

**HARRIS COUNTY, GEORGIA
FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

Harris County, Georgia
Annual Financial Report
For The Year Ended June 30, 2017

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Independent Auditor's Report

Harris County Board of Commissioners
Harris 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 Harris County, Georgia (the "County"), 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

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Harris County Health Department, which represent 15.4 percent, 5.0 percent and 57.8 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Harris 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the 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 the County, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 – 15 and other required supplementary information on pages 62 – 64 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 the County's basic financial statements. The accompanying supplementary schedules (pages 65 – 128) are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules 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 by us and the other auditors. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Harris County Board of Commissioners
Harris County, Georgia
Page Four

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

December 29, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Harris County, Georgia's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2017. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities by \$78,295,711 (net position) for the fiscal year reported.
- Total net position are comprised of the following:
 - (1) Net investment in capital assets, of \$55,178,781 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$9,635,093 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$13,481,837 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of \$16,879,447 this year. This compares to the prior year ending fund balance of \$20,250,375 showing a decrease of \$3,370,928 during the current year. Unassigned and assigned fund balance of \$6,788,328 at June 30, 2017 shows a \$2,882,455 decrease from the prior year.
- At the end of the current fiscal year, unassigned and assigned fund balance for the general fund was \$6,584,917 or 36.3% of total General Fund expenditures, as compared to 55.4% at June 30, 2016.
- Overall, the County continues to maintain a strong financial position, in spite of a somewhat depressed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available and feasible.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. Business-type activities include water, solid waste and the airport.

The government-wide financial statements are presented on pages 16 & 17 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The County has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The budget to the actual presentation for the general fund is also presented as a basic financial statement.

The basic governmental fund financial statements are presented on pages 18 - 21 of this report.

Individual fund information for nonmajor governmental funds is found in a later section of this report.

The *Proprietary funds* are reported in the fund financial statements and generally report services for which the County charges customers a fee. The County's proprietary funds are classified as enterprise funds. The enterprise funds essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization for water services, the landfill and solid waste pickup and the airport services.

The basic enterprise fund financial statements are presented on pages 22 – 24 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 28 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information relating to funding progress for the County's pension plan.

Supplementary Information

Combining statements for nonmajor governmental funds and budgetary comparison schedules for the nonmajor special revenue and debt service funds can be found in the supplementary information.

Financial Analysis of the County as a Whole

The County's net position at fiscal year-end is \$78,295,711, as compared to \$78,307,548 at June 30, 2016. The following table provides a summary of the County's net position:

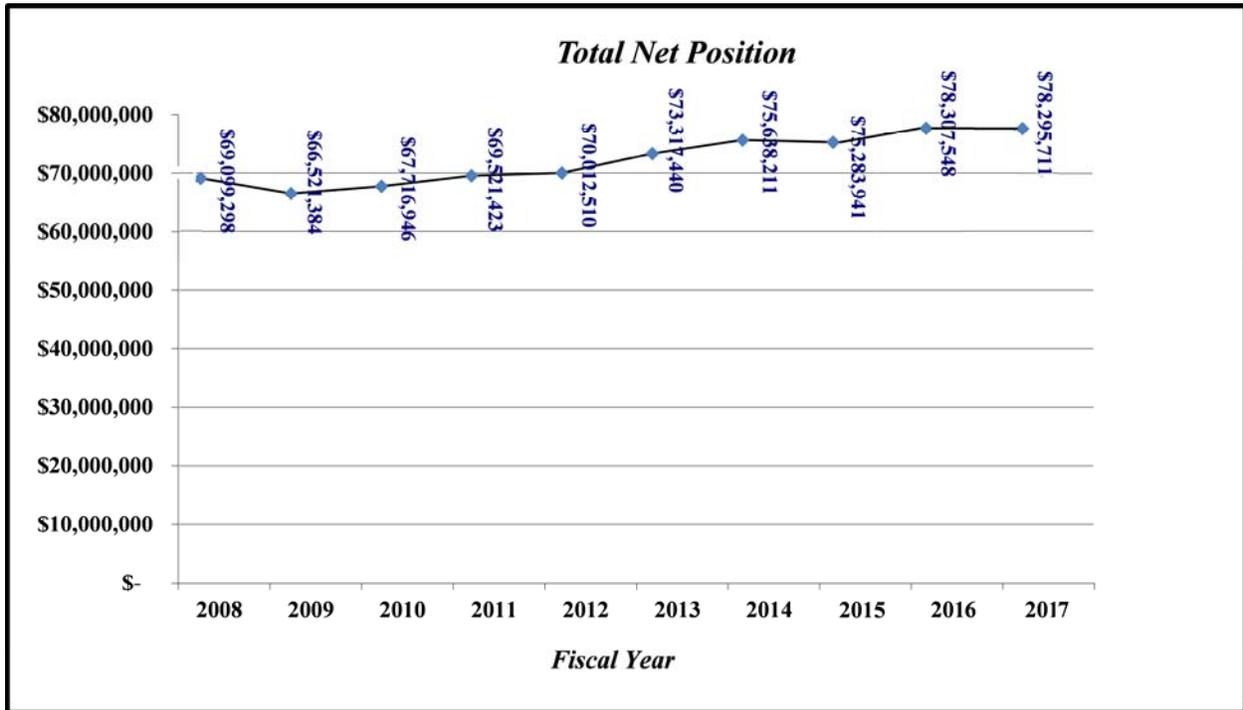
Summary of Net Position						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current assets	\$ 19,155,420	\$ 22,023,810	\$ 9,509,242	\$ 8,976,476	\$ 28,664,662	\$ 31,000,286
Noncurrent assets	46,930,131	45,682,826	31,121,173	28,813,196	78,051,304	74,496,022
Total assets	66,085,551	67,706,636	40,630,415	37,789,672	106,715,966	105,496,308
Deferred outflows	1,257,290	1,181,546	367,496	360,054	1,624,786	-
Liabilities:						
Current liabilities	3,078,401	2,553,344	1,442,759	2,162,415	4,521,160	4,715,759
Long-term liabilities	16,235,326	16,678,041	9,083,258	7,336,559	25,318,584	24,014,600
Total liabilities	19,313,727	19,231,385	10,526,017	9,498,974	29,839,744	28,730,359
Deferred inflows	163,170	-	42,126	-	205,296	-
Net position:						
Net investment in						
capital assets	32,881,197	30,967,182	22,297,584	21,861,740	55,178,781	52,828,922
Restricted	9,347,462	9,783,049	287,631	277,089	9,635,093	10,060,138
Unrestricted	5,637,284	8,906,565	7,844,553	6,511,923	13,481,837	15,418,488
Total net position	\$ 47,865,943	\$ 49,656,796	\$ 30,429,768	\$ 28,650,752	\$ 78,295,711	\$ 78,307,548

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 6.2 to 1 as compared to 8.6 to 1 at June 30, 2016. The current ratio for business-type activities is 6.6 to 1 as compared to 4.2 to 1 at June 30, 2016.

The County reported positive balances in net position for both governmental and business-type activities. Net position decreased \$1,790,853 or 3.6% for governmental activities, and increased \$1,779,016 or 6.2% for business-type activities. The County's overall financial position decreased during fiscal year 2017 by \$11,837.

Note that approximately 68.7% of the governmental activities' net position is tied up in capital. The County uses these capital assets to provide services to its citizens. However, with business type activities, the County has spent approximately 73.3% of its net position on capital.

The following chart reports the total net position balances from June 30, 2008 – 2017.



Since 2008, the total net position has increased \$9,196,413 or 13.3%.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For The Year Ended June 30, 2017

Harris County, Georgia

The following table provides a summary of the County's changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program:						
Charges for services & fines	\$ 4,893,065	\$ 4,893,967	\$ 7,431,676	\$ 7,114,618	\$ 12,324,741	\$ 12,008,585
Operating grants	36,263	50,507			36,263	50,507
Capital grants	1,854,531	772,865	752,008	4,440,088	2,606,539	5,212,953
General:						
Taxes	15,739,530	15,696,876			15,739,530	15,696,876
Other	54,600	131,402	27,066	51,019	81,666	182,421
Total revenues	22,577,989	21,545,617	8,210,750	11,605,725	30,788,739	33,151,342
Program Expenses:						
General government	5,661,334	5,151,331	-	-	5,661,334	5,151,331
Judicial	1,354,185	1,223,962	-	-	1,354,185	1,223,962
Public safety	11,831,495	9,174,110	-	-	11,831,495	9,174,110
Public works	2,697,004	5,616,910	-	-	2,697,004	5,616,910
Health and welfare	287,450	288,181	-	-	287,450	288,181
Culture and recreation	1,280,448	1,466,413	-	-	1,280,448	1,466,413
Housing and development	605,899	607,082	-	-	605,899	607,082
Interest	574,669	611,051	-	-	574,669	611,051
Water and sewer	-	-	4,255,205	3,940,504	4,255,205	3,940,504
Solid waste	-	-	1,707,570	1,602,472	1,707,570	1,602,472
Airport	-	-	545,317	445,719	545,317	445,719
Total expenses	24,292,484	24,139,040	6,508,092	5,988,695	30,800,576	30,127,735
Revenues over (under) expenses	(1,714,495)	(2,593,423)	1,702,658	5,617,030	(11,837)	3,023,607
Transfers in (out)	(76,358)	(1,138,368)	76,358	1,138,368	-	-
Net changes in net position	(1,790,853)	(3,731,791)	1,779,016	6,755,398	(11,837)	3,023,607
Beginning net position	49,656,796	53,388,587	28,650,752	21,895,354	78,307,548	75,283,941
Restatement	-	-	-	-	-	-
Ending net position	\$ 47,865,943	\$ 49,656,796	\$ 30,429,768	\$ 28,650,752	\$ 78,295,711	\$ 78,307,548

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes, including vehicle tax, provided 38.4% of the County's total governmental revenues as compared to 40.6% in fiscal year 2016. Sales taxes make up 23.0% of the County's total governmental revenues as compared to 23.9% in fiscal year 2016.

Capital grant and capital contribution type revenue was reported in fiscal year 2017 for the public works (\$843,751), culture and recreation (\$763,918) and the housing and development functions (\$246,862) included the following:

Public works:

- Georgia LMIG grant for roads (\$693,183)
- Georgia DOT grant for walking trail (\$64,768)
- GEMA Relief (\$85,800)

Culture and Recreation:

- Georgia regional library grant for library construction (\$763,918)

Housing and development:

- Capital development block grant for roads (\$246,862)

In total, user charges for the governmental user charges remained flat. The County realized increases in both local option sales tax and insurance premium tax of \$33,125 and \$93,409 respectively. State reimbursements for County subsidy payments for state inmates increased by \$29,334, based upon \$20 per day. The County also realized an increase from ambulance fees of \$37,001.

The County's unrestricted interest earnings to support governmental activities decreased by \$26,235 due to a reclassification of investments within the general fund from certificates of deposit to more liquid forms of cash and cash equivalents. Also, note that program revenues cover 27.9% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 72.1% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The general government and the public safety functions make up approximately 72.0% of the total governmental activities expenses as compared to 59.3% in fiscal year 2016. Public works totals \$2.7 million.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities					
	Total Cost		Net Cost		
	of Services	%	of Services	%	
General government	\$ 5,661,334	23.3%	\$ (4,715,793)	26.9%	
Judicial	1,354,185	5.6%	(1,352,113)	7.7%	
Public safety	11,831,495	48.7%	(8,342,652)	47.6%	
Public works	2,697,004	11.1%	(1,693,595)	9.7%	
Health and welfare	287,450	1.2%	(275,450)	1.6%	
Culture and recreation	1,280,448	5.3%	(443,012)	2.5%	
Housing and development	605,899	2.5%	(111,341)	0.6%	
Interest	574,669	2.4%	(574,669)	3.3%	
Total	\$ 24,292,484	100.0%	\$ (17,508,625)	100.0%	

The public safety function totals 47.6% of the net cost of services and public works totals 9.7% of these costs.

Overall Analysis – For all enterprise funds, total operating revenues increased \$317,058 or 4.5%. Operating expenses increased \$498,737 or 8.6%. In total, the operating income decreased \$181,679 or 13.5%.

The operating income (loss) for each utility was as follows:

	<u>Amount</u>
Water works	\$ 1,062,487
Solid waste	304,684
Airport	(204,491)

The following includes an analysis of the fiscal year 2017 financial activities for each enterprise.

Water Works - The operating income of \$1,062,487 in fiscal year 2017 compares to operating income of \$1,080,256 in fiscal year 2016. The fiscal year 2017 operating revenues of \$5,085,926 were \$273,144 or 5.7% over fiscal year 2016. Operating expenses increased \$290,913 or 7.8% due to costs related to personnel and materials and supplies purchased toward the on-going construction of the water treatment plant. In total, this year's operating income is relatively flat versus the prior year.

Solid Waste - The operating income of \$304,684 in fiscal year 2017 compares to operating income of \$397,446 in fiscal year 2016. The fiscal year 2017 operating revenues increased \$15,471 or 0.8% above fiscal year 2016 because. Operating expenses increased \$108,233 or 6.8% due to increased personnel costs related to a compensation study and increases in purchased service – tipping fees.

Airport - The operating loss of \$204,491 in fiscal year 2017 compares to an operating loss of \$133,343 in fiscal year 2016. The fiscal year 2017 operating revenues increased \$28,443 or 9.1% over fiscal year 2016. Operating expenses increased \$99,951 mostly due to an increase in depreciation of \$41,745 and cost of fuel of \$37,830. The general fund transferred in \$76,358 to support airport operations and capital projects related to the hanger and runway construction projects.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$16,879,447 as compared to the 2016 fiscal year amount of \$20,250,375. Of this year-end total, \$6,584,902 is unassigned or assigned indicating availability for continuing County service requirements. Fund balance includes \$8,002,363 restricted for capital projects, \$566,118 restricted for debt service and \$778,981 restricted for nonmajor special revenue fund purposes. Fund balances assigned for specific purposes totaled \$203,426, fund balance committed to recreation \$307,288 and fund balance includes assets not available for current expenditure of \$436,639, which is tied up in inventory and prepaid assets.

The total ending fund balances of governmental funds show a decrease of \$3,370,928 or a decrease of 16.6% under the prior year.

Major Governmental Funds

General Fund - The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased \$2,382,241 in fiscal year 2017 or a decrease of 21.8%. In fiscal year 2016, the fund balance decreased \$1,896,125.

Total revenues increased \$126,070 or 0.7% from that of fiscal year 2016.

Total taxes including property taxes, motor vehicle taxes and local option sales taxes increased \$46,432 or 0.4% from that of fiscal year 2016 as the local economy appears to remain flat.

In total, intergovernmental grants increased \$253,581 or 42.2%, related to State LMIG, DOT and GEMA grants highlighted earlier in the MD&A

Total expenditures increased \$828,084 or 4.8% above the fiscal year 2016 total.

The general government function costs are up \$422,691 or 8.8% over the fiscal year 2016 amount. The major changes include:

- Buildings and plant purchased services increase of \$194,131 or 98.6%
- General Administration purchased/contracted services increased \$149,016 or 40.8%
- Pension expenditures increased \$59,724 or 6.6% based upon the changes in the actuarial valuation.
- Group health insurance increased \$174,828 or 15.5%.

In the judicial function, the total expenditure increased \$125,374 or 10.3%.

The total public safety costs increased \$493,132 or 6.3%. The sheriff's expenditures increased \$71,387 or 2.7%, most of which relates to personnel costs. Total emergency medical service costs increased \$327,787 or 20.0% due to personnel and capital purchases.

Total public works costs decreased \$224,860 due to primarily to reduced road paving.

The expenditures for the other functions were approximately equal to the fiscal year 2016 amount.

In fiscal year 2017, the general fund's ending unassigned and assigned fund balance decreased by \$3,022,538 below the June 30, 2016 balance due to increases in total functional expenditures over prior years, E-911 fund supplementation and community center debt service. This unassigned and assigned balance of \$6,584,917 is still considered adequate, but a trend of a declining balance has been set. This portion represents the equivalent of 36.3% of annual expenditures, as compared to 55.4% last year.

2014 SPLOST Fund – In fiscal year 2017, this fund reported revenues of about \$2.46 million, of which the majority was SPLOST taxes received from the County. The County spent \$869,430 for capital outlay and \$2,250,822 for the distribution of the SPLOST to the cities. The ending fund balance totals just over \$3.6 million.

Callaway Debt Service Fund - This fund is used to account for the debt service on a GEFA loan. The Callaway Foundation reimburses the County for the cost of this debt service.

Capital Projects Fund - This fund is used to account for the construction of capital projects. In fiscal year 2017, construction on a new library began funded by \$1,500,000 from the 2009 SPLOST, \$500,000 from the 2014 SPLOST, \$2,000,000 from State contributions and an anticipated donation budget of \$1,226,000.

The Proprietary Funds

The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, additional analysis is not necessary.

Budgetary Highlights

The General Fund – During fiscal year 2017, the Board of Commissioners amended the general fund budget.

The total budgeted revenues were amended upward by \$25,000 or 0.1%. The County recognized \$462,751 more than anticipated total revenues, primarily in intergovernmental revenues and charges for services and fines.

The total budgeted expenditures, excluding transfers, were amended upward \$1,020,676.

The total general government function was over expended \$408,714 or 8.4%, primarily due to administrative contracted services, group health and pension costs.

The total public works function was under expended \$779,174 or 32.6%, primarily due to reduced capital outlay costs. Most other expenditure functions were consistent with the amended budget. In total, including transfers, the expenditure and other financing uses budget was overspent by \$846,282 or 4.5%, primarily attributable to transfers to the Public Improvements Authority Fund to cover Community Center debt service.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2017, was \$45,857,176 and \$31,121,173 and for June 30, 2016 was \$44,499,757 and \$28,813,196 respectively. The increase in net investment was \$1,357,423 for governmental activities and was \$2,307,977 or a 8.0% increase for business-type activities. See Note 3-E for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity.

	Capital Assets					
	Governmental Activities		Business Activities		Total	
	2017	2016	2017	2016	2017	2016
Non-depreciable assets:						
Land	\$ 15,077,803	\$ 15,077,803	\$ 693,751	\$ 693,751	\$ 15,771,554	\$ 15,771,554
Construction in progress	1,528,585	1,589,076	8,217,352	10,206,060	9,745,937	11,795,136
Total non-depreciable assets:	16,606,388	16,666,879	8,911,103	10,899,811	25,517,491	27,566,690
Depreciable assets:						
Buildings and improvements	20,823,642	20,816,359	3,708,565	2,145,105	24,532,207	22,961,464
Water system and water lines	-	-	6,827,890	6,201,400	6,827,890	6,201,400
Machinery and equipment	21,263,059	20,381,011	28,544,556	25,289,733	49,807,615	45,670,744
Infrastructure	28,208,936	25,451,191	-	-	28,208,936	25,451,191
Total depreciable assets	70,295,637	66,648,561	39,081,011	33,636,238	109,376,648	100,284,799
Less accumulated depreciation	41,044,849	38,815,683	16,870,941	15,722,853	57,915,790	54,538,536
Book value - depreciable assets	29,250,788	27,832,878	22,210,070	17,913,385	51,460,858	45,746,263
Percentage depreciated	58%	58%	43%	47%	53%	54%
Book value - all assets	\$ 45,857,176	\$ 44,499,757	\$ 31,121,173	\$ 28,813,196	\$ 76,978,349	\$ 73,312,953

At June 30, 2017, the depreciable capital assets for governmental activities were 58% depreciated. This compares to 58% at the June 30, 2016 percentage. Indicating an aging asset inventory, 58% depreciated is a relatively high rate for a Georgia government.

With the County's business type activities, 43% of the asset values were depreciated at June 30, 2017, which compares to 47% at June 30, 2016.

In governmental activities, the primary additions to infrastructure were the completion of road projects for Kings Gap, Washington and various roads at a cost of \$2,757,749. The primary additions to the machinery and equipment account include 3 new dump trucks for public works at \$267,402, a new ambulance for emergency medical at \$149,657, 1 new fire truck and 2 new brush trucks for the volunteer fire departments at \$363,996 and 8 new vehicles amongst the sheriff and correctional institute at a total cost of \$223,617.

In the business type activities, the deductions to the construction in progress are the completion of water lines and the completion of the hanger and runway construction projects at the airport.

Long-term Debt

At the end of this fiscal year, the County reported \$6,128,392 of outstanding revenue bonds relating to the community center and \$5,400,000 in revenue bonds relating to the Mulberry Grove project. The water and sewer fund reported \$6,092,759 in revenue bonds relating to water and sewer system improvements.

During the year, the County retired \$352,792 or 5.4% of the beginning outstanding governmental activities community center revenue bonds. The water and sewer fund retired \$462,745 or 6.6% of the beginning outstanding water revenue bonds.

The following schedule reports long-term debt balances for both governmental activities on a comparative basis.

	Outstanding Borrowings						% Change
	Governmental Activities		Business-type Activities		Totals		
	2017	2016	2017	2016	2017	2016	
GEFA loans	\$ 1,197,835	\$ 1,304,189	\$ 2,487,798	\$ 74,360	\$ 3,685,633	\$ 1,378,549	167%
Revenue bonds	11,528,392	11,881,184	6,092,759	6,555,504	17,621,151	18,436,688	-4%
Capital leases	249,751	347,202	243,033	321,592	492,784	668,794	100%
Net pension liability	3,769,529	3,649,804	731,291	700,381	4,500,820	4,350,185	100%
Postclosure	-	-	220,490	235,130	220,490	235,130	-6%
Compensated absences	290,312	272,325	70,328	68,329	360,640	340,654	6%
Total	\$ 17,035,819	\$ 17,454,704	\$ 9,845,699	\$ 7,955,296	\$ 26,881,518	\$ 25,410,000	6%

See Note 3-H for additional information about the County's long-term debt.

