

**HARRIS COUNTY, GEORGIA
FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016**

Harris County, Georgia
Annual Financial Report
For The Year Ended June 30, 2016

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

Management's Responsibility for the Financial Statements

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 4.9 percent, 3.2 percent and 49.6 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, 2016, and the respective changes in financial position and, where applicable, budgetary comparison and 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 63 – 65 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

The Schedule of Expenditures of Federal Awards (page 132), as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”), are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 66 – 124) 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
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Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 15, 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

June 15, 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, 2016. 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 \$78,307,548 (net position) for the fiscal year reported.
- Total net position are comprised of the following:
 - (1) Net investment in capital assets, of \$52,828,922 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 \$10,060,138 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$15,418,488 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 \$20,250,375 this year. This compares to the prior year ending fund balance of \$24,132,549 showing a decrease of \$3,882,174 during the current year. Unassigned fund balance of \$9,479,357 at June 30, 2016 shows a \$1,546,300 decrease from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,607,455 or 55.4% of total General Fund expenditures, as compared to 64.4% at June 30, 2015.
- 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 \$78,307,548, as compared to \$75,283,941 at June 30, 2015. The following table provides a summary of the County's net position:

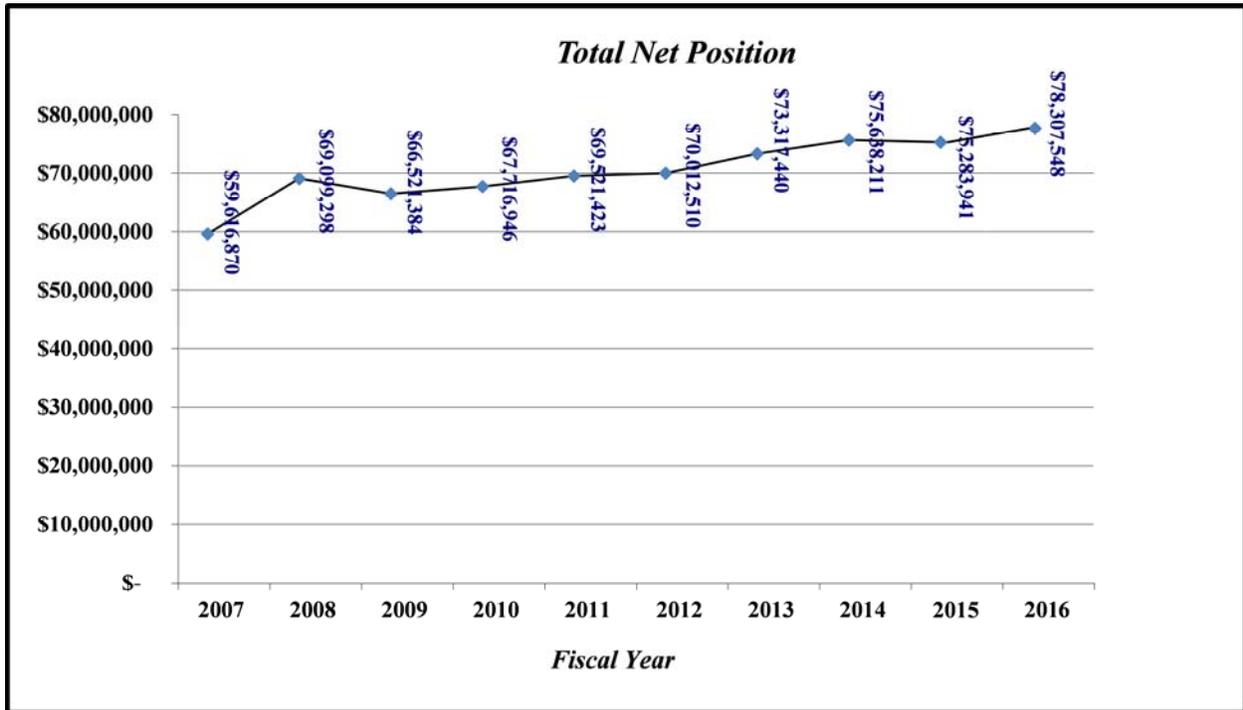
	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current assets	\$ 22,023,810	\$ 25,272,003	\$ 8,976,476	\$ 8,323,108	\$ 31,000,286	\$ 33,595,111
Capital assets	45,682,826	46,013,582	28,813,196	22,266,680	74,496,022	68,280,262
Total assets	67,706,636	71,285,585	37,789,672	30,589,788	105,496,308	101,875,373
Deferred outflows	1,181,546	61,071	360,054	161,918	1,541,600	222,989
Liabilities:						
Current liabilities	2,553,344	1,913,703	2,162,415	1,188,467	4,715,759	3,102,170
Long-term liabilities	16,678,041	16,044,366	7,336,559	7,667,885	24,014,600	23,712,251
Total liabilities	19,231,385	17,958,069	9,498,974	8,856,352	28,730,359	26,814,421
Net position:						
Net investment in capital assets	30,967,182	30,648,842	21,861,740	14,781,799	52,828,922	45,430,641
Restricted	9,783,049	12,128,939	277,089	270,152	10,060,138	12,399,091
Unrestricted	8,906,565	10,610,806	6,511,923	6,843,403	15,418,488	17,454,209
Total net position	\$ 49,656,796	\$ 53,388,587	\$ 28,650,752	\$ 21,895,354	\$ 78,307,548	\$ 75,283,941

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 8.6 to 1 as compared to 13.2 to 1 at June 30, 2015. The current ratio for business-type activities is 4.2 to 1 as compared to 7.0 to 1 at June 30, 2015.

The County reported positive balances in net position for both governmental and business-type activities. Net position decreased \$3,731,791 or 7.0% for governmental activities, and increased \$6,755,398 or 30.9% for business-type activities. The County's overall financial position improved during fiscal year 2016 by \$3,023,607.

Note that approximately 62.4% 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 76.3% of its net position on capital.

The following chart reports the total net position balances from June 30, 2007 – 2016.



Since 2007, the total net position has increased \$18,690,678 or 31.4%.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For The Year Ended June 30, 2016

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	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program:						
Charges for services & fines	\$ 4,893,967	\$ 4,685,830	\$ 7,114,618	\$ 7,269,079	\$ 12,008,585	\$ 11,954,909
Operating grants	50,507	27,667	-	-	50,507	27,667
Capital grants	772,865	876,271	4,440,088	2,763,226	5,212,953	3,639,497
General:						
Taxes	15,696,876	15,965,663	-	-	15,696,876	15,965,663
Other	131,402	124,380	51,019	139,844	182,421	264,224
Total revenues	21,545,617	21,679,811	11,605,725	10,172,149	33,151,342	31,851,960
Program Expenses:						
General government	5,151,331	5,686,369	-	-	5,151,331	5,686,369
Judicial	1,223,962	1,826,715	-	-	1,223,962	1,826,715
Public safety	9,174,110	8,301,191	-	-	9,174,110	8,301,191
Public works	5,616,910	5,314,023	-	-	5,616,910	5,314,023
Health and welfare	288,181	541,978	-	-	288,181	541,978
Culture and recreation	1,466,413	936,247	-	-	1,466,413	936,247
Housing and development	607,082	195,695	-	-	607,082	195,695
Interest	611,051	605,859	-	-	611,051	605,859
Water and sewer	-	-	3,940,504	4,493,710	3,940,504	4,493,710
Solid waste	-	-	1,602,472	1,585,821	1,602,472	1,585,821
Airport	-	-	445,719	506,850	445,719	506,850
Total expenses	24,139,040	23,408,077	5,988,695	6,586,381	30,127,735	29,994,458
Revenues over (under) expenses	(2,593,423)	(1,728,266)	5,617,030	3,585,768	3,023,607	1,857,502
Transfers in (out)	(1,138,368)	(229,124)	1,138,368	229,124	-	-
Net changes in net position	(3,731,791)	(1,957,390)	6,755,398	3,814,892	3,023,607	1,857,502
Beginning net position	53,388,587	55,345,977	21,895,354	18,080,462	75,283,941	73,426,439
Restatement	-	-	-	-	-	-
Ending net position	\$ 49,656,796	\$ 53,388,587	\$ 28,650,752	\$ 21,895,354	\$ 78,307,548	\$ 75,283,941

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 40.6% of the County's total governmental revenues as compared to 41.8% in fiscal year 2015. Sales taxes make up 23.9% of the County's total governmental revenues as compared to 24.0% in fiscal year 2015.

Capital grant and capital contribution type revenue was reported in fiscal year 2016 for the public works function (\$666,765) and the housing and development function (\$106,100) included the following:

Public works:

- Georgia LMIG grant for roads (\$570,926)
- Developer donated road – Abberly Lane (\$95,839)

Housing and development:

- Capital development block grant for roads (\$106,100)

In total, user charges for the governmental user charges increased \$208,137 or 4.4%. State reimbursements for County subsidy payments for state inmates increased by \$156,633, based upon \$20 per day. Likewise, the County realized an increase from the federal prison commission of \$43,651 related to the inmate population.

The County's unrestricted interest earnings to support governmental activities decreased by \$73,601 due to a spend down of cash investments of \$1,357,691. Also, note that program revenues cover 23.7% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 76.3% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The general government and the public safety functions make up approximately 59.3% of the total governmental activities expenses as compared to 59.8% in fiscal year 2015. Public works totals over \$5.6 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 of Services	%	Net Cost of Services	%
General government	\$ 5,151,331	21.3%	\$ (4,316,928)	23.4%
Judicial	1,223,962	5.1%	(1,219,662)	6.6%
Public safety	9,174,110	38.0%	(5,622,002)	30.5%
Public works	5,616,910	23.3%	(4,836,330)	26.3%
Health and welfare	288,181	1.2%	(276,181)	1.5%
Culture and recreation	1,466,413	6.1%	(1,372,858)	7.5%
Housing and development	607,082	2.5%	(166,689)	0.9%
Interest	611,051	2.5%	(611,051)	3.3%
Total	\$ 24,139,040	100.0%	\$ (18,421,701)	100.0%

The public safety function totals 30.5% of the net cost of services and public works totals 26.3% of these costs.

Overall Analysis – For all enterprise funds, total operating revenues decreased \$194,064 or 2.7%. Operating expenses decreased \$598,624 or 9.4%. In total, the operating income increased \$404,560 or 43.0%.

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

	<u>Amount</u>
Water works	\$ 1,080,256
Solid waste	397,446
Airport	(133,336)

The following includes an analysis of the fiscal year 2016 financial activities for each enterprise.

Water Works - The operating income of \$1,080,256 in fiscal year 2016 compares to operating income of \$645,453 in fiscal year 2015. The fiscal year 2016 operating revenues of \$4,812,782 were \$117,652 or 2.4% under fiscal year 2015. Operating expenses decreased \$552,455 or 12.9% due to costs from 2015 for manually monitoring the water tank capacities, due to water tank monitoring software that had to be replaced. In total, this year's operating income is up because of these decreases in expenses versus the prior year.

Solid Waste - The operating income of \$397,446 in fiscal year 2016 compares to operating income of \$452,328 in fiscal year 2015. The fiscal year 2016 operating revenues decreased \$39,913 or 2.0% under fiscal year 2015 because of timber sales during fiscal year 2015 of \$39,600 not duplicated in fiscal year 2016. Operating expenses increased \$14,969 or 0.95%. Depreciation costs increased \$48,359 or 21.6%.

Airport - The operating loss of \$133,336 in fiscal year 2016 compares to an operating loss of \$157,975 in fiscal year 2015. The fiscal year 2016 operating revenues decreased \$36,499 or 10.5% under fiscal year 2015. Operating expenses decreased \$61,138. The general fund transferred in \$1,138,361 to support airport operations and capital projects related to the hanger and runway construction projects. As this project is partially reimbursed by a Federal Aviation Administration grant, it is pertinent to point out that expenses were made before year-end that were not booked as a receivable because formal reimbursements had not been processed as of June 30, 2016.

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 \$20,250,375 as compared to the 2015 fiscal year amount of \$24,132,549. Of this year-end total, \$9,479,357 is unassigned indicating availability for continuing County service requirements. Fund balance includes \$8,905,533 restricted for capital projects, \$164,012 restricted for debt service and \$713,504 restricted for nonmajor special revenue fund purposes. Fund balances assigned for specific purposes totaled \$191,426, fund balance committed to recreation \$349,195 and fund balance includes assets not available for current expenditure of \$447,348, which is tied up in inventory and prepaid assets.

The total ending fund balances of governmental funds show a decrease of \$3,882,174 or a decrease of 16.1% 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 \$1,896,125 in fiscal year 2016 or a decrease of 14.8%. In fiscal year 2015, the fund balance increased \$338,406.

Total revenues decreased \$228,973 or 1.3% from that of fiscal year 2015.

Total taxes including property taxes, motor vehicle taxes and local option sales taxes decreased \$253,770 or 2.0% from that of fiscal year 2015 as the local economy appears to remain flat. Insurance premium taxes increased \$96,318 or 7.1% in fiscal year 2016.

In total, fines and forfeitures increased \$96,786 or 11.9%. Superior court fines increased by \$14,680 and probate court fines increased by \$79,909 fiscal year 2016 as compared to 2015.

Total expenditures decreased \$539,846 or 3.0% below the fiscal year 2015 total.

The general government function costs are down \$226,874 or 4.5% below the fiscal year 2015 amount. The major changes include:

- Buildings and plant purchased services decrease of \$168,863 or 30.1%
- Pension expenditures increased \$44,507 or 5.1% based upon the changes in the actuarial valuation.
- Group health insurance decreased \$105,535 or 8.6%.

In the judicial function, the total expenditure increased just \$57,364 or 5.0%.

The total public safety costs increased \$301,508 or 4.0%. The sheriff's expenditures decreased \$83,549 or 3.1%, most of which relates to capital outlay. Total jail costs increased \$45,257 or 3.4%. The correctional institute expenditures increased \$258,752 or 20.3%. Total contracted service costs increased \$256,880 related to medical and inmate meal services. The fire protection costs increased \$78,466, resulting primarily from the VFD master plan and equipment purchases.

Total public works costs decreased \$712,728 due to primarily to reduced road paving.

The expenditures for the other functions were approximately equal to the fiscal year 2015 amount.

In fiscal year 2016, the general fund's ending unassigned fund balance decreased by \$1,891,888 below the June 30, 2015 balance mostly due to transfers to cover airport construction, E-911 fund supplementation and community center debt service. This unassigned balance of \$9,607,455 is still considered adequate, but a trend of a declining balance has been set. This unassigned portion represents the equivalent of 55.5% of annual expenditures, as compared to 64.4% last year.

Public Improvement Authority – This fund is used to pay the debt service costs at the community center. In prior years, this debt service had been funded from a transfer from the 2009 SPLOST fund. In fiscal year 2016, this fund reported a transfer in of \$286,902 and paid debt service of \$899,983. During fiscal year 2015, this fund recognized a bond sale of \$5,400,000 for the Mulberry Grove project. During fiscal year 2016, this fund spent \$2.39 million of these bond proceeds on this project. The fund balance at year-end is \$301,509.

2009 SPLOST Fund – In fiscal year 2015, this fund reported revenues for investment earnings of \$6,443. The County spent \$810,932 on approved projects for capital outlay and \$38,791 for the distribution of the SPLOST to the cities. The ending fund balance totals over \$3.7 million.

2014 SPLOST Fund – In fiscal year 2016, this fund reported revenues of about \$2.4 million, of which the majority was SPLOST taxes received from the County. The County spent \$404,619 for capital outlay and \$345,805 for the distribution of the SPLOST to the cities. The ending fund balance totals just under \$4.3 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.

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 2016, the Board of Commissioners amended the general fund budget.

The total revenue fund budget was amended upward \$192,162 or 1.2%. The County recognized \$126,827 more than anticipated total revenues, primarily in charges for services and fines.

The expenditure side, excluding transfers, the budget was amended upward \$1,176,976.

The total general government function was under expended \$148,573 or 3.1%, primarily due to lower operations and pension costs. Most other expenditure functions were consistent with the amended budget. In total, including transfers, the expenditure and other financing uses budget was underspent by \$722,868 or 3.8%.

