from other funds	1,556,305	1,989,342
Interest payments	(118,867)	(168,942)
Principal payments - notes payable	(4,031,077)	(164,136)
	<u>(4,149,944)</u>	<u>(348,578)</u>
<b>Cash flows from investing activities:</b>		
Interest received	1,344	318
	<u>1,344</u>	<u>318</u>
Net increase (decrease) in cash and cash equivalents	(190,599)	131,191
Cash and cash equivalents, July 1	190,599	59,408
	<u>190,599</u>	<u>59,408</u>
<b>Cash and cash equivalents, June 30</b>	<b>\$ 0</b>	<b>\$ 190,599</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 121,848	\$ (26,280)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	0	122,751
(Increase) decrease in accounts receivable	387	(387)
(Increase) decrease in pension investment return differences	0	644
Increase (decrease) in accounts payable	(4,744)	4,185
Increase (decrease) in accrued payroll liabilities	0	(9,192)
Increase (decrease) in net pension liability	0	(39,524)
	<u>(4,357)</u>	<u>78,477</u>
Total adjustments	<u>(4,357)</u>	<u>78,477</u>
Net cash provided (used) by operating activities	<b>\$ 117,491</b>	<b>\$ 52,197</b>

**Noncash capital and related financing activities:**

Distributions of capital assets to other governments totaled \$4,079,367 and \$3,828,148, with related accumulated depreciation totaling \$0 and \$545,089 for the fiscal years ended June 30, 2017 and 2016, respectively.

**RABUN COUNTY, GEORGIA**  
**GOLF COURSE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**June 30, 2017 and 2016**

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 137,521	\$ 129,484
<b>Capital assets</b>		
Non-depreciable	58,750	19,800
Depreciable (net)	43,683	41,551
Total capital assets (net of accumulated depreciation)	102,433	61,351
<b>Total assets</b>	<b>239,954</b>	<b>190,835</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension experience differences	2,289	1,347
Pension investment return differences	15,576	9,161
Pension assumption changes	5,118	6,673
<b>Total deferred outflows of resources</b>	<b>22,983</b>	<b>17,181</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	670	395
Accrued salaries and payroll liabilities	5,385	4,712
Compensated absences	16,441	15,437
Total current liabilities	22,496	20,544
<b>Noncurrent liabilities</b>		
Net pension liability	67,220	60,086
<b>Total liabilities</b>	<b>89,716</b>	<b>80,630</b>
<b>NET POSITION</b>		
Investment in capital assets	102,433	61,351
Unrestricted	70,788	66,035
<b>Total net position</b>	<b>\$ 173,221</b>	<b>\$ 127,386</b>

**RABUN COUNTY, GEORGIA**  
**GOLF COURSE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**For the fiscal years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services	\$ 106,869	\$ 107,452
<b>Total operating revenues</b>	<u>106,869</u>	<u>107,452</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	60,767	62,729
Personal services	240,299	222,165
Depreciation	12,618	10,093
<b>Total operating expenses</b>	<u>313,684</u>	<u>294,987</u>
Operating income (loss)	(206,815)	(187,535)
Non-operating revenues (expenses)		
Interest revenue	724	259
Net income (loss) before transfers	<u>(206,091)</u>	<u>(187,276)</u>
Transfer in (out)		
General Fund	236,476	236,531
SPLOST #6 Fund	15,450	0
Total transfers in (out)	<u>251,926</u>	<u>236,531</u>
Change in net position	45,835	49,255
Net position, July 1	<u>127,386</u>	<u>78,131</u>
<b>Net position, June 30</b>	<u><u>\$ 173,221</u></u>	<u><u>\$ 127,386</u></u>

**RABUN COUNTY, GEORGIA**  
**GOLF COURSE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 106,869	\$ 107,452
Payments to suppliers	(60,492)	(62,620)
Payments to employees	(237,290)	(219,578)
	<u>(190,913)</u>	<u>(174,746)</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	236,476	236,531
	<u>236,476</u>	<u>236,531</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(53,700)	(8,000)
Receipts from other funds	15,450	0
	<u>(38,250)</u>	<u>(8,000)</u>
<b>Cash flows from investing activities:</b>		
Interest received	724	259
	<u>724</u>	<u>259</u>
Net increase (decrease) in cash and cash equivalents	8,037	54,044
Cash and cash equivalents, July 1	129,484	75,440
	<u>129,484</u>	<u>75,440</u>
<b>Cash and cash equivalents, June 30</b>	<u>\$ 137,521</u>	<u>\$ 129,484</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (206,815)	\$ (187,535)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	12,618	10,093
(Increase) decrease in pension experience differences	(942)	(1,347)
(Increase) decrease in pension investment return differences	(6,415)	(8,438)
(Increase) decrease in pension assumption changes	1,555	(6,673)
Increase (decrease) in accounts payable	275	141
Increase (decrease) in intergovernmental payable	0	(32)
Increase (decrease) in payroll liabilities	1,677	3,370
Increase (decrease) in net pension liability	7,134	15,675
	<u>15,902</u>	<u>12,789</u>
Total adjustments	15,902	12,789
Net cash provided (used) by operating activities	<u>\$ (190,913)</u>	<u>\$ (174,746)</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, 2017**

	<b>Tax Commissioner</b>	<b>Clerk of Superior Court</b>
<b>ASSETS</b>		
Cash	\$ 565,946	\$ 542,016
Taxes receivable, net	206,524	0
	<b>\$ 772,470</b>	<b>\$ 542,016</b>
	<b>\$ 772,470</b>	<b>\$ 542,016</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Due to other agencies	\$ 772,470	\$ 542,016
	<b>\$ 772,470</b>	<b>\$ 542,016</b>
	<b>\$ 772,470</b>	<b>\$ 542,016</b>