Economic Conditions Affecting the County

The County is physically located in the west-central portion of the State of Georgia, 80 miles southwest of the State capitol, Atlanta, Georgia. The County's land area is 473 square miles with 70 persons per square mile. This compares favorably with the State of Georgia's rate of 141.4 persons per square mile. The County seat is Hamilton, Georgia, which has a population of approximately 1,000.

The County's per capita income is \$27,530 with a medium home value of \$208,880. The County has 13,444 housing units. The median age is 43.2 years.

The County's population is estimated at 33,381. Since the County relies primarily on property and sales taxes for its operating revenue, changes in the economy definitely affect these revenue streams. Since sales taxes are, an "elastic revenue stream," in a sluggish economy, the sales tax revenues are reduced immediately. Property taxes are considered "inelastic" in the short-term; this revenue stream is more stable. Fortunately, for the County, because of its revenue stream makeup, it is able to survive financially in a slow economy.

The Board of Commissioners considers many factors when setting the fiscal year budget, tax rates, and fees charged for various services. One of the greatest factors is the economy. Harris County is primarily a rural community with a number of small business and retail outlets. In spite of the current nationwide economic trends, current economic conditions are not having any significant effects in the County's services or financial performance.

Careful analysis of the County's financial statements reveals that the County is still in sound financial position but will need to challenge a trend of decreasing general fund balance for the future.

The County carries little debt as recent capital expansions have been paid from current funds or through proceeds from a one percent special purpose local option sales tax. This sales tax is currently approved to extend to 2019 and will be used to fund a number of planned capital projects along with road maintenance and a new library.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Officer at 706-628-4958 or stop by the County Courthouse Annex in Hamilton, Georgia, 31811.

Harris County, Georgia
Statement of Net Position
June 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	\$ 11,312,106	\$ 6,376,977	\$ 17,689,083	\$ 834,284
Restricted cash	1,781,731	744,417	2,526,148	75
Investments	1,203,365	4,006,310	5,209,675	-
Receivables:				
Accounts	123,666	516,764	640,430	-
Interest	2,835	889	3,724	-
Property taxes	171,629	-	171,629	-
TAVT	136,750	-	136,750	-
Sales taxes	491,395	-	491,395	-
Intergovernmental	918,702	95,875	1,014,577	-
Notes	106,870	-	106,870	-
Interfund	2,458,529	(2,458,529)	-	-
Component unit	15	-	15	-
Inventory	244,982	193,406	438,388	-
Prepaid items	202,845	33,133	235,978	-
Total Current Assets	19,155,420	9,509,242	28,664,662	834,359
Non-current Assets				
Notes receivable (net of current portion)	1,072,955	-	1,072,955	-
Capital assets (Note 3E)				
Nondepreciable	16,606,388	8,911,103	25,517,491	4,817,533
Depreciable, net	29,250,788	22,210,070	51,460,858	11,784
Total Non-current Assets	46,930,131	31,121,173	78,051,304	4,829,317
Total Assets	66,085,551	40,630,415	106,715,966	5,663,676
Deferred Outflows of Resources (Note 3-F)	1,257,290	367,496	1,624,786	128,245
Total Assets and Deferred Outflows of Resources	67,342,841	40,997,911	108,340,752	5,791,921
Liabilities				
Current Liabilities				
Accounts payable	1,325,098	81,437	1,406,535	-
Retainage payable	121,397	69,290	190,687	-
Accrued expenses payable	593,168	69,809	662,977	14,987
Accrued interest payable	238,245	13,464	251,709	-
Customer deposits payable	-	446,319	446,319	-
Due to component unit	-	-	-	15
Compensated absences payable	232,250	56,262	288,512	3,201
Closure and postclosure care liability	-	21,465	21,465	-
GEFA loan payable	109,526	10,256	119,782	-
Revenue bonds payable	360,000	470,000	830,000	-
Capital lease payable	98,717	204,457	303,174	-
Total Current Liabilities	3,078,401	1,442,759	4,521,160	18,203
Long-Term Liabilities (Note 3H) (net of current portion)				
Compensated absences payable	58,062	14,066	72,128	28,812
Closure and postclosure care liability	-	199,025	199,025	-
Net pension liability	3,769,529	731,291	4,500,820	577,206
GEFA loan payable	1,088,309	2,477,542	3,565,851	-
Capital leases payable	151,035	38,575	189,610	-
Revenue bonds payable	11,168,392	5,622,759	16,791,151	-
Total Long-Term Liabilities	16,235,326	9,083,258	25,318,584	606,018
Deferred Inflows of Resources (Note 3-F)	163,170	42,126	205,296	8,765
Total Liabilities and Deferred Inflows of Resources	19,476,898	10,568,143	30,045,041	632,986
Net Position				
Net investment in capital assets (Note 3J)	32,881,197	22,297,584	55,178,781	4,829,317
Restricted for:				
Capital projects	8,002,363	-	8,002,363	-
Debt service	566,118	287,631	853,749	75
Specific health program	-	-	-	302,634
Public safety	711,272	-	711,272	-
Law library	67,709	-	67,709	-
Unrestricted (deficit)	5,637,284	7,844,553	13,481,837	26,909
Total Net Position	\$ 47,865,943	\$ 30,429,768	\$ 78,295,711	\$ 5,158,935

See accompanying notes to the basic financial statements

Harris County, Georgia
Statement of Activities
For the Year Ended June 30, 2017

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services and Fines	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 5,661,334	\$ 920,541	\$ 25,000	\$ -	\$ (4,715,793)	\$ -	\$ (4,715,793)	\$ -
Judicial	1,354,185	2,072	-	-	(1,352,113)	-	(1,352,113)	-
Public safety	11,831,495	3,477,580	11,263	-	(8,342,652)	-	(8,342,652)	-
Public works	2,697,004	159,658	-	843,751	(1,693,595)	-	(1,693,595)	-
Health and welfare	287,450	12,000	-	-	(275,450)	-	(275,450)	-
Culture and recreation	1,280,448	73,518	-	763,918	(443,012)	-	(443,012)	-
Housing and development	605,899	247,696	-	246,862	(111,341)	-	(111,341)	-
Interest	574,669	-	-	-	(574,669)	-	(574,669)	-
Total Governmental Activities	24,292,484	4,893,065	36,263	1,854,531	(17,508,625)	-	(17,508,625)	-
Business-type Activities								
Water works	4,255,205	5,085,926	-	173,046	-	1,003,774	1,003,774	-
Solid waste	1,707,570	2,004,931	-	-	-	297,361	297,361	-
Airport	545,317	340,819	-	578,962	-	374,464	374,464	-
Total Business-type Activities	6,508,092	7,431,676	-	752,008	-	1,675,599	1,675,599	-
Total Primary Government	\$ 30,800,576	\$ 12,324,741	\$ 36,263	\$ 2,606,539	(17,508,625)	1,675,599	(15,833,026)	-
Component Units								
Department of Public Health	614,956	265,349	458,157	-	-	-	-	108,550
Development Authority	317,528	-	-	306,865	-	-	-	(10,663)
Total - Component Units	\$ 932,484	\$ 265,349	\$ 458,157	\$ 306,865	-	-	-	97,887
		General Revenues						
		Property taxes levied for general government purposes			8,667,509	-	8,667,509	-
		Sales taxes			5,184,711	-	5,184,711	-
		Insurance premium tax			1,549,306	-	1,549,306	-
		Other taxes			338,004	-	338,004	-
		Unrestricted investment earnings			13,317	27,059	40,376	135,798
		Miscellaneous			41,283	-	41,283	84,363
		Transfers			(76,358)	76,358	-	-
		Total General Revenues			15,717,772	103,417	15,821,189	220,161
		Change in Net Position			(1,790,853)	1,779,016	(11,837)	318,048
		Net Position Beginning of Year			49,656,796	28,650,752	78,307,548	4,840,887
		Net Position End of Year			\$ 47,865,943	\$ 30,429,768	\$ 78,295,711	\$ 5,158,935

See accompanying notes to the basic financial statements

Harris County, Georgia
Balance Sheet
Governmental Funds
June 30, 2017
(With Comparative Totals at June 30, 2016)

	2017					2016	
	General	2014 SPLOST	Callaway Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 3,210,542	\$ 3,500,055	\$ 24,560	\$ 1,150,899	\$ 3,426,050	\$ 11,312,106	\$ 11,030,333
Investments	514,798	220,818	-	-	467,749	1,203,365	\$ 4,814,559
Restricted cash	1,224,109	1,456	-	-	556,166	1,781,731	861,709
Receivables:							
Accounts	-	1,799	-	-	121,867	123,666	122,171
Property taxes	171,629	-	-	-	-	171,629	198,453
TAVT	136,750	-	-	-	-	136,750	157,420
Sales taxes	174,229	238,014	-	-	79,152	491,395	476,737
Interest	388	135	-	-	2,311	2,834	11,693
Intergovernmental	119,220	-	-	377,700	352,961	849,881	208,535
Notes	-	-	1,179,825	-	-	1,179,825	1,286,695
Interfund	3,564,265	-	-	23,000	-	3,587,265	4,980,609
Component units	15	-	-	-	-	15	15
Inventory	244,982	-	-	-	-	244,982	311,758
Prepaid items	191,387	-	-	-	11,458	202,845	135,590
Total Assets	\$ 9,552,314	\$ 3,962,277	\$ 1,204,385	\$ 1,551,599	\$ 5,017,714	\$ 21,288,289	\$ 24,596,277
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 365,591	\$ 324,889	\$ -	\$ 515,034	\$ 119,584	\$ 1,325,098	\$ 971,936
Accrued expenditures payable	573,421	-	-	-	19,747	593,168	480,702
Retainage payable	-	-	-	121,397	-	121,397	70,727
Interfund payable	-	-	-	-	1,128,735	1,128,735	1,459,399
Unearned revenue	-	-	1,179,825	-	-	1,179,825	1,287,695
Total Liabilities	939,012	324,889	1,179,825	636,431	1,268,066	4,348,223	4,270,459
Deferred Inflows of Resources	60,619	-	-	-	-	60,619	75,443
Total Liabilities and Deferred Inflows of Resources	999,631	324,889	1,179,825	636,431	1,268,066	4,408,842	4,345,902
Fund Balances							
Nonspendable	436,369	-	-	-	-	436,369	447,348
Restricted	1,224,109	3,637,388	24,560	915,168	3,546,237	9,347,462	9,783,049
Committed	307,288	-	-	-	-	307,288	349,195
Assigned	1,676,828	-	-	-	203,426	1,880,254	191,426
Unassigned	4,908,089	-	-	-	(15)	4,908,074	9,479,357
Total Fund Balances	8,552,683	3,637,388	24,560	915,168	3,749,648	16,879,447	20,250,375
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 9,552,314	\$ 3,962,277	\$ 1,204,385	\$ 1,551,599	\$ 5,017,714	\$ 21,288,289	\$ 24,596,277

See accompanying notes to the basic financial statements

Harris County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Government-wide Statement of Net Position
June 30, 2017

Total Governmental Fund Balances	\$	16,879,447
 Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		
Cost of capital assets	\$	86,902,025
Less accumulated depreciation		<u>(41,044,849)</u>
		45,857,176
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes		60,619
Long-term note receivable not available to pay current expenditures.		1,179,825
Deferred outflows and inflows for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.		1,094,120
Federal credit subsidy receivable		68,821
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position.		
Revenue bonds payable	\$	(11,528,392)
GEFA loan payable		(1,197,835)
Capital leases payable		(249,752)
Net pension liability payable		(3,769,528)
Accrued interest payable		(238,245)
Compensated absences payable		<u>(290,313)</u>
		<u>(17,274,065)</u>
 Net Position of Governmental Activities	 \$	 <u><u>47,865,943</u></u>

See accompanying notes to the basic financial statements

Harris County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017
(With Comparative Totals For the Year Ended June 30, 2016)

	2017					2016	
	General	2014 SPLOST	Callaway Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 12,317,810	\$ 2,459,609	\$ -	\$ -	\$ 976,935	\$ 15,754,354	\$ 15,690,146
Intergovernmental	855,014	-	-	763,918	350,597	1,969,529	801,783
Licenses and permits	243,911	-	-	-	-	243,911	323,859
Charges for services	2,670,639	-	106,870	-	660,901	3,438,410	3,420,034
Interest	-	-	37,087	-	216,000	253,087	148,331
Fines and forfeitures	863,014	-	-	-	97,778	960,792	1,009,744
Investment earnings	7,436	1,195	-	-	4,686	13,317	30,542
Contributions and donations	25,000	-	-	-	-	25,000	20,000
Miscellaneous	41,284	-	-	-	-	41,284	91,194
Total Revenues	17,024,108	2,460,804	143,957	763,918	2,306,897	22,699,684	21,535,633
Expenditures							
Current:							
General government	5,245,619	-	-	-	-	5,245,619	4,822,928
Judicial	1,339,954	-	-	-	6,032	1,345,986	1,218,834
Public safety	8,284,128	-	-	-	820,347	9,104,475	8,553,578
Public works	1,606,891	-	-	-	-	1,606,891	1,831,751
Health and welfare	287,450	-	-	-	-	287,450	288,181
Culture and recreation	966,863	-	-	-	-	966,863	975,554
Housing and development	316,446	-	-	-	286,511	602,957	418,088
Intergovernmental	-	2,250,822	-	-	115,031	2,365,853	384,596
Capital Outlay	-	869,430	-	1,222,980	1,231,595	3,324,005	4,641,630
Debt Service:							
Principal retirement	97,449	-	106,354	-	355,000	558,803	547,678
Interest and fiscal charges	9,945	-	37,603	-	534,179	581,727	603,656
Trustee Fee	-	-	-	-	3,625	3,625	4,008
Total Expenditures	18,154,745	3,120,252	143,957	1,222,980	3,352,320	25,994,254	24,290,482
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,130,637)	(659,448)	-	(459,062)	(1,045,423)	(3,294,570)	(2,754,849)
Other Financing Sources (Uses)							
Insurance proceeds	-	-	-	-	-	-	11,036
Transfers in	12,685	-	-	1,374,230	1,186,445	2,573,360	444,368
Transfers out	(1,264,289)	-	-	-	(1,385,429)	(2,649,718)	(1,582,729)
Total Other Financing Sources (Uses)	(1,251,604)	-	-	1,374,230	(198,984)	(76,358)	(1,127,325)
Net Change in Fund Balances	(2,382,241)	(659,448)	-	915,168	(1,244,407)	(3,370,928)	(3,882,174)
Fund Balances Beginning of Year	10,934,924	4,296,836	24,560	-	4,994,055	20,250,375	24,132,549
Fund Balances End of Year	\$ 8,552,683	\$ 3,637,388	\$ 24,560	\$ 915,168	\$ 3,749,648	\$ 16,879,447	\$ 20,250,375

See accompanying notes to the basic financial statements

Harris County, Georgia
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Government-wide Statement of Activities
For the Year Ended June 30, 2017*

Net Changes In Fund Balances - Total Governmental Funds \$ (3,370,928)

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.

	\$ (2,440,404)	
Depreciation expense		
Capital outlay	3,827,309	1,386,905

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. (207,149)

Payments of principal on long-term debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets. (106,354)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.

	\$ 60,619	
Property taxes:		
Deferred @ 6/30/17		
Deferred @ 6/30/16	(75,443)	(14,824)

Miscellaneous reconciling items (17,112)

The amortization of the bond discount is reported in the government-wide statement of activities, but does not require the use of financial resources and therefore are not reported as reported as expenditures in governmental funds. (2,208)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 558,804

Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

	\$ (290,312)	
Liability @ 6/30/17		
Liability @ 6/30/16	272,325	(17,987)

Change In Net Position of Governmental Activities \$ (1,790,853)

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Net Position
June 30, 2017

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 1,028,926	\$ 5,348,051	\$ -	\$ 6,376,977
Restricted cash	744,417	-	-	744,417
Investments	2,489,793	1,516,517	-	4,006,310
Receivables:				
Accounts	476,631	40,133	-	516,764
Interest	889	-	-	889
Intergovernmental	-	3,200	92,675	95,875
Prepaid items	22,379	10,159	595	33,133
Inventories	175,154	-	18,252	193,406
Total Current Assets	4,938,189	6,918,060	111,522	11,967,771
Capital Assets				
Nondepreciable	8,456,832	199,250	255,021	8,911,103
Depreciable, net	13,741,643	862,755	7,605,672	22,210,070
Total Capital Assets	22,198,475	1,062,005	7,860,693	31,121,173
Deferred Outflows of Resources (Note 3-D)	293,287	68,281	5,928	367,496
Total Assets and Deferred Outflows of Resources	27,429,951	8,048,346	7,978,143	43,456,440
Liabilities				
Current Liabilities:				
Accounts payable	11,132	69,471	834	81,437
Retainage payable	-	-	69,290	69,290
Accrued expenses payable	51,405	16,376	2,028	69,809
Accrued interest payable	13,464	-	-	13,464
Customer deposits payable	446,319	-	-	446,319
Interfund payable	41,627	1,541,272	875,630	2,458,529
Compensated absences payable	41,566	12,836	1,860	56,262
Closure and postclosure care payable	-	21,465	-	21,465
Revenue bonds payable	470,000	-	-	470,000
GEFA loans payable	10,256	-	-	10,256
Capital leases payable	-	204,457	-	204,457
Total Current Liabilities	1,085,769	1,865,877	949,642	3,901,288
Long-term Liabilities (Net of current portion):				
Compensated absences payable	10,392	3,209	465	14,066
Closure and postclosure care payable	-	199,025	-	199,025
Revenue bonds payable	5,622,759	-	-	5,622,759
GEFA loans payable	2,477,542	-	-	2,477,542
Capital leases payable	-	38,575	-	38,575
Net pension liability	511,651	201,742	17,898	731,291
Total Long-term Liabilities:	8,622,344	442,551	18,363	9,083,258
Total Liabilities	9,708,113	2,308,428	968,005	12,984,546
Deferred Inflows of Resources (Note 3-D)	27,366	14,083	677	42,126
Total Liabilities and Deferred Inflows of Resources	9,735,479	2,322,511	968,682	13,026,672
Net Position				
Net investment in capital assets	13,617,918	818,973	7,860,693	22,297,584
Restricted	287,631	-	-	287,631
Unrestricted	3,788,923	4,906,862	(851,232)	7,844,553
Total Net Position	\$ 17,694,472	\$ 5,725,835	\$ 7,009,461	\$ 30,429,768

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2017

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Operating Revenues				
Charges for services	\$ 5,085,926	\$ 2,004,931	\$ 340,819	\$ 7,431,676
Operating Expenses				
Personal services	1,544,746	630,459	67,869	2,243,074
Purchased services	1,447,096	131,080	55,223	1,633,399
Purchased services - tipping fees	-	545,746	-	545,746
Cost of sales	-	-	253,171	253,171
Materials and supplies	319,471	122,872	3,176	445,519
Depreciation	712,126	270,090	165,871	1,148,087
Total Operating Expenses	4,023,439	1,700,247	545,310	6,268,996
Operating Income (Loss)	1,062,487	304,684	(204,491)	1,162,680
Non-operating Revenue (Expenses)				
Investment earnings	7,381	19,678	-	27,059
Interest and fiscal charges	(231,766)	(7,323)	-	(239,089)
Total Non-operating Revenue (Expenses)	(224,385)	12,355	-	(212,030)
Income (Loss) Before Capital Contributions and Transfers In	838,102	317,039	(204,491)	950,650
Capital Contributions Transfers In	173,046	-	578,962	752,008
	-	-	76,358	76,358
Change in Net Position	1,011,148	317,039	450,829	1,779,016
Net Position Beginning of Year	16,683,324	5,408,796	6,558,632	28,650,752
Net Position End of Year	\$ 17,694,472	\$ 5,725,835	\$ 7,009,461	\$ 30,429,768

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2017

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash received from customers	\$ 5,164,972	\$ 2,004,931	\$ 340,819	\$ 7,510,722
Cash payments for personal services	(1,538,696)	(653,115)	(63,205)	(2,255,016)
Cash payments for goods and services	(1,758,205)	(696,434)	(1,229,959)	(3,684,598)
Net Cash Provided by (Used in) Operating Activities	<u>1,868,071</u>	<u>655,382</u>	<u>(952,345)</u>	<u>1,571,108</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental receivable	-	-	1,250,689	1,250,689
Interfund payable	(362,834)	177,504	(877,351)	(1,062,681)
Net Cash Flows from Noncapital Financing Activities	<u>(362,834)</u>	<u>177,504</u>	<u>373,338</u>	<u>188,008</u>
Cash Flows from Capital and Related Financing Activities				
Principal paid on GEFA loans	(10,256)	-	-	(10,256)
Principal paid on revenue bonds	(450,000)	-	-	(450,000)
Interest paid on capital debt	(168,323)	(78,560)	-	(246,883)
Interest paid on notes	-	(7,323)	-	(7,323)
Acquisition of capital assets	(508,726)	(304,740)	(76,313)	(889,779)
Capital grants	-	-	578,962	578,962
Transfers in	-	-	76,358	76,358
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,137,305)</u>	<u>(390,623)</u>	<u>579,007</u>	<u>(948,921)</u>
Cash Flows from Investing Activities				
Investment earnings	7,791	20,209	-	28,000
Net Increase (Decrease) in Cash and Cash Equivalents	375,723	462,472	-	838,195
Cash and Cash Equivalents Beginning of Year	<u>3,887,413</u>	<u>6,402,096</u>	<u>-</u>	<u>10,289,509</u>
Cash and Cash Equivalents End of Year	<u>\$ 4,263,136</u>	<u>\$ 6,864,568</u>	<u>\$ -</u>	<u>\$ 11,127,704</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 1,062,487	\$ 304,684	\$ (204,491)	\$ 1,162,680
Adjustments:				
Depreciation	712,126	\$ 270,090	165,871	1,148,087
(Increase) Decrease in Assets:				
Accounts receivable	73,196	1,260	-	74,456
Prepaid items	10,109	5,540	(188)	15,461
Inventories	(3,272)	-	29,835	26,563
Increase (Decrease) in Liabilities:				
Accounts payable	1,525	69,471	(691,642)	(620,646)
Retainage payable	-	-	(253,767)	(253,767)
Accrued expenses payable	4,464	1,734	130	6,328
Customer deposits payable	5,850	-	-	5,850
Compensated absences payable	1,586	(635)	1,049	2,000
Other	-	3,238	858	4,096
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,868,071</u>	<u>\$ 655,382</u>	<u>\$ (952,345)</u>	<u>\$ 1,571,108</u>
Non-cash Capital Activities:				
Non-cash contributions from the public improvements authority fund related to construction of capital assets	\$ 173,046	\$ -	\$ -	\$ 173,046