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, 2016, was \$44,499,757 and \$28,813,196 and for June 30, 2015 was \$44,726,887 and \$22,266,680 respectively. The decrease in net investment was \$227,130 for governmental activities and was \$6,546,516 or a 29.4% 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	
	2016	2015	2016	2015	2016	2015
Non-depreciable assets:						
Land	\$ 15,077,803	\$ 14,580,346	\$ 693,751	\$ 623,649	\$ 15,771,554	\$ 15,203,995
Construction in progress	1,589,076	890,581	10,206,060	3,237,160	11,795,136	4,127,741
Total non-depreciable assets:	<u>16,666,879</u>	<u>15,470,927</u>	<u>10,899,811</u>	<u>3,860,809</u>	<u>27,566,690</u>	<u>19,331,736</u>
Depreciable assets:						
Buildings and improvements	20,816,359	20,584,312	2,145,105	2,135,050	22,961,464	22,719,362
Water system and water lines	-	-	6,201,400	5,740,580	6,201,400	5,740,580
Machinery and equipment	20,381,011	19,732,761	25,289,733	25,280,487	45,670,744	45,013,248
Infrastructure	<u>25,451,191</u>	<u>25,355,352</u>	<u>-</u>	<u>-</u>	<u>25,451,191</u>	<u>25,355,352</u>
Total depreciable assets	66,648,561	65,672,425	33,636,238	33,156,117	100,284,799	98,828,542
Less accumulated depreciation	<u>38,815,683</u>	<u>36,416,465</u>	<u>15,722,853</u>	<u>14,750,246</u>	<u>54,538,536</u>	<u>51,166,711</u>
Book value - depreciable assets	<u>27,832,878</u>	<u>29,255,960</u>	<u>17,913,385</u>	<u>18,405,871</u>	<u>45,746,263</u>	<u>47,661,831</u>
Percentage depreciated	<u>58%</u>	<u>55%</u>	<u>47%</u>	<u>44%</u>	<u>54%</u>	<u>52%</u>
Book value - all assets	<u><u>\$ 44,499,757</u></u>	<u><u>\$ 44,726,887</u></u>	<u><u>\$ 28,813,196</u></u>	<u><u>\$ 22,266,680</u></u>	<u><u>\$ 73,312,953</u></u>	<u><u>\$ 66,993,567</u></u>

At June 30, 2016, the depreciable capital assets for governmental activities were 58% depreciated. This compares to 55% at the June 30, 2015 percentage. This comparison indicates that the County is replacing its assets at a slower rate than they are depreciating, which over a period of time, could be a concerning indicator. Indicating an aging asset inventory, 58% depreciated is a relatively high rate for a Georgia government.

With the County's business type activities, 47% of the asset values were depreciated at June 30, 2016, which compares to 44% at June 30, 2015.

In governmental activities, the primary additions for land were for 114.15 acres purchased near the Northwest Harris Industrial Business Park at a cost of \$489,307. The primary additions to the buildings and improvements account was the completion of the Ag Center building and parking lot at a cost of \$207,368. The primary additions to the machinery and equipment account include E-911 computer and fire protection tetra radio system upgrades totaling \$280,650 and 8 new vehicles amongst the sheriff, correctional institute, road maintenance and recreation at a total cost of \$268,253.

In the business type activities, the additions to the construction in progress are the water lines for the Mulberry Grove project and the hanger and runway construction projects at the airport.

Long-term Debt

At the end of this fiscal year, the County reported \$6,481,184 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 \$6,555,504 in revenue bonds relating to water and sewer system improvements.

During the year, the County retired \$347,792 or 5.1% of the beginning outstanding governmental activities community center revenue bonds. The water and sewer fund retired \$447,745 or 6.4% 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

	Governmental Activities		Business-type Activities		Totals		% Change
	2016	2015	2016	2015	2016	2015	
GEFA loans	\$ 1,304,189	\$ 1,407,280	\$ 74,360	\$ 84,616	\$ 1,378,549	\$ 1,491,896	-8%
Revenue bonds	11,881,184	12,228,976	6,555,504	7,003,249	18,436,688	19,232,225	-4%
Capital leases	347,202	441,789	321,592	397,016	668,794	838,805	-20%
Net pension liability	3,649,804	2,455,256	700,381	460,716	4,350,185	2,915,972	49%
Postclosure	-	-	235,130	249,770	235,130	249,770	-6%
Compensated absences	272,325	253,958	68,329	67,101	340,654	321,059	6%
Total	\$ 17,454,704	\$ 16,787,259	\$ 7,955,296	\$ 8,262,468	\$ 25,410,000	\$ 25,049,727	1%

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 favorable 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.

The estimated 2015 unemployment rate for the County is 5.1%. This rate compares to the State of Georgia's rate of 5.1% and the United States rate of 4.7%, both for the same period. In June 2015, there were 14,658 employed in the County.

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, 30401.

Harris County, Georgia
Statement of Net Position
June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	\$ 11,030,333	\$ 4,802,236	\$ 15,832,569	\$ 772,932
Restricted cash	861,709	727,160	1,588,869	465,542
Investments	4,814,559	4,760,113	9,574,672	-
Receivables:				
Accounts	122,171	591,220	713,391	-
Interest	11,693	1,299	12,992	-
Property taxes	198,453	-	198,453	-
TAVT	157,420	-	157,420	-
Sales taxes	476,737	-	476,737	-
Intergovernmental	278,536	1,347,095	1,625,631	22,053
Notes	103,626	-	103,626	-
Lease	-	-	-	884,210
Interfund	3,521,210	(3,521,210)	-	-
Component unit	15	-	15	-
Inventory	311,758	219,969	531,727	-
Prepaid items	135,590	48,594	184,184	-
Total Current Assets	22,023,810	8,976,476	31,000,286	2,144,737
Non-current Assets				
Lease receivable	-	-	-	9,018,736
Notes receivable (net of current portion)	1,183,069	-	1,183,069	-
Capital assets (Note 3E)				
Nondepreciable	16,666,879	10,899,811	27,566,690	-
Depreciable, net	27,832,878	17,913,385	45,746,263	4,524,535
Total Non-current Assets	45,682,826	28,813,196	74,496,022	13,543,271
Total Assets	67,706,636	37,789,672	105,496,308	15,688,008
Deferred Outflows of Resources (Note 3-D)	1,181,546	360,054	1,541,600	78,683
Total Assets and Deferred Outflows of Resources	68,888,181	38,149,726	107,037,908	15,766,691
Liabilities				
Current Liabilities				
Accounts payable	971,936	702,083	1,674,019	-
Retainage payable	70,727	323,057	393,784	-
Accrued expenses payable	480,702	63,481	544,183	33,471
Accrued interest payable	252,315	14,589	266,904	135,029
Customer deposits payable	-	440,469	440,469	-
Due to component unit	-	-	-	15
Compensated absences payable	217,860	54,663	272,523	3,357
Unearned revenue	1,000	-	1,000	-
Closure and postclosure care liability	-	25,258	25,258	-
GEFA loan payable	106,354	10,256	116,610	-
Revenue bonds payable	355,000	450,000	805,000	441,082
Capital lease payable	97,450	78,559	176,009	-
Total Current Liabilities	2,553,344	2,162,415	4,715,759	612,954
Long-Term Liabilities (Note 3H) (net of current portion)				
Compensated absences payable	54,465	13,665	68,130	30,217
Closure and postclosure care liability	-	209,872	209,872	-
Net pension liability	3,649,805	700,381	4,350,186	495,932
GEFA loan payable	1,197,835	64,104	1,261,939	-
Capital leases payable	249,752	243,033	492,785	-
Revenue bonds payable	11,526,184	6,105,504	17,631,688	8,598,902
Total Long-Term Liabilities	16,678,041	7,336,559	24,014,600	9,125,051
Deferred Inflows of Resources (Note 3-D)	-	-	-	1,187,799
Total Liabilities and Deferred Inflows of Resources	19,231,385	9,498,974	28,730,359	10,925,804
Net Position				
Net investment in capital assets (Note 3J)	30,967,182	21,861,740	52,828,922	4,524,535
Restricted for:				
Capital projects	8,905,533	-	8,905,533	23,731
Debt service	164,012	277,089	441,101	441,811
Specific health program	-	-	-	248,244
Public safety	653,655	-	653,655	-
Law library	59,849	-	59,849	-
Unrestricted (deficit)	8,906,565	6,511,923	15,418,488	(397,434)
Total Net Position	\$ 49,656,796	\$ 28,650,752	\$ 78,307,548	\$ 4,840,887

See accompanying notes to the basic financial statements

Harris County, Georgia
 Balance Sheet
 Governmental Funds
 June 30, 2016
 (With Comparative Totals at June 30, 2015)

	2016							2015	
	General	2009 SPLOST	2014 SPLOST	Callaway Debt Service	Public Improvement Authority	Transportation Investment Act	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	\$ 1,824,024	\$ 3,221,221	\$ 3,995,976	\$ 24,560	-	\$ 877,377	\$ 1,087,175	\$ 11,030,333	\$ 9,513,419
Investments	3,703,363	888,052	223,144	-	-	-	-	4,814,559	\$ 7,689,164
Restricted cash	539,356	-	887	-	321,466	-	-	861,709	4,162,343
Receivables:									
Accounts	-	-	1,799	-	-	-	120,372	122,171	122,989
Property taxes	198,453	-	-	-	-	-	-	198,453	190,944
TAVT	157,420	-	-	-	-	-	-	157,420	195,853
Sales taxes	165,648	-	226,289	-	-	84,800	-	476,737	537,263
Interest	8,100	3,458	135	-	-	-	-	11,693	28,381
Intergovernmental	102,435	-	-	-	-	-	106,100	208,535	165,630
Notes	-	-	-	1,286,695	-	-	-	1,286,695	1,390,321
Interfund	4,861,275	-	26,013	-	-	-	93,321	4,980,609	5,609,042
Component units	15	-	-	-	-	-	-	15	15
Inventory	311,758	-	-	-	-	-	-	311,758	333,766
Prepaid items	135,590	-	-	-	-	-	-	135,590	104,761
Total Assets	\$ 12,007,437	\$ 4,112,731	\$ 4,474,243	\$ 1,311,255	\$ 321,466	\$ 962,177	\$ 1,406,968	\$ 24,596,277	\$ 30,043,891
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 530,164	\$ 255,833	\$ 177,343	\$ -	\$ -	\$ -	\$ 8,596	\$ 971,936	\$ 404,759
Accrued expenditures payable	463,804	-	-	-	-	-	16,898	480,702	512,474
Retainage payable	1,887	68,840	-	-	-	-	70,727	1,262	1,262
Interfund payable	1,215	84,321	64	-	19,957	1,090,275	263,567	1,459,399	3,533,813
Unearned revenue	-	-	-	1,286,695	-	-	1,000	1,287,695	1,390,321
Total Liabilities	997,070	408,994	177,407	1,286,695	19,957	1,090,275	290,061	4,270,459	5,842,629
Deferred Inflows of Resources	75,443	-	-	-	-	-	-	75,443	68,713
Total Liabilities and Deferred Inflows of Resources	1,072,513	408,994	177,407	1,286,695	19,957	1,090,275	290,061	4,345,902	5,911,342
Fund Balances									
Nonspendable	447,348	-	-	-	-	-	-	447,348	438,527
Restricted	530,926	3,703,737	4,296,836	24,560	301,509	-	925,481	9,783,049	12,128,939
Committed	349,195	-	-	-	-	-	-	349,195	360,000
Assigned	-	-	-	-	-	-	191,426	191,426	179,426
Unassigned	9,607,455	-	-	-	-	(128,098)	-	9,479,357	11,025,657
Total Fund Balances	10,934,924	3,703,737	4,296,836	24,560	301,509	(128,098)	1,116,907	20,250,375	24,132,549
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 12,007,437	\$ 4,112,731	\$ 4,474,243	\$ 1,311,255	\$ 321,466	\$ 962,177	\$ 1,406,968	\$ 24,596,277	\$ 30,043,891

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, 2016

Total Governmental Fund Balances	\$	20,250,375
 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	\$ 83,315,440	
Less accumulated depreciation	<u>(38,815,683)</u>	44,499,757
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes		75,443
Long-term note receivable not available to pay current expenditures.		1,286,695
Deferred outflows for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.		1,181,546
Federal credit subsidy receivable		70,000
Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but eliminated on the government-wide statement of net position.		
Interfund receivables	\$ (2,168,135)	
Interfund payables	<u>2,168,135</u>	-
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	\$ (11,881,184)	
GEFA loan payable	(1,304,189)	
Capital leases payable	(347,202)	
Net pension liability payable	(3,649,805)	
Accrued interest payable	(252,315)	
Compensated absences payable	<u>(272,325)</u>	<u>(17,707,020)</u>
 Net Position of Governmental Activities	 \$	 <u><u>49,656,796</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, 2016
(With Comparative Totals For the Year Ended June 30, 2015)

	2016							2015	
	General	2009 SPLOST	2014 SPLOST	Callaway Debt Service	Public Improvement Authority	Transportation Investment Act	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Revenues									
Taxes	\$ 12,271,378	\$ -	\$ 2,414,515	\$ -	\$ -	\$ 959,952	\$ 44,301	\$ 15,690,146	\$ 15,974,996
Intergovernmental	601,433	-	-	-	94,250	-	106,100	801,783	959,394
Licenses and permits	323,859	-	-	-	-	-	-	323,859	268,473
Charges for services	2,661,436	-	-	103,626	-	-	654,972	3,420,034	3,404,961
Interest	-	-	-	40,331	108,000	-	-	148,331	156,744
Fines and forfeitures	913,295	-	-	-	-	-	96,449	1,009,744	899,939
Investment earnings	15,443	6,443	8,507	-	149	-	-	30,542	104,143
Contributions and donations	20,000	-	-	-	-	-	-	20,000	-
Miscellaneous	91,194	-	-	-	-	-	-	91,194	14,983
Total Revenues	16,898,038	6,443	2,423,022	143,957	202,399	959,952	901,822	21,535,633	21,783,633
Expenditures									
Current:									
General government	4,822,928	-	-	-	-	-	-	4,822,928	5,054,436
Judicial	1,214,580	-	-	-	-	-	4,254	1,218,834	1,826,438
Public safety	7,790,996	-	-	-	-	-	762,582	8,553,578	7,679,283
Public works	1,831,751	-	-	-	-	-	-	1,831,751	2,544,479
Health and welfare	287,886	-	-	-	-	-	295	288,181	289,819
Culture and recreation	975,554	-	-	-	-	-	-	975,554	935,654
Housing and development	295,572	-	-	-	-	-	122,516	418,088	337,403
Intergovernmental	-	38,791	345,805	-	-	-	-	384,596	187,992
Capital Outlay	-	810,932	404,619	-	2,387,988	631,868	406,223	4,641,630	5,254,545
Debt Service:									
Principal retirement	94,587	-	-	103,091	350,000	-	-	547,678	483,935
Interest and fiscal charges	12,807	-	-	40,866	549,983	-	-	603,656	392,156
Trustee Fee	-	-	-	-	4,008	-	-	4,008	-
Bond issuance costs	-	-	-	-	-	-	-	-	104,000
Total Expenditures	17,326,661	849,723	750,424	143,957	3,291,979	631,868	1,295,870	24,290,482	25,090,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(428,623)	(843,280)	1,672,598	-	(3,089,580)	328,084	(394,048)	(2,754,849)	(3,306,507)
Other Financing Sources (Uses)									
Insurance proceeds	11,036	-	-	-	-	-	-	11,036	6,285
Inception of capital leases	-	-	-	-	-	-	-	-	495,613
Issuance of revenue bonds	-	-	-	-	-	-	-	-	5,400,000
Transfers in	10,381	-	-	-	286,902	-	147,085	444,368	1,694,168
Transfers out	(1,488,919)	-	(83,429)	-	-	-	(10,381)	(1,582,729)	(1,923,292)
Total Other Financing Sources (Uses)	(1,467,502)	-	(83,429)	-	286,902	-	136,704	(1,127,325)	5,672,774
Net Change in Fund Balances	(1,896,125)	(843,280)	1,589,169	-	(2,802,678)	328,084	(257,344)	(3,882,174)	2,366,267
Fund Balances Beginning of Year	12,831,049	4,547,017	2,707,667	24,560	3,104,187	(456,182)	1,374,251	24,132,549	21,766,282
Fund Balances End of Year	\$ 10,934,924	\$ 3,703,737	\$ 4,296,836	\$ 24,560	\$ 301,509	\$ (128,098)	\$ 1,116,907	\$ 20,250,375	\$ 24,132,549

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, 2016

Net Changes In Fund Balances - Total Governmental Funds \$ (3,882,174)

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.

Depreciation expense	\$ (2,399,218)	
Capital outlay	<u>2,110,449</u>	(288,769)

Capital assets contributed are not reported at the fund financial reporting level but are reported on the government-wide financial reporting level. 95,839

Pension expense is reported on the government-wide statement of activities but not reported at the fund financial reporting level) (87,124)

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.

Property taxes:		
Deferred @ 6/30/16	\$ 75,443	
Deferred @ 6/30/15	<u>(68,713)</u>	6,730

Miscellaneous reconciling items (103,395)

Transfers between governmental funds are reported in the governmental funds operating statement but are eliminated on the government-wide statement of activities:

Transfers in	\$ (444,361)	
Transfers out	<u>444,361</u>	-

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. 547,678

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.