<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Sheriff Department</u>	<u>Totals</u>
\$ 44,209 0	\$ 6,490 0	\$ 24,170 0	\$ 1,182,831 206,524
<u>\$ 44,209</u>	<u>\$ 6,490</u>	<u>\$ 24,170</u>	<u>\$ 1,389,355</u>
<u>\$ 44,209</u>	<u>\$ 6,490</u>	<u>\$ 24,170</u>	<u>\$ 1,389,355</u>

**RABUN COUNTY, GEORGIA**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For the fiscal year ended June 30, 2017**

	Balance July 1	Additions	Deletions	Balance June 30
<b>TAX COMMISSIONER</b>				
<b>ASSETS</b>				
Cash	\$ 580,667	\$ 34,938,936	\$ 34,953,657	\$ 565,946
Taxes receivable, net	306,206	30,449,328	30,549,010	206,524
Total	<u>\$ 886,873</u>	<u>\$ 65,388,264</u>	<u>\$ 65,502,667</u>	<u>\$ 772,470</u>
<b>LIABILITIES</b>				
Due to other agencies	<u>\$ 886,873</u>	<u>\$ 65,388,264</u>	<u>\$ 65,502,667</u>	<u>\$ 772,470</u>
<b>CLERK OF SUPERIOR COURT</b>				
<b>ASSETS</b>				
Cash	<u>\$ 297,417</u>	<u>\$ 1,353,764</u>	<u>\$ 1,109,165</u>	<u>\$ 542,016</u>
<b>LIABILITIES</b>				
Due to other agencies	<u>\$ 297,417</u>	<u>\$ 1,353,764</u>	<u>\$ 1,109,165</u>	<u>\$ 542,016</u>
<b>PROBATE COURT</b>				
<b>ASSETS</b>				
Cash	<u>\$ 44,159</u>	<u>\$ 542,826</u>	<u>\$ 542,776</u>	<u>\$ 44,209</u>
<b>LIABILITIES</b>				
Due to other agencies	<u>\$ 44,159</u>	<u>\$ 542,826</u>	<u>\$ 542,776</u>	<u>\$ 44,209</u>
<b>MAGISTRATE COURT</b>				
<b>ASSETS</b>				
Cash	<u>\$ 10,807</u>	<u>\$ 108,387</u>	<u>\$ 112,704</u>	<u>\$ 6,490</u>
<b>LIABILITIES</b>				
Due to other agencies	<u>\$ 10,807</u>	<u>\$ 108,387</u>	<u>\$ 112,704</u>	<u>\$ 6,490</u>
<b>SHERIFF DEPARTMENT</b>				
<b>ASSETS</b>				
Cash	<u>\$ 26,696</u>	<u>\$ 149,243</u>	<u>\$ 151,769</u>	<u>\$ 24,170</u>
<b>LIABILITIES</b>				
Due to other agencies	<u>\$ 26,696</u>	<u>\$ 149,243</u>	<u>\$ 151,769</u>	<u>\$ 24,170</u>
<b>TOTALS</b>				
<b>ASSETS</b>				
Cash	\$ 959,746	\$ 37,093,156	\$ 36,870,071	\$ 1,182,831
Taxes receivable, net	306,206	30,449,328	30,549,010	206,524
Total	<u>\$ 1,265,952</u>	<u>\$ 67,542,484</u>	<u>\$ 67,419,081</u>	<u>\$ 1,389,355</u>
<b>LIABILITIES</b>				
Due to other agencies	<u>\$ 1,265,952</u>	<u>\$ 67,542,484</u>	<u>\$ 67,419,081</u>	<u>\$ 1,389,355</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, 2017, 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 15, 2017. 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 deficiencies in internal control that we consider to be significant deficiencies:

**2017-001**

*Condition:* While performing audit procedures at the Recreation department, we noted instances where deposits were not made timely. Receipts were held for more than seven days before depositing in 15 of 25 (60%) receipts tested.

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

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

## **2017-001, continued**

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

*Management Response:* Management concurs with this finding. Management will direct the appropriate department head to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

## **2017-002**

*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 Responses to Findings**

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

## **Purpose of this Report**

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 15, 2017

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***STATE REPORTING SECTION***

**RABUN COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended June 30, 2017**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b><u>SPLOST #5</u></b>					
Roads, Streets and Bridges	\$ 7,541,850	\$ 7,541,850	\$ 4,739,743	\$ 1,271,811	\$ 6,011,554
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	1,340,259	0	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
<b>Total</b>	<b>\$ 19,149,850</b>	<b>\$ 19,149,850</b>	<b>\$ 18,616,378</b>	<b>\$ 1,271,811</b>	<b>\$ 19,888,189</b>

**RABUN COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS FINANCED WITH SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX**  
**For the fiscal year ended June 30, 2017**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b><u>SPLOST #6</u></b>					
Roads, Streets and Bridges	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 0	\$ 0
Water and Sewer Improvements	9,100,000	9,100,000	3,376,961	2,839,446	6,216,407
Parks and Recreation	2,000,000	2,000,000	0	45,050	45,050
Solid Waste Mgt Infrastructure	300,000	300,000	0	0	0
Senior Center	200,000	200,000	0	189,652	189,652
Fire Improvements	1,500,000	1,500,000	1,433	130,023	131,456
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
<b>Total</b>	<b>\$ 20,000,000</b>	<b>\$ 20,000,000</b>	<b>\$ 5,278,394</b>	<b>\$ 3,204,171</b>	<b>\$ 8,482,565</b>

Current year SPLOST #6 Expenditures	\$ 3,204,171
Debt proceeds expended	<u>1,981,374</u>
Total expenditures and transfers out of the SPLOST #6 Capital Projects Fund	<u>\$ 5,185,545</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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