Harris County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Fiduciary Funds - Agency Funds
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 1,086,613	\$ 1,414,659
Due from others	315,127	345,220
Total Assets	\$ 1,401,740	\$ 1,759,879
Liabilities		
Due to others	\$ 1,401,740	\$ 1,759,879

See accompanying notes to the basic financial statements

Harris County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2017

	Department of Public Health	Development Authority	Total
Assets			
Current:			
Cash and cash equivalents	\$ 754,061	\$ 80,223	\$ 834,284
Restricted cash and cash equivalents	-	75	75
Total Current	754,061	80,298	834,359
Noncurrent :			
Capital assets:			
Nondepreciable		4,817,533	4,817,533
Depreciable, net	11,784	-	11,784
Total Noncurrent	11,784	4,817,533	4,829,317
Total Assets	765,845	4,897,831	5,663,676
Deferred Outflows of Resources	128,245	-	128,245
Total Assets and Deferred Outflows of Resources	894,090	4,897,831	5,791,921
Liabilities			
Current Liabilities:			
Compensated absences payable	3,201	-	3,201
Intergovernmental payable	14,987	-	14,987
Due to component unit	-	15	15
Total Current Liabilities:	18,188	15	18,203
Long-term Liabilities: (net of current portion)			
Compensated absences payable	28,812	-	28,812
Net pension liability	577,206	-	577,206
Total Liabilities	624,206	-	606,018
Deferred Inflows of Resources	8,765	-	8,765
Total Liabilities and Deferred Inflows of Resources	632,971	15	632,986
Net Position			
Net investment in capital assets	11,784	4,817,533	4,829,317
Restricted for:			
Specific health program	302,634	-	302,634
Debt service	-	75	75
Unrestricted (deficit)	(53,299)	80,208	26,909
Total Net Position	\$ 261,119	\$ 4,897,816	\$ 5,158,935

See accompanying notes to the basic financial statements

Harris County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2017

	Department of Public Health	Development Authority	Total
Expenses			
Health and welfare	\$ 614,956	\$ -	\$ 614,956
Community development	-	317,528	317,528
Total Expenses	614,956	317,528	932,484
Revenues			
Program revenues:			
Charges for services	265,349	-	265,349
Operating grants and contributions	458,157	-	458,157
Total Program Revenues	723,506	-	723,506
Net Program Revenue (Expense)	108,550	(317,528)	(208,978)
General Revenues			
Miscellaneous	-	84,363	84,363
Investment earnings	-	135,798	135,798
Total General Revenues	-	220,161	220,161
Capital Contributions	-	306,865	306,865
Change in Net Position	108,550	209,498	318,048
Net Position Beginning of Year	152,569	4,688,318	4,840,887
Net Position End of Year	\$ 261,119	\$ 4,897,816	\$ 5,158,935

See accompanying notes to the basic financial statements

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Harris County, Georgia (the County) is a political subdivision of the State of Georgia and was formed in 1825. The County operates under a Commission-Manager form of government and is governed by a five member elected board of county commissioners, elected from single-member districts. The Board's powers are vested by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge and Clerk of the Superior Court. The County's major services include general government, courts, public safety, public works, health and welfare, culture and recreation and housing and development.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the constitutionally elected officers.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

The following is a brief description of the blended component unit:

Harris County Public Improvement Authority (the HCPIA) – The governing board is appointed by the Harris County Board of Commissioners. The main purpose of the HCPIA is to provide basic infrastructure and recreational facilities, improvements and services to the citizens of the County in order to promote the growth and development of the County and the general welfare of the citizens. The HCPIA is reported as a capital project fund. The HCPIA does not issue separate financial statements.

Brief descriptions of the discretely presented component units follow:

Harris County Health Department (the Health Department) – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department's Board consists of seven members, four of these members are appointed by the County Commission.

Although the County does not have the authority to approve or modify the Health Department's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Health Department. The Health Department is reported on a June 30, 2017 fiscal year. Complete financial statements for the Health Department may be obtained from its administrative office at 210 Forest Hill Drive, Hamilton, Georgia 31811 or by calling 706-628-5375.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

A County Board of Health should be reported as a discretely presented component unit in the county's financial statements because the entity is legally separate, the primary government appoints a voting majority of the entity's board, the primary government is able to impose its will on the entity, the entity does not provide services entirely or almost entirely to the primary government, and in most cases, the entity and the primary government do not have boards that are substantively the same.

Harris County Development Authority (the "Authority") is responsible for promoting industrial and commercial development within Harris County. The Authority is considered a component unit of the primary government based on the aforementioned criteria. Specifically, a voting majority of the Authority is appointed by the Board, and it can impose its will on the Authority. There are no separately issued financial statements available for the Authority.

The County has partnered with the Authority with the development of the Northwest Harris Business Park (the "Business Park"). The County purchased land for the Business Park during 2005 and 2007. Pursuant to an intergovernmental agreement between the County and the Authority, once a business moves into the Business Park, subject to certain stipulations, the County will transfer the land to the Authority for development and subsequent sale of the property with proceeds being remitted to the County.

The Authority has continued construction on the Progress Parkway project. The purpose of this project is to construct a road in the Business Park. Construction began during the fiscal year ended June 30, 2009. During the following years, the Authority has continued construction of the road with funding provided by the County's 2009 and 2014 SPLOST funds, grant funding and existing Authority funds. Funding provided by the County and grant funding is shown as a capital contribution to the Authority in the government-wide financial statements. Costs of the road are included in the Authority's construction in progress at June 30, 2017.

During 2009, a building was constructed for Johnson Controls, Inc. (JCI) for a total cost of approximately \$7.06 million. The purpose of the JCI project was to assist in the location of the manufacturing company in the Business Park. The building was funded by bonds issued by the Authority, County funds, and grant revenue. The building was then leased to JCI.

During 2010, the County, in agreement with JCI, issued bonds in the amount of \$5.5 million to expand the building. The agreement required JCI to lease the building from the County at a rate necessary to service both the 2008 and 2010 bond issues and to purchase the building at the end of the lease term. The lease was accounted for as a sales-type lease with a receivable established to account for the future payments. During 2016, JCI (now d.b.a. Hoover) prepaid the bonds in their entirety subsequently releasing the debt and associated receivable (Note 3-H).

Related Organizations – The following are related organizations for which the County appoints one or more of the Board of Directors but they do not meet any other of the reporting entity criteria:

- Harris County Board of Education
- Harris County Board of Family and Children's Service
- The Cattlemen's Association

Joint Ventures – The County participates in the following joint venture.

River Valley Regional Commission (RVRC) - The County, in conjunction with sixteen counties and thirty-five municipalities in the west central Georgia area are members of the RVRC. Membership in an RVRC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RVRC. Each county and municipality in the state is required by law to pay minimum annual dues to the RVRC. The RVRC Board membership includes the chief elected official of each county and the chief elected official of each municipality. Separately issued financial statements are available at the RVRC's administrative office, 710 Front Avenue, Suite A, Columbus, GA 31901.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RVRCs as "public agencies and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RVRC beyond its resources (O.C.G.A. 50-8-39.1).

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary funds are not presented in the government-wide financial statements.

The statement of net position presents the financial position of the governmental activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental funds are reported in separate columns.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund’s fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

2014 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is utilized to account for the proceeds of a 1 percent special purpose local option sales tax beginning April 1, 2014 for funding various capital outlay projects including road, street and bridge projects, a library, fire trucks, public safety equipment and construction of a CAD system, expansion of the water system, development of an agri-center and economic development projects.

Callaway Debt Service Fund – This fund is used to service a Georgia Environmental Facilities Authority loan from the Clean Water State Revolving Fund for Land Conservation, whose proceeds were used to finance the acquisition of a land conservation easement.

Capital Projects Fund – This fund is used to account for various types of financial revenue resources which are utilized in the acquiring or constructing of capital facilities.

Proprietary Funds – The proprietary funds reporting focus is on the determination of operating income, changes in net position, financial position and cash flows. All three of the proprietary funds are classified as enterprise funds.

The County reports the following major enterprise funds:

Water Works. This fund accounts for the operation and maintenance of the County’s water distribution system.

Solid Waste. This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

Airport. This fund accounts for the operation, maintenance, and development of the County’s Airport.

Fiduciary Funds – Fiduciary fund reporting focuses on assets and liabilities. The County’s fiduciary funds are agency funds for use primarily by the County’s constitutional officers comprised of the Tax Commissioner, Clerk of Superior Court, Sheriff, Probate Court and Magistrate Court.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary fund uses the accrual basis of accounting at both reporting levels. Fiduciary funds are reported on the accrual basis at the fund reporting level. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-D). Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, franchise taxes, charges for services, federal and state grants and investment earnings.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On both the government-fund financial statements and the government-wide financial statements, revenues are deferred for:

- Grants and entitlements received before the eligibility requirements are met (e.g., cash advances).

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. Time deposits are classified as cash and cash equivalent without regard to maturity date.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net position.

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when used (i.e., the consumption method). At year-end, fund balance is classified as nonexpendable for a like amount of inventory on hand since it is not available for general appropriation.

The inventory consists primarily of vehicle parts and fuel.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as nonexpendable since it is not available for general appropriation.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-6 Restricted Assets

Certain items are classified as restricted in the general fund because their use is legally restricted to a specific use, some of which is deposited with bank trust funds.

1-E-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. The County's infrastructure has been reported retroactively in 2007. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives using these capitalization thresholds:

Asset Class	Governmental Activities Estimated Lives	Capitalization Threshold
Primary Government:		
Buildings and improvements	40 Years	\$5,000
Machinery and equipment	3 - 20 Years	\$5,000
Infrastructure	20 - 30 Years	\$100,000
Machinery and equipment	5 - 7 Years	\$5,000

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only “when due.”

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Notes are recognized as a liability in the governmental fund financial statements when due.

1-E-10 Fund Equity

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

Fund Balance - Fund balances may be classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County Board of Commissioners or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Board of Commissioners through a motion. The fund balance must result from a specific revenue stream committed for a specific purpose. Only the Board of County Commissioners may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the Board of County Commissioners’ intent to be used for specific purposes, but are neither restricted nor committed. By motion, only the Board of County Commissioners can authorize an assignment of fund balances. Also, any of the fund balance reported at year-end that is included in the subsequent year’s budget is reported as assigned.
- **Unassigned** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund.

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the County has established a flow assumption policy. It is the County’s policy to use restricted – net position first before using unrestricted – net position.

Fund Balance Flow Assumptions – It is the County’s policy to consider restricted fund balance to have been used 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, it is the County’s policy to use fund balance in the following order:

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

- Committed
- Assigned
- Unassigned

Net Position - Net position represent the difference between assets and liabilities. The net invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment amount also is adjusted by any bond issuance deferral amounts. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

1-E-11 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise and internal service funds. For the County, these revenues are charges for services for water works, waste collection and airport services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. Nonoperating revenues are investment earnings, the gain on the disposition of capital assets and operating grants. Nonoperating expenses include the loss on the disposition of capital assets and interest expense.

1-E-12 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between funds reported in the governmental activities column are eliminated.

1-E-13 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-14 Comparative Data

Comparative total data for the prior year has been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

1-E-15 Implementation of New GASB Standards

In fiscal year 2017, the County implemented the following GASB Standards:

GASB Statement No. 77, *Tax Abatement Disclosures*. The objective of this Statement is to improve reporting concerning the nature and magnitude of tax abatements by requiring disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The County adopts an annual operating budget for all governmental funds except the capital projects funds, which have an adopted project budget. The budget resolution reflects the total of each department’s appropriation in each fund.

Budgets are adopted on a basis consistent with GAAP with the exception of the capital projects funds, which have project length budgets, rather than annual budgets. For management purposes, the County adopts annual budgets for its enterprise fund.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of County Commissioners. The Board of County Commissioners also must approve budget transfers within departments.

The original 2017 budget was amended during the year. Most unexpended annual appropriations lapse at year-end. However, encumbered appropriations may be carried forward automatically (i.e., no County Commission action is required), to resolve unusual situations or hardships caused by this policy (i.e., for large equipment orders not received by June 30). Departments desiring the carryover of appropriations shall make their request in writing to the County Manager for approval.

2-B. Excess of Expenditures over Appropriations

The following departments overspent the final amended 2017 annual budget:

General Fund	
General administration	\$ 255,850
Tax assessor	5,332
Operations	55,549
Pensions and insurance	132,306
Court services	69,019
Emergency medical	108,270
Law enforcement center	18,144
Coroner	3,945
Vehicle maintenance	110,586
Extension services	15,087
Debt service	107,394
Transfers out	1,264,289
Nonmajor Governmental Funds	
Hotel/motel tax fund – transfers out	12,685
E-911 Fund	270,347
Law library – judicial	1,832
Drug abuse fund	50,898

Expenditures in excess of budgeted amounts were offset by revenues in excess of budgeted amounts with the following exceptions:

- Unbudgeted transfers out of the general fund were for debt service on the Public Improvements Authority Revenue Bonds related to construction of the Harris County Community Center. These are expected to be refinanced as discussed in note 4D.
- Capital outlay expenditures of the drug abuse fund were approved in board of commissioner minutes, but no budget amendments were made.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds

3-A. Deposits

Deposits – The County’s cash and investment policy limits deposits to demand and money market accounts, and time deposits at local banks. The County’s deposits shall be secured by Federal Deposit Insurance Corporation (FDIC) coverage and/or bank pledges. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held, less the FDIC insurance.

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the County’s deposits may not be recovered.

As of June 30, 2017, all of the County’s deposits were covered, either by FDIC coverage or collateralized with securities held by the County’s agent in the County’s name.

Also, the Harris County Health Department’s deposits were covered either by FDIC coverage or were entirely insured or collateralized with securities held by the component unit’s agent in the component unit’s name.

Primary government cash and cash equivalents reconciliation:

	Cash and Cash Equivalents
Primary Government - Fund Reporting Level:	
Governmental Funds - Balance Sheet	\$ 11,312,106
Governmental Funds - Balance Sheet - Restricted	1,781,731
Proprietary Fund Type Statement of Net Position	6,376,977
Proprietary Fund Type Statement of Net Position - Restricted	744,417
Statement of Fiduciary Assets and Liabilities	1,086,613
 Total	 \$ 21,301,844

3-B. Receivables

Receivables at June 30, 2017, consisted of taxes, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

Allowance for Uncollectibles - The allowances for uncollectibles are as follows:

- Water works fund - \$23,041

Note Receivable – During the year ended June 30, 2009, the County, through an agreement, acquired a land conservation easement from the “*Ida Cason Callaway Foundation*” (the “Foundation”). In order to fund the acquisition, the Georgia Environmental Facilities Authority (“GEFA”), provided a \$2,000,000 land conservation grant and a \$2,000,000 loan from the Clean Water State Revolving Fund for Land Conservation (see Note 3-H).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Under the agreement between the County and the Foundation, the Foundation is repaying the loan as follows:

Year	Principal	Interest	Total
2018	110,076	33,881	143,957
2019	113,424	30,533	143,957
2020	116,841	27,115	143,956
2021	120,457	23,500	143,957
2022	124,092	19,865	143,957
2023 - 2027	594,935	41,005	635,940
	<u>\$ 1,179,825</u>	<u>\$ 175,899</u>	<u>\$ 1,355,724</u>

Lease Receivable – On September 28, 2016, the lease receivable for the Harris County Development Authority was considered paid in full as the result of a prepayment and termination agreement paid by JCI (now d.b.a. Hoover) in the amount of \$9,149,292 as described in Note 1A. Originally, the Authority issued bonds to support the construction and expansion of the building leased by JCI in fiscal years 2009 and 2011. The lease was accounted for as a sales-type lease with an initial present value of minimum payments of \$10,714,812 and unearned interest of \$4,108,290 for an initial gross capital lease receivable of \$14,823,103. As of June 30, 2017, no further lease payments or liabilities related to these bond issues are booked in the Harris County Development Authority.

3-C. Restricted Assets

Restricted assets reported in the governmental funds are comprised of the following:

General fund:	
LMIG funds	\$ 1,224,109
2014 SPLOST fund - deposit with investment broker	1,456
PIA fund – construction and debt service	556,166

3-D. Property Taxes

The Board of Commissioners levy property taxes by or about September of each year. Property taxes attach as an enforceable lien on property as of January 1. The property taxes were levied on July 19, 2016. Property taxes were billed on September 28, 2016 and are due upon receipt, however, the due date was December 20, 2016 and became delinquent on December 21, 2016.

The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. The County also collects vehicle and mobile home taxes for the cities located in the County and the State of Georgia. Collection of the County’s taxes and for the other governmental agencies is the responsibility of the Tax Commissioner’s Office, which is accounted for in an agency fund.

(This page continues on the subsequent page)

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Capital Assets

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

	Balance 7/1/2016	Additions	Deductions	Balance 6/30/2017
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 15,077,803	\$ -	\$ -	\$ 15,077,803
Construction in progress	1,589,076	2,726,743	2,787,234	1,528,585
Total nondepreciable capital assets	<u>16,666,879</u>	<u>2,726,743</u>	<u>2,787,234</u>	<u>16,606,388</u>
Depreciable capital assets:				
Buildings and improvements	20,816,359	7,283	-	20,823,642
Machinery and equipment	20,381,011	1,093,286	211,238	21,263,059
Infrastructure	25,451,191	2,757,745	-	28,208,936
Total depreciable capital assets	<u>66,648,561</u>	<u>3,858,314</u>	<u>211,238</u>	<u>70,295,637</u>
Total capital assets	<u>83,315,440</u>	<u>6,585,057</u>	<u>2,998,472</u>	<u>86,902,025</u>
Accumulated depreciation:				
Buildings	6,366,489	533,131	-	6,899,620
Machinery and equipment	16,461,364	1,107,576	211,238	17,357,702
Infrastructure	15,987,830	799,697	-	16,787,527
Total accumulated depreciation	<u>38,815,683</u>	<u>2,440,404</u>	<u>211,238</u>	<u>41,044,849</u>
Governmental activities capital assets, net	<u>\$ 44,499,757</u>	<u>\$ 4,144,653</u>	<u>\$ 2,787,234</u>	<u>\$ 45,857,176</u>
Governmental activities depreciation expense				
General government		\$ 268,504		
Public safety		846,341		
Public works		1,050,269		
Culture and recreation		<u>275,290</u>		
Total governmental activities depreciation expense		<u>\$ 2,440,404</u>		

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

	Balance 7/1/2016	Additions	Deductions	Balance 6/30/2017
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 693,751	\$ -	\$ -	\$ 693,751
Construction in progress	10,206,060	2,803,149	4,791,857	8,217,352
Total nondepreciable capital assets	10,899,811	2,803,149	4,791,857	8,911,103
Depreciable capital assets:				
Buildings and improvements	2,145,105	1,563,460	-	3,708,565
Machinery and equipment	6,201,400	626,489	-	6,827,889
Infrastructure	25,289,733	3,254,823	-	28,544,556
Total depreciable capital assets	33,636,238	5,444,772	-	39,081,010
Total capital assets	44,536,049	8,247,921	4,791,857	47,992,113
Accumulated depreciation:				
Buildings and improvements	309,240	75,116	-	384,356
Machinery and equipment	4,006,940	1,011,215	-	5,018,155
Infrastructure	11,406,673	61,756	-	11,468,429
Total accumulated depreciation	15,722,853	1,148,087	-	16,870,940
Business-type activities capital assets, net	\$ 28,813,196	\$ 7,099,834	\$ 4,791,857	\$ 31,121,173

The depreciation expense for the business-type activities relates to the water works fund, \$712,126, the solid waste fund \$270,090 and the airport fund, \$165,871.