Liability @ 6/30/16	\$ (272,325)	
Liability @ 6/30/15	<u>253,957</u>	(18,368)

Change In Net Position of Governmental Activities \$ (3,731,791)

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Net Position
June 30, 2016

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 425,534	\$ 4,376,702	\$ -	\$ 4,802,236
Restricted cash	727,160	-	-	727,160
Investments	2,734,719	2,025,394	-	4,760,113
Receivables:				
Accounts	549,827	41,393	-	591,220
Interest	1,299	-	-	1,299
Interfund	-	-	-	-
Intergovernmental	-	3,731	1,343,364	1,347,095
Prepaid items	32,488	15,699	407	48,594
Inventories	171,882	-	48,087	219,969
Total Current Assets	4,642,909	6,462,919	1,391,858	12,497,686
Capital Assets				
Nondepreciable	5,683,175	199,250	5,017,386	10,899,811
Depreciable, net	14,152,415	828,105	2,932,865	17,913,385
Total Capital Assets	19,835,590	1,027,355	7,950,251	28,813,196
Deferred Outflows of Resources (Note 3-D)	292,699	61,743	5,612	360,054
Total Assets and Deferred Outflows of Resources	24,771,198	7,552,017	9,347,721	41,670,936
Liabilities				
Current Liabilities:				
Accounts payable	9,607	-	692,476	702,083
Retainage payable	-	-	323,057	323,057
Accrued expenses payable	46,941	14,642	1,898	63,481
Accrued interest payable	14,589	-	-	14,589
Customer deposits payable	440,469	-	-	440,469
Interfund payable	404,461	1,363,768	1,752,981	3,521,210
Compensated absences payable	40,298	13,344	1,021	54,663
Closure and postclosure care payable	-	25,258	-	25,258
Revenue bonds payable	450,000	-	-	450,000
GEFA loans payable	10,256	-	-	10,256
Capital leases payable	-	78,559	-	78,559
Total Current Liabilities	1,416,621	1,495,571	2,771,433	5,683,625
Long-term Liabilities (Net of current portion):				
Compensated absences payable	10,074	3,336	255	13,665
Closure and postclosure care payable	-	209,872	-	209,872
Revenue bonds payable	6,105,504	-	-	6,105,504
GEFA loans payable	64,104	-	-	64,104
Capital leases payable	-	243,033	-	243,033
Net pension liability	491,571	191,409	17,401	700,381
Total Long-term Liabilities:	6,671,253	647,650	17,656	7,336,559
Total Liabilities	8,087,874	2,143,221	2,789,089	13,020,184
Net Position				
Net investment in capital assets	13,205,726	705,763	7,950,251	21,861,740
Restricted	277,089	-	-	277,089
Unrestricted	3,200,509	4,703,033	(1,391,619)	6,511,923
Total Net Position	\$ 16,683,324	\$ 5,408,796	\$ 6,558,632	\$ 28,650,752

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, 2016

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Operating Revenues				
Charges for services	\$ 4,812,782	\$ 1,989,460	\$ 312,376	\$ 7,114,618
Total Operating Revenues	4,812,782	1,989,460	312,376	7,114,618
Operating Expenses				
Personal services	1,413,122	580,488	57,183	2,050,793
Purchased services	1,412,886	93,542	45,344	1,551,772
Purchased services - tipping fees	-	502,696	-	502,696
Cost of sales	-	-	215,341	215,341
Materials and supplies	219,532	143,464	3,725	366,721
Depreciation	686,986	271,824	124,126	1,082,936
Total Operating Expenses	3,732,526	1,592,014	445,719	5,770,259
Operating Income (Loss)	1,080,256	397,446	(133,343)	1,344,359
Non-operating Revenue (Expenses)				
Investment earnings	5,178	45,841	-	51,019
Interest and fiscal charges	(207,978)	(10,458)	-	(218,436)
Total Non-operating Revenue (Expenses)	(202,800)	35,383	-	(167,417)
Income (Loss) Before Capital Contributions and Transfers In	877,456	432,829	(133,343)	1,176,942
Capital Contributions	2,387,988	-	2,052,100	4,440,088
Transfers In	-	-	1,138,368	1,138,368
Change in Net Position	3,265,444	432,829	3,057,125	6,755,398
Net Position Beginning of Year	13,417,880	4,975,967	3,501,507	21,895,354
Net Position End of Year	\$ 16,683,324	\$ 5,408,796	\$ 6,558,632	\$ 28,650,752

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2016

	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	\$ 4,781,684	\$ 1,989,460	\$ 312,376	\$ 7,083,520
Cash payments for personal services	(1,419,440)	(599,468)	(53,252)	(2,072,160)
Cash payments for goods and services	(1,613,341)	(768,787)	(262,214)	(2,644,342)
Net Cash Provided by (Used in) Operating Activities	<u>1,748,903</u>	<u>621,205</u>	<u>(3,090)</u>	<u>2,367,018</u>
Cash Flows from Noncapital Financing Activities				
Interfund payable	165,762	(420,818)	1,700,984	1,445,928
Net Cash Flows from Noncapital Financing Activities	<u>165,762</u>	<u>(420,818)</u>	<u>1,700,984</u>	<u>1,445,928</u>
Cash Flows from Capital and Related Financing Activities				
Principal paid on GEFA loans	(10,256)	-	-	(10,256)
Principal paid on revenue bonds	(435,000)	-	-	(435,000)
Interest paid on capital debt	(181,598)	(75,424)	-	(257,022)
Interest paid on notes	-	(10,458)	-	(10,458)
Acquisition of capital assets	(690,936)	-	(3,544,998)	(4,235,934)
Transfers in	-	-	1,847,104	1,847,104
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,317,790)</u>	<u>(85,882)</u>	<u>(1,697,894)</u>	<u>(3,101,566)</u>
Cash Flows from Investing Activities				
Investment earnings	4,621	46,696	-	51,317
Net Increase (Decrease) in Cash and Cash Equivalents	601,496	161,201	-	762,697
Cash and Cash Equivalents Beginning of Year	<u>3,285,917</u>	<u>6,240,895</u>	<u>-</u>	<u>9,526,812</u>
Cash and Cash Equivalents End of Year	<u>\$ 3,887,413</u>	<u>\$ 6,402,096</u>	<u>\$ -</u>	<u>\$ 10,289,509</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 1,080,256	\$ 397,446	\$ (133,343)	\$ 1,344,359
Adjustments:				
Depreciation	686,986	\$ 271,824	124,126	1,082,936
(Increase) Decrease in Assets:				
Accounts receivable	(39,612)	2,700	-	(36,912)
Prepaid items	26,427	(623)	850	26,654
Inventories	12,762	-	3,910	16,672
Increase (Decrease) in Liabilities:				
Accounts payable	(30,212)	(44,742)	-	(74,954)
Retainage payable	-	-	-	-
Accrued expenses payable	7,779	3,470	604	11,853
Customer deposits payable	8,514	-	-	8,514
Compensated absences payable	335	1,216	346	1,897
Other	(4,332)	(10,086)	417	(14,001)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,748,903</u>	<u>\$ 621,205</u>	<u>\$ (3,090)</u>	<u>\$ 2,367,018</u>
Non-cash Capital Activities:				
Contributions from the public improvements authority fund for the construction of capital assets	<u>\$ 2,387,988</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,387,988</u>

See accompanying notes to the basic financial statements

Harris County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Fiduciary Funds - Agency Funds
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	\$ 1,414,659	\$ 1,286,055
Due from others	345,220	309,703
Total Assets	\$ 1,759,879	\$ 1,595,758
Liabilities		
Due to others	\$ 1,759,879	\$ 1,595,758

See accompanying notes to the basic financial statements

Harris County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2016

	Department of Public Health	Development Authority	Total
Assets			
Current:			
Cash and cash equivalents	\$ 660,089	\$ 112,843	\$ 772,932
Restricted cash and cash equivalents	-	465,542	465,542
Receivables:			
Intergovernmental	22,053	-	22,053
Lease	-	884,210	884,210
Total Current	682,142	1,462,595	2,144,737
Noncurrent :			
Lease receivable (net of current portion)	-	9,018,736	9,018,736
Capital assets:			
Nondepreciable capital assets	13,867	4,510,668	4,524,535
Total Noncurrent	13,867	13,529,404	13,543,271
Total Assets	696,009	14,991,999	15,688,008
Deferred Outflows of Resources	78,683	-	78,683
Total Assets and Deferred Outflows of Resources	774,692	14,991,999	15,766,691
Liabilities			
Current Liabilities:			
Compensated absences payable	3,357	-	3,357
Intergovernmental payable	33,471	-	33,471
Accrued interest payable	-	135,029	135,029
Due to component unit	-	15	15
Revenue bonds payable	-	441,082	441,082
Total Current Liabilities:	36,828	576,126	612,954
Long-term Liabilities: (net of current portion)			
Compensated absences payable	30,217	-	30,217
Net pension liability	495,932	-	495,932
Revenue bonds payable	-	8,598,902	8,598,902
Total Liabilities	526,149	8,598,902	9,125,051
Deferred Inflows of Resources	59,146	1,128,653	1,187,799
Total Liabilities and Deferred Inflows of Resources	622,123	10,303,681	10,925,804
Net Position			
Net investment in capital assets	13,867	4,510,668	4,524,535
Restricted for:			
Specific health program	248,244	-	248,244
Capital projects	-	23,731	23,731
Debt service	-	441,811	441,811
Unrestricted (deficit)	(109,542)	(287,892)	(397,434)
Total Net Position	\$ 152,569	\$ 4,688,318	\$ 4,840,887

See accompanying notes to the basic financial statements

Harris County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2016

	Department of Public Health	Development Authority	Total
Expenses			
Health and welfare	\$ 654,354	\$ -	\$ 654,354
Community development	-	500,890	500,890
Economic development	-	200,000	200,000
Total Expenses	654,354	700,890	1,355,244
Revenues			
Program revenues:			
Charges for services	295,137	-	295,137
Operating grants and contributions	461,313	200,000	661,313
Total Program Revenues	756,450	200,000	956,450
Net Program Revenue (Expense)	102,096	(500,890)	(398,794)
General Revenues			
Miscellaneous	-	27,725	27,725
Investment earnings	-	542,107	542,107
Total General Revenues	-	569,832	569,832
Change in Net Position	102,096	68,942	171,038
Net Position Beginning of Year	50,473	4,619,376	4,669,849
Net Position End of Year	\$ 152,569	\$ 4,688,318	\$ 4,840,887

See accompanying notes to the basic financial statements

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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, 2016 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, 2016

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, 2016.

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 requires 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 is accounted for as a sales-type lease with a receivable established to account for the future payments (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.

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).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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:

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.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

2009 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, 2009 for funding various capital outlay projects including road, street and bridge projects, a library, EMS/fire/sheriff equipment, a community center and economic development projects.

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.

Public Improvement Authority Capital Projects Fund – This fund is a blended component unit of the County. This fund is used to account for the costs of projects that promote industrial and commercial development within the County, as well as accounting for the related debt service.

Transportation Investment Act Capital Projects Fund – This fund is used to account for a 1% regional sales tax which funds transportation improvements, which includes County roads.

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, 2016

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.

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.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2016, 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.

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.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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:

- Committed
- Assigned
- Unassigned

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

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 2015, the County implemented the following GASB Standards:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The provisions of this Statement establish accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. Implementation of this statement requires a restatement to beginning net position. The adoption of this statement has a significant impact on the County's financial statements.

GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB No. 68. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of the statement. This statement amends paragraph 137 of Statement No. 68 which limited recognition of pension-related deferred inflows of resources at the transition to circumstances in which it is practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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 2016 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 2016 annual budget:

General Fund	
Voter registration	\$ 3,033
General administration	30,409
Tax commissioner	11,568
Pensions and insurance	38,055
Correctional institution	33,061
Coroner	2,366
Vehicle maintenance	74,161
Library	1,909
Debt service	107,394
Transfers out	416,053
Hotel/motel Fund – transfers out	10,381
E-911 Fund	204,104
Law library – judicial	54
Jail fee fund – public safety	8,478

2-C. Fund Deficits

The transportation investment act (TIA) fund reports a deficit of \$128,098 resulting from road construction costs exceeding current TIA tax collections. This deficit will be eliminated through subsequent year's tax collections.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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, 2016, 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	\$ 11,030,333
Governmental Funds - Balance Sheet - Restricted	861,709
Proprietary Fund Type Statement of Net Position	4,802,236
Proprietary Fund Type Statement of Net Position - Restricted	727,160
Statement of Fiduciary Assets and Liabilities	1,414,659
 Total	 \$ 18,836,097

3-B. Receivables

Receivables at June 30, 2016, 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 - \$26,784

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, 2016

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
2017	106,870	37,087	143,957
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 - 2026	659,363	60,422	719,785
2027	59,664	447	60,111
	<u>\$ 1,286,695</u>	<u>\$ 212,985</u>	<u>\$ 1,499,680</u>

Lease Receivable – The lease receivable for the Harris County Development Authority as of June 30, 2016 balance of \$9,902,946 is the result of a capital lease entered into between the County and JCI as described in Note 1A. The Authority issued bonds to support the construction and expansion of the building leased by JCI in fiscal years 2009 and 2011. The lease is 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. The interest income is recognized and reported as interest income over the life of the lease. Interest income recognized in the current fiscal year is reported in charges for services in the amount of \$542,107. Lease payments support the debt service of the 2008 and 2010 revenue bonds (Note 3-H).

Under the agreement between the County and JCI, JCI will reimburse the County for costs related to the bonds through lease payments as follows:

Year	Total Lease Payments
2017	884,210
2018	884,210
2019	884,210
2020	<u>7,250,316</u>
Total minimum payments	9,902,946
Less amounts representing interest	<u>1,128,653</u>
Present value of minimum capital lease payments	<u>\$ 8,774,293</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

3-C. Restricted Assets

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

General fund:	
LMIG funds	\$ 530,926
Walking trail	<u>8,430</u>
Total	<u>\$ 539,356</u>
2014 SPLOST fund - deposit with investment broker	887
PIA fund – construction and debt service	321,466

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 28, 2015. Property taxes were billed on September 28, 2015 and are due upon receipt, however, the due date was December 20, 2015 and became delinquent on December 21, 2015.

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, 2016

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, 2016, was as follows:

	Balance 7/1/2015	Additions	Deductions	Balance 6/30/2016
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 14,580,346	\$ 497,457	\$ -	\$ 15,077,803
Construction in progress	890,581	940,063	241,568	1,589,076
Total nondepreciable capital assets	<u>15,470,927</u>	<u>1,437,520</u>	<u>241,568</u>	<u>16,666,879</u>
Depreciable capital assets:				
Buildings and improvements	20,584,312	232,047	-	20,816,359
Machinery and equipment	19,732,761	648,250	-	20,381,011
Infrastructure	25,355,352	95,839	-	25,451,191
Total depreciable capital assets	<u>65,672,425</u>	<u>976,136</u>	<u>-</u>	<u>66,648,561</u>
Total capital assets	<u>81,143,352</u>	<u>2,413,656</u>	<u>241,568</u>	<u>83,315,440</u>
Accumulated depreciation:				
Buildings	5,837,124	529,365	-	6,366,489
Machinery and equipment	15,385,489	1,075,875	-	16,461,364
Infrastructure	15,193,852	793,978	-	15,987,830
Total accumulated depreciation	<u>36,416,465</u>	<u>2,399,218</u>	<u>-</u>	<u>38,815,683</u>
Governmental activities capital assets, net	<u>\$ 44,726,887</u>	<u>\$ 14,438</u>	<u>\$ 241,568</u>	<u>\$ 44,499,757</u>
Governmental activities depreciation expense				
General government		\$ 265,955		
Public safety		821,200		
Public works		1,039,494		
Culture and recreation		<u>272,569</u>		
Total governmental activities depreciation expense		<u>\$ 2,399,218</u>		

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

	Balance 7/1/2015	Additions	Deductions	Balance 6/30/2016
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 623,649	\$ 70,102	\$ -	\$ 693,751
Construction in progress	3,237,160	6,968,900	-	10,206,060
Total nondepreciable capital assets	3,860,809	7,039,002	-	10,899,811
Depreciable capital assets:				
Buildings and improvements	2,135,050	10,055	-	2,145,105
Machinery and equipment	5,740,580	571,149	110,329	6,201,400
Infrastructure	25,280,487	9,246	-	25,289,733
Total depreciable capital assets	33,156,117	590,450	110,329	33,636,238
Total capital assets	37,016,926	7,629,452	110,329	44,536,049
Accumulated depreciation:				
Buildings and improvements	260,429	48,811	-	309,240
Machinery and equipment	3,135,345	981,924	110,329	4,006,940
Infrastructure	11,354,472	52,201	-	11,406,673
Total accumulated depreciation	14,750,246	1,082,936	110,329	15,722,853
Business-type activities capital assets, net	<u>\$ 22,266,680</u>	<u>\$ 6,546,516</u>	<u>\$ -</u>	<u>\$ 28,813,196</u>

The depreciation expense for the business-type activities relates to the water works fund, \$686,986, the solid waste fund \$271,824 and the airport fund, \$124,126.

Capital asset activity for the development authority component unit for the year ended June 30, 2016, was as follows:

	Balance 7/1/2015	Additions	Deductions	Balance 6/30/2016
Harris County Development Authority				
Nondepreciable capital assets:				
Land	\$ 34,341	\$ -	\$ -	\$ 34,341
Construction in progress	4,476,327	-	-	4,476,327
Total nondepreciable capital assets	<u>\$ 4,510,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,510,668</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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 School System 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 (\$75,443). 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, 2016:

Deferred Outflows of Resources	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Deferred outflows related to pensions	\$ 1,181,546	\$ 221,713	\$ 1,403,259	\$ 78,683
Deferred amounts from refunding of debt	-	138,341	138,341	-
Total	\$ 1,181,546	\$ 360,054	\$ 1,541,600	\$ 78,683

Deferred Inflows of Resources	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Deferred outflows related to pensions	-	-	-	1,187,799
Total	\$ -	\$ -	\$ -	\$ 1,187,799

3-G. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2016, 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, 2016

The following table includes the interfund receivables and payables at June 30, 2016:

Payable to:	Payable from:									Total
	General	2009 SPLOST	2014 SPLOST	PIA	TIA	Nonmajor govern.	Water works	Solid waste	Airport	
General	\$ -	\$ 1,486	\$ 64	\$19,957	\$1,090,275	\$228,283	\$404,461	\$1,363,768	\$1,752,981	\$ 4,861,275
2014 SPLOST	-	-	-	-	-	26,013	-	-	-	26,013
Nonmajor govern.	1,215	82,835	-	-	-	9,271	-	-	-	93,321
Total	\$ 1,215	\$ 84,321	\$ 64	\$19,957	\$1,090,275	\$263,567	\$404,461	\$1,363,768	\$1,752,981	\$ 4,980,609

The County expects to repay all interfund balances within one year. Note 3 - Detailed Notes on All Funds

Interfund Transfers - Interfund transfers for the year ended June 30, 2016, consisted of the following:

Transfers to	Transfers from			Total
	General	2014 SPLOST	Nonmajor govern.	
General	\$ -	\$ -	\$ 10,381	\$ 10,381
PIA	286,902	-	-	286,902
Non-major governmental	147,085	-	-	147,085
Airport	1,054,932	83,429	-	1,138,361
Total	\$1,488,919	\$ 83,429	\$ 10,381	\$ 1,582,729

The transfer from the general fund to the PIA was for the partial 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 and 2014 SPLOST 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, 2016.

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, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this loan payable as of June 30, 2016 follow:

Year	Principal	Interest	Total
2017	106,354	37,603	143,957
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 - 2026	656,070	63,716	719,786
2027	83,269	833	84,102
	<u>\$ 1,304,190</u>	<u>\$ 219,483</u>	<u>\$ 1,523,674</u>

Governmental Activities |Bonds Payable - The County has two outstanding bond issues outstanding at June 30, 2016.

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, 2016 follow:

Year	Principal	Interest	Total
2017	355,000	318,179	673,179
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 - 2026	2,135,000	1,099,687	3,234,687
2027 - 2031	2,530,000	302,660	2,832,660
	<u>\$ 6,520,000</u>	<u>\$ 2,859,313</u>	<u>\$ 9,379,313</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, 2016

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, 2016 follow:

Year	Principal	Interest	Total
2017	-	216,000	216,000
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>\$ 4,104,000</u>	<u>\$ 9,504,000</u>

Governmental Activities | Capital Leases Payable - The County has six outstanding capital leases payable at June 30, 2016.

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 \$43,805 (cost of \$62,578 less accumulated depreciation of \$18,773).

Annual debt service requirements to this lease payable as of June 30, 2016 follow:

Year	Principal	Interest	Total
2017	12,304	1,256	13,560
2018	12,704	856	13,560
2019	13,117	443	13,560
2020	6,718	62	6,780
Total	<u>\$ 44,843</u>	<u>\$ 2,617</u>	<u>\$ 47,460</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 \$71,695 (cost of \$102,422 less accumulated depreciation of \$30,727).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this note payable as of June 30, 2016 follow:

Year	Principal	Interest	Total
2017	20,139	2,055	22,194
2018	20,793	1,434	22,227
2019	21,468	726	22,194
2020	10,995	103	11,098
Total	<u>\$ 73,395</u>	<u>\$ 4,318</u>	<u>\$ 77,713</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 \$71,695 (cost of \$102,422 less accumulated depreciation of \$30,727).

Annual debt service requirements to this note payable as of June 30, 2016 follow:

Year	Principal	Interest	Total
2017	20,139	2,055	22,194
2018	20,793	1,434	22,227
2019	21,468	726	22,194
2020	10,995	103	11,098
Total	<u>\$ 73,395</u>	<u>\$ 4,318</u>	<u>\$ 77,713</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 \$71,695 (cost of \$102,422 less accumulated depreciation of \$30,727).

Annual debt service requirements to this note payable as of June 30, 2016 follow:

Year	Principal	Interest	Total
2017	20,139	2,055	22,194
2018	20,793	1,434	22,227
2019	21,468	726	22,194
2020	10,995	103	11,098
Total	<u>\$ 73,395</u>	<u>\$ 4,318</u>	<u>\$ 77,713</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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 \$35,275 (cost of \$50,393 less accumulated depreciation of \$15,118).

Annual debt service requirements to this note payable as of June 30, 2016 follow:

Year	Principal	Interest	Total
2017	8,010	1,012	9,022
2018	8,332	690	9,022
2019	8,665	357	9,022
2020	3,153	51	3,204
Total	<u>\$ 28,160</u>	<u>\$ 2,110</u>	<u>\$ 30,270</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 \$52,763 (cost of \$75,376 less accumulated depreciation of \$22,613).

Annual debt service requirements to this note payable as of June 30, 2016 follow:

Year	Principal	Interest	Total
2017	14,821	1,512	16,333
2018	15,302	1,031	16,333
2019	15,799	534	16,333
2020	8,092	74	8,166
Total	<u>\$ 54,014</u>	<u>\$ 3,151</u>	<u>\$ 57,165</u>

Business-type Activities – The County has one outstanding GEFA loan 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, 2016 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, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity as of June 30, 2016 are as follows:

Year	Principal	Interest	Total
2017	10,256	\$ -	\$ 10,256
2018	10,256	-	10,256
2019	10,256	-	10,256
2020	10,256	-	10,256
2021	10,256	-	10,256
2022-2024	23,080	-	23,080
Total	\$ 74,360	\$ -	\$ 74,360

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, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity as of June 30, 2016 are as follows:

Fiscal Year Ending	Principal	Interest	Total
2017	450,000	168,323	\$ 618,323
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
2022-2026	2,770,000	335,226	3,105,226
2027-2028	1,210,000	32,713	1,242,713
Total	<u>\$ 6,410,000</u>	<u>\$ 1,035,779</u>	<u>\$ 7,445,779</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 \$158,645 (cost of \$296,138 less accumulated depreciation of \$137,493).

Annual debt service requirements to maturity as of June 30, 2016 are as follows:

Year	Principal	Interest	Total
2017	34,158	3,880	38,038
2018	158,614	2,415	161,029
Total	<u>\$ 192,772</u>	<u>\$ 6,295</u>	<u>\$ 199,067</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 \$22,294 (cost of \$43,150 less accumulated depreciation of \$20,856).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity as of June 30, 2016 are as follows:

Year	Principal	Interest	Total
2017	8,826	645	9,471
2018	9,113	358	9,471
2019	6,240	74	6,314
Total	<u>\$ 24,179</u>	<u>\$ 1,077</u>	<u>\$ 25,256</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 \$33,913 (cost of \$81,391 less accumulated depreciation of \$47,478).

Annual debt service requirements to maturity as of June 30, 2016 are as follows:

Year	Principal	Interest	Total
2017	16,916	949	17,865
2018	17,465	400	17,865
2019	2,967	10	2,977
Total	<u>\$ 37,348</u>	<u>\$ 1,359</u>	<u>\$ 38,707</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 \$73,236 (cost of \$94,644 less accumulated depreciation of \$21,408).

Annual debt service requirements to maturity as of June 30, 2016 are as follows:

Year	Principal	Interest	Total
2017	18,659	1,849	20,508
2018	19,265	1,243	20,508
2019	19,891	617	20,508
2020	9,478	67	9,545
	<u>\$ 67,293</u>	<u>\$ 3,776</u>	<u>\$ 71,069</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Harris County Development Authority – The Development Authority has two outstanding bond issues at June 30, 2016.

Revenue Bonds, Series 2008 - The Harris County Development Authority (HCDA) issued revenue bonds on September 26, 2008 in the amount of \$6,005,000, to fund the construction and expansion of the JCI building. Annual principal payments for the bonds began May 5, 2009 and continue through August 1, 2018 with interest accruing at 5.45% through 6.45% per annum, payable quarterly.

Annual debt service requirements to maturity as of June 30, 2016 are as follows:

Fiscal Year Ending	Principal	Interest	Total
2017	406,082	196,696	602,778
2018	429,376	173,402	602,778
2019	2,814,526	130,648	2,945,174
Total	<u>\$ 3,649,984</u>	<u>\$ 500,746</u>	<u>\$ 4,150,730</u>

Revenue Bonds, Series 2010 - The Harris County Development Authority (HCDA) issued revenue bonds on December 29, 2010 in the amount of \$5,515,000, to fund the construction and expansion of the JCI building. Annual principal payments for the bonds began August 1, 2012 and continue through August 1, 2030 with interest accruing at 4.49% per annum, payable semiannually.

Annual debt service requirements to maturity as of June 30, 2016 are as follows:

Fiscal Year Ending	Principal	Interest	Total
2017	35,000	241,225	\$ 276,225
2018	35,000	239,654	274,654
2019	35,000	238,082	273,082
2020	20,000	236,848	256,848
2021	20,000	235,949	255,949
2022-2026	710,000	920,449	1,630,449
2027-2031	4,535,000	636,796	5,171,796
Total	<u>\$ 5,390,000</u>	<u>\$ 2,749,003</u>	<u>\$ 8,139,003</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

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, 2016:

Governmental Activities	Restated			Total Outstanding 6/30/2016	Amounts Due in One Year	Long-term Portion
	Total Outstanding 7/1/2015	Additions	Reductions			
2009 GEFA Loan #LC2006016	\$ 1,407,280	\$ -	\$ 103,091	\$ 1,304,189	\$ 106,354	\$ 1,197,835
Harris County Public Improvement Authority 2010 revenue bonds	6,870,000	-	350,000	6,520,000	355,000	6,165,000
Net deferred discounts	(41,024)	-	(2,208)	(38,816)	-	(38,816)
Harris County Public Improvement Authority 2015 revenue bonds	5,400,000	-	-	5,400,000	-	5,400,000
Total bonded debt	13,636,256	-	450,883	13,185,373	461,354	12,724,019
2013 Caterpillar capital lease #5	55,782	-	10,939	44,843	12,304	32,539
2013 Caterpillar capital lease #6	91,299	-	17,904	73,395	20,139	53,256
2013 Caterpillar capital lease #7	91,299	-	17,904	73,395	20,139	53,256
2013 Caterpillar capital lease #8	91,299	-	17,904	73,395	20,139	53,256
2013 Caterpillar capital lease #9	44,920	-	16,760	28,160	9,908	18,252
2013 Caterpillar capital lease #10	67,190	-	13,176	54,014	14,821	39,193
Compensated absences	253,957	221,534	203,166	272,325	217,860	54,465
Net pension liability	2,455,256	1,194,548	-	3,649,804	-	3,649,804
Total Governmental Activities Debt	\$ 16,787,258	\$ 1,416,082	\$ 748,636	\$ 17,454,704	\$ 776,664	\$ 16,678,040
Business-type Activities						
2003 GEFA Loan #DWSRF-11-013	\$ 84,616	\$ -	\$ 10,256	\$ 74,360	\$ 10,256	\$ 64,104
Harris County Public Improvement Authority Series 2012A revenue bonds	6,845,000	-	435,000	6,410,000	450,000	5,960,000
Net deferred premiums	158,249	-	12,745	145,504	-	145,504
Total bonded debt	7,087,865	-	458,001	6,629,864	460,256	6,169,608
2013 Caterpillar capital lease #1	226,191	-	33,419	192,772	34,158	158,614
2014 Caterpillar capital lease #3	32,728	-	8,549	24,179	8,826	15,353
2014 Caterpillar capital lease #2	53,732	-	16,384	37,348	16,916	20,432
2015 Caterpillar capital lease #4	84,365	-	17,072	67,293	18,659	48,634
Landfill postclosure	249,770	-	14,640	235,130	25,258	209,872
Compensated absences	67,101	54,909	53,681	68,329	54,663	13,666
Net pension liability	460,716	239,665	-	700,381	-	700,381
Total Business-type Activities	\$ 8,262,468	\$ 294,574	\$ 601,746	\$ 7,955,296	\$ 618,736	\$ 7,336,560

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Changes in the Development Authority's long-term obligations consisted of the following for the year ended June 30, 2016:

	Total Outstanding 7/1/2015	Additions	Reductions	Total Outstanding 6/30/2016	Amounts Due in One Year	Long-term Portion
Harris County Development Authority						
Series 2008 revenue bonds	\$ 4,034,041	\$ -	\$ 384,057	\$ 3,649,984	\$ 406,082	\$ 3,243,902
Series 2010 revenue bonds	5,425,000	-	35,000	5,390,000	35,000	5,355,000
Total Harris County Development Authority	\$ 9,459,041	\$ -	\$ 419,057	\$ 9,039,984	\$ 441,082	\$ 8,598,902

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, 2016

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, 2016 were participants in the ACCG Plan (Plan) upon employment.

Current membership is as follows:

Retirees, beneficiaries, and disablees currently receiving benefits	78
Terminated participants entitled to but not yet receiving benefits	110
Active employees participating in the plan	262
	262
Total number of participants	450
	450

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, 2015 was \$829,984, or 9.0% of covered-employee payroll. The County's covered payroll for employees participating in the Plan as of January 1, 2015, (the most recent actuarial valuation date) was \$9,176,860 (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, 2016

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, 2016, the County reported a net pension liability of \$4,350,185. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. For the year ended June 30, 2016, the County recognized pension expense of \$933,458.

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	<u> </u>	<u> </u>	<u> </u>
Balances at June 30, 2015	\$ 12,913,125	\$ 9,997,143	\$ 2,915,982
Changes for the year:			
Service cost	431,395	-	431,395
Interest	949,971	-	949,971
Liability experience (Gain)/Loss	437,973	-	437,973
Assumption change	471,672	-	471,672
Employer contributions	-	829,984	(829,984)
Employee contribution	-	99,560	(99,560)
Net investment income	-	83,893	(83,893)
Benefit payments	(493,676)	(493,676)	-
Administrative expense	-	(46,716)	46,716
Other changes	-	(109,913)	109,913
	<u> </u>	<u> </u>	<u> </u>
Net changes	1,797,335	363,132	1,434,203
	<u> </u>	<u> </u>	<u> </u>
Balances at June 30, 2016	<u>\$ 14,710,460</u>	<u>\$ 10,360,275</u>	<u>\$ 4,350,185</u>
Plan fiduciary net position as a percentage of the total pension liability		70.43%	
Covered employee payroll		\$ 9,176,860	
Net pension liability as a percentage of covered employee payroll		47.40%	

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

	Deferred Outflows of Resources
	<u> </u>
Pension contributions subsequent to measurement date	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>1,403,261</u>
Total	<u>\$ 1,403,261</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, 2017. 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, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Year Ending December 31	
2017	303,561
2018	303,561
2019	303,560
2020	285,427
2021	140,636
Thereafter	66,516
Totals	\$ 1,403,261

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

Future salary increases	4.50% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.50%

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, 2015 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%	8.80%	2.64%	10.74%	3.22%
Barlay's Agg.	30%	5.75%	1.73%	7.80%	2.34%
MSCI EAFE	15%	5.44%	0.82%	9.51%	1.43%
Citi Non US WEBI	5%	5.48%	0.27%	5.48%	0.27%
NAREIT Equity	5%	9.91%	0.50%	11.35%	0.57%
Russell 2000	5%	8.96%	0.45%	9.37%	0.47%
Russell 3000	5%	8.89%	0.44%	10.58%	0.53%
S&P Mid Cap	5%	11.83%	0.59%	13.21%	0.66%
Weighted Return			7.44%		9.49%

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), 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, 2016

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 (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.50%	\$ 6,271,036
Current discount rate	7.50%	4,350,185
1% increase	8.50%	2,740,507

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, 2016, 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, 2016, 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, 2016, contributions totaled \$222,702.

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 \$2,865,224 at June 30, 2016. 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, 2016.

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 \$3,110,196 at June 30, 2016. Investments are participant-directed from a choice of a guaranteed interest account and 15 mutual funds. Investments in 5 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, 2016.

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, 2016

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	\$ 135,590
Inventories	<u>311,758</u>
Total	<u><u>\$ 447,348</u></u>

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

General Fund

LMIG-Road projects	<u>\$ 530,926</u>
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2009 SPLOST

Capital projects	<u>\$ 3,703,737</u>
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2014 SPLOST

Capital projects	<u>\$ 4,296,836</u>
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Callaway Debt Service Fund

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

Capital projects	\$ 162,057
Debt service	<u>139,452</u>

Total Capital Projects/Debt Service Purposes	<u><u>\$ 301,509</u></u>
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Nonmajor Special Revenue Funds:

Judicial - law library	\$ 59,849
Public safety	<u>653,655</u>

Total Nonmajor Special Revenue Funds:	<u><u>\$ 713,504</u></u>
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Nonmajor Capital Projects Funds

Capital projects	<u>\$ 211,977</u>
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- **Committed** – The following fund balance are committed to specified purposes:

General Fund:

Recreation facilities	<u>\$ 349,195</u>
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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

Nonmajor Special Revenue Funds

Health and welfare	<u><u>\$ 191,426</u></u>
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- **Unassigned** – The following fund balances include the unassigned amounts:

General Fund:

Unassigned	<u><u>\$ 9,607,455</u></u>
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Transportation Investment Act Fund:

Unassigned (deficit)	<u><u>\$ (128,098)</u></u>
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Net Investment in Capital Assets

The “net investment in capital assets” reported on the government-wide statement of net position as of June 30, 2016 are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net investment in capital assets		
Cost of capital assets	\$ 83,315,440	\$ 44,536,049
Less accumulated depreciation	<u>38,815,683</u>	<u>15,722,853</u>
Book value	44,499,757	28,813,196
Less capital related debt	<u>13,532,575</u>	<u>6,951,456</u>
Net investment in capital assets	<u><u>\$ 30,967,182</u></u>	<u><u>\$ 21,861,740</u></u>

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, 2016

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, 2016. No provision has been made in the financial statements for the year ended June 30, 2016, 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, 2016. 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. Subsequent Events

Roads:

Resurfacing Four Roads – On December 6, 2016, the Board of County Commissioners voted to resurface four roads at an estimated cost of \$832,000 to be funded by LMIG and 2009 SPLOST funds.