Capital asset activity for the development authority component unit for the year ended June 30, 2017, was as follows:

	Balance 7/1/2016	Additions	Deductions	Balance 6/30/2017
Harris County Development Authority				
Nondepreciable capital assets:				
Land	\$ 34,341	\$ -	\$ -	\$ 34,341
Construction in progress	4,476,327	306,865	-	4,783,192
Total nondepreciable capital assets	\$ 4,510,668	\$ 306,865	\$ -	\$ 4,817,533

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Deferred Inflows/Outflows of Resources

Fund Financial Reporting Level - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County reports one of these items. This item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes (\$60,619). This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Government-wide Financial Reporting Level - The County also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability and an advance refunding debt transaction that results in a defeasance of debt. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the County to the pension plan before fiscal year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

The following table includes the deferred inflows/outflows of resources at June 30, 2017:

Deferred Outflows of Resources	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Deferred outflows related to pensions	\$ 1,257,290	\$ 241,271	\$ 1,498,561	\$ 128,245
Deferred amounts from refunding of debt	-	126,225	126,225	-
Total	\$ 1,257,290	\$ 367,496	\$ 1,624,786	\$ 128,245

Deferred Inflows of Resources	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Deferred inflows related to pensions	163,170	42,126	205,296	8,765
Total	\$ 163,170	\$ 42,126	\$ 205,296	\$ 8,765

3-G. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2017, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

The following table includes the interfund receivables and payables at June 30, 2017:

Payable to:	Payable from:				Total
	Nonmajor govern.	Water works	Solid waste	Airport	
General	\$ 1,105,736	\$ 41,627	\$ 1,541,272	\$ 875,630	\$ 3,564,265
Capital projects	23,000	-	-	-	23,000
Total	\$ 1,128,736	\$ 41,627	\$ 1,541,272	\$ 875,630	\$ 3,587,265

The County expects to repay all interfund balances within one year.

Interfund Transfers - Interfund transfers for the year ended June 30, 2017, consisted of the following:

Transfers to	Transfers from		Total
	General	Nonmajor govern.	
General	\$ -	\$ 12,685	12,685
Capital projects	1,486	1,372,744	1,374,230
Non-major governmental	1,186,445	-	1,186,445
Airport	76,358	-	76,358
Total	\$ 1,264,289	\$ 1,385,429	\$ 2,649,718

The transfer from the general fund to the capital projects fund was for the library construction project. The transfer from the general fund to the PIA was funding for the debt service accounts for payment of the community center debt. The transfer from the general fund to the non-major governmental was for E-911 supplementation. The transfers from the general fund to the airport fund was for the hangers and runway construction projects. All other transfers are consistent with the purpose of the fund.

3-H. Long-Term Debt

Governmental Activities | GEFA Loan Payable - The County has one outstanding GEFA loan payable at June 30, 2017.

GEFA Loan Payable – 2009 LC 2006016 – In February 2009, the County borrowed \$2,000,000 at an interest rate of 3% for the acquisition of a conservation easement discussed in Note 3-B. The Loan is payable in 216 monthly principal and interest payments of \$11,996 with a final maturity date of January 1, 2027.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this loan payable as of June 30, 2017 follow:

Year	Principal	Interest	Total
2018	109,526	34,431	143,957
2019	112,858	31,100	143,957
2020	116,246	27,711	143,957
2021	119,867	24,090	143,957
2022	123,472	20,485	143,957
2023 - 2027	615,867	44,064	659,931
	<u>\$ 1,197,836</u>	<u>\$ 181,880</u>	<u>\$ 1,379,716</u>

Governmental Activities | Bonds Payable - The County has two outstanding bond issues outstanding at June 30, 2017.

Harris County Public Improvements Authority Revenue Bonds, Taxable "Build America" Bonds, Series 2010 A and 2010B – The Harris County Community Public Improvement Authority (HCPIA) issued revenue bonds in December 2010 for a total of \$8,240,000, to fund the construction of the Harris County Community Center, a recreational facility for the County. The Series 2010A bonds totaled \$185,000 which are retired and Series B were \$8,055,000 revenue bonds.

Payments are due in semiannual installments commencing February 1, 2011 through August 1, 2030. Interest accrues at 1.45% to 6%. Principal is subject to redemption on or after August 1, 2010 at the option of the issuer, at direction of the County, in whole or in part at any time at a redemption price of 100%.

Pursuant to the bond resolution, the County is in compliance with certain covenants.

Annual debt service requirements to this loan payable as of June 30, 2017 follow:

Year	Principal	Interest	Total
2018	360,000	306,288	666,288
2019	370,000	292,865	662,865
2020	380,000	277,953	657,953
2021	390,000	261,681	651,681
2022	400,000	243,898	643,898
2023 - 2027	2,205,000	906,220	3,111,220
2028 - 2031	2,060,000	252,230	2,312,230
	<u>\$ 6,165,000</u>	<u>\$ 2,541,135</u>	<u>\$ 8,706,135</u>

Harris County Public Improvements Authority Revenue Bonds, Taxable Series 2015 – The Harris County Community Public Improvement Authority (HCPIA) issued revenue bonds on December 22, 2014 in the amount of \$5,400,000, to fund various projects, which will result in providing a new County sewer line known as the "Grove Sewer Project."

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

The principal is due in a single lump sum payment on January 1, 2035. Interest payments are due in semiannual installments of \$108,000 (Except the first payment which is \$113,400) commencing July 1, 2015 through January 1, 2035. Interest accrues at 4.0%. Principal is subject to redemption at the option of the issuer, at direction of the County, in whole or in part at any time at a redemption price of 100%.

Annual debt service requirements to bonds payable as of June 30, 2017 follow:

Year	Principal	Interest	Total
2018	-	216,000	216,000
2019	-	216,000	216,000
2020	-	216,000	216,000
2021	-	216,000	216,000
2022-2026	-	1,080,000	1,080,000
2027-2031	-	1,080,000	1,080,000
2032-2035	5,400,000	864,000	6,264,000
Total	<u>\$ 5,400,000</u>	<u>\$ 3,888,000</u>	<u>\$ 9,288,000</u>

Governmental Activities | Capital Leases Payable - The County has six outstanding capital leases payable at June 30, 2017.

Capital Lease Payable #001-726726-000 – Caterpillar Financial Services – Lease #5 - This lease was entered into on December 18, 2014 in the original amount of \$62,578 to purchase a Caterpillar 924K wheel loader at an interest rate of 3.2% with monthly payments (which includes principal and interest) of \$1,130 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$31,289 (cost of \$62,578 less accumulated depreciation of \$31,289).

Annual debt service requirements to this lease payable as of June 30, 2017 follow:

Year	Principal	Interest	Total
2018	12,704	856	13,560
2019	13,117	443	13,560
2020	6,718	62	6,780
Total	<u>\$ 32,539</u>	<u>\$ 1,361</u>	<u>\$ 33,900</u>

Capital Lease Payable #001-726726-001 – Caterpillar Financial Services – Lease #6 - This lease was entered into on December 18, 2014 in the original amount of \$102,422 to purchase a Caterpillar 12M3 motor grader at an interest rate of 4% with monthly payments (which includes principal and interest) of \$1,850 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$51,211 (cost of \$102,422 less accumulated depreciation of \$51,211).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this note payable as of June 30, 2017 follow:

Year	Principal	Interest	Total
2018	20,793	1,434	22,227
2019	21,468	726	22,194
2020	10,995	103	11,098
Total	<u>\$ 53,256</u>	<u>\$ 2,263</u>	<u>\$ 55,519</u>

Capital Lease Payable #001-726726-002 – Caterpillar Financial Services – Lease #7 - This lease was entered into on December 18, 2014 in the original amount of \$102,422 to purchase a Caterpillar 12M3 motor grader at an interest rate of 4% with monthly payments (which includes principal and interest) of \$1,850 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$51,211 (cost of \$102,422 less accumulated depreciation of \$51,211).

Annual debt service requirements to this note payable as of June 30, 2017 follow:

Year	Principal	Interest	Total
2018	20,793	1,434	22,227
2019	21,468	726	22,194
2020	10,995	103	11,098
Total	<u>\$ 53,256</u>	<u>\$ 2,263</u>	<u>\$ 55,519</u>

Capital Lease Payable #001-726726-003 – Caterpillar Financial Services – Lease #8 - This lease was entered into on December 18, 2014 in the original amount of \$102,422 to purchase a Caterpillar 12M3 motor grader at an interest rate of 4% with monthly payments (which includes principal and interest) of \$1,850 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$51,211 (cost of \$102,422 less accumulated depreciation of \$51,211).

Annual debt service requirements to this note payable as of June 30, 2017 follow:

Year	Principal	Interest	Total
2018	20,793	1,434	22,227
2019	21,468	726	22,194
2020	10,995	103	11,098
Total	<u>\$ 53,256</u>	<u>\$ 2,263</u>	<u>\$ 55,519</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Capital Lease Payable #001-726726-004 – Caterpillar Financial Services – Lease #9 - This lease was entered into on December 18, 2014 in the original amount of \$50,393 to purchase a Caterpillar D5K2 track type tractor at an interest rate of 3.2% with monthly payments (which includes principal and interest) of \$910 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$25,196 (cost of \$50,393 less accumulated depreciation of \$25,197).

Annual debt service requirements to this note payable as of June 30, 2017 follow:

Year	Principal	Interest	Total
2018	8,332	690	9,022
2019	8,665	357	9,022
2020	3,153	51	3,204
Total	<u>\$ 20,150</u>	<u>\$ 1,098</u>	<u>\$ 21,248</u>

Capital Lease Payable #001-726726-005 – Caterpillar Financial Services – Lease #10 - This lease was entered into on December 18, 2014 in the original amount of \$75,376 to purchase a Caterpillar 953D track loader at an interest rate of 3.2% with monthly payments (which includes principal and interest) of \$1,361 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$37,688 (cost of \$75,376 less accumulated depreciation of \$37,688).

Annual debt service requirements to this note payable as of June 30, 2017 follow:

Year	Principal	Interest	Total
2018	15,302	1,031	16,333
2019	15,799	534	16,333
2020	6,193	74	6,267
Total	<u>\$ 37,294</u>	<u>\$ 1,639</u>	<u>\$ 38,933</u>

Business-type Activities – The County has two outstanding GEFA loans payable for the water works fund.

During the year ended June 30, 2003, the Harris County Water Works (“HCWW”) entered into a contract with GEFA under which it received certain funds made available through the Drinking Water State Revolving Loan Fund. In connection with the contract, the HCWW signed a promissory note in the amount of \$700,000. However, under the terms of the note, the HCWW is only required to repay principal in the amount of \$200,000. The other \$500,000 was reported as grant revenue.

Proceeds were required to be used to reimburse construction costs for specified projects related to the HCWW’s water system. Additionally, the HCWW was required to meet certain covenants related to commencement and completion of construction. As of June 30, 2017 the HCWW is in compliance with these covenants. The loan is payable quarterly in seventy-eight equal installments of \$2,564 with principal maturities as follows:

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity as of June 30, 2017 are as follows:

Year	Principal	Interest	Total
2018	10,256	-	10,256
2019	10,256	-	10,256
2020	10,256	-	10,256
2021	10,256	-	10,256
2022	10,256	-	10,256
2023-2024	12,824	-	12,824
Total	\$ 64,104	\$ -	\$ 64,104

During the year ended June 30, 2014, the Harris County Water Works (“HCWW”) entered into a contract with GEFA under which it received certain funds made available through the Drinking Water State Revolving Loan Fund. In connection with the contract, the HCWW signed a promissory note in the amount of \$2,750,000. Proceeds were required to be used to reimburse construction costs for filter plant flocculation and sedimentation basins related to the HCWW’s water system. Additionally, the HCWW was required to meet certain covenants related to commencement and completion of construction. As of June 30, 2017 the HCWW is in compliance with these covenants. The loan bears interest at 1.40% per annum and is payable monthly in 240 equal installments of approximately \$13,144 per month beginning at the earlier of the project completion date or June 1, 2018. The amortization schedule of the loan has not been set as of June 30, 2017, as the project was not complete, but the total amount drawn toward the loan and booked as a liability for the HCWW was \$2,423,694.

Business-type Activities – The County has one outstanding bond issue payable for the solid waste fund.

2012A and 2012B Series Tax Exempt Water Revenue Bonds – During the year ended June 30, 2013, the HCPIA issued Tax Exempt Bonds Series 2012A and Taxable Series 2012B (“Series 2012 Bonds”) in the amounts of \$7,500,000 and \$310,000, respectively, on behalf of the HCWW. Proceeds from these bonds were used to refund the outstanding 2002 Series Water and Sewer Revenue Bonds and pay the costs of issuing the Series 2012 Bonds. The 2002 Series Bonds had been used to refund the outstanding Revenue Bonds, Series 1995A, 1995B, 1995C and 1995D; make additions, alterations and improvements to the County’s water system; provide for a debt service reserve; and to pay the costs of issuing and insuring the Series 2002 Bonds.

The 2012 Series Bonds are limited obligations of the HCPIA payable solely from the revenues that are payable to the HCPIA pursuant to a Project Lease Agreement (“PLA”) dated as of September 1, 2012 between the HCPIA and the County. Under the PLA, the County is obligated to make payments to the HCPIA in amounts sufficient to enable the HCPIA to pay the principal of, redemption premium (if any) and interest on the bonds as they become due and payable and, to the extent required, levy a tax on all taxable property located with the boundaries of the County as may be necessary to produce funds sufficient to enable the County to make such payments. All rights of the HCPIA as defined in the PLA provide security for the 2012 Series Bonds. Under provisions of the Bond Resolution, the HCPIA is required to maintain certain restricted accounts including a revenue fund, sinking fund, and rebate fund. The County makes lease payments to the HCPIA from water and sewer revenues generated by the HCWW for payment of the bonds. Therefore, the bonds are accounted for within the Water Works Fund.

Annual principal payments for the Series 2012A Bonds begin December 1, 2013 and continue through December 1, 2027 with interest accruing at 2.0% through 5.0% per annum, payable semiannually. Annual principal payments for the Series 2012B Bonds began December 1, 2012 and continued through December 1, 2013.

The Tax Exempt Series 2012A Bonds maturing on and after December 1, 2019 are subject to redemption prior to maturity on or after December 1, 2018, at the option of the HCPIA, at the direction of the County, in whole or in part at any time at a redemption price of 100% plus accrued interest to the redemption date.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity as of June 30, 2017 are as follows:

Fiscal Year Ending	Principal	Interest	Total
2018	470,000	152,173	622,173
2019	485,000	130,648	615,648
2020	505,000	113,473	618,473
2021	520,000	103,223	623,223
2022	530,000	92,391	622,391
2023-2027	2,835,000	267,248	3,102,248
2028	615,000	8,302	623,302
Total	<u>\$ 5,960,000</u>	<u>\$ 867,458</u>	<u>\$ 6,827,458</u>

Business-type Activities – The County has four outstanding capital leases payable for the solid waste fund.

Solid Waste Fund – Lease Purchase Agreement Payable – Caterpillar Financial Services Corp. #1 - On March 5, 2013, the County entered into a lease-purchase agreement in the original amount of \$298,763 to purchase a dump truck at an interest rate of 2.19% with monthly payments of \$3,170 beginning April 2, 2013. The final payment is due April 2, 2018. The truck acquired through this agreement is included in the solid waste fund totaling \$116,340 (cost of \$296,138 less accumulated depreciation of \$179,798).

Annual debt service requirements to maturity as of June 30, 2017 are as follows:

Year	Principal	Interest	Total
2018	158,614	2,415	161,029
Total	<u>\$ 158,614</u>	<u>\$ 2,415</u>	<u>\$ 161,029</u>

Solid Waste Fund – Lease Purchase Agreement Payable – Caterpillar Financial Services Corp. #2 - On March 4, 2014, the County entered into a lease-purchase agreement in the original amount of \$43,709 to purchase a backhoe at an interest rate of 3.2% with monthly payments of \$789 including interest beginning March 4, 2013. The final payment is due March 4, 2019. The backhoe acquired through this agreement is included in the solid waste fund totaling \$13,664 (cost of \$43,150 less accumulated depreciation of \$29,486).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity as of June 30, 2017 are as follows:

Year	Principal	Interest	Total
2018	9,113	358	9,471
2019	6,240	74	6,314
Total	<u>\$ 15,353</u>	<u>\$ 432</u>	<u>\$ 15,785</u>

Solid Waste Fund – Lease Purchase Agreement Payable – Caterpillar Financial Services Corp. #3 - On September 5, 2013, the County entered into a lease-purchase agreement in the original amount of \$82,444 to purchase an excavator at an interest rate of 3.2% with monthly payments of \$1,489 including interest beginning September 5, 2013. The final payment is due September 5, 2018. The excavator acquired through this agreement is included in the solid waste fund totaling \$17,635 (cost of \$81,391 less accumulated depreciation of \$63,756).

Annual debt service requirements to maturity as of June 30, 2017 are as follows:

Year	Principal	Interest	Total
2018	17,465	400	17,865
2019	2,967	10	2,977
Total	<u>\$ 20,432</u>	<u>\$ 410</u>	<u>\$ 20,842</u>

Solid Waste Fund – Lease Purchase Agreement Payable – Caterpillar Financial Services Corp. #4 - On November 5, 2014, the County entered into a lease-purchase agreement in the original amount of \$94,644 to purchase a backhoe loader at an interest rate of 3.2% with monthly payments of \$1,709 including interest beginning November 5, 2014. The final payment is due November 5, 2019. The backhoe loader acquired through this agreement is included in the solid waste fund totaling \$59,715 (cost of \$94,644 less accumulated depreciation of \$34,929).

Annual debt service requirements to maturity as of June 30, 2017 are as follows:

Year	Principal	Interest	Total
2018	19,265	1,243	20,508
2019	19,891	617	20,508
2020	9,478	67	9,545
	<u>\$ 48,634</u>	<u>\$ 1,927</u>	<u>\$ 50,561</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2017:

Governmental Activities	Total Outstanding 7/1/2016	Additions	Reductions	Total Outstanding 6/30/2017	Amounts Due in One Year	Long-term Portion
2009 GEFA Loan #LC2006016	\$ 1,304,189	\$ -	\$ 106,354	\$ 1,197,835	\$ 109,526	\$ 1,088,309
Harris County Public Improvement Authority 2010 revenue bonds	6,520,000	-	355,000	6,165,000	360,000	5,805,000
Net deferred discounts	(38,816)	-	(2,208)	(36,608)	-	(36,608)
Harris County Public Improvement Authority 2015 revenue bonds	5,400,000	-	-	5,400,000	-	5,400,000
Total bonded debt	13,185,373	-	459,146	12,726,227	469,526	12,256,701
2013 Caterpillar capital lease #5	44,843	-	12,304	32,539	12,704	19,835
2013 Caterpillar capital lease #6	73,395	-	20,139	53,256	20,793	32,463
2013 Caterpillar capital lease #7	73,395	-	20,139	53,256	20,793	32,463
2013 Caterpillar capital lease #8	73,395	-	20,139	53,256	20,793	32,463
2013 Caterpillar capital lease #9	28,160	-	8,010	20,150	8,332	11,818
2013 Caterpillar capital lease #10	54,014	-	16,720	37,294	15,302	21,992
Compensated absences	272,325	235,847	217,860	290,312	232,250	58,062
Net pension liability	3,649,804	119,725	-	3,769,529	-	3,769,529
Total Governmental Activities Debt	\$ 17,454,704	\$ 355,572	\$ 774,457	\$ 17,035,819	\$ 800,493	\$ 16,235,326
Business-type Activities						
2003 GEFA Loan #DWSRF-11-013	\$ 74,360	\$ -	\$ 10,256	\$ 64,104	\$ 10,256	\$ 53,848
2014 GEFA Loan #DWSRF-11-013	-	2,423,694	-	2,423,694	-	2,423,694
Harris County Public Improvement Authority Series 2012A revenue bonds	6,410,000	-	450,000	5,960,000	470,000	5,490,000
Net deferred premiums	145,504	-	12,745	132,759	-	132,759
Total bonded debt	6,629,864	2,423,694	473,001	8,580,557	480,256	8,100,301
2013 Caterpillar capital lease #1	192,772	-	34,158	158,614	158,614	-
2014 Caterpillar capital lease #3	24,179	-	8,826	15,353	9,113	6,240
2014 Caterpillar capital lease #2	37,348	-	16,916	20,432	17,465	2,967
2015 Caterpillar capital lease #4	67,293	-	18,659	48,634	19,265	29,369
Landfill postclosure	235,130	-	14,640	220,490	21,465	199,025
Compensated absences	68,329	54,663	52,664	70,328	56,262	14,066
Net pension liability	700,381	30,910	-	731,291	-	731,291
Total Business-type Activities	\$ 7,955,296	\$ 2,509,267	\$ 618,864	\$ 9,845,699	\$ 762,440	\$ 9,083,259

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the Development Authority's long-term obligations consisted of the following for the year ended June 30, 2017:

	Total Outstanding 7/1/2016	Additions	Reductions	Total Outstanding 6/30/2017	Amounts Due in One Year	Long-term Portion
Harris County Development Authority						
Series 2008 revenue bonds	\$ 3,649,984	\$ -	\$3,649,984	\$ -	\$ -	\$ -
Series 2010 revenue bonds	5,390,000	-	5,390,000	-	-	-
Total Harris County Development Authority	\$ 9,039,984	\$ -	\$9,039,984	\$ -	\$ -	\$ -

For governmental and business type activities, the public improvement authority retires the outstanding revenue bonds. The Callaway debt service fund retires the governmental GEFA loan outstanding. The business-type activity GEFA loan is retired by the water fund. The governmental capital leases are retired by the general fund and the business-type activity capital leases are retired by the solid waste fund.

The compensated absences liabilities are paid by each governmental and enterprise fund where the employee works. The net pension liability is retired from the general fund and each applicable enterprise fund. The solid waste retires the postclosure care liability.