Parks:

Improvements to Ellerslie Park - On December 20, 2016, the Board of County Commissioners voted to proceed with site improvements for Ellerslie Park at an estimated cost of \$609,000 to be funded from the sale of land (Ridgeway Road Property - \$360,000), 2014 SPLOST and donations.

Library:

Construction of New Library - On March 7, 2017, the Board of County Commissioners was informed that the estimated cost of the new library would increase from \$4.825 million to \$5.226 million. The Board voted to proceed with the project.

4-D. 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, 2016 follows:

Lodging tax receipts	<u>\$ 44,301</u>
Disbursements to:	
Harris County Chamber of Commerce	\$ 19,832
Georgia Department of Natural Resources	14,088
Harris County General Fund	<u>10,381</u>
Total tax and investment earnings disbursements	<u>\$ 44,301</u>

Harris County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes	\$ 12,446,650	\$ 12,463,000	\$ 12,271,378	\$ (191,622)
Licenses and permits	229,900	299,900	323,859	23,959
Intergovernmental	558,107	573,919	601,433	27,514
Charges for services	2,449,892	2,526,892	2,661,436	134,544
Fines and forfeitures	842,000	830,000	913,295	83,295
Investment earnings	50,000	50,000	15,443	(34,557)
Contributions and donations	-	25,000	20,000	(5,000)
Miscellaneous	2,500	2,500	91,194	88,694
Total Revenues	<u>16,579,049</u>	<u>16,771,211</u>	<u>16,898,038</u>	<u>126,827</u>
Expenditures				
Current:				
General government	4,611,745	4,611,745	4,822,928	(211,183)
Judicial	1,148,404	1,145,478	1,214,580	(69,102)
Public safety	7,598,198	7,931,832	7,790,996	140,836
Public works	2,137,673	2,177,682	1,831,751	345,931
Health and welfare	296,190	296,055	287,886	8,169
Culture and recreation	954,841	1,419,777	975,554	444,223
Housing and development	359,338	341,951	295,572	46,379
Debt Service:				
Principal	-	-	94,587	(94,587)
Interest	-	-	12,807	(12,807)
Total Expenditures	<u>17,106,389</u>	<u>17,924,520</u>	<u>17,326,661</u>	<u>597,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(527,340)</u>	<u>(1,153,309)</u>	<u>(428,623)</u>	<u>724,686</u>
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	12,500	-	-	-
Insurance proceeds	-	-	11,036	11,036
Transfers in	-	-	10,381	10,381
Transfers (out)	-	-	(1,488,919)	(1,488,919)
Total Other Financing Sources (Uses)	<u>12,500</u>	<u>-</u>	<u>(1,467,502)</u>	<u>(1,467,502)</u>
Net Change in Fund Balances	<u>\$ (514,840)</u>	<u>\$ (1,153,309)</u>	<u>(1,896,125)</u>	<u>\$ (742,816)</u>
Fund Balances Beginning of Year			<u>12,831,049</u>	
Fund Balances End of Year			<u>\$ 10,934,924</u>	

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 December 31, 2016
(Unaudited)

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

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

Harris County, Georgia
Required Supplementary Information
Schedule of Contributions
Last Ten Years
Harris County Defined Benefit Plan
June 30, 2016
(Unaudited)

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

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

Harris County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	\$ 1,824,024	\$ 1,800,081
Investments	3,703,363	5,392,989
Restricted cash	539,356	1,064,540
Receivables:		
Property taxes	198,453	190,944
TAVT	157,420	195,853
Sales taxes	165,648	159,195
Intergovernmental	102,435	109,148
Interest	8,100	21,958
Interfund	4,861,275	4,371,200
Development authority	15	15
Inventory	311,758	333,766
Prepaid items	135,590	104,761
Total Assets	\$ 12,007,437	\$ 13,744,450
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 530,164	\$ 327,772
Retainage payable	1,887	1,262
Accrued expenditures payable	463,804	499,082
Interfund payable	1,215	16,572
Total Liabilities	997,070	844,688
Deferred Inflows of Resources - Property Taxes	75,443	68,713
Total Liabilities and Deferred Inflows of Resources	1,072,513	913,401
Fund Balances		
Nonspendable - not in spendable form	447,348	438,527
Restricted for roads	530,926	533,179
Committed for recreation facilities	349,195	360,000
Unassigned	9,607,455	11,499,343
Total Fund Balances	10,934,924	12,831,049
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 12,007,437	\$ 13,744,450

Harris County, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2016 and 2015

	2016	2015
Revenues		
Taxes	\$ 12,271,378	\$ 12,525,148
Intergovernmental	601,433	771,699
Licenses and permits	323,859	268,473
Charges for services	2,661,436	2,650,497
Fines and forfeitures	913,295	816,509
Investment earnings	15,443	84,971
Contributions and donations	20,000	-
Miscellaneous	91,194	9,714
Total Revenues	16,898,038	17,127,011
Expenditures		
Current:		
General government	4,822,928	5,049,802
Judicial	1,214,580	1,157,216
Public safety	7,790,996	7,489,488
Public works	1,831,751	2,544,479
Health and welfare	287,886	289,819
Culture and recreation	975,554	935,654
Housing and development	295,572	337,403
Principal	94,587	53,824
Interest	12,807	8,822
Total Expenditures	17,326,661	17,866,507
(Deficiency) of Revenues (Under) Expenditures	(428,623)	(739,496)
Other Financing Sources (Uses)		
Insurance proceeds	11,036	6,285
Inception of capital leases	-	495,613
Transfers in	10,381	1,070,845
Transfers (out)	(1,488,919)	(494,841)
Other Financing Sources (Uses)	(1,467,502)	1,077,902
Net Change in Fund Balances	(1,896,125)	338,406
Fund Balances Beginning of Year	12,831,049	12,492,643
Fund Balances End of Year	\$ 10,934,924	\$ 12,831,049

Harris County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for The Year Ended June 30, 2015)

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Taxes					
Real property					
Current	\$ 7,140,650	\$ 7,000,000	\$ 7,009,541	\$ 9,541	\$ 6,919,297
Delinquent	190,000	80,000	62,585	(17,415)	75,408
Timber	165,000	165,000	42,613	(122,387)	29,611
Personal property					
Motor vehicle tax	-	265,000	263,571	(1,429)	329,300
Motor vehicle title ad valorem tax (TAVT)	670,000	875,000	898,795	23,795	1,276,083
Mobile home	10,000	10,000	10,066	66	9,750
Intangibles	180,000	180,000	163,386	(16,614)	134,230
Railroad	5,000	5,000	11,339	6,339	5,195
Real estate transfer tax	32,000	32,000	43,248	11,248	34,199
Franchise taxes	40,000	40,000	57,300	17,300	41,633
Local option sales and use tax	2,160,000	1,860,000	1,767,361	(92,639)	1,801,228
Business taxes					
Alcoholic beverage excise tax	185,000	185,000	173,149	(11,851)	178,124
Business and occupation tax	55,000	55,000	50,637	(4,363)	52,282
Financial institutions	25,000	25,000	23,664	(1,336)	25,858
Insurance premium tax	1,359,000	1,456,000	1,455,897	(103)	1,359,579
Penalties and interest on delinquent taxes					
FIFA	20,000	20,000	30,063	10,063	32,234
Interest and penalties	210,000	210,000	208,163	(1,837)	221,137
Total Taxes	12,446,650	12,463,000	12,271,378	(191,622)	12,525,148
Licenses and Permits					
Business licenses - alcoholic beverages	48,500	48,500	52,095	3,595	49,130
Non-business licenses and permits					
Building permits	180,000	250,000	269,846	19,846	216,243
Manufactured housing permits	1,400	1,400	1,918	518	3,100
Total Licenses and Permits	229,900	299,900	323,859	23,959	268,473
Intergovernmental					
Federal	10,107	10,107	-	(10,107)	-
State					
LMIG-PW	548,000	548,000	570,926	22,926	533,179
DOT-PW	-	-	-	-	210,853
EMA-PS	-	-	30,507	30,507	11,750
EMS-PS	-	15,812	-	(15,812)	-
Wellness grant-GG	-	-	-	-	1,056
Miscellaneous-GG	-	-	-	-	14,861
Total Intergovernmental	558,107	573,919	601,433	27,514	771,699
Totals carried forward	13,234,657	13,336,819	13,196,670	(140,149)	13,565,320

(continued)

Harris County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for The Year Ended June 30, 2015)

(continued)

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Brought forward	\$ 13,234,657	\$ 13,336,819	\$ 13,196,670	\$ (140,149)	\$ 13,565,320
Revenues					
Charges for Services					
General government					
Sale of maps	900	900	905	5	1,676
Sale of computer lists	400	400	660	260	-
Copies and facsimiles	500	500	575	75	505
Commissions on tax collections	580,000	580,000	568,307	(11,693)	570,223
Judicial					
Superior Court website fees	3,000	3,000	4,300	1,300	3,800
Public safety					
Ambulance	660,000	660,000	675,371	15,371	665,314
Corrections - boarding	800,000	927,000	1,031,028	104,028	874,395
Corrections - reimbursements	2,500	2,500	2,464	(36)	2,328
State inmate boarding	50,000	50,000	21,615	(28,385)	64,519
Federal prison commission	20,000	20,000	84,019	64,019	40,368
Telephone - jail	11,500	11,500	8,608	(2,892)	7,722
Telephone - corrections	15,000	15,000	19,853	4,853	14,044
Sheriff receipts	22,000	22,000	25,927	3,927	36,956
School resource officer	50,000	-	-	-	50,816
Child support fees	-	-	-	-	484
Public works					
DOT crew	39,500	39,500	29,625	(9,875)	39,500
Pipe sales	40,000	40,000	38,888	(1,112)	37,587
Work crew-City of Manchester	40,000	40,000	40,989	989	44,005
Road funding - cities	-	-	-	-	28,651
Animal control fees	600	600	4,313	3,713	1,732
Culture and recreation					
Community center	104,892	104,892	93,555	(11,337)	104,549
Agricenter-cattlemen's association	-	-	-	-	50,000
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	600	600	1,690	1,090	1,290
Soil and erosion permits	500	500	-	(500)	530
Plat and plan review fees	6,000	6,000	8,744	2,744	9,503
Total Charges for Services	<u>2,449,892</u>	<u>2,526,892</u>	<u>2,661,436</u>	<u>134,544</u>	<u>2,650,497</u>
Fines and Forfeitures					
Superior court - general	172,000	120,000	132,072	12,072	117,392
Superior court - criminal	92,000	92,000	93,196	1,196	95,290
Magistrate court	55,000	55,000	50,176	(4,824)	45,885
Probate court	523,000	563,000	637,851	74,851	557,942
Total Fines and Forfeitures	<u>842,000</u>	<u>830,000</u>	<u>913,295</u>	<u>83,295</u>	<u>816,509</u>
Investment Earnings	<u>50,000</u>	<u>50,000</u>	<u>15,443</u>	<u>(34,557)</u>	<u>84,971</u>
Contributions and Donations	<u>-</u>	<u>25,000</u>	<u>20,000</u>	<u>(5,000)</u>	<u>-</u>
Miscellaneous					
Rents and royalties	-	-	1,375	1,375	870
Other					
Commissions on child support	500	500	313	(187)	-
Vendor discount	500	500	-	(500)	-
Timber sales	500	500	7,595	7,095	-
Sale of surplus property	-	-	45,597	45,597	8,683
Election Fees	-	-	17,479	17,479	-
EMS Grant	-	-	15,503	15,503	-
Miscellaneous	1,000	1,000	3,332	2,332	-
Total Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>91,194</u>	<u>88,694</u>	<u>9,553</u>
Total Revenues	<u>16,579,049</u>	<u>16,771,211</u>	<u>16,898,038</u>	<u>126,827</u>	<u>17,126,850</u>
Other Financing Sources:					
Proceeds from the sale of capital assets	10,000	10,000	-	-	-
Insurance proceeds	-	-	11,036	11,036	6,285
Intrafund transfers	-	-	-	-	-
Inception of capital lease	-	-	-	-	495,613
Transfers in					
Public improvement authority	-	-	-	-	947,458
2014 SPLOST	-	-	-	-	46,037
Transportation Investment Act	-	-	-	-	63,614
E911	555,000	555,000	-	(555,000)	-
Hotel/motel taxes	12,500	12,500	10,381	(2,119)	13,736
Total Other Financing Sources	<u>577,500</u>	<u>577,500</u>	<u>21,417</u>	<u>(546,083)</u>	<u>1,572,743</u>
Total Revenues and Other Financing Sources	<u>\$ 17,156,549</u>	<u>\$ 17,348,711</u>	<u>\$ 16,919,455</u>	<u>\$ (419,256)</u>	<u>\$ 18,699,593</u>

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for The Year Ended June 30, 2015)

	2016			Variance With Final Budget	2015
	Original Budget	Final Budget	Actual		Actual
Expenditures					
General Government					
Voter Registration					
Personal services	\$ 16,854	\$ 33,354	\$ 31,428	\$ 1,926	\$ 21,735
Purchased/contracted services	30,730	30,730	35,827	(5,097)	28,634
Supplies	600	600	462	138	346
Total Elections	48,184	64,684	67,717	(3,033)	50,715
General Administration					
Personal services	418,428	417,930	333,172	84,758	400,050
Purchased/contracted services	195,500	247,950	365,340	(117,390)	269,127
Supplies	18,900	18,900	18,465	435	17,198
Capital outlay	2,700	2,700	912	1,788	19,170
Total Administration	635,528	687,480	717,889	(30,409)	705,545
Tax Commissioner					
Personal services	245,468	218,256	236,293	(18,037)	236,741
Purchased/contracted services	65,400	65,400	56,734	8,666	59,522
Supplies	9,000	9,000	9,601	(601)	9,491
Capital outlay	3,000	3,000	4,596	(1,596)	788
Total Tax Commissioner	322,868	295,656	307,224	(11,568)	306,542
Tax Assessor					
Personal services	337,228	361,734	322,628	39,106	313,037
Purchased/contracted services	54,175	60,233	59,777	456	51,192
Supplies	8,400	8,400	6,065	2,335	9,092
Capital outlay	720	720	-	720	788
Total Tax Assessor	400,523	431,087	388,470	42,617	374,109
Totals carried forward	1,407,103	1,478,907	1,481,300	(2,393)	1,436,911

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for The Year Ended June 30, 2015)

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 1,407,103	\$ 1,478,907	\$ 1,481,300	\$ (2,393)	\$ 1,436,911
Expenditures					
Buildings and Plant					
Personal services	137,826	144,261	137,103	7,158	138,937
Purchased/contracted services	400,400	367,400	196,854	170,546	84,673
Supplies	18,850	18,850	18,665	185	331,167
Capital outlay	34,001	34,001	33,998	3	706
Total Buildings and Plant	591,077	564,512	386,620	177,892	555,483
Operations					
Purchased/contracted services	217,600	260,700	261,350	(650)	191,660
Supplies	40,000	53,000	65,445	(12,445)	67,967
Capital outlay	-	205,200	180,976	24,224	175,163
Intergovernmental	-	-	-	-	76,963
Total Operations	257,600	518,900	507,771	11,129	511,753
Pensions and Insurance					
Pensions	775,000	1,000,000	909,676	90,324	865,169
Unemployment	18,000	18,000	6,765	11,235	31,923
Workers compensation	213,182	213,182	220,152	(6,970)	240,149
Property and Casualty	176,783	5,000	182,100	(177,100)	174,335
Group Health/Life	1,173,000	1,173,000	1,128,544	44,456	1,234,079
Total Pensions and Insurance	2,355,965	2,409,182	2,447,237	(38,055)	2,545,655
Total General Government	4,611,745	4,971,501	4,822,928	148,573	5,049,802
Judicial					
Superior Court					
Personal services	267,521	277,299	274,489	2,810	267,065
Purchased/contracted services	67,200	67,200	64,334	2,866	61,897
Supplies	15,000	15,000	15,884	(884)	12,516
Capital outlay	1,000	1,000	1,261	(261)	813
Total Superior Court	350,721	360,499	355,968	4,531	342,291
Probate Court					
Personal services	152,399	151,020	151,255	(235)	146,854
Purchased/contracted services	11,795	11,795	6,010	5,785	5,429
Supplies	13,000	13,000	12,857	143	11,597
Capital outlay	2,000	2,000	5,095	(3,095)	246
Total Probate Court	179,194	177,815	175,217	2,598	164,126
Court Services					
Personal services	150,920	131,908	141,773	(9,865)	149,380
Purchased/contracted services	185,200	185,200	169,253	15,947	170,109
Supplies	5,000	5,000	4,217	783	1,218
Total Court Services	341,120	322,108	315,243	6,865	320,707
Magistrate Court					
Personal services	165,553	164,642	151,390	13,252	151,865
Purchased/contracted services	8,300	8,300	7,796	504	8,708
Supplies	4,500	4,500	4,699	(199)	2,459
Capital outlay	3,864	3,864	3,643	221	399
Total Magistrate Court	182,217	181,306	167,528	13,778	163,431
Totals carried forward	5,664,997	6,013,229	5,836,884	176,345	6,040,357

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for The Year Ended June 30, 2015)

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 5,664,997	\$ 6,013,229	\$ 5,836,884	\$ 176,345	\$ 6,040,357
Expenditures					
Judicial (Continued)					
Assistant District Attorney					
Personal services	256,419	264,106	251,838	12,268	235,172
Purchased/contracted services	8,950	8,950	6,226	2,724	15,691
Supplies	10,000	10,000	5,833	4,167	6,561
Capital outlay	2,000	2,000	1,196	804	1,516
District attorney reimbursement	-	-	(64,469)	64,469	(92,279)
Total Assistant District Attorney	277,369	285,056	200,624	84,432	166,661
Total Judicial	1,148,404	1,145,478	1,214,580	98,426	1,157,216
Totals carried forward	5,942,366	6,298,285	6,037,508	260,777	6,207,018

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for The Year Ended June 30, 2015)

	2016			Variance With Final Budget	2015
	Original Budget	Final Budget	Actual		Actual
Totals brought forward	\$ 5,942,366	\$ 6,298,285	\$ 6,037,508	\$ 260,777	\$ 6,207,018
Expenditures					
Public Safety					
Sheriff					
Personal services	2,088,547	2,090,124	2,039,881	50,243	2,012,502
Purchased/contracted services	117,228	117,228	126,794	(9,566)	111,171
Supplies	250,300	250,300	225,280	25,020	280,707
Capital outlay	207,540	207,540	204,280	3,260	275,404
Total Sheriff	2,663,615	2,665,192	2,596,235	68,957	2,679,784
Emergency Medical					
Personal services	1,441,151	1,418,834	1,430,363	(11,529)	1,432,881
Purchased/contracted services	55,800	106,612	72,387	34,225	103,931
Supplies	112,800	90,800	94,435	(3,635)	103,770
Capital outlay	11,000	26,000	39,132	(13,132)	189
Total Emergency Medical	1,620,751	1,642,246	1,636,317	5,929	1,640,771
Jail Operations					
Personal services	923,730	981,451	970,918	10,533	923,003
Purchased/contracted services	349,000	349,000	357,344	(8,344)	376,532
Supplies	33,501	33,501	32,744	757	7,204
Capital outlay	13,000	13,000	11,386	1,614	20,396
Total Jail Operations	1,319,231	1,376,952	1,372,392	4,560	1,327,135
Law Enforcement Center					
Purchased/contracted services	121,600	121,600	113,198	8,402	36,639
Supplies	-	-	-	-	73,668
Total Law Enforcement Center	121,600	121,600	113,198	8,402	110,307
Corrections					
Personal services	906,811	915,129	908,998	6,131	828,967
Purchased/contracted services	406,362	406,362	442,303	(35,941)	185,423
Supplies	57,500	57,500	60,954	(3,454)	231,285
Capital outlay	40,000	119,350	119,147	203	26,975
Total Corrections	1,410,673	1,498,341	1,531,402	(33,061)	1,272,650
Totals carried forward	13,078,236	13,602,616	13,287,052	315,564	13,237,665

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for The Year Ended June 30, 2015)

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 13,078,236	\$ 13,602,616	\$ 13,287,052	\$ 315,564	\$ 13,237,665
Expenditures					
Public Safety (Continued)					
Coroner					
Personal services	16,445	12,918	12,164	754	13,133
Purchased/contracted services	23,600	25,300	28,242	(2,942)	24,212
Supplies	1,750	1,750	1,928	(178)	844
Total Coroner/Medical Examiner	41,795	39,968	42,334	(2,366)	38,189
Fire Prevention					
Purchased/contracted services	304,733	352,233	332,655	19,578	283,184
Supplies	5,000	5,000	628	4,372	(309)
Capital outlay	110,800	230,300	165,835	64,465	137,777
Total Fire Prevention	420,533	587,533	499,118	88,415	420,652
Total Public Safety	7,598,198	7,931,832	7,790,996	140,836	7,489,488
Public Works					
Road Maintenance					
Personal services	567,520	591,352	588,314	3,038	561,090
Purchased/contracted services	75,162	75,162	65,337	9,825	81,985
Supplies	320,500	320,500	216,941	103,559	273,373
Capital outlay	864,732	906,457	606,046	300,411	1,154,487
Total Road Maintenance	1,827,914	1,893,471	1,476,638	416,833	2,070,935
Animal Control					
Personal services	61,747	64,628	67,540	(2,912)	56,976
Purchased/contracted services	8,407	8,407	5,463	2,944	10,597
Supplies	9,035	9,035	6,884	2,151	6,268
Capital outlay	1,400	1,400	324	1,076	867
Total Animal Control	80,589	83,470	80,211	3,259	74,708
Vehicle Maintenance					
Personal services	182,420	153,991	175,086	(21,095)	197,916
Purchased/contracted services	11,000	11,000	7,306	3,694	10,505
Supplies	28,450	28,450	84,637	(56,187)	180,978
Capital outlay	7,300	7,300	7,873	(573)	9,437
Total Vehicle Maintenance	229,170	200,741	274,902	(74,161)	398,836
Total Public Works	2,137,673	2,177,682	1,831,751	345,931	2,544,479
Totals carried forward	15,678,237	16,407,799	15,660,255	747,544	16,240,985

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for The Year Ended June 30, 2015)

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 15,678,237	\$ 16,407,799	\$ 15,660,255	\$ 747,544	\$ 16,240,985
Expenditures					
Health and Welfare					
Child Support					
Personal services	5,820	5,685	5,485	200	5,652
Purchased/contracted services	300	300	148	152	161
Total Child Support	6,120	5,985	5,633	352	5,813
Health Department					
Purchased/contracted services	256,000	256,000	256,000	-	256,000
Public Services					
Purchased/contracted services	26,570	26,570	26,253	317	23,905
Supplies	7,500	7,500	-	7,500	4,101
Total Public Services	34,070	34,070	26,253	7,817	28,006
Total Health and Welfare	296,190	296,055	287,886	8,169	289,819
Culture and Recreation					
Culture:					
Libraries	225,907	225,907	227,816	(1,909)	206,320
Recreation:					
Personal services	197,052	213,307	199,233	14,074	194,153
Purchased/contracted services	204,375	204,375	184,823	19,552	117,565
Supplies	18,900	18,900	12,738	6,162	81,022
Capital outlay	6,000	389,000	35,258	353,742	12,537
Total Recreation	426,327	825,582	432,052	393,530	405,277
Community Center:					
Personal services	134,257	199,938	129,477	70,461	117,453
Purchased/contracted services	141,400	141,400	173,003	(31,603)	90,993
Supplies	25,050	25,050	13,206	11,844	114,617
Total Community Center	300,707	366,388	315,686	50,702	323,063
Agricultural Center					
Purchased/contracted services	1,900	1,900	-	1,900	494
Capital outlay	-	-	-	-	500
Total Agricultural Center	1,900	1,900	-	1,900	994
Total Culture and Recreation	954,841	1,419,777	975,554	444,223	935,654
Totals carried forward	16,929,268	18,123,631	16,923,695	1,199,936	17,466,458

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2016
(With Comparative Actual Amounts for The Year Ended June 30, 2015)

	2016			Variance With Final Budget	2015
	Original Budget	Final Budget	Actual		Actual
Totals brought forward	\$ 16,929,268	\$ 18,123,631	\$ 16,923,695	\$ 1,199,936	\$ 17,466,458
Expenditures					
Housing and Development (Continued)					
Community Development					
Personal services	252,082	243,852	206,735	37,117	235,212
Purchased/contracted services	13,000	13,000	9,993	3,007	8,868
Supplies	13,000	13,000	9,887	3,113	12,299
Capital outlay	3,500	3,500	1,931	1,569	1,500
Total Community Development	281,582	273,352	228,546	44,806	257,879
Extension Services					
Personal services	61,456	52,299	52,879	(580)	57,717
Purchased/contracted services	14,300	14,300	12,314	1,986	19,807
Supplies	2,000	2,000	1,833	167	2,000
Total Extension Services	77,756	68,599	67,026	1,573	79,524
Economic Development					
Purchased/contracted services	-	-	-	-	-
Total Housing and Development	359,338	341,951	295,572	46,379	337,403
Debt Service					
Principal	-	-	94,587	(94,587)	53,824
Interest	-	-	12,807	(12,807)	8,822
Total Debt Service	-	-	107,394	(107,394)	62,646
Total Expenditures	17,288,606	18,465,582	17,326,661	1,138,921	17,866,507
Other Financing Uses					
Transfers out:					
E-911	730,843	785,963	147,077	638,886	56,493
2009 SPLOST	-	-	-	-	209,224
Public Improvements Authority	-	-	286,903	-	-
Airport	-	-	1,054,939	(1,054,939)	229,124
Total Other Financing Uses	730,843	785,963	1,488,919	(416,053)	494,841
Total Expenditures and Other Financing Uses	\$ 18,019,449	\$ 19,251,545	\$ 18,815,580	\$ 722,868	\$ 18,361,348

Harris County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 933,135	\$ 154,040	\$ 1,087,175
Receivables:			
Accounts	120,372	-	120,372
Intergovernmental	-	106,100	106,100
Interfund	9,271	84,050	93,321
Total Assets	\$ 1,062,778	\$ 344,190	\$ 1,406,968
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 8,596	\$ -	\$ 8,596
Accrued expenditures payable	16,898	-	16,898
Interfund payable	131,354	132,213	263,567
Unearned Revenue	1,000	-	1,000
Total Liabilities	157,848	132,213	290,061
Fund Balances			
Restricted	713,504	211,977	925,481
Assigned	191,426	-	191,426
Total Fund Balances	904,930	211,977	1,116,907
Total Liabilities and Fund Balances	\$ 1,062,778	\$ 344,190	\$ 1,406,968

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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 44,301	\$ -	\$ 44,301
Intergovernmental	-	106,100	106,100
Charges for services	654,972	-	654,972
Fines and forfeitures	96,449	-	96,449
Total Revenues	795,722	106,100	901,822
Expenditures			
Current:			
Judicial	4,254	-	4,254
Public safety	762,582	-	762,582
Health and welfare	295	-	295
Housing and development	33,920	88,596	122,516
Capital Outlay	-	406,223	406,223
Total Expenditures	801,051	494,819	1,295,870
(Deficiency) of Revenues (Under) Expenditures	(5,329)	(388,719)	(394,048)
Other Financing Sources (Uses)			
Transfers in	147,085	-	147,085
Transfers out	(10,381)	-	(10,381)
Total Other Financing Sources	136,704	-	136,704
Net Change in Fund Balances	131,375	(388,719)	(257,344)
Fund Balances Beginning of Year	773,555	600,696	1,374,251
Fund Balances End of Year	\$ 904,930	\$ 211,977	\$ 1,116,907

Harris County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	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	\$ 2,317	\$ 35,428	\$ 58,693	\$ 80,819	\$ 111,607	\$ 98,547	\$ 545,724	\$ 933,135
Receivables:								
Accounts	8,875	110,228	-	-	-	20	1,249	120,372
Interfund	-	-	1,156	-	-	1,869	6,246	9,271
Total Assets	<u>\$ 11,192</u>	<u>\$ 145,656</u>	<u>\$ 59,849</u>	<u>\$ 80,819</u>	<u>\$ 111,607</u>	<u>\$ 100,436</u>	<u>\$ 553,219</u>	<u>\$ 1,062,778</u>
Total Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ 8,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,596
Accrued expenditures payable	-	16,898	-	-	-	-	-	16,898
Interfund payable	2,596	128,758	-	-	-	-	-	131,354
Unearned revenue	-	-	-	500	500	-	-	1,000
Total Liabilities	<u>11,192</u>	<u>145,656</u>	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>157,848</u>
Fund Balances								
Restricted	-	-	59,849	-	-	100,436	553,219	713,504
Assigned	-	-	-	80,319	111,107	-	-	191,426
Total Fund Balances	<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>
Total Liabilities and Fund Balances	<u>\$ 11,192</u>	<u>\$ 145,656</u>	<u>\$ 59,849</u>	<u>\$ 80,819</u>	<u>\$ 111,607</u>	<u>\$ 100,436</u>	<u>\$ 553,219</u>	<u>\$ 1,062,778</u>

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2016

	<u>Hotel Motel Tax</u>	<u>E911</u>	<u>Law Library</u>	<u>Mental Health Center</u>	<u>Mental Retardation Center</u>	<u>Drug Abuse Treatment</u>	<u>Jail Fee</u>	<u>Nonmajor Special Revenue Funds</u>
Revenues								
Taxes	\$ 44,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,301
Charges for services	-	607,019	-	6,000	6,000	35,953	-	654,972
Fines and forfeitures	-	-	9,434	-	-	-	87,015	96,449
Total Revenues	<u>44,301</u>	<u>607,019</u>	<u>9,434</u>	<u>6,000</u>	<u>6,000</u>	<u>35,953</u>	<u>87,015</u>	<u>795,722</u>
Expenditures								
Current:								
Judicial	-	-	4,254	-	-	-	-	4,254
Public safety	-	754,104	-	-	-	-	8,478	762,582
Health and Welfare	-	-	-	-	-	295	-	295
Housing and development	33,920	-	-	-	-	-	-	33,920
Total Expenditures	<u>33,920</u>	<u>754,104</u>	<u>4,254</u>	<u>-</u>	<u>-</u>	<u>295</u>	<u>8,478</u>	<u>801,051</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,381</u>	<u>(147,085)</u>	<u>5,180</u>	<u>6,000</u>	<u>6,000</u>	<u>35,658</u>	<u>78,537</u>	<u>(5,329)</u>
Other Financing Sources (Uses)								
Transfers in	-	147,085	-	-	-	-	-	147,085
Transfers out	(10,381)	-	-	-	-	-	-	(10,381)
Total Other Financing Sources (Uses)	<u>(10,381)</u>	<u>147,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,704</u>
Net Change in Fund Balances	-	-	5,180	6,000	6,000	35,658	78,537	131,375
Fund Balances Beginning of Year	-	-	54,669	74,319	105,107	64,778	474,682	773,555
Fund Balances End 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>

Harris County, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in pooled cash and investments	\$ 2,317	\$ 2,925
Accounts receivable	8,875	12,531
Total Assets	<u>\$ 11,192</u>	<u>\$ 15,456</u>
Liabilities		
Accounts payable	\$ 8,596	\$ 10,872
Interfund payable	2,596	4,584
Total Liabilities	<u>\$ 11,192</u>	<u>\$ 15,456</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, 2016 and 2015

	Original Budget	Final Budget	2016	Variance With Final Budget	2015
Revenues					
Hotel/Motel taxes	\$ 45,000	\$ 45,000	\$ 44,301	\$ (699)	\$ 50,188
Expenditures					
<i>Current</i>					
Housing and development	45,000	45,000	33,920	11,080	36,452
Excess of Revenue Over Expenditures	-	-	10,381	10,381	13,736
Other Financing Uses					
Transfers out - general fund	-	-	(10,381)	-	-
Net Changes in Fund Balances	-	-	-	10,381	13,736
Fund Balances Beginning of Year	-	-	13,736	13,736	-
Fund Balances End of Year	\$ -	\$ -	\$ 13,736	\$ 24,117	\$ 13,736

Harris County, Georgia
E-911 Fund
Comparative Balance Sheets
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 35,428	\$ 616,048
Accounts receivable	<u>110,228</u>	<u>108,511</u>
Total Assets	<u>\$ 145,656</u>	<u>\$ 724,559</u>
Liabilities		
Accrued expenditures	\$ 16,898	\$ 13,392
Interfund payable	<u>128,758</u>	<u>711,167</u>
Total Liabilities	<u>\$ 145,656</u>	<u>\$ 724,559</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, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services - landline	196,766	196,766	\$ 159,215	\$ (37,551)	\$ 213,498
Charges for services - cell	353,234	353,234	392,114	38,880	383,270
Charges for services - prepaid	-	-	55,690	55,690	-
Total Revenues	550,000	550,000	607,019	57,019	596,768
Expenditures					
Current:					
Public safety	550,000	550,000	754,104	(204,104)	653,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(147,085)	(147,085)	(56,493)
Other Financing Sources					
Transfers in	-	-	147,085	147,085	56,493
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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 58,693	\$ 54,669
Interfund receivables	1,156	-
Total Assets	<u>\$ 59,849</u>	<u>\$ 54,669</u>
Fund Balances		
Restricted for law library	<u>\$ 59,849</u>	<u>\$ 54,669</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, 2016
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 9,434	\$ 434	\$ 10,595
Expenditures					
Current:					
Judicial	4,200	4,200	4,254	(54)	4,634
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,800</u>	<u>\$ 4,800</u>	5,180	<u>\$ 380</u>	5,961
Fund Balances Beginning of Year			<u>54,669</u>		<u>48,708</u>
Fund Balances End of Year			<u>\$ 59,849</u>		<u>\$ 54,669</u>