3-1. Pension Plans and Other Retirement Benefits

The Defined Benefit Pension Plan

Plan Description. The Harris County Defined Benefit Pension Plan and Trust, (the "Plan"), is affiliated with the Association of County Commissioners of Georgia Defined Benefit Plan (ACCG), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The authority for the Plan, benefits, vesting and contributions are established by the Board of Commissioners. The Plan is administered by the Government Employee Benefits Corporation of Georgia (GEB Corp). GEB Corp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG. The Plan is a defined benefit pension plan that provides retirement, disability and death benefits to Plan members and beneficiaries.

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, as provided in Section 19.02 of the ACCG Plan document.

The Plan is divided into two solo plans, Plan A, which is non-contributory and Plan B which is contributory.

*Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017*

Note 3 - Detailed Notes on All Funds (Continued)

Employees become vested after five years of service to the County. All full-time eligible employees hired prior to January 1, 2017 were participants in the ACCG Plan (Plan) upon employment.

Current membership is as follows:

Retirees, beneficiaries, and disablees currently receiving benefits	84
Terminated participants entitled to but not yet receiving benefits	112
Active employees participating in the plan	<u>262</u>
Total number of participants	<u><u>458</u></u>

A copy of the plan’s financial report may be obtained from:

Government Employee Benefits Corporation of Georgia
191 Peachtree Street, Suite 700
Atlanta, Georgia 30303

Benefits Provided.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to a monthly benefit in the amount of 0.75 percent of average annual compensation up to \$6,600, plus 1.25 percent of average annual compensation over \$6,600, plus \$36 for each year of service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over the highest consecutive five-year period out of the last ten years prior to retirement or termination. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Contributions.

Plan A:

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. Section 47-20 of the Georgia Code sets forth the minimum funding standards for local municipal defined benefit pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

Plan B

The required employee contribution is currently 1.75% of earnings.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

The County’s actuarially determined contribution rate for the plan year ended December 31, 2016 was \$885,586, or 9.43% of covered-employee payroll. The County’s covered payroll for employees participating in the Plan as of January 1, 2016, (the most recent actuarial valuation date) was \$9,389,612 (based on covered earnings for the preceding year). The County Commissioner provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

The Georgia Constitution enables the governing authority of the County, the County Board of Commissioners, to establish, and amend from time-to-time contribution rates for the County and its Plan participants.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (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 \$4,500,820. 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 year ended June 30, 2017, the County recognized pension expense of \$1,093,829.

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2016	<u>\$ 14,710,460</u>	<u>\$ 10,360,275</u>	<u>\$ 4,350,185</u>
Changes for the year:			
Service cost	468,431	-	468,431
Interest	1,102,948	-	1,102,948
Liability experience (Gain)/Loss	(244,777)	-	(244,777)
Assumption change	468,194	-	468,194
Employer contributions	-	885,586	(885,586)
Employee contribution	-	101,818	(101,818)
Net investment income	-	758,734	(758,734)
Benefit payments	(520,321)	(520,321)	-
Administrative expense	-	(50,483)	50,483
Other changes	-	(51,494)	51,494
Net changes	<u>1,274,475</u>	<u>1,123,840</u>	<u>150,635</u>
Balances at June 30, 2017	<u><u>\$ 15,984,935</u></u>	<u><u>\$ 11,484,115</u></u>	<u><u>\$ 4,500,820</u></u>

Plan fiduciary net position as a percentage of the total pension liability	71.84%
Covered employee payroll	\$ 9,389,612
Net pension liability as a percentage of covered employee payroll	47.93%

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 476,126	\$ -
Net difference between expected and actual experience in the measurement of the total pension liability	303,213	(205,297)
Change of assumption	<u>719,222</u>	<u>-</u>
Total	<u>\$ 1,498,561</u>	<u>\$ (205,297)</u>

Any deferred outflows of resources resulting from the County's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Year Ending December 31	
2018	\$ 331,210
2019	331,210
2020	331,208
2021	186,418
2022	106,011
Thereafter	<u>7,207</u>
Totals	<u>\$ 1,293,264</u>

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:

Future salary increases	4.50% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.25%

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table. Disabled rates were derived from a 1977 Social Security Administration study.

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:

Benchmark	Asset Allocation	Average 20 Year Return	Weighted 20 Year Return	Average 30 Year Return	Weighted 30 Year Return
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%	<u>0.56%</u>	11.53%	<u>0.58%</u>
Weighted Return			<u>6.82%</u>		<u>8.28%</u>

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. 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.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

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:

	Discount Rate	Net Pension Liability
1% decrease	6.25%	\$ 6,596,040
Current discount rate	7.25%	4,500,818
1% increase	8.25%	2,744,407

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

Defined Contribution Plans

Deferred Compensation Plan – The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, which was administered by GEBCorp and VALIC for the year ended June 30, 2017, is available to all full-time employees and all permanent part-time employees at their option and permits participants to defer a portion of their salary until future years. The County retains the authority to amend the adoption agreement and change contribution requirements based on the plan document. At June 30, 2017, there were 178 participants in the plan. The employees are 100 percent vested in their contributions. Plan assets are not available to participants until termination, retirement, death or unforeseeable emergency. For the year ended June 30, 2017, contributions totaled \$303,994.

It is the opinion of the County’s management that the County has no fiduciary responsibility for plan assets once they are deposited with the plan administrator. Consequently, under the provisions of GASB standards, plan assets are not reported in the financial statements. These assets totaled \$2,256,529 at June 30, 2017. Investments are participant-directed from a choice of 42 mutual funds. Investments in 4 of the mutual funds represented 5 percent or more of the net assets of the plan as of June 30, 2017.

Defined Contribution Money Purchase Pension Plan – The County offers its employees a defined contribution money purchase pension plan in accordance with Internal Revenue Code Section 401(a). The plan, which is administered by GEBCorp, is available to all full-time employees with six months of service. The County retains the authority to amend the adoption agreement and change contribution requirements based on the plan document.

The County has no fiduciary responsibility for plan assets once they are deposited with the plan administrator. Consequently, under the provisions of GASB standards, plan assets are not reported in the financial statements. These assets totaled \$3,497,594 at June 30, 2017. Investments are participant-directed from a choice of a guaranteed interest account and various mutual funds. Investments in 7 of the mutual funds and the guaranteed interest account each represent 5 percent or more of the net assets of the plan as of June 30, 2017.

Other Plans

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

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Fund Equity

Fund Balances – Fund balances are classified as follows:

- **Nonspendable** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:

Prepaid items	\$ 191,387
Inventories	<u>244,982</u>
Total	<u><u>\$ 436,369</u></u>

- **Restricted** – The following fund balances are legally restricted to specified purposes:

General Fund

LMIG-Road projects	<u>\$ 1,224,109</u>
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2009 SPLOST

Capital projects	<u>\$ 1,283,992</u>
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2014 SPLOST

Capital projects	<u>\$ 3,637,388</u>
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Callaway Debt Service Fund

Debt service	<u>\$ 24,560</u>
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Public Improvement Authority Fund

Debt service	<u>\$ 541,558</u>
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Transportation Investment Act Fund

Capital projects	<u>\$ 796,518</u>
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Capital Projects Fund

Capital projects	<u>\$ 915,168</u>
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Nonmajor Special Revenue Funds:

Judicial - law library	\$ 67,709
Public safety	<u>711,272</u>

Total Nonmajor Special Revenue Funds:	<u><u>\$ 778,981</u></u>
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Nonmajor Capital Projects Funds

Capital projects	<u>\$ 145,188</u>
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- **Committed** – The following fund balance are committed to specified purposes:

General Fund:

Recreation facilities	<u>\$ 307,288</u>
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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 3 - Detailed Notes on All Funds (Continued)

- *Assigned* – The following fund balance is assigned to specific purposes:

General Fund

Appropriations for 2018 budget	\$ 1,676,828
	\$ 1,676,828

Nonmajor Special Revenue Funds

Health and welfare	\$ 203,426
	\$ 203,426

- *Unassigned* – The following fund balances include the unassigned amounts:

General Fund:

Unassigned	\$ 4,908,089
	\$ 4,908,089

CDBG Fund:

Unassigned (deficit)	\$ (15)
	\$ (15)

Net Investment in Capital Assets

The “net investment in capital assets” reported on the government-wide statement of net position as of June 30, 2017 are as follows:

	Governmental Activities	Business-type Activities
Net investment in capital assets		
Cost of capital assets	\$ 86,902,029	\$ 47,992,114
Less accumulated depreciation	41,044,849	16,870,941
Book value	45,857,180	31,121,173
Less capital related debt	12,975,983	8,823,589
Net investment in capital assets	\$ 32,881,197	\$ 22,297,584

Note 4 - Other Notes

4-A. Risk Management

Interlocal Risk Management Agency - 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 counties in the state as part of the Interlocal Risk Management Agency (IRMA) for property and liability insurance operated by Association County Commissioners of Georgia (ACCG) and the ACCG-Group Self-Insurance Workers' Compensation Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The ACCG administers both risk pools.

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

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

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 4 - Detailed Notes on All Funds (Continued)

The County has not compiled a record of the claims paid up to the applicable deductible for the prior or current fiscal year. The County is not aware of any claims, which the County is liable for (up to the applicable deductible) which were outstanding and unpaid at June 30, 2017. No provision has been made in the financial statements for the year ended June 30, 2017, for any estimate of potential unpaid claims.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

4-B. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was a defendant in several lawsuits at June 30, 2017. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4-C. Tax Abatements

For the year ended June 30, 2017, the County's property tax revenues were reduced by \$323,174 under agreements entered into by the Harris County Development Authority with three businesses under the economic development laws of the State of Georgia. These agreements qualify for disclosure under GASB Statement No. 77, *Tax Abatement Disclosures*. Under the agreements, taxes on real and personal property are reduced by between 50% and 90% based on investments made by the entities to whom the incentives were offered as long as the entities meet certain investment targets.

4-D. Subsequent Events

Roads:

Resurfacing Six Roads – On July 5, 2017 the Board of County Commissioners voted to resurface six roads at an estimated cost of \$1,257,000 to be funded by LMIG, General fund and 2009 SPLOST funds.

Paving of Hardage Road – On July 5, 2017 the Board of County Commissioners voted to pave Hardage Road at an estimated cost of \$831,000 to be funded by 2009 SPLOST and 2014 SPLOST funds.

Millage Rate:

Millage Rate Increase - On August 15, 2017, the Board of County Commissioners voted to increase the County's millage rate 2.50 mills, from 6.14 to 8.64. The millage increases will be included on the property tax bills due on December 20, 2017.

Community Center:

Refinancing of Community Center Bond Debt - On October 17, 2017, the Board of County Commissioners voted to authorize the refinancing of the Community Center bond indebtedness to convert to general obligation bond debt for which SPLOST proceeds can be used to pay. The proposed 2019 SPLOST referendum will include the newly refinanced debt as a cost.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 4 - Detailed Notes on All Funds (Continued)

4-E. Hotel/Motel Lodging Tax

The County levies a 3% lodging tax in accordance with O.C.G.A. 48-13-51 and expends approximately 75% of the hotel/motel tax collections for the purpose of promoting tourism.

A summary of the transactions for the year ended June 30, 2017 follows:

Lodging tax receipts	<u>\$ 52,319</u>
Disbursements to:	
Harris County Chamber of Commerce	\$ 24,405
Georgia Department of Natural Resources	15,229
Harris County General Fund	<u>12,685</u>
Total tax and investment earnings disbursements	<u>\$ 52,319</u>

Harris County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 12,295,800	\$ 12,295,800	\$ 12,317,810	\$ 22,010
Licenses and permits	231,650	231,650	243,911	12,261
Intergovernmental	612,607	612,607	855,014	242,407
Charges for services	2,557,800	2,557,800	2,670,639	112,839
Fines and forfeitures	798,000	798,000	863,014	65,014
Investment earnings	30,000	30,000	7,436	(22,564)
Contributions and donations	-	25,000	25,000	-
Miscellaneous	10,500	10,500	41,284	30,784
Total Revenues	16,536,357	16,561,357	17,024,108	462,751
Expenditures				
Current:				
General government	4,814,361	4,836,905	5,245,619	(408,714)
Judicial	1,346,555	1,351,410	1,339,954	11,456
Public safety	8,116,460	8,331,637	8,284,128	47,509
Public works	1,660,965	2,386,065	1,606,891	779,174
Health and welfare	295,955	295,955	287,450	8,505
Culture and recreation	1,009,641	1,060,641	966,863	93,778
Housing and development	308,139	310,139	316,446	(6,307)
Debt Service:				
Principal	-	-	97,449	(97,449)
Interest	-	-	9,945	(9,945)
Total Expenditures	17,552,076	18,572,752	18,154,745	418,007
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,015,719)	(2,011,395)	(1,130,637)	880,758
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	12,000	12,000	-	(12,000)
Transfers in	13,000	13,000	12,685	(315)
Transfers (out)	-	-	(1,264,289)	(1,264,289)
Total Other Financing Sources (Uses)	25,000	25,000	(1,251,604)	(1,276,604)
Net Change in Fund Balances	\$ (990,719)	\$ (1,986,395)	(2,382,241)	\$ (395,846)
Fund Balances Beginning of Year			10,934,924	
Fund Balances End of Year			\$ 8,552,683	

Harris County, Georgia
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Years
Harris County Defined Benefit Plan
For the Year Ended June 30, 2017
(Unaudited)

	<u>Year End</u>	<u>Year End</u>	<u>Year End</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 468,431	\$ 431,395	\$ 404,205
Interest on total pension liability	1,103,285	968,484	904,146
Assumption Change	468,194	471,672	-
Benefit payments, including refunds of employee contributions	(520,658)	(512,189)	(450,504)
Experience (Gain)/Loss	(244,777)	437,973	-
Net change in total pension liability	1,274,475	1,797,335	857,847
Total pension liability - beginning	14,710,460	12,913,125	12,055,278
Total pension liability - ending (a)	<u>\$ 15,984,935</u>	<u>\$ 14,710,460</u>	<u>\$ 12,913,125</u>
Plan fiduciary net position			
Contributions - employer	\$ 885,586	\$ 829,984	\$ 784,977
Contributions - employee	101,818	99,560	94,654
Net investment income	758,734	83,893	645,094
Benefit payments, including refunds of employee contributions	(501,839)	(493,676)	(435,064)
Administrative expense	(50,483)	(46,716)	(43,613)
Other	(69,976)	(109,913)	(81,534)
Net change in plan fiduciary net position	1,123,840	363,132	964,514
Plan fiduciary net position - beginning	10,360,275	9,997,143	9,032,629
Plan fiduciary net position - ending (b)	<u>\$ 11,484,115</u>	<u>\$ 10,360,275</u>	<u>\$ 9,997,143</u>
Net pension liability (asset) - ending : (a) - (b)	<u>\$ 4,500,820</u>	<u>\$ 4,350,185</u>	<u>\$ 2,915,982</u>
Plan's fiduciary net position as a percentage of the total pension liability	71.84%	70.43%	77.42%
Covered-employee payroll	\$ 9,389,612	\$ 9,176,860	\$ 8,802,806
Net pension liability as a percentage of covered-employee payroll	47.93%	47.40%	33.13%

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

Harris County, Georgia
Required Supplementary Information
Schedule of Contributions
Last Ten Years
Harris County Defined Benefit Plan
June 30, 2017
(Unaudited)

	<u>Year End</u>	<u>Year End</u>	<u>Year End</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 885,586	\$ 829,984	\$ 784,977
Contributions in relation to the actuarially determined contribution	885,586	(829,984)	(784,977)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 9,389,612	\$ 9,176,860	\$ 8,802,806
Contributions as a percentage of covered-employee payroll	9.43%	9.04%	8.92%

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

Harris County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 3,210,542	\$ 1,824,024
Investments	514,798	3,703,363
Restricted cash	1,224,109	539,356
Receivables:		
Property taxes	171,629	198,453
TAVT	136,750	157,420
Sales taxes	174,229	165,648
Intergovernmental	119,220	102,435
Interest	388	8,100
Interfund	3,564,265	4,861,275
Development authority	15	15
Inventory	244,982	311,758
Prepaid items	191,387	135,590
Total Assets	<u>\$ 9,552,314</u>	<u>\$ 12,007,437</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 365,591	\$ 530,164
Retainage payable	-	1,887
Accrued expenditures payable	573,421	463,804
Interfund payable	-	1,215
Total Liabilities	939,012	997,070
Deferred Inflows of Resources - Property Taxes	<u>60,619</u>	<u>75,443</u>
Total Liabilities and Deferred Inflows of Resources	<u>999,631</u>	<u>1,072,513</u>
Fund Balances		
Nonspendable - not in spendable form	436,369	447,348
Restricted for roads	1,224,109	530,926
Committed for recreation facilities	307,288	349,195
Assigned	1,676,828	-
Unassigned	4,908,089	9,607,455
Total Fund Balances	<u>8,552,683</u>	<u>10,934,924</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 9,552,314</u>	<u>\$ 12,007,437</u>

Harris County, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Taxes	\$ 12,317,810	\$ 12,271,378
Intergovernmental	855,014	601,433
Licenses and permits	243,911	323,859
Charges for services	2,670,639	2,661,436
Fines and forfeitures	863,014	913,295
Investment earnings	7,436	15,443
Contributions and donations	25,000	20,000
Miscellaneous	41,284	91,194
Total Revenues	<u>17,024,108</u>	<u>16,898,038</u>
Expenditures		
Current:		
General government	5,245,619	4,822,928
Judicial	1,339,954	1,214,580
Public safety	8,284,128	7,790,996
Public works	1,606,891	1,831,751
Health and welfare	287,450	287,886
Culture and recreation	966,863	975,554
Housing and development	316,446	295,572
Principal	97,449	94,587
Interest	9,945	12,807
Total Expenditures	<u>18,154,745</u>	<u>17,326,661</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(1,130,637)</u>	<u>(428,623)</u>
Other Financing Sources (Uses)		
Insurance proceeds	-	11,036
Transfers in	12,685	10,381
Transfers (out)	(1,264,289)	(1,488,919)
Other Financing Sources (Uses)	<u>(1,251,604)</u>	<u>(1,467,502)</u>
Net Change in Fund Balances	(2,382,241)	(1,896,125)
Fund Balances Beginning of Year	<u>10,934,924</u>	<u>12,831,049</u>
Fund Balances End of Year	<u>\$ 8,552,683</u>	<u>\$ 10,934,924</u>

Harris County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for The Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Taxes					
Real property					
Current	\$ 7,140,600	\$ 7,140,600	\$ 7,017,653	\$ (122,947)	\$ 7,009,541
Delinquent	90,000	90,000	90,644	644	62,585
Timber	30,000	30,000	39,758	9,758	42,613
Personal property					
Motor vehicle tax	250,000	250,000	188,592	(61,408)	263,571
Motor vehicle title ad valorem tax (TAVT)	900,000	900,000	932,315	32,315	898,795
Mobile home	8,000	8,000	8,597	597	10,066
Intangibles	180,000	180,000	169,124	(10,876)	163,386
Railroad	5,200	5,200	5,883	683	11,339
Real estate transfer tax	35,000	35,000	43,674	8,674	43,248
Franchise taxes	40,000	40,000	43,622	3,622	57,300
Local option sales and use tax	1,750,000	1,750,000	1,800,486	50,486	1,767,361
Business taxes					
Alcoholic beverage excise tax	180,000	180,000	171,102	(8,898)	173,149
Business and occupation tax	52,000	52,000	46,196	(5,804)	50,637
Financial institutions	25,000	25,000	24,765	(235)	23,664
Insurance premium tax	1,400,000	1,400,000	1,549,306	149,306	1,455,897
Penalties and interest on delinquent taxes					
FIFA	20,000	20,000	27,161	7,161	30,063
Interest and penalties	190,000	190,000	158,932	(31,068)	208,163
Total Taxes	12,295,800	12,295,800	12,317,810	22,010	12,271,378
Licenses and Permits					
Business licenses - alcoholic beverages	50,250	50,250	43,550	(6,700)	52,095
Non-business licenses and permits					
Building permits	180,000	180,000	199,161	19,161	269,846
Manufactured housing permits	1,400	1,400	1,200	(200)	1,918
Total Licenses and Permits	231,650	231,650	243,911	12,261	323,859
Intergovernmental					
State					
LMIG-PW	600,000	600,000	693,183	93,183	570,926
DOT-PW	-	-	64,768	64,768	-
GEMA-PW	-	-	85,800	85,800	-
EMA-PS	10,107	10,107	10,107	-	30,507
EMS-PS	2,500	2,500	1,156	(1,344)	-
Total Intergovernmental	612,607	612,607	855,014	242,407	601,433
Totals carried forward	13,140,057	13,140,057	13,416,735	276,678	13,196,670

(continued)

Harris County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for The Year Ended June 30, 2016)