Harris County, Georgia
Mental Health Center Fund
Comparative Balance Sheets
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	<u>\$ 80,819</u>	<u>\$ 74,319</u>
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ 500	\$ -
Fund Balances		
Assigned for building maintenance and insurance	<u>80,319</u>	<u>74,319</u>
Total Liabilities and Fund Balances	<u>\$ 80,819</u>	<u>\$ 74,319</u>

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, 2016
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016			2015	
	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			74,319		68,319
Fund Balances End of Year			<u>\$ 80,319</u>		<u>\$ 74,319</u>

Harris County, Georgia
Mental Retardation Center Fund
Comparative Balance Sheets
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 111,607	\$ 105,107
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ 500	\$ -
Fund Balances		
Assigned for building maintenance and insurance	<u>111,107</u>	<u>105,107</u>
Total Liabilities and Fund Balances	<u>\$ 111,607</u>	<u>\$ 105,107</u>

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, 2016
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016			2015	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>	<u>Actual</u>
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			105,107		99,107
Fund Balances End of Year			<u>\$ 111,107</u>		<u>\$ 105,107</u>

Harris County, Georgia
Drug Abuse Fund
Comparative Balance Sheets
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 98,547	\$ 64,534
Receivables:		
Accounts	20	244
Interfund	1,869	-
Total Assets	<u>\$ 100,436</u>	<u>\$ 64,778</u>
Fund Balances		
Restricted for public safety	<u>\$ 100,436</u>	<u>\$ 64,778</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, 2016
(With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	\$ 25,000	\$ 25,000	\$ 35,953	\$ 10,953	\$ 45,083
Expenditures					
Current:					
Health and welfare	5,000	5,000	295	4,705	-
Capital Outlay	-	-	-	-	109,477
Expenditures	<u>5,000</u>	<u>5,000</u>	<u>295</u>	<u>4,705</u>	<u>109,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 20,000</u>	<u>\$ 20,000</u>	35,658	<u>\$ 15,658</u>	(64,394)
Fund Balances Beginning of Year			<u>64,778</u>		<u>129,172</u>
Fund Balances End of Year			<u>\$ 100,436</u>		<u>\$ 64,778</u>

Harris County, Georgia
Jail Fee Fund
Comparative Balance Sheets
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 545,724	\$ 473,679
Receivables:		
Accounts	1,249	1,003
Interfund	6,246	-
Total Assets	<u>\$ 553,219</u>	<u>\$ 474,682</u>
Fund Balances		
Restricted for public safety	<u>\$ 553,219</u>	<u>\$ 474,682</u>

Harris County, Georgia
Jail Fee Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2016
 (With Comparative Actual Amounts for the Year Ended June 30, 2015)

	2016			2015	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>	<u>Actual</u>
Revenues					
Court fees	\$ 60,000	\$ 60,000	\$ 87,015	\$ 27,015	\$ 72,835
Expenditures					
Current:					
Public safety	-	-	8,478	(8,478)	15,961
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 60,000</u>	<u>\$ 60,000</u>	78,537	<u>\$ 18,537</u>	56,874
Fund Balances Beginning of Year			<u>474,682</u>		<u>417,808</u>
Fund Balances End of Year			<u>\$ 553,219</u>		<u>\$ 474,682</u>

Harris County, Georgia
Comparative Balance Sheet
Callaway Debt Service Fund
June 30, 2016 and 2015

	2016	2015
Assets		
Equity in pooled cash and investments	\$ 24,560	\$ 24,560
Notes receivable	1,286,695	1,390,321
Total Assets	\$ 1,311,255	\$ 1,414,881
 Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ 1,286,695	\$ 1,390,321
 Fund Balances		
Restricted for debt service	24,560	24,560
Total Liabilities and Fund Balances	\$ 1,311,255	\$ 1,414,881

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Callaway Debt Service Fund
For the Fiscal Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Charges for services	\$ 103,626	\$ 100,613
Interest	40,331	43,344
Total Revenues	<u>143,957</u>	<u>143,957</u>
Expenditures		
<i>Debt Service</i>		
Principal	103,091	100,111
Interest	40,866	43,846
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
2009 SPLOST Fund
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in pooled cash and investments	\$ 3,221,221	\$ 3,917,200
Restricted cash	-	8,387
Investments	888,052	1,830,039
Interest receivable	3,458	6,016
Total Assets	<u>\$ 4,112,731</u>	<u>\$ 5,761,642</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 255,833	\$ 7,038
Retainage payable	68,840	-
Interfund payable	84,321	1,207,587
Total Liabilities	408,994	1,214,625
Transfers in - general fund		
Restricted for capital projects	3,703,737	4,547,017
Total Liabilities and Fund Balances	<u>\$ 4,112,731</u>	<u>\$ 5,761,642</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2009 SPLOST Fund
For the Fiscal Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Investment earnings	\$ 6,443	\$ 14,978
Total Revenues	<u>6,443</u>	<u>14,978</u>
Expenditures		
Intergovernmental	38,791	44,475
Capital Outlay	810,932	503,857
Total Expenditures	<u>849,723</u>	<u>548,332</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(843,280)</u>	<u>(533,354)</u>
Transfers in - general fund		
Transfers out - PIA fund	-	(357,606)
Total Other Financing Uses	<u>-</u>	<u>(357,606)</u>
Net Changes in Fund Balances	(843,280)	(890,960)
Fund Balances Beginning of Year	<u>4,547,017</u>	<u>5,437,977</u>
Fund Balances End of Year	<u>\$ 3,703,737</u>	<u>\$ 4,547,017</u>

Harris County, Georgia
Comparative Balance Sheet
2014 SPLOST Fund
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in pooled cash and investments	\$ 3,995,976	\$ 1,234,626
Restricted cash	887	1,801
Investments	223,144	466,136
Receivables:		
Accounts	1,799	700
Sales taxes	226,289	217,465
Interest	135	407
Interfund	26,013	1,216,001
Total Assets	<u>\$ 4,474,243</u>	<u>\$ 3,137,136</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 177,343	\$ 59,077
Interfund payable	64	370,392
Total Liabilities	177,407	429,469
Fund Balances		
Restricted for capital projects	4,296,836	2,707,667
Total Liabilities and Fund Balances	<u>\$ 4,474,243</u>	<u>\$ 3,137,136</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2014 SPLOST Fund
For the Fiscal Years Ended June 30, 2016 and 2015

	2016	2015
Revenues		
Sales taxes	\$ 2,414,515	\$ 2,460,020
Investment earnings	8,507	4,043
Total Revenues	2,423,022	2,464,063
Expenditures		
Intergovernmental	345,805	131,698
Capital Outlay	404,619	172,839
Total Expenditures	750,424	304,537
Excess of Revenues Over Expenditures	1,672,598	2,159,526
Other Financing Sources (Uses)		
Transfers out - general fund	(83,429)	(46,037)
Other Financing Sources (Uses)	(83,429)	(46,037)
Net Changes in Fund Balances	1,589,169	2,113,489
Fund Balances Beginning of Year	2,707,667	594,178
Fund Balances End of Year	\$ 4,296,836	\$ 2,707,667

Harris County, Georgia
Comparative Balance Sheet
Public Improvements Authority Fund
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Restricted cash and cash equivalents	\$ 321,466	\$ 3,087,615
Interfund receivable	-	16,572
Total Assets	<u>\$ 321,466</u>	<u>\$ 3,104,187</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ 19,957	\$ -
Fund Balances		
Restricted for debt service	\$ 139,452	\$ 532,711
Restricted for construction	162,057	2,571,476
Total Fund Balances	<u>301,509</u>	<u>3,104,187</u>
Total Liabilities and Fund Balances	<u>\$ 321,466</u>	<u>\$ 3,104,187</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, 2016 and 2015

	2016	2015
Revenues		
Intergovernmental	\$ 94,250	\$ 55,456
Interest	108,000	113,400
Investment earnings	149	151
Total Revenues	202,399	169,007
Expenditures		
Capital Outlay	2,387,988	2,724,650
Debt Service		
Principal	350,000	330,000
Interest	549,983	339,488
Trustee Fee	4,008	-
Bond issuance costs	-	104,000
Total Expenditures	3,291,979	3,498,138
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	(3,089,580)	(3,329,131)
Other Financing Sources (Uses)		
Issuance of revenue bonds	-	5,400,000
Transfers in - 2009 SPLOST fund	-	357,606
Transfers in - general fund	286,902	209,224
Transfers out - general fund	-	(947,458)
Total Other Financing Sources (Uses)	286,902	5,019,372
Net Changes in Fund Balances	(2,802,678)	1,690,241
Fund Balances Beginning of Year	3,104,187	1,413,946
Fund Balances End of Year	\$ 301,509	\$ 3,104,187

Harris County, Georgia
Comparative Balance Sheet
Transportation Investment Act Fund
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in pooled cash and investments	\$ 877,377	\$ 473,490
Taxes receivable	84,800	160,603
Total Assets	<u>\$ 962,177</u>	<u>\$ 634,093</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ 1,090,275	\$ 1,090,275
Fund Balances		
Unrestricted (deficit)	(128,098)	(456,182)
Total Fund Balance	<u>(128,098)</u>	<u>(456,182)</u>
Total Liabilities and Fund Balances	<u>\$ 962,177</u>	<u>\$ 634,093</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue		
Taxes	\$ 959,952	\$ 939,640
Expenditures		
Capital Outlay	<u>631,868</u>	<u>1,680,695</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	328,084	(741,055)
Other Financing Uses		
Transfers out-general fund	<u>-</u>	<u>(63,614)</u>
Net Changes in Fund Balances	328,084	(804,669)
Fund Balances Beginning of Year	<u>(456,182)</u>	<u>348,487</u>
Fund Balances End of Year	<u><u>\$ (128,098)</u></u>	<u><u>\$ (456,182)</u></u>

Harris County, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2016

	2016			Total Nonmajor Capital Projects Funds
	1999 SPLOST	2004 SPLOST	CDBG	
Assets				
Cash and cash equivalents	\$ 58,174	\$ 95,766	\$ 100	\$ 154,040
Receivables:				
Intergovernmental	-	-	106,100	106,100
Interfund	-	84,050	-	84,050
Total Assets	\$ 58,174	\$ 179,816	\$ 106,200	\$ 344,190
Liabilities and Fund Balances				
Liabilities				
Interfund payable	\$ -	\$ 26,013	\$ 106,200	\$ 132,213
Fund Balances				
Restricted	58,174	153,803	-	211,977
Total Fund Balances	58,174	153,803	-	211,977
Total Liabilities Fund Balances	\$ 58,174	\$ 179,816	\$ 106,200	\$ 344,190

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Funds
For the Year Ended June 30, 2016

	2016			Total Nonmajor Capital Projects Funds
	1999 SPLOST	2004 SPLOST	CDBG	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	106,100	106,100
Total Revenues	<u>-</u>	<u>-</u>	<u>106,100</u>	<u>106,100</u>
Expenditures				
Current:				
Housing and development	-	-	88,596	88,596
Capital Outlay	196,817	209,406	-	406,223
Transfers in - general fund	-	-	-	-
Total Expenditures	<u>196,817</u>	<u>209,406</u>	<u>88,596</u>	<u>494,819</u>
(Deficiency) of Revenues (Under) Expenditures	(196,817)	(209,406)	17,504	(388,719)
Fund Balances Beginning of Year	<u>254,991</u>	<u>363,209</u>	<u>(17,504)</u>	<u>600,696</u>
Fund Balances End of Year	<u>\$ 58,174</u>	<u>\$ 153,803</u>	<u>\$ -</u>	<u>\$ 211,977</u>

Harris County, Georgia
Comparative Balance Sheet
1999 SPLOST Fund
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in pooled cash and investments	\$ 58,174	\$ 260,260
Liabilities and Fund Balances		
Liabilities		
Interfund payable	\$ -	\$ 5,269
Fund Balances		
Restricted for capital projects	58,174	254,991
Total Liabilities and Fund Balances	<u>\$ 58,174</u>	<u>\$ 260,260</u>

Harris County, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
1999 SPLOST Fund
For the Fiscal Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Expenditures		
Intergovernmental	\$ -	\$ 11,819
Capital Outlay	196,817	3,644
Total Expenditures	196,817	15,463
Fund Balances Beginning of Year	254,991	270,454
Fund Balances End of Year	<u>\$ 58,174</u>	<u>\$ 254,991</u>

Harris County, Georgia
Comparative Balance Sheet
2004 SPLOST Fund
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in pooled cash and investments	\$ 95,766	\$ 411,821
Interfund receivable	84,050	5,269
Total Assets	<u>\$ 179,816</u>	<u>\$ 417,090</u>
Liabilities and Fund Balances		
Liabilities		
Interfund loan payable	\$ 26,013	\$ 53,881
Fund Balances		
Restricted for capital projects	153,803	363,209
Total Liabilities and Fund Balances	<u>\$ 179,816</u>	<u>\$ 417,090</u>

Harris County, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2004 SPLOST Fund
For the Fiscal Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Expenditures		
Capital Outlay	\$ 209,406	\$ 59,383
Intergovernmental	-	(5,269)
Total Expenditures	<u>209,406</u>	<u>54,114</u>
Net Changes in Fund Balances	(209,406)	(54,114)
Fund Balances Beginning of Year	<u>363,209</u>	<u>417,323</u>
Fund Balances End of Year	<u>\$ 153,803</u>	<u>\$ 363,209</u>

Harris County, Georgia
CDBG Health Fund
Comparative Balance Sheets
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash and cash equivalents	\$ 100	\$ 100
Intergovernmental receivable	106,100	56,482
Total Assets	<u>\$ 106,200</u>	<u>\$ 56,582</u>
Liabilities and Fund Balance		
Liabilities		
Interfund payable	\$ 106,200	\$ 74,086
Fund Balances		
Unrestricted (deficit)	\$ -	\$ (17,504)
Total Fund Balances	<u>-</u>	<u>(17,504)</u>
Total Liabilities and Fund Balance	<u>\$ 106,200</u>	<u>\$ 56,582</u>

Harris County, Georgia
CDBG Health Fund
Comparative Statement of Expenditures
and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Intergovernmental	\$ 106,100	\$ 132,239
Total Revenues	<u>106,100</u>	<u>132,239</u>
Expenditures		
Current:		
Housing and development	<u>88,596</u>	<u>153,343</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	17,504	(21,104)
Fund Balances Beginning of Year	<u>(17,504)</u>	<u>3,600</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ (17,504)</u>

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water Works Fund
June 30, 2016 and 2015

Assets	2016	2015
Current Assets:		
Cash and cash equivalents	\$ 425,534	\$ 786,373
Restricted cash	727,160	768,296
Investments	2,734,719	1,731,248
Receivable:		
Accounts (net)	549,827	510,215
Interest	1,299	742
Prepaid items	32,488	58,915
Inventories	171,882	184,644
Total Current Assets	4,642,909	4,040,433
Noncurrent Assets:		
Capital assets:		
Nondepreciable	5,683,175	3,102,027
Depreciable, net	14,152,415	14,341,625
Total Noncurrent Assets	19,835,590	17,443,652
Deferred Outflow of Resources	292,699	158,437
Total Assets and Deferred Inflows	24,771,198	21,642,522
Liabilities		
Current Liabilities:		
Accounts payable	9,607	39,819
Accrued expenses payable	46,941	39,162
Accrued interest payable	14,589	15,677
Interfund payable	404,461	238,699
Customer deposits payable	440,469	431,955
Compensated absences payable	40,298	40,566
Revenue bonds payable	450,000	435,000
GEFA loans payable	10,256	10,256
Total Current Liabilities	1,416,621	1,251,134
Long-term Liabilities (net of current portion):		
Compensated absences payable	10,074	10,141
Revenue bonds payable	6,105,504	6,568,249
GEFA loans payable	64,104	74,360
Net pension liability	491,571	320,758
Total Long-term Liabilities	6,671,253	6,973,508
Total Liabilities	8,087,874	8,224,642
Net Position		
Net investment in capital assets	13,205,726	10,355,787
Restricted	277,089	270,152
Unrestricted	3,200,509	2,791,941
Total Net Position	\$ 16,683,324	\$ 13,417,880

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Charges for services	\$ 4,812,782	\$ 4,930,434
Operating Expenses		
Personal services	1,413,122	1,585,875
Purchased services	1,412,886	1,521,777
Materials and supplies	219,532	514,472
Depreciation	686,986	662,857
Total Operating Expenses	<u>3,732,526</u>	<u>4,284,981</u>
Operating Income	<u>1,080,256</u>	<u>645,453</u>
Non-Operating Revenues (Expenses)		
Investment earnings	5,178	3,887
Interest and fiscal charges	(207,978)	(208,729)
Total Non-Operating Revenues (Expenses)	<u>(202,800)</u>	<u>(204,842)</u>
Income Before Transfers In and Contributions	877,456	440,611
Contributions	<u>2,387,988</u>	<u>2,724,650</u>
Change in Net Position	3,265,444	3,165,261
Net Position Beginning of Year	<u>13,417,880</u>	<u>10,252,619</u>
Net Position End of Year	<u>\$ 16,683,324</u>	<u>\$ 13,417,880</u>