(continued)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Brought forward	\$ 13,140,057	\$ 13,140,057	\$ 13,416,735	\$ 276,678	\$ 13,196,670
Revenues					
Charges for Services					
General government					
Sale of maps	800	800	738	(62)	905
Sale of computer lists	500	500	620	120	660
Copies and facsimiles	500	500	905	405	575
Commissions on tax collections	580,000	580,000	561,456	(18,544)	568,307
Judicial					
Superior Court website fees	4,000	4,000	2,072	(1,928)	4,300
Public safety					
Ambulance	635,000	635,000	712,372	77,372	675,371
Corrections - boarding	1,000,000	1,000,000	1,060,362	60,362	1,031,028
Corrections - reimbursements	2,500	2,500	2,268	(232)	2,464
State inmate boarding	25,000	25,000	10,302	(14,698)	21,615
Federal prison commission	40,000	40,000	15,408	(24,592)	84,019
Telephone - jail	10,000	10,000	6,499	(3,501)	8,608
Telephone - corrections	16,000	16,000	29,514	13,514	19,853
Sheriff receipts	24,000	24,000	31,162	7,162	25,927
Public works					
DOT crew	39,500	39,500	46,301	6,801	29,625
Pipe sales	38,000	38,000	55,399	17,399	38,888
Work crew-City of Manchester	40,000	40,000	41,033	1,033	40,989
Road funding - cities	-	-	6,066	6,066	-
Animal control fees	2,000	2,000	10,859	8,859	4,313
Culture and recreation					
Community center	90,000	90,000	73,373	(16,627)	93,555
Agricenter-cattlemen's association	-	-	145	145	-
Health and welfare					
Mental retardation center	1,000	1,000	-	(1,000)	-
Mental health center	1,000	1,000	-	(1,000)	-
Housing and development					
Zoning fees and appeals	1,000	1,000	765	(235)	1,690
Soil and erosion permits	500	500	-	(500)	-
Plat and plan review fees	6,500	6,500	3,020	(3,480)	8,744
Total Charges for Services	2,557,800	2,557,800	2,670,639	112,839	2,661,436
Fines and Forfeitures					
Superior court - general	143,000	143,000	121,200	(21,800)	132,072
Superior court - criminal	80,000	80,000	79,086	(914)	93,196
Magistrate court	50,000	50,000	47,173	(2,827)	50,176
Probate court	525,000	525,000	615,555	90,555	637,851
Total Fines and Forfeitures	798,000	798,000	863,014	65,014	913,295
Investment Earnings	30,000	30,000	7,436	(22,564)	15,443
Contributions and Donations	-	25,000	25,000	-	20,000
Miscellaneous					
Rents and royalties	-	-	-	-	1,375
Other					
Commissions on child support	500	500	141	(359)	313
Vendor discount	500	500	-	(500)	-
Timber sales	5,000	5,000	-	(5,000)	7,595
Sale of surplus property	-	-	260	260	45,597
Election Fees	3,000	3,000	3,500	500	17,479
EMS Grant	-	-	-	-	15,503
Miscellaneous	1,500	1,500	37,383	35,883	3,332
Total Miscellaneous	10,500	10,500	41,284	30,784	91,194
Total Revenues	16,536,357	16,561,357	17,024,108	462,751	16,898,038
Other Financing Sources:					
Proceeds from the sale of capital assets	12,000	12,000	-	(12,000)	-
Insurance proceeds	-	-	-	-	11,036
Hotel/motel taxes	13,000	13,000	12,685	(315)	10,381
Total Other Financing Sources	25,000	25,000	12,685	(12,315)	21,417
Total Revenues and Other Financing Sources	\$ 16,561,357	\$ 16,586,357	\$ 17,036,793	\$ 450,436	\$ 16,919,455

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for The Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Expenditures					
General Government					
Voter Registration					
Personal services	\$ 6,314	\$ 28,858	\$ 27,646	\$ 1,212	\$ 31,428
Purchased/contracted services	28,550	28,550	27,283	1,267	35,827
Supplies	2,800	2,800	589	2,211	462
Total Elections	<u>37,664</u>	<u>60,208</u>	<u>55,518</u>	<u>4,690</u>	<u>67,717</u>
General Administration					
Personal services	352,297	352,297	357,086	(4,789)	333,172
Purchased/contracted services	262,000	262,000	514,356	(252,356)	365,340
Supplies	23,000	23,000	22,075	925	18,465
Capital outlay	2,200	2,200	1,830	370	912
Total Administration	<u>639,497</u>	<u>639,497</u>	<u>895,347</u>	<u>(255,850)</u>	<u>717,889</u>
Tax Commissioner					
Personal services	260,383	260,383	253,960	6,423	236,293
Purchased/contracted services	32,600	32,600	59,562	(26,962)	56,734
Supplies	49,000	49,000	10,643	38,357	9,601
Capital outlay	2,500	2,500	-	2,500	4,596
Total Tax Commissioner	<u>344,483</u>	<u>344,483</u>	<u>324,165</u>	<u>20,318</u>	<u>307,224</u>
Tax Assessor					
Personal services	325,038	325,038	333,269	(8,231)	322,628
Purchased/contracted services	53,975	53,975	51,060	2,915	59,777
Supplies	9,600	9,600	8,977	623	6,065
Capital outlay	1,200	1,200	1,839	(639)	-
Total Tax Assessor	<u>389,813</u>	<u>389,813</u>	<u>395,145</u>	<u>(5,332)</u>	<u>388,470</u>
Totals carried forward	<u>1,411,457</u>	<u>1,434,001</u>	<u>1,670,175</u>	<u>(236,174)</u>	<u>1,481,300</u>

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for The Year Ended June 30, 2016)

	2017			Variance With Final Budget	2016
	Original Budget	Final Budget	Actual		Actual
Totals brought forward	\$ 1,411,457	\$ 1,434,001	\$ 1,670,175	\$ (236,174)	\$ 1,481,300
Expenditures					
Buildings and Plant					
Personal services	145,154	145,154	147,797	(2,643)	137,103
Purchased/contracted services	424,201	424,201	390,985	33,216	196,854
Supplies	4,750	4,750	17,768	(13,018)	18,665
Capital outlay	13,500	13,500	15,740	(2,240)	33,998
Total Buildings and Plant	587,605	587,605	572,290	15,315	386,620
Operations					
Purchased/contracted services	198,400	198,400	271,588	(73,188)	261,350
Supplies	60,000	60,000	38,496	21,504	65,445
Capital outlay	-	-	3,865	(3,865)	180,976
Total Operations	258,400	258,400	313,949	(55,549)	507,771
Pensions and Insurance					
Pensions	885,556	885,556	969,400	(83,844)	909,676
Unemployment	18,000	18,000	16,422	1,578	6,765
Workers compensation	213,182	213,182	218,059	(4,877)	220,152
Property and Casualty	210,481	210,481	181,952	28,529	182,100
Group Health/Life	1,229,680	1,229,680	1,303,372	(73,692)	1,128,544
Total Pensions and Insurance	2,556,899	2,556,899	2,689,205	(132,306)	2,447,237
Total General Government	4,814,361	4,836,905	5,245,619	(408,714)	4,822,928
Judicial					
Superior Court					
Personal services	288,456	288,456	294,034	(5,578)	274,489
Purchased/contracted services	52,033	52,033	47,420	4,613	64,334
Supplies	20,800	20,800	15,478	5,322	15,884
Capital outlay	1,000	1,000	-	1,000	1,261
Total Superior Court	362,289	362,289	356,932	5,357	355,968
Probate Court					
Personal services	166,281	166,281	167,944	(1,663)	151,255
Purchased/contracted services	10,795	10,795	7,965	2,830	6,010
Supplies	14,000	15,115	12,791	2,324	12,857
Capital outlay	2,000	5,740	2,723	3,017	5,095
Total Probate Court	193,076	197,931	191,423	6,508	175,217
Court Services					
Personal services	153,501	153,501	153,908	(407)	141,773
Purchased/contracted services	185,800	185,800	256,782	(70,982)	169,253
Supplies	5,000	5,000	2,630	2,370	4,217
Total Court Services	344,301	344,301	413,320	(69,019)	315,243
Magistrate Court					
Personal services	184,303	184,303	176,790	7,513	151,390
Purchased/contracted services	9,050	9,050	10,617	(1,567)	7,796
Supplies	4,200	4,200	4,055	145	4,699
Capital outlay	-	-	-	-	3,643
Total Magistrate Court	197,553	197,553	191,462	6,091	167,528
Totals carried forward	5,911,580	5,938,979	6,398,756	(459,777)	5,836,884

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for The Year Ended June 30, 2016)

	2017			Variance With Final Budget	2016
	Original Budget	Final Budget	Actual		Actual
Totals brought forward	\$ 5,911,580	\$ 5,938,979	\$ 6,398,756	\$ (459,777)	\$ 5,836,884
Expenditures					
Judicial (Continued)					
Assistant District Attorney					
Personal services	228,386	228,386	239,016	(10,630)	251,838
Purchased/contracted services	8,950	8,950	6,423	2,527	6,226
Supplies	9,000	9,000	7,949	1,051	5,833
Capital outlay	3,000	3,000	1,700	1,300	1,196
District attorney reimbursement	-	-	(68,271)	68,271	(64,469)
Total Assistant District Attorney	249,336	249,336	186,817	62,519	200,624
Total Judicial	1,346,555	1,351,410	1,339,954	5,365	1,214,580
Totals carried forward	6,160,916	6,188,315	6,585,573	(397,258)	6,037,508

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for The Year Ended June 30, 2016)

	2017			Variance	2016
	Original Budget	Final Budget	Actual	With Final Budget	Actual
Totals brought forward	\$ 6,160,916	\$ 6,188,315	\$ 6,585,573	\$ (397,258)	\$ 6,037,508
Expenditures					
Public Safety					
Sheriff					
Personal services	2,121,216	2,121,216	2,126,454	(5,238)	2,039,881
Purchased/contracted services	136,598	136,598	134,177	2,421	126,794
Supplies	262,000	262,000	233,656	28,344	225,280
Capital outlay	171,048	176,225	173,335	2,890	204,280
Total Sheriff	<u>2,690,862</u>	<u>2,696,039</u>	<u>2,667,622</u>	<u>28,417</u>	<u>2,596,235</u>
Emergency Medical					
Personal services	1,606,634	1,606,634	1,586,214	20,420	1,430,363
Purchased/contracted services	114,150	114,150	93,194	20,956	72,387
Supplies	65,050	65,050	102,079	(37,029)	94,435
Capital outlay	70,000	70,000	182,617	(112,617)	39,132
Total Emergency Medical	<u>1,855,834</u>	<u>1,855,834</u>	<u>1,964,104</u>	<u>(108,270)</u>	<u>1,636,317</u>
Jail Operations					
Personal services	976,571	976,571	969,517	7,054	970,918
Purchased/contracted services	398,355	398,355	345,504	52,851	357,344
Supplies	7,000	7,000	26,135	(19,135)	32,744
Capital outlay	14,001	14,001	21,549	(7,548)	11,386
Total Jail Operations	<u>1,395,927</u>	<u>1,395,927</u>	<u>1,362,705</u>	<u>33,222</u>	<u>1,372,392</u>
Law Enforcement Center					
Purchased/contracted services	121,600	121,600	139,744	(18,144)	113,198
Total Law Enforcement Center	<u>121,600</u>	<u>121,600</u>	<u>139,744</u>	<u>(18,144)</u>	<u>113,198</u>
Corrections					
Personal services	1,001,574	1,001,574	1,005,639	(4,065)	908,998
Purchased/contracted services	503,362	503,362	418,749	84,613	442,303
Supplies	14,000	14,000	65,660	(51,660)	60,954
Capital outlay	70,000	70,000	70,078	(78)	119,147
Total Corrections	<u>1,588,936</u>	<u>1,588,936</u>	<u>1,560,126</u>	<u>28,810</u>	<u>1,531,402</u>
Totals carried forward	<u>13,814,075</u>	<u>13,846,651</u>	<u>14,279,874</u>	<u>(433,223)</u>	<u>13,287,052</u>

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for The Year Ended June 30, 2016)

	2017			Variance With Final Budget	2016
	Original Budget	Final Budget	Actual		Actual
Totals brought forward	\$ 13,814,075	\$ 13,846,651	\$ 14,279,874	\$ (433,223)	\$ 13,287,052
Expenditures					
Public Safety (Continued)					
Coroner					
Personal services	12,918	12,918	13,951	(1,033)	12,164
Purchased/contracted services	29,550	29,550	31,018	(1,468)	28,242
Supplies	300	300	1,744	(1,444)	1,928
Total Coroner/Medical Examiner	42,768	42,768	46,713	(3,945)	42,334
Fire Prevention					
Purchased/contracted services	304,733	304,733	308,421	(3,688)	332,655
Supplies	5,000	5,000	146	4,854	628
Capital outlay	110,800	320,800	234,547	86,253	165,835
Total Fire Prevention	420,533	630,533	543,114	87,419	499,118
Total Public Safety	8,116,460	8,331,637	8,284,128	47,509	7,790,996
Public Works					
Road Maintenance					
Personal services	588,070	588,070	586,014	2,056	588,314
Purchased/contracted services	239,500	239,500	98,123	141,377	65,337
Supplies	147,500	147,600	67,511	80,089	216,941
Capital outlay	345,732	1,070,732	411,215	659,517	606,046
Total Road Maintenance	1,320,802	2,045,902	1,162,863	883,039	1,476,638
Animal Control					
Personal services	69,498	69,498	67,382	2,116	67,540
Purchased/contracted services	18,607	18,607	8,311	10,296	5,463
Supplies	4,315	4,315	10,112	(5,797)	6,884
Capital outlay	5,000	5,000	4,894	106	324
Total Animal Control	97,420	97,420	90,699	6,721	80,211
Vehicle Maintenance					
Personal services	190,593	190,593	188,422	2,171	175,086
Purchased/contracted services	37,700	37,700	24,208	13,492	7,306
Supplies	6,150	6,150	136,298	(130,148)	84,637
Capital outlay	8,300	8,300	4,401	3,899	7,873
Total Vehicle Maintenance	242,743	242,743	353,329	(110,586)	274,902
Total Public Works	1,660,965	2,386,065	1,606,891	779,174	1,831,751
Totals carried forward	15,938,341	16,906,017	16,476,592	429,425	15,660,255

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for The Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 15,938,341	\$ 16,906,017	\$ 16,476,592	\$ 429,425	\$ 15,660,255
Expenditures					
Health and Welfare					
Child Support					
Personal services	5,685	5,685	5,620	65	5,485
Purchased/contracted services	200	200	177	23	148
Total Child Support	5,885	5,885	5,797	88	5,633
Health Department					
Purchased/contracted services	256,000	256,000	256,000	-	256,000
Public Services					
Purchased/contracted services	26,570	26,570	25,653	917	26,253
Supplies	7,500	7,500	-	7,500	-
Total Public Services	34,070	34,070	25,653	8,417	26,253
Total Health and Welfare	295,955	295,955	287,450	8,505	287,886
Culture and Recreation					
Culture:					
Libraries	225,907	225,907	225,618	289	227,816
Recreation:					
Personal services	204,691	204,691	205,678	(987)	199,233
Purchased/contracted services	211,325	247,325	125,995	121,330	184,823
Supplies	17,500	17,500	12,425	5,075	12,738
Capital outlay	21,500	36,500	75,777	(39,277)	35,258
Total Recreation	455,016	506,016	419,875	86,141	432,052
Community Center:					
Personal services	140,068	140,068	119,005	21,063	129,477
Purchased/contracted services	185,750	185,750	184,182	1,568	173,003
Supplies	2,900	2,900	18,183	(15,283)	13,206
Total Community Center	328,718	328,718	321,370	7,348	315,686
Total Culture and Recreation	1,009,641	1,060,641	966,863	93,778	975,554
Totals carried forward	17,243,937	18,262,613	17,730,905	531,708	16,923,695

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for The Year Ended June 30, 2016)

	<u>2017</u>			<u>2016</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>	<u>Actual</u>
Totals brought forward	\$ 17,243,937	\$ 18,262,613	\$ 17,730,905	\$ 531,708	\$ 16,923,695
Expenditures					
Housing and Development (Continued)					
Community Development					
Personal services	208,348	208,348	205,598	2,750	206,735
Purchased/contracted services	15,100	15,100	12,222	2,878	9,993
Supplies	15,200	17,200	16,248	952	9,887
Capital outlay	2,200	2,200	-	2,200	1,931
Total Community Development	<u>240,848</u>	<u>242,848</u>	<u>234,068</u>	<u>8,780</u>	<u>228,546</u>
Extension Services					
Personal services	51,391	51,391	65,977	(14,586)	52,879
Purchased/contracted services	13,500	13,500	13,560	(60)	12,314
Supplies	2,400	2,400	2,841	(441)	1,833
Total Extension Services	<u>67,291</u>	<u>67,291</u>	<u>82,378</u>	<u>(15,087)</u>	<u>67,026</u>
Economic Development					
Purchased/contracted services	-	-	-	-	-
Total Housing and Development	<u>308,139</u>	<u>310,139</u>	<u>316,446</u>	<u>(6,307)</u>	<u>295,572</u>
Debt Service					
Principal	-	-	97,449	(97,449)	94,587
Interest	-	-	9,945	(9,945)	12,807
Total Debt Service	<u>-</u>	<u>-</u>	<u>107,394</u>	<u>(107,394)</u>	<u>107,394</u>
Total Expenditures	<u>17,552,076</u>	<u>18,572,752</u>	<u>18,154,745</u>	<u>418,007</u>	<u>17,326,661</u>
Other Financing Uses					
Transfers out:					
E-911	-	-	201,075	(201,075)	147,077
Capital Projects	-	-	1,486	(1,486)	-
Public Improvements Authority	-	-	985,370	(985,370)	286,903
Airport	-	-	76,358	(76,358)	1,054,939
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>1,264,289</u>	<u>(1,264,289)</u>	<u>1,488,919</u>
Total Expenditures and Other Financing Uses	<u>\$ 17,552,076</u>	<u>\$ 18,572,752</u>	<u>\$ 19,419,034</u>	<u>\$ (846,282)</u>	<u>\$ 18,815,580</u>

Harris County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,638,653	\$ 1,787,397	\$ 3,426,050
Restricted cash and cash equivalents	-	556,166	556,166
Investments	-	467,749	467,749
Receivables:			
Accounts	121,867	-	121,867
Intergovernmental	-	352,961	352,961
Sales taxes	-	79,152	79,152
Interest	-	2,311	2,311
Prepaid expenses	11,458	-	11,458
Total Assets	\$ 1,771,978	\$ 3,245,736	\$ 5,017,714
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 31,743	\$ 87,841	\$ 119,584
Accrued expenditures payable	19,747	-	19,747
Interfund payable	738,081	390,654	1,128,735
Total Liabilities	789,571	478,495	1,268,066
Fund Balances			
Restricted	778,981	2,767,256	3,546,237
Assigned	203,426	-	203,426
Unrestricted (deficit)	-	(15)	(15)
Total Fund Balances	982,407	2,767,241	3,749,648
Total Liabilities and Fund Balances	\$ 1,771,978	\$ 3,245,736	\$ 5,017,714

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended June 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 52,319	\$ 924,616	\$ 976,935
Interest	-	216,000	216,000
Intergovernmental	-	350,597	350,597
Charges for services	660,901	-	660,901
Fines and forfeitures	97,778	-	97,778
Investment earnings	-	4,686	4,686
Total Revenues	810,998	1,495,899	2,306,897
Expenditures			
Current:			
Judicial	6,032	-	6,032
Public safety	820,347	-	820,347
Health and welfare	-	-	-
Housing and development	39,634	246,877	286,511
Intergovernmental	-	115,031	115,031
Capital Outlay	55,898	1,175,697	1,231,595
Debt Service:			
Principal retirement	-	355,000	355,000
Interest and fiscal charges	-	534,179	534,179
Trustee Fee	-	3,625	3,625
Total Expenditures	921,911	2,430,409	3,352,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,913)	(934,510)	(1,045,423)
Other Financing Sources (Uses)			
Transfers in	201,075	985,370	1,186,445
Transfers out	(12,685)	(1,372,744)	(1,385,429)
Total Other Financing Sources	188,390	(387,374)	(198,984)
Net Change in Fund Balances	77,477	(1,321,884)	(1,244,407)
Fund Balances Beginning of Year	904,930	4,089,125	4,994,055
Fund Balances End of Year	\$ 982,407	\$ 2,767,241	\$ 3,749,648

Harris County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Hotel Motel Tax	Emergency 911	Law Library	Mental Health Center	Mental Retardation Center	Drug Abuse Treatment	Jail Fee	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents	\$ 2,473	\$ 654,954	\$ 67,709	\$ 86,319	\$ 117,107	\$ 74,167	\$ 635,924	\$ 1,638,653
Receivables:								
Accounts	10,712	109,974	-	-	-	-	1,181	121,867
Prepaid expenses	-	11,458	-	-	-	-	-	11,458
Total Assets	\$ 13,185	\$ 776,386	\$ 67,709	\$ 86,319	\$ 117,107	\$ 74,167	\$ 637,105	\$ 1,771,978
Total Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ 10,032	21,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,743
Accrued expenditures payable	-	19,747	-	-	-	-	-	19,747
Interfund payable	3,153	734,928	-	-	-	-	-	738,081
Total Liabilities	13,185	776,386	-	-	-	-	-	789,571
Fund Balances								
Restricted	-	-	67,709	-	-	74,167	637,105	778,981
Assigned	-	-	-	86,319	117,107	-	-	203,426
Total Fund Balances	-	-	67,709	86,319	117,107	74,167	637,105	982,407
Total Liabilities and Fund Balances	\$ 13,185	\$ 776,386	\$ 67,709	\$ 86,319	\$ 117,107	\$ 74,167	\$ 637,105	\$ 1,771,978

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	Hotel Motel Tax	E911	Law Library	Mental Health Center	Mental Retardation Center	Drug Abuse Treatment	Jail Fee	Nonmajor Special Revenue Funds
Revenues								
Taxes	\$ 52,319	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,319
Charges for services	-	619,272	-	6,000	6,000	29,629	-	660,901
Fines and forfeitures	-	-	13,892	-	-	-	83,886	97,778
Total Revenues	<u>52,319</u>	<u>619,272</u>	<u>13,892</u>	<u>6,000</u>	<u>6,000</u>	<u>29,629</u>	<u>83,886</u>	<u>810,998</u>
Expenditures								
Current:								
Judicial	-	-	6,032	-	-	-	-	6,032
Public safety	-	820,347	-	-	-	-	-	820,347
Health and Welfare	-	-	-	-	-	-	-	-
Housing and development	39,634	-	-	-	-	-	-	39,634
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,898</u>	<u>-</u>	<u>55,898</u>
Total Expenditures	<u>39,634</u>	<u>820,347</u>	<u>6,032</u>	<u>-</u>	<u>-</u>	<u>55,898</u>	<u>-</u>	<u>921,911</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,685</u>	<u>(201,075)</u>	<u>7,860</u>	<u>6,000</u>	<u>6,000</u>	<u>(26,269)</u>	<u>83,886</u>	<u>(110,913)</u>
Other Financing Sources (Uses)								
Transfers in	-	201,075	-	-	-	-	-	201,075
Transfers out	(12,685)	-	-	-	-	-	-	(12,685)
Total Other Financing Sources (Uses)	<u>(12,685)</u>	<u>201,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,390</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>7,860</u>	<u>6,000</u>	<u>6,000</u>	<u>(26,269)</u>	<u>83,886</u>	<u>77,477</u>
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>59,849</u>	<u>80,319</u>	<u>111,107</u>	<u>100,436</u>	<u>553,219</u>	<u>904,930</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,709</u>	<u>\$ 86,319</u>	<u>\$ 117,107</u>	<u>\$ 74,167</u>	<u>\$ 637,105</u>	<u>\$ 982,407</u>

Harris County, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Equity in pooled cash and investments	\$ 2,473	\$ 2,317
Accounts receivable	<u>10,712</u>	<u>8,875</u>
Total Assets	<u>\$ 13,185</u>	<u>\$ 11,192</u>
Liabilities		
Accounts payable	\$ 10,032	\$ 8,596
Interfund payable	<u>3,153</u>	<u>2,596</u>
Total Liabilities	<u>\$ 13,185</u>	<u>\$ 11,192</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Hotel/Motel Tax Fund
For the Fiscal Years Ended June 30, 2017 and 2016

	Original Budget	Final Budget	2017	Variance With Final Budget	2016
Revenues					
Hotel/Motel taxes	\$ 45,000	\$ 45,000	\$ 52,319	\$ 7,319	\$ 44,301
Expenditures					
<i>Current</i>					
Housing and development	45,000	45,000	39,634	5,366	33,920
Excess of Revenue Over Expenditures	-	-	12,685	12,685	10,381
Other Financing Uses					
Transfers out - general fund	-	-	(12,685)	(12,685)	(10,381)
Net Changes in Fund Balances	-	-	-	-	-
Fund Balances Beginning of Year	-	-	-	-	-
Fund Balances End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

Harris County, Georgia
E-911 Fund
Comparative Balance Sheets
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 654,954	\$ 35,428
Accounts receivable	109,974	110,228
Prepaid expenses	11,458	-
Total Assets	<u>\$ 776,386</u>	<u>\$ 145,656</u>
Liabilities		
Accounts payable	\$ 21,711	\$ -
Accrued expenditures	19,747	16,898
Interfund payable	734,928	128,758
Total Liabilities	<u>\$ 776,386</u>	<u>\$ 145,656</u>

Harris County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services - landline	144,259	196,766	\$ 158,203	\$ (38,563)	\$ 159,215
Charges for services - cell	355,282	353,234	398,500	45,266	392,114
Charges for services - prepaid	-	-	62,569	62,569	55,690
Total Revenues	550,000	550,000	619,272	69,272	607,019
Expenditures					
Current:					
Public safety	550,000	550,000	820,347	(270,347)	754,104
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(201,075)	(201,075)	(147,085)
Other Financing Sources					
Transfers in	-	-	201,075	201,075	147,085
Net Change in Fund Balances	\$ -	\$ -	-	\$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			\$ -		\$ -

Harris County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 67,709	\$ 58,693
Interfund receivables	-	1,156
Total Assets	<u>\$ 67,709</u>	<u>\$ 59,849</u>
Fund Balances		
Restricted for law library	<u>\$ 67,709</u>	<u>\$ 59,849</u>

Harris County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 13,892	\$ 4,892	\$ 9,434
Expenditures					
Current:					
Judicial	4,200	4,200	6,032	(1,832)	4,254
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,800</u>	<u>\$ 4,800</u>	7,860	<u>\$ 3,060</u>	5,180
Fund Balances Beginning of Year			<u>59,849</u>		<u>54,669</u>
Fund Balances End of Year			<u>\$ 67,709</u>		<u>\$ 59,849</u>

Harris County, Georgia
Mental Health Center Fund
Comparative Balance Sheets
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 86,319	\$ 80,819
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ -	\$ 500
Fund Balances		
Assigned for building maintenance and insurance	86,319	80,319
Total Liabilities and Fund Balances	\$ 86,319	\$ 80,819

Harris County, Georgia
Mental Health Center Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	\$ 5,500	\$ 5,500	\$ 6,000	\$ 500	\$ 6,000
Expenditures					
Current:					
Health and welfare	5,500	5,500	-	5,500	-
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	6,000	<u>\$ 6,000</u>	6,000
Fund Balances Beginning of Year			<u>80,319</u>		<u>74,319</u>
Fund Balances End of Year			<u>\$ 86,319</u>		<u>\$ 80,319</u>

Harris County, Georgia
Mental Retardation Center Fund
Comparative Balance Sheets
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 117,107	\$ 111,607
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ -	\$ 500
Fund Balances		
Assigned for building maintenance and insurance	117,107	111,107
Total Liabilities and Fund Balances	\$ 117,107	\$ 111,607

Harris County, Georgia
Mental Retardation Center Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017
 (With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	\$ 5,500	\$ 5,500	\$ 6,000	\$ 500	\$ 6,000
Expenditures					
Current:					
Health and welfare	5,500	5,500	-	5,500	-
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	6,000	<u>\$ 6,000</u>	6,000
Fund Balances Beginning of Year			<u>111,107</u>		<u>105,107</u>
Fund Balances End of Year			<u>\$ 117,107</u>		<u>\$ 111,107</u>

Harris County, Georgia
Drug Abuse Fund
Comparative Balance Sheets
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 74,167	\$ 98,547
Receivables:		
Accounts	-	20
Interfund	-	1,869
	<u> </u>	<u> </u>
Total Assets	<u>\$ 74,167</u>	<u>\$ 100,436</u>
Fund Balances		
Restricted for public safety	<u>\$ 74,167</u>	<u>\$ 100,436</u>

Harris County, Georgia
Drug Abuse Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>2017</u>			<u>2016</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>	<u>Actual</u>
Revenues					
Charges for services	\$ 25,000	\$ 25,000	\$ 29,629	\$ 4,629	\$ 35,953
Expenditures					
Current:					
Health and welfare	5,000	5,000	-	5,000	295
Capital Outlay	-	-	55,898	(55,898)	-
Expenditures	5,000	5,000	55,898	(50,898)	295
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 20,000</u>	<u>\$ 20,000</u>	(26,269)	<u>\$ (46,269)</u>	35,658
Fund Balances Beginning of Year			100,436		64,778
Fund Balances End of Year			<u>\$ 74,167</u>		<u>\$ 100,436</u>

Harris County, Georgia
Jail Fee Fund
Comparative Balance Sheets
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 635,924	\$ 545,724
Receivables:		
Accounts	1,181	1,249
Interfund	-	6,246
	-	6,246
Total Assets	\$ 637,105	\$ 553,219
Fund Balances		
Restricted for public safety	\$ 637,105	\$ 553,219

Harris County, Georgia
Jail Fee Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	2017			2016	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Court fees	\$ 60,000	\$ 60,000	\$ 83,886	\$ 23,886	\$ 87,015
Expenditures					
Current:					
Public safety	-	-	-	-	8,478
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 60,000</u>	<u>\$ 60,000</u>	83,886	<u>\$ 23,886</u>	78,537
Fund Balances Beginning of Year			<u>553,219</u>		<u>474,682</u>
Fund Balances End of Year			<u>\$ 637,105</u>		<u>\$ 553,219</u>

Harris County, Georgia
Comparative Balance Sheet
Callaway Debt Service Fund
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 24,560	\$ 24,560
Notes receivable	1,179,825	1,286,695
Total Assets	\$ 1,204,385	\$ 1,311,255
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ 1,179,825	\$ 1,286,695
Fund Balances		
Restricted for debt service	24,560	24,560
Total Liabilities and Fund Balances	\$ 1,204,385	\$ 1,311,255

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Callaway Debt Service Fund
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Charges for services	\$ 106,870	\$ 103,626
Interest	37,087	40,331
Total Revenues	<u>143,957</u>	<u>143,957</u>
Expenditures		
<i>Debt Service</i>		
Principal	106,354	103,091
Interest	37,603	40,866
Total Expenditures	<u>143,957</u>	<u>143,957</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Fund Balances Beginning of Year	<u>24,650</u>	<u>24,650</u>
Fund Balances End of Year	<u><u>\$ 24,650</u></u>	<u><u>\$ 24,650</u></u>

Harris County, Georgia
Comparative Balance Sheet
2014 SPLOST Fund
June 30, 2017 and 2016

	2017	2016
Assets		
Equity in pooled cash and investments	\$ 3,500,055	\$ 3,995,976
Restricted cash	1,456	887
Investments	220,818	223,144
Receivables:		
Accounts	1,799	1,799
Sales taxes	238,014	226,289
Interest	135	135
Interfund	-	26,013
Total Assets	\$ 3,962,277	\$ 4,474,243
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 324,889	\$ 177,343
Interfund payable	-	64
Total Liabilities	324,889	177,407
Fund Balances		
Restricted for capital projects	3,637,388	4,296,836
Total Liabilities and Fund Balances	\$ 3,962,277	\$ 4,474,243

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2014 SPLOST Fund
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Sales taxes	\$ 2,459,609	\$ 2,414,515
Investment earnings	1,195	8,507
Total Revenues	<u>2,460,804</u>	<u>2,423,022</u>
Expenditures		
Intergovernmental	2,250,822	345,805
Capital Outlay	<u>869,430</u>	<u>404,619</u>
Total Expenditures	<u>3,120,252</u>	<u>750,424</u>
Excess of Revenues Over Expenditures	<u>(659,448)</u>	<u>1,672,598</u>
Other Financing Sources (Uses)		
Transfers out - general fund	<u>-</u>	<u>(83,429)</u>
Other Financing Sources (Uses)	<u>-</u>	<u>(83,429)</u>
Net Changes in Fund Balances	(659,448)	1,589,169
Fund Balances Beginning of Year	<u>4,296,836</u>	<u>2,707,667</u>
Fund Balances End of Year	<u><u>\$ 3,637,388</u></u>	<u><u>\$ 4,296,836</u></u>

Harris County, Georgia
Comparative Balance Sheet
Capital Projects Fund
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 1,150,899	\$ -
Intergovernmental receivable	377,700	-
Interfund receivable	<u>23,000</u>	<u>-</u>
Total Assets	<u>\$ 1,551,599</u>	<u>\$ -</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 515,034	\$ -
Retainage payable	<u>121,397</u>	<u>-</u>
Total Liabilities	636,431	-
Fund Balances		
Restricted for construction	<u>915,168</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,551,599</u>	<u>\$ -</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Capital Projects Fund
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Intergovernmental	\$ 763,918	\$ -
Expenditures		
<i>Capital Outlay</i>	1,222,980	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(459,062)</u>	<u>-</u>
Other Financing Sources (Uses)		
Transfer in	1,374,230	-
Net Changes in Fund Balances	915,168	-
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ 915,168</u></u>	<u><u>\$ -</u></u>

Harris County, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2017

	2017						
	1999 SPLOST	2004 SPLOST	2009 SPLOST	CDBG	Public Improvement Authority	Transportation Investment Act	Total Nonmajor Capital Projects Funds
Assets							
Cash and cash equivalents	\$ -	\$ 145,188	\$ 924,773	\$ 70	\$ -	\$ 717,366	\$ 1,787,397
Restricted cash and cash equivalents	-	-	-	-	556,166	-	556,166
Investments	-	-	467,749	-	-	-	467,749
Receivables:							
Intergovernmental	-	-	-	352,961	-	-	352,961
Sales taxes	-	-	-	-	-	79,152	79,152
Interest	-	-	2,311	-	-	-	2,311
Total Assets	\$ -	\$ 145,188	\$ 1,394,833	\$ 353,031	\$ 556,166	\$ 796,518	\$ 3,245,736
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 87,841	\$ -	\$ -	\$ -	\$ 87,841
Interfund payable	-	-	23,000	353,046	14,608	-	390,654
Total Liabilities	-	-	110,841	353,046	14,608	-	478,495
Fund Balances							
Restricted	-	145,188	1,283,992	-	541,558	796,518	2,767,256
Unrestricted (deficit)	-	-	-	(15)	-	-	(15)
Total Fund Balances	-	145,188	1,283,992	(15)	541,558	796,518	2,767,241
Total Liabilities Fund Balances	\$ -	\$ 145,188	\$ 1,394,833	\$ 353,031	\$ 556,166	\$ 796,518	\$ 3,245,736

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Funds
For the Year Ended June 30, 2017

	2017						
	1999 SPLOST	2004 SPLOST	2009 SPLOST	CDBG	Public Improvement Authority	Transportation Investment Act	Total Nonmajor Capital Projects Funds
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ 246,862	\$ 103,735	\$ -	\$ 350,597
Taxes	-	-	-	-	-	924,616	924,616
Interest	-	-	-	-	216,000	-	216,000
Investment earnings	-	-	3,892	-	794	-	4,686
Total Revenues	-	-	3,892	246,862	320,529	924,616	1,495,899
Expenditures							
Current:							
Housing and development	-	-	-	246,877	-	-	246,877
Intergovernmental	-	-	115,031	-	-	-	115,031
Capital Outlay	58,174	8,615	935,862	-	173,046	-	1,175,697
Debt Service:							
Principal retirement	-	-	-	-	355,000	-	355,000
Interest and fiscal charges	-	-	-	-	534,179	-	534,179
Trustee Fee	-	-	-	-	3,625	-	3,625
Total Expenditures	58,174	8,615	1,050,893	246,877	1,065,850	-	2,430,409
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,174)	(8,615)	(1,047,001)	(246,877)	(745,321)	924,616	(934,510)
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	985,370	-	985,370
Transfers out	-	-	(1,372,744)	-	-	-	(1,372,744)
Total Other Financing Sources (Uses)	-	-	(1,372,744)	-	985,370	-	(387,374)
Net Change in Fund Balance	(58,174)	(8,615)	(2,419,745)	(15)	240,049	924,616	(1,321,884)
Fund Balances Beginning of Year	58,174	153,803	3,703,737	-	301,509	(128,098)	4,089,125
Fund Balances End of Year	\$ -	\$ 145,188	\$ 1,283,992	\$ (15)	\$ 541,558	\$ 796,518	\$ 2,767,241

Harris County, Georgia
Comparative Balance Sheet
1999 SPLOST Fund
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 58,174</u>
Fund Balances		
Restricted for capital projects	<u>\$ -</u>	<u>\$ 58,174</u>

Harris County, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
1999 SPLOST Fund
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Expenditures		
Capital Outlay	\$ 58,174	\$ 196,817
Net Changes in Fund Balances	(58,174)	196,817
Fund Balances Beginning of Year	<u>58,174</u>	<u>254,991</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 58,174</u>

Harris County, Georgia
Comparative Balance Sheet
2004 SPLOST Fund
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 145,188	\$ 95,766
Interfund receivable	<u>-</u>	<u>84,050</u>
Total Assets	<u>\$ 145,188</u>	<u>\$ 179,816</u>
Liabilities and Fund Balances		
Liabilities		
Interfund loan payable	\$ -	\$ 26,013
Fund Balances		
Restricted for capital projects	<u>145,188</u>	<u>153,803</u>
Total Liabilities and Fund Balances	<u>\$ 145,188</u>	<u>\$ 179,816</u>

Harris County, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2004 SPLOST Fund
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Expenditures		
Capital Outlay	\$ 8,615	\$ 209,406
Net Changes in Fund Balances	(8,615)	(209,406)
Fund Balances Beginning of Year	<u>153,803</u>	<u>363,209</u>
Fund Balances End of Year	<u>\$ 145,188</u>	<u>\$ 153,803</u>

Harris County, Georgia
Comparative Balance Sheet
2009 SPLOST Fund
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 924,773	\$ 3,221,221
Investments	467,749	888,052
Interest receivable	<u>2,311</u>	<u>3,458</u>
Total Assets	<u>\$ 1,394,833</u>	<u>\$ 4,112,731</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 87,841	\$ 255,833
Retainage payable	-	68,840
Interfund payable	<u>23,000</u>	<u>84,321</u>
Total Liabilities	110,841	408,994
Fund Balances		
Restricted for capital projects	<u>1,283,992</u>	<u>3,703,737</u>
Total Liabilities and Fund Balances	<u>\$ 1,394,833</u>	<u>\$ 4,112,731</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2009 SPLOST Fund
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Investment earnings	\$ 3,892	\$ 6,443
Total Revenues	<u>3,892</u>	<u>6,443</u>
Expenditures		
Intergovernmental	115,031	38,791
Capital Outlay	935,862	810,932
Total Expenditures	<u>1,050,893</u>	<u>849,723</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,047,001)</u>	<u>(843,280)</u>
Other Financing Sources (Uses)		
Transfer out	<u>(1,372,744)</u>	<u>-</u>
Net Changes in Fund Balances	(2,419,745)	(843,280)
Fund Balances Beginning of Year	<u>3,703,737</u>	<u>4,547,017</u>
Fund Balances End of Year	<u><u>\$ 1,283,992</u></u>	<u><u>\$ 3,703,737</u></u>

Harris County, Georgia
CDBG Fund
Comparative Balance Sheets
June 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 70	\$ 100
Intergovernmental receivable	352,961	106,100
Total Assets	\$ 353,031	\$ 106,200
Liabilities and Fund Balance		
Liabilities		
Interfund payable	\$ 353,046	\$ 106,200
Fund Balances		
Unrestricted (deficit)	(15)	-
Total Fund Balances	(15)	-
Total Liabilities and Fund Balance	\$ 353,031	\$ 106,200

Harris County, Georgia
CDBG Fund
Comparative Statement of Expenditures
and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2017 and 2016

	2017	2016
Revenues		
Intergovernmental	\$ 246,862	\$ 106,100
Total Revenues	246,862	106,100
Expenditures		
Current:		
Housing and development	246,877	88,596
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	(15)	17,504
Fund Balances Beginning of Year	-	(17,504)
Fund Balances End of Year	\$ (15)	\$ -

Harris County, Georgia
Comparative Balance Sheet
Public Improvements Authority Fund
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Restricted cash and cash equivalents	\$ 556,166	\$ 321,466
Total Assets	<u>\$ 556,166</u>	<u>\$ 321,466</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ 14,608	\$ 19,957
Fund Balances		
Restricted for debt service	541,558	139,452
Restricted for construction	<u>-</u>	<u>162,057</u>
Total Fund Balances	<u>541,558</u>	<u>301,509</u>
Total Liabilities and Fund Balances	<u>\$ 556,166</u>	<u>\$ 321,466</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Public Improvements Authority Fund
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Intergovernmental	\$ 103,735	\$ 94,250
Interest	216,000	108,000
Investment earnings	794	149
Total Revenues	<u>320,529</u>	<u>202,399</u>
Expenditures		
<i>Capital Outlay</i>	173,046	2,387,988
<i>Debt Service</i>		
Principal	355,000	350,000
Interest	534,179	549,983
Trustee Fee	3,625	4,008
Total Expenditures	<u>1,065,850</u>	<u>3,291,979</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>(745,321)</u>	<u>(3,089,580)</u>
Other Financing Sources (Uses)		
Transfers in - general fund	985,370	286,902
Total Other Financing Sources (Uses)	<u>985,370</u>	<u>286,902</u>
Net Changes in Fund Balances	240,049	(2,802,678)
Fund Balances Beginning of Year	<u>301,509</u>	<u>3,104,187</u>
Fund Balances End of Year	<u><u>\$ 541,558</u></u>	<u><u>\$ 301,509</u></u>

Harris County, Georgia
Comparative Balance Sheet
Transportation Investment Act Fund
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 717,366	\$ 877,377
Taxes receivable	79,152	84,800
Total Assets	<u>\$ 796,518</u>	<u>\$ 962,177</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ -	\$ 1,090,275
Fund Balances		
Restricted for capital projects	796,518	-
Unrestricted (deficit)	-	(128,098)
Total Fund Balance	<u>796,518</u>	<u>(128,098)</u>
Total Liabilities and Fund Balances	<u>\$ 796,518</u>	<u>\$ 962,177</u>

Harris County, Georgia
*Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances*
Transportation Investment Act Fund
For the Fiscal Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue		
Taxes	\$ 924,616	\$ 959,952
Expenditures		
Capital Outlay	-	631,868
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>924,616</u>	<u>328,084</u>
Net Changes in Fund Balances	924,616	328,084
Fund Balances Beginning of Year	<u>(128,098)</u>	<u>(456,182)</u>
Fund Balances End of Year	<u><u>\$ 796,518</u></u>	<u><u>\$ (128,098)</u></u>

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water Works Fund
June 30, 2017 and 2016

Assets	2017	2016
Current Assets:		
Cash and cash equivalents	\$ 1,028,926	\$ 425,534
Restricted cash	744,417	727,160
Investments	2,489,793	2,734,719
Receivable:		
Accounts (net)	476,631	549,827
Interest	889	1,299
Prepaid items	22,379	32,488
Inventories	175,154	171,882
Total Current Assets	4,938,189	4,642,909
Noncurrent Assets:		
Capital assets:		
Nondepreciable	8,456,832	5,683,175
Depreciable, net	13,741,643	14,152,415
Total Noncurrent Assets	22,198,475	19,835,590
Deferred Outflows of Resources	293,287	292,699
Total Assets and Deferred Outflows of Resources	27,429,951	24,771,198
Liabilities		
Current Liabilities:		
Accounts payable	11,132	9,607
Accrued expenses payable	51,405	46,941
Accrued interest payable	13,464	14,589
Interfund payable	41,627	404,461
Customer deposits payable	446,319	440,469
Compensated absences payable	41,566	40,298
Revenue bonds payable	470,000	450,000
GEFA loans payable	10,256	10,256
Total Current Liabilities	1,085,769	1,416,621
Long-term Liabilities (net of current portion):		
Compensated absences payable	10,392	10,074
Revenue bonds payable	5,622,759	6,105,504
GEFA loans payable	2,477,542	64,104
Net pension liability	511,651	491,571
Total Long-term Liabilities	8,622,344	6,671,253
Total Liabilities	9,708,113	8,087,874
Deferred Inflows of Resources	27,366	-
Total Liabilities and Deferred Inflows of Resources	9,735,479	8,087,874
Net Position		
Net investment in capital assets	13,617,918	13,205,726
Restricted	287,631	277,089
Unrestricted	3,788,923	3,200,509
Total Net Position	\$ 17,694,472	\$ 16,683,324

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues		
Charges for services	\$ 5,085,926	\$ 4,812,782
Operating Expenses		
Personal services	1,544,746	1,413,122
Purchased services	1,447,096	1,412,886
Materials and supplies	319,471	219,532
Depreciation	712,126	686,986
Total Operating Expenses	<u>4,023,439</u>	<u>3,732,526</u>
Operating Income	<u>1,062,487</u>	<u>1,080,256</u>
Non-Operating Revenues (Expenses)		
Investment earnings	7,381	5,178
Interest and fiscal charges	(231,766)	(207,978)
Total Non-Operating Revenues (Expenses)	<u>(224,385)</u>	<u>(202,800)</u>
Income Before Transfers In and Contributions	838,102	877,456
Contributions	<u>173,046</u>	<u>2,387,988</u>
Change in Net Position	1,011,148	3,265,444
Net Position Beginning of Year	<u>16,683,324</u>	<u>13,417,880</u>
Net Position End of Year	<u>\$ 17,694,472</u>	<u>\$ 16,683,324</u>

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 5,164,972	\$ 4,781,684
Cash payments to employees for services	(1,538,696)	(1,419,440)
Cash payments for goods and services	<u>(1,758,205)</u>	<u>(1,613,341)</u>
Net Cash Provided by (Used in) Operating Activities	<u>1,868,071</u>	<u>1,748,903</u>
Cash Flows from Noncapital Financing Activities		
Interfund payable	<u>(362,834)</u>	<u>165,762</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(362,834)</u>	<u>165,762</u>
Cash Flows from Capital and Related Financing Activities		
Principal paid on GEFA loan	(10,256)	(10,256)
Principal paid on revenue bonds	(450,000)	(435,000)
Interest paid on capital debt	(168,323)	(181,598)
Acquisition of capital assets	<u>(508,726)</u>	<u>(690,936)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,137,305)</u>	<u>(1,317,790)</u>
Cash Flows from Investing Activities		
Investment earnings	<u>7,791</u>	<u>4,621</u>
Net Increase (Decrease) in Cash and Cash Equivalents	375,723	601,496
Cash and Cash Equivalents Beginning of Year	<u>3,887,413</u>	<u>3,285,917</u>
Cash and Cash Equivalents End of Year	<u>\$ 4,263,136</u>	<u>\$ 3,887,413</u>
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ 1,028,926	\$ 425,534
Restricted	744,417	727,160
Investments	<u>2,489,793</u>	<u>2,734,719</u>
Total Cash and Cash Equivalents	<u>\$ 4,263,136</u>	<u>\$ 3,887,413</u>

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2017 and 2016

(continued)

	2017	2016
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 1,062,487	\$ 1,080,256
Adjustments:		
Depreciation and amortization	712,126	686,986
(Increase) Decrease in Assets:		
Accounts receivable	73,196	(39,612)
Prepaid items	10,109	26,427
Inventories	(3,272)	12,762
Increase (Decrease) in Liabilities:		
Accounts payable	1,525	(30,212)
Accrued expenses payable	4,464	7,779
Customer deposits	5,850	8,514
Compensated absences payable	1,586	335
Other net	-	(4,332)
Net Cash Provided by (Used in) Operating Activities	\$ 1,868,071	\$ 1,748,903
Non-cash Capital Activities:		
Non-cash contributions from the public improvements authority fund related to the construction of capital assets	\$ 173,046	\$ 2,387,988

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
June 30, 2017 and 2016

Assets	2017	2016
Current Assets:		
Cash and cash equivalents	\$ 5,348,051	\$ 4,376,702
Investments	1,516,517	2,025,394
Receivable:		
Accounts (net)	40,133	41,393
Interest	3,200	3,731
Prepaid items	10,159	15,699
Total Current Assets	6,918,060	6,462,919
Noncurrent Assets:		
Capital assets:		
Nondepreciable	199,250	199,250
Depreciable, net	862,755	828,105
Total Noncurrent Assets	1,062,005	1,027,355
Total Assets	7,980,065	7,490,274
Deferred Outflows of Resources	68,281	61,743
Total Assets and Deferred Outflows of Resources	8,048,346	7,552,017
Liabilities		
Current Liabilities:		
Accounts payable	69,471	-
Accrued expenses payable	16,376	14,642
Interfund payable	1,541,272	1,363,768
Compensated absences payable	12,836	13,344
Capital leases payable	204,457	78,559
Total Current Liabilities	1,844,412	1,470,313
Long-term Liabilities (net of current portion):		
Compensated absences payable	3,209	3,336
Closure and postclosure care payable	220,490	235,130
Capital leases payable	38,575	243,033
Net pension liability	201,742	191,409
Total Long-term Liabilities	464,016	672,908
Total Liabilities	2,308,428	2,143,221
Deferred Inflows of Resources	14,083	-
Total Liabilities and Deferred Inflows of Resources	2,322,511	2,143,221
Net Position		
Net investment in capital assets	818,973	705,763
Unrestricted	4,906,862	4,703,033
Total Net Position	\$ 5,725,835	\$ 5,408,796

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues		
Charges for services	\$ 2,004,931	\$ 1,989,460
Operating Expenses		
Personal services	630,459	580,488
Purchased services	131,080	93,542
Purchased services - tipping fees	545,746	502,696
Materials and supplies	122,872	143,464
Depreciation	270,090	271,824
Total Operating Expenses	<u>1,700,247</u>	<u>1,592,014</u>
Operating Income	<u>304,684</u>	<u>397,446</u>
Non-Operating Revenues (Expenses)		
Investment earnings	19,678	45,841
Interest and fiscal charges	<u>(7,323)</u>	<u>(10,458)</u>
Total Non-Operating Revenues (Expenses)	<u>12,355</u>	<u>35,383</u>
Change in Net Position	317,039	432,829
Net Position Beginning of Year	<u>5,408,796</u>	<u>4,975,967</u>
Net Position End of Year	<u><u>\$ 5,725,835</u></u>	<u><u>\$ 5,408,796</u></u>

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 2,004,931	\$ 1,989,460
Cash payments to employees for services	(653,115)	(599,468)
Cash payments for goods and services	(696,434)	(768,787)
Net Cash Provided by (Used in) Operating Activities	<u>655,382</u>	<u>621,205</u>
Cash Flows from Noncapital Financing Activities		
Interfund payable	177,504	(420,818)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>177,504</u>	<u>(420,818)</u>
Cash Flows from Capital and Related Financing Activities		
Principal paid on capital leases	(78,560)	(75,424)
Interest paid on notes	(7,323)	(10,458)
Acquisition of capital assets	(304,740)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(390,623)</u>	<u>(85,882)</u>
Cash Flows from Investing Activities		
Investment earnings	20,209	46,696
Net Increase (Decrease) in Cash and Cash Equivalents	462,472	161,201
Cash and Cash Equivalents Beginning of Year	<u>6,402,096</u>	<u>6,240,895</u>
Cash and Cash Equivalents End of Year	<u>\$ 6,864,568</u>	<u>\$ 6,402,096</u>
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ 5,348,051	\$ 4,376,702
Investments	1,516,517	2,025,394
Total Cash and Cash Equivalents	<u>\$ 6,864,568</u>	<u>\$ 6,402,096</u>

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2017 and 2016

(continued)

	2017	2016
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 304,684	\$ 397,446
Adjustments:		
Depreciation and amortization	270,090	271,824
(Increase) Decrease in Assets:		
Accounts receivable	1,260	2,700
Prepaid items	5,540	(623)
Increase (Decrease) in Liabilities:		
Accounts payable	69,471	(44,742)
Accrued expenses payable	1,734	3,470
Compensated absences payable	(635)	1,216
Other net	3,238	(10,086)
Net Cash Provided by (Used in) Operating Activities	\$ 655,382	\$ 621,205

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Airport Fund
June 30, 2017 and 2016

Assets	2017	2016
Current Assets:		
Intergovernmental receivable	\$ 92,675	\$ 1,343,364
Prepaid items	595	407
Inventories	18,252	48,087
Total Current Assets	111,522	1,391,858
Noncurrent Assets:		
Capital assets:		
Nondepreciable	255,021	5,017,386
Depreciable, net	7,605,672	2,932,865
Total Noncurrent Assets	7,860,693	7,950,251
Total Assets	7,972,215	9,342,109
Deferred Outflow of Resources	5,928	5,612
Total Assets and Deferred Inflows	7,978,143	9,347,721
Liabilities		
Current Liabilities:		
Accounts payable	834	692,476
Retainage payable	69,290	323,057
Accrued expenses payable	2,028	1,898
Compensated absences payable	1,860	1,021
Interfund payable	875,630	1,752,981
Total Current Liabilities	949,642	2,771,433
Long-term Liabilities (Net of current portion)		
Compensated absences payable	465	255
Net pension liability	17,898	17,401
Total Long-term Liabilities	18,363	17,656
Total Liabilities	968,005	2,789,089
Deferred Inflows of Resources	677	-
Total Liabilities and Deferred Inflows of Resources	968,682	2,789,089
Net Position		
Investment in capital assets	7,860,693	7,950,251
Unrestricted (deficit)	(851,232)	(1,391,619)
Total Net Position	\$ 7,009,461	\$ 6,558,632

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues		
Hanger fees	\$ 75,692	\$ 53,033
Fuel sales	265,127	259,343
Total Operating Revenues	<u>340,819</u>	<u>312,376</u>
Operating Expenses		
Personal services	67,869	57,183
Cost of sales	253,171	215,341
Purchased services	55,223	45,344
Materials and supplies	3,176	3,725
Depreciation	165,871	124,126
Total Operating Expenses	<u>545,310</u>	<u>445,719</u>
Operating Loss Before Contributions and Transfers In	<u>(204,491)</u>	<u>(133,343)</u>
Contributions	578,962	2,052,100
Transfer In	<u>76,358</u>	<u>1,138,368</u>
Total Contributions and Transfers In	<u>655,320</u>	<u>3,190,468</u>
Change in Net Position	450,829	3,057,125
Net Position Beginning of Year	<u>6,558,632</u>	<u>3,501,507</u>
Net Position End of Year	<u>\$ 7,009,461</u>	<u>\$ 6,558,632</u>

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 340,819	\$ 312,376
Cash payments to employees for services	(63,205)	(53,252)
Cash payments for goods and services	<u>(1,229,959)</u>	<u>(262,214)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(952,345)</u>	<u>(3,090)</u>
Cash Flows from Noncapital Financing Activities		
Intergovernmental receivable	1,250,689	-
Interfund payable	<u>(877,351)</u>	<u>1,700,984</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>373,338</u>	<u>1,700,984</u>
Cash Flows from Capital and Related Financing Activities		
Capital grants	578,962	-
Acquisition of capital assets	(76,313)	(3,544,998)
Transfers in	<u>76,358</u>	<u>1,847,104</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>579,007</u>	<u>(1,697,894)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents Beginning of Year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ -	\$ -
Investments	<u>-</u>	<u>-</u>
Total Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ -</u>

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2017 and 2016

(continued)

	<u>2017</u>	<u>2016</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Loss	\$ (204,491)	\$ (133,343)
Adjustments:		
Depreciation and amortization	165,871	124,126
(Increase) Decrease in Assets:		
Prepaid items	(188)	850
Inventories	29,835	3,910
Increase (Decrease) in Liabilities:		
Accounts payable	(691,642)	-
Retainage payable	(253,767)	-
Accrued expenses payable	130	604
Compensated absences payable	1,049	346
Other net	858	417
Net Cash Provided by (Used in) Operating Activities	<u>\$ (952,345)</u>	<u>\$ (3,090)</u>

HARRIS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2017

During fiscal year 1999, the County began collections of a five year special sales tax, which expired in 2004. The County has ceased collection of these funds, but previously collected funds are still being expended.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Road improvements	\$ 5,207,000	\$ 3,513,260		\$ 3,513,260
Parking deck	250,000	57,661	0	57,661
Fire trucks and equipment	878,000	993,490	0	993,490
Courthouse renovation	700,000	714,024	0	714,024
Courthouse renovation-furniture	130,000	128,139	0	128,139
800 Mhz Radios	600,000	623,114	0	623,114
Radio Tower	1,250,000	1,246,289	0	1,246,289
Water line extension	600,000	600,000	0	600,000
Parks	500,000	500,000	0	500,000
Cities				
Shiloh	25,000	25,000	0	25,000
Pine Mountain	200,000	141,826	58,174	200,000
Waverly Hall	200,000	200,277	0	200,277
Computers	360,000	360,000	0	360,000
Mtn Hill Library	100,000	99,874	0	99,874
Totals	<u>\$ 11,000,000</u>	<u>\$ 9,202,954</u>	<u>\$ 58,174</u>	<u>\$ 9,261,128</u>

During fiscal year 2004, the County began collections of a five year special sales tax which expired in May 2009. The County has ceased collection of these funds, but previously collected funds are still being expended.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Cities				
Hamilton	\$ 173,000	\$ 173,000	\$ 0	\$ 173,000
Pine Mountain	436,000	435,980	0	435,980
Shiloh	165,000	162,118	0	162,118
Waverly Hall	276,000	276,000	0	276,000
West Point	276,000	276,000	0	276,000
Parks	600,000	362,122	8,615	370,737
Economic Development	3,500,000	3,500,000	0	3,500,000
Walking Trail	100,000	100,001	0	100,001
Community Center	800,000	800,000	0	800,000
EMS & Fire Services	500,000	451,971	0	451,971
Roads	7,174,000	6,490,184	0	6,490,184
Totals	<u>\$ 14,000,000</u>	<u>\$ 13,027,376</u>	<u>\$ 8,615</u>	<u>\$ 13,035,991</u>

HARRIS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2017

During fiscal year 2009, the County began collections of a five year special sales tax. The fund will continue to collect these taxes through April 2014.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Economic Development	\$ 2,000,000	\$ 1,984,261	\$ 7,038	\$ 1,991,299
Library	1,500,000	46,000	1,528,144	1,574,144
Recreation	2,200,000	2,200,000		2,200,000
EMS/Fire	2,000,000	1,869,440	105,000	1,974,440
Roads	10,930,000	617,038	668,424	1,285,462
Cities				
Hamilton	350,000	347,625	2,374	349,999
Pine Mountain	765,000	765,000		765,000
Shiloh	290,000	266,720	23,280	290,000
Waverly Hall	500,000	526,873	89,377	616,250
West Point	465,000	348,750		348,750
Totals	<u>\$ 21,000,000</u>	<u>\$ 8,971,707</u>	<u>\$ 2,423,637</u>	<u>\$ 11,395,344</u>

During fiscal year 2014, the County began collections of a five year special sales tax. The fund will continue to collect these taxes through April 2019.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Economic Development	\$ 1,000,000	\$ 214,615	\$ 313,744	\$ 528,359
Public Library Construction	500,000	0		0
Recreation	1,000,000	36,207	45,157	81,364
Public Safety	80,000	0		0
Fire	2,701,000	0	181,596	181,596
Water System Improvements	1,000,000	158,272	18,254	176,526
AgriCenter	500,000	165,363		165,363
Roads				0
County	2,500,000	46,037	310,679	356,716
Cities				0
Hamilton	300,000	32,444	133,354	165,798
Pine Mountain	961,000	174,386	357,605	531,991
Shiloh	370,000	58,437	146,169	204,606
Waverly Hall	2,177,000	48,646	1,155,237	1,203,883
West Point	1,125,000	163,589	458,457	622,046
Debt reduction/public safety/roads/airport	4,786,000	86,429		86,429
Totals	<u>\$ 19,000,000</u>	<u>\$ 1,184,425</u>	<u>\$ 3,120,252</u>	<u>\$ 4,304,677</u>

HARRIS COUNTY, GEORGIA
 SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
 FOR THE YEAR ENDED JUNE 30, 2017

The table below reflects the status of the above sales tax projects:

Year began	Authorized amount to be collected	Amount collected to date	Interest collected to date	Expenditures to date	Amount available for future expenditures
1999	\$ 11,000,000	\$ 8,904,142	\$ 356,986	\$ 9,261,128	\$ -
2004	\$ 14,000,000	\$ 12,558,478	\$ 622,701	\$ 13,035,991	\$ 145,188
2009	\$ 21,000,000	\$ 12,613,034	\$ 60,227	\$ 11,395,344	\$ 1,277,917
2014	\$ 19,000,000	\$ 7,882,152	\$ 13,878	\$ 4,304,677	\$ 3,591,353

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

Harris County Board of Commissioners
Harris County, Georgia

We have audited, 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, 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 Harris County, Georgia (the "County") 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, and have issued our report thereon dated December 29, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 2017-1 described in the schedule of findings and responses to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 one instance of noncompliance, 2017-2, required to be reported under Government Auditing Standards, described in the accompanying schedule of findings and responses.

The County’s Response to Findings

The County’s responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The 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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’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.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

December 29, 2017

*Harris County, Georgia
Schedule of Findings and Responses
For the year ended June 30, 2017*

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESSES

2017-1 Limited Segregation of Duties

Condition and Criteria – Limited segregation of duties in certain County offices is presently in place.

Cause – Due to the limited number of employees in the finance department and certain other County offices, there is not adequate segregation of duties as it relates to certain accounting procedures, the financial reporting process and the information technology environments.

Effect – The resulting effect is increased risk of errors and irregularities that could lead to misstatement of the financial statements.

Recommendation –The Board of Commissioners and management should be conscious of this limited segregation of duties and provide for adequate review of all financial information and provide oversight where practical. In addition, steps should be taken to ensure adequate controls are in place over computer hardware and software components to protect and safeguard financial and personnel data.

Response – The County concurs with the auditor’s recommendation and will provide appropriate oversight.

FINDINGS RELATED TO COMPLIANCE

2017-2 Late filing of audited financial statements

Condition and Criteria – State statutes require local governments forward a copy of their annual audit report to the State Auditor for review within 180 days after the close of the local government’s fiscal year as outlined in Georgia Code 36-81-7.

Cause – The County has experienced significant recent turnover in the Finance Officer position which caused a delay in preparing and completing the 2015, 2016 and 2017 audits.

Effect – The County is at risk of having state grant funds delayed.

Recommendation – The County should provide adequate resources and/or additional personnel in order to establish cross-training of accounting personnel on the County’s accounting and finance processes and software to safeguard against loss of institutional knowledge and provide continuing accounting operations in the event of employee turnover.

Response – The County concurs with the auditor’s recommendation and will provide adequate resources and/or training.

*Harris County, Georgia
Schedule of Prior Year Findings
For the year ended June 30, 2017*

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESS

2016-1 Signatory Authority Related to Cash and Cash Equivalents

Condition and Criteria – The County assigns signature authority over various bank accounts and certificates of deposit to certain County employees and County Commissioners. Terminated employees were still listed as signatories with various banks on multiple bank accounts and certificates of deposit.

Status – Resolved: The County initiated corporate resolutions to change signatories and provided the information to relevant banks.

2016-2 Limited Segregation of Duties

Condition and Criteria – Limited segregation of duties in certain County offices is presently in place.

Status – Unresolved: See current year financial audit finding 2017-1.

Harris County, Georgia
Schedule of Prior Year Findings
For the year ended June 30, 2017

FINDINGS RELATED TO COMPLIANCE

2016-3 Late filing of audited financial statements

Condition and Criteria – State statutes require local governments forward a copy of their annual audit report to the State Auditor for review within 180 days after the close of the local government’s fiscal year as outlined in Georgia Code 36-81-7.

Status – Unresolved: See current year compliance finding 2017-2.

2016-4 Sinking fund compliance

Condition and Criteria – One of the County's bond resolutions requires that sufficient pledged revenues be paid to the principal and interest sinking funds monthly to cover a ratable percentage of the next payment due. Though no default occurred in the payment of interest or principal, the County did not appropriately accumulate funds monthly into the sinking fund accounts as required by the bond resolution.

Status – Resolved: The County established procedures to accumulate funds monthly into the sinking fund accounts as required by the bond resolution.