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 4,781,684	\$ 4,877,528
Cash payments to employees for services	(1,419,440)	(1,515,760)
Cash payments for goods and services	(1,613,341)	(2,039,054)
Net Cash Provided by (Used in) Operating Activities	<u>1,748,903</u>	<u>1,322,714</u>
Cash Flows from Noncapital Financing Activities		
Interfund receivable	-	11,645
Interfund payable	165,762	1,127
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>165,762</u>	<u>12,772</u>
Cash Flows from Capital and Related Financing Activities		
Principal paid on GEFA loan	(10,256)	(10,256)
Principal paid on revenue bonds	(435,000)	(435,000)
Interest paid on capital debt	(181,598)	(209,454)
Acquisition of capital assets	(690,936)	(668,336)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,317,790)</u>	<u>(1,323,046)</u>
Cash Flows from Investing Activities		
Investment earnings	4,621	3,556
Net Increase (Decrease) in Cash and Cash Equivalents	601,496	15,996
Cash and Cash Equivalents Beginning of Year	<u>3,285,917</u>	<u>3,269,921</u>
Cash and Cash Equivalents End of Year	<u>\$ 3,887,413</u>	<u>\$ 3,285,917</u>
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ 425,534	\$ 786,373
Restricted	727,160	768,296
Investments	2,734,719	1,731,248
Total Cash and Cash Equivalents	<u>\$ 3,887,413</u>	<u>\$ 3,285,917</u>

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2016 and 2015

(continued)

	2016	2015
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 1,080,256	\$ 645,453
Adjustments:		
Depreciation and amortization	686,986	662,857
(Increase) Decrease in Assets:		
Accounts receivable	(39,612)	(61,578)
Prepaid items	26,427	346
Inventories	12,762	63,214
Increase (Decrease) in Liabilities:		
Accounts payable	(30,212)	(79,794)
Accrued expenses payable	7,779	13,429
Customer deposits	8,514	8,672
Compensated absences payable	335	3,479
Other net	(4,332)	66,636
Net Cash Provided by (Used in) Operating Activities	\$ 1,748,903	\$ 1,322,714
Non-cash Capital Activities:		
Contributions of capital assets constructed in the public improvements authority fund	\$ 2,387,988	\$ 2,724,650

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
June 30, 2016 and 2015

Assets	2016	2015
Current Assets:		
Cash and cash equivalents	\$ 4,376,702	\$ 3,478,053
Investments	2,025,394	2,762,842
Receivable:		
Accounts (net)	41,393	44,093
Interest	3,731	4,586
Prepaid items	15,699	15,076
Total Current Assets	6,462,919	6,304,650
Noncurrent Assets:		
Capital assets:		
Nondepreciable	199,250	199,250
Depreciable, net	828,105	1,099,930
Total Noncurrent Assets	1,027,355	1,299,180
Total Assets	7,490,274	7,603,830
Deferred Outflow of Resources	61,743	3,191
Total Assets and Deferred Inflows	7,552,017	7,607,021
Liabilities		
Current Liabilities:		
Accounts payable	-	44,742
Accrued expenses payable	14,642	11,172
Interfund payable	1,363,768	1,784,586
Compensated absences payable	13,344	12,371
Capital leases payable	78,559	75,424
Total Current Liabilities	1,470,313	1,928,295
Long-term Liabilities (net of current portion):		
Compensated absences payable	3,336	3,093
Closure and postclosure care payable	235,130	249,770
Capital leases payable	243,033	321,592
Net pension liability	191,409	128,304
Total Long-term Liabilities	672,908	702,759
Total Liabilities	2,143,221	2,631,054
Net Position		
Net investment in capital assets	705,763	902,164
Unrestricted	4,703,033	4,073,803
Total Net Position	\$ 5,408,796	\$ 4,975,967

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Charges for services	\$ 1,989,460	\$ 1,989,770
Miscellaneous	-	39,603
Total Operating Revenues	<u>1,989,460</u>	<u>2,029,373</u>
Operating Expenses		
Personal services	580,488	613,715
Purchased services	93,542	78,193
Purchased services - tipping fees	502,696	517,335
Materials and supplies	143,464	144,337
Depreciation	271,824	223,465
Total Operating Expenses	<u>1,592,014</u>	<u>1,577,045</u>
Operating Income	<u>397,446</u>	<u>452,328</u>
Non-Operating Revenues (Expenses)		
Gain on disposition of capital assets	-	66,816
Investment earnings	45,841	29,538
Interest and fiscal charges	(10,458)	(8,776)
Total Non-Operating Revenues (Expenses)	<u>35,383</u>	<u>87,578</u>
Change in Net Position	432,829	539,906
Net Position Beginning of Year	<u>4,975,967</u>	<u>4,436,061</u>
Net Position End of Year	<u>\$ 5,408,796</u>	<u>\$ 4,975,967</u>

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund

	<u>2016</u>	<u>2015</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,989,460	\$ 2,031,827
Cash payments to employees for services	(599,468)	(582,565)
Cash payments for goods and services	(768,787)	(727,419)
Net Cash Provided by (Used in) Operating Activities	<u>621,205</u>	<u>721,843</u>
Cash Flows from Noncapital Financing Activities		
Interfund payable	(420,818)	1,334,905
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(420,818)</u>	<u>1,334,905</u>
Cash Flows from Capital and Related Financing Activities		
Insurance recovery		87,316
Principal paid on capital leases	(75,424)	(53,824)
Interest paid on notes	(10,458)	(8,776)
Acquisition of capital assets	-	(363,967)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(85,882)</u>	<u>(339,251)</u>
Cash Flows from Investing Activities		
Investment earnings	46,696	30,221
Net Increase (Decrease) in Cash and Cash Equivalents	161,201	1,747,718
Cash and Cash Equivalents Beginning of Year	<u>6,240,895</u>	<u>4,493,177</u>
Cash and Cash Equivalents End of Year	<u>\$ 6,402,096</u>	<u>\$ 6,240,895</u>
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ 4,376,702	\$ 3,478,053
Investments	2,025,394	2,762,842
Total Cash and Cash Equivalents	<u>\$ 6,402,096</u>	<u>\$ 6,240,895</u>

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2016 and 2015

(continued)

	2016	2015
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 397,446	\$ 452,328
Adjustments:		
Depreciation and amortization	271,824	223,465
(Increase) Decrease in Assets:		
Accounts receivable	2,700	2,454
Prepaid items	(623)	(5,695)
Increase (Decrease) in Liabilities:		
Accounts payable	(44,742)	44,795
Accrued expenses payable	3,470	5,233
Compensated absences payable	1,216	(737)
Other net	(10,086)	-
Net Cash Provided by (Used in) Operating Activities	\$ 621,205	\$ 721,843

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Airport Fund
June 30, 2016 and 2015

Assets	2016	2015
Current Assets:		
Interfund receivable	\$ -	\$ -
Intergovernmental receivable	1,343,364	-
Prepaid items	407	1,257
Inventories	48,087	51,997
Total Current Assets	1,391,858	53,254
Noncurrent Assets:		
Capital assets:		
Nondepreciable	5,017,386	559,532
Depreciable, net	2,932,865	2,964,316
Total Noncurrent Assets	7,950,251	3,523,848
Total Assets	9,342,109	3,577,102
Deferred Outflow of Resources	5,612	290
Total Assets and Deferred Inflows	9,347,721	3,577,392
Liabilities		
Current Liabilities:		
Accounts payable	692,476	-
Retainage payable	323,057	10,000
Accrued expenses payable	1,898	1,294
Compensated absences payable	1,021	744
Interfund payable	1,752,981	51,997
Total Current Liabilities	2,771,433	64,035
Long-term Liabilities (Net of current portion)		
Compensated absences payable	255	186
Net pension liability	17,401	11,664
Total Long-term Liabilities	17,656	11,850
Total Liabilities	2,789,089	75,885
Net Position		
Investment in capital assets	7,950,251	3,523,848
Unrestricted	(1,391,619)	(22,341)
Total Net Position	\$ 6,558,632	\$ 3,501,507

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Hanger fees	\$ 53,033	\$ 49,277
Fuel sales	259,343	299,598
Total Operating Revenues	<u>312,376</u>	<u>348,875</u>
Operating Expenses		
Personal services	57,183	54,582
Cost of sales	215,341	268,787
Purchased services	45,344	59,154
Materials and supplies	3,725	11,218
Depreciation	124,126	113,109
Total Operating Expenses	<u>445,719</u>	<u>506,850</u>
Operating Loss Before Contributions and Transfers In	<u>(133,343)</u>	<u>(157,975)</u>
Contributions	2,052,100	38,576
Transfer In	<u>1,138,368</u>	<u>229,124</u>
Total Contributions and Transfers In	<u>3,190,468</u>	<u>267,700</u>
Change in Net Position	3,057,125	109,725
Net Position Beginning of Year, as Restated	<u>3,501,507</u>	<u>3,391,782</u>
Net Position End of Year	<u>\$ 6,558,632</u>	<u>\$ 3,501,507</u>

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2016 and 2015

	2016	2015
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 312,376	\$ 348,875
Cash payments to employees for services	(53,252)	(51,229)
Cash payments for goods and services	(262,214)	(354,657)
	<u>(3,090)</u>	<u>(57,011)</u>
Net Cash Provided by (Used in) Operating Activities		
Cash Flows from Noncapital Financing Activities		
Interfund receivable	-	43,863
Interfund payable	1,700,984	(13,479)
Transfers in	-	229,124
	<u>1,700,984</u>	<u>259,508</u>
Net Cash Provided by (Used in) Noncapital Financing Activities		
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	38,576
Acquisition of capital assets	(3,544,998)	(241,073)
Transfers in	1,847,104	-
	<u>(1,697,894)</u>	<u>(202,497)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents Beginning of Year	-	-
Cash and Cash Equivalents End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ -	\$ -
Investments	-	-
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, 2016 and 2015

(continued)

	2016	2015
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Loss	\$ (133,343)	\$ (157,975)
Adjustments:		
Depreciation and amortization	124,126	113,109
(Increase) Decrease in Assets:		
Prepaid items	850	873
Inventories	3,910	12,453
Increase (Decrease) in Liabilities:		
Accounts payable	-	(38,791)
Retainage payable	-	10,000
Accrued expenses payable	604	(33)
Compensated absences payable	346	930
Other net	417	2,423
Net Cash Provided by (Used in) Operating Activities	\$ (3,090)	\$ (57,011)

Harris County, Georgia
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended June 30, 2016

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	\$ 3,316,443	\$ 196,817	\$ 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	0	141,826
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>\$ 9,006,137</u>	<u>\$ 196,817</u>	<u>\$ 9,202,954</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	441,249	0	441,249
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	324,725	37,397	362,122
Economic Development	3,500,000	3,489,582	10,418	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	6,328,593	161,591	6,490,184
Totals	<u>\$ 14,000,000</u>	<u>\$ 12,823,239</u>	<u>\$ 209,406</u>	<u>\$ 13,032,645</u>

Harris County, Georgia
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended June 30, 2016

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	\$ 1,690,303	\$ 293,958	\$ 1,984,261
Library	1,500,000	0	46,000	46,000
Recreation	2,200,000	2,200,000	0	2,200,000
EMS/Fire	2,000,000	1,800,181	69,259	1,869,440
Roads	10,930,000	215,323	401,715	617,038
Cities				
Hamilton	350,000	329,141	18,484	347,625
Pine Mountain	765,000	765,000	0	765,000
Shiloh	290,000	259,713	7,007	266,720
Waverly Hall	500,000	513,573	13,300	526,873
West Point	465,000	348,750	0	348,750
Totals	<u>\$ 21,000,000</u>	<u>\$ 8,121,984</u>	<u>\$ 849,723</u>	<u>\$ 8,971,707</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	\$ 0	\$ 214,615	\$ 214,615
Public Library Construction	500,000	0	0	0
Recreation	2,700,000	35,900	307	36,207
Public Safety	80,000	0	0	0
Fire	3,152,000	0	0	0
Water System Improvements	1,000,000	41,949	116,323	158,272
AgriCenter	500,000	94,990	70,373	165,363
Roads				0
County	2,500,000	46,037	0	46,037
Hamilton	60,000	0	11,000	11,000
Shiloh	100,000	0	0	0
Waverly Hall	200,000	0	0	0
West Point	100,000	0	0	0
Cities				
Hamilton	240,000	5,487	15,957	21,444
Pine Mountain	961,000	0	174,386	174,386
Shiloh	270,000	28,565	29,872	58,437
Waverly Hall	376,000	15,851	32,795	48,646
West Point	475,000	81,794	81,795	163,589
Debt reduction/public safety/roads/airport	4,786,000	0	86,429	86,429
Totals	<u>\$ 19,000,000</u>	<u>\$ 350,573</u>	<u>\$ 833,852</u>	<u>\$ 1,184,425</u>

Harris County, Georgia
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended June 30, 2016

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	\$ 9,202,954	\$ 58,174
2004	\$ 14,000,000	\$ 12,558,478	\$ 622,701	\$ 13,032,645	\$ 148,534
2009	\$ 21,000,000	\$ 12,613,034	\$ 56,332	\$ 8,971,707	\$ 3,697,659
2014	\$ 19,000,000	\$ 5,422,543	\$ 12,683	\$ 1,184,425	\$ 4,250,801

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 15, 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 questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 deficiencies 2016-1 and 2016-2 described in the schedule of findings and questioned costs to be material weaknesses.

Harris County Board of Commissioners
Harris County, Georgia
Page Two

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies considered to be a significant deficiency.

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 instances of noncompliance, 2016-3 and 2016-4, required to be reported under *Government Auditing Standards*, described in the accompanying schedule of findings and questioned costs.

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 questioned costs. 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

June 15, 2017

Independent Auditor's Report on Compliance for Each Major
Federal Program Report on Internal Control over Compliance
in Accordance with the Uniform Guidance

Harris County Board of Commissioners
Harris County, Georgia

Report on Compliance for Each Major Federal Program

We have audited Harris County, Georgia's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Compliance Supplement, that could have a direct and material effect on the County's major federal program for the year ended June 30, 2016. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Those standards and the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Grimes & Company, P.C.

Certified Public Accountants

June 15, 2017

Harris County, Georgia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

	FEDERAL CFDA NUMBER	TOTAL EXPENDITURES
DEPARTMENT OF TRANSPORTATION		
Department of Homeland Security	97.042	\$ 20,400
Federal Aviation Administration	20.106	2,052,100
Federal Highway Administration	20.219	5,462
		<u>\$ 2,077,962</u>

See Independent Auditor's Report.

Harris County, Georgia
Schedule of Findings and Questioned Costs
For the year ended June 30, 2016

Summary of Auditor's Results

1. An unmodified opinion, dated June 15, 2017, was issued on the financial statements for the year ended June 30, 2016.
2. The "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" dated June 15, 2017, disclosed two material weaknesses for the year ended June 30, 2016.
3. The "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" dated June 15, 2017, disclosed instances of noncompliance for the year ended June 30, 2016 which are described in the accompanying Schedule of Findings and Questioned Costs.
4. The "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance" dated June 15, 2017, disclosed no significant deficiencies or material weaknesses in internal control over major programs for the year ended June 30, 2016.
5. An unmodified opinion, dated June 15, 2017, was issued on the County's compliance with its major federal program in the "Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance" for the year ended June 30, 2016.
6. No audit findings were disclosed as required under section 200.515 of the Uniform Guidance and the Guide for the year ended June 30, 2016.
7. The Harris County, Georgia's major program for the year ended June 30, 2016 is the Airport Improvement Program, CFDA No. 20.106.
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000, as described in section 200.518 of the Uniform Guidance.
9. Harris County, Georgia did not qualify as a low-risk auditee for the year ended June 30, 2016 as described in section 200.520 of the Uniform Guidance.

Harris County, Georgia
Schedule of Findings and Questioned Costs
For the year ended June 30, 2016

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESSES

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.

Cause – The County did not timely initiate corporate resolutions to change signatories and provide this information to certain banks.

Effect – The County was at risk of improper access to County resources and also had limited access and information related to these accounts.

Recommendation – The County should maintain accurate records of all bank accounts and certificates of deposit and authorized signatories. This information should be updated and communicated timely to the related banks in order to safeguard County resources.

Response – The County concurs with the auditor’s recommendation and has subsequently updated corporate resolutions and communicated this information to the relevant banks and will establish processes and procedures to ensure this information is maintained.

2016-2 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.

Harris County, Georgia
Schedule of Findings and Questioned Costs
For the year ended June 30, 2016

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.

Cause – The County has experienced significant recent turnover in the Finance Officer position which caused a delay in preparing financial statements for the 2015 audit. The delay in filing the 2015 audit resulted in further delay for the 2016 audit.

Effect – The County is at risk of not receiving state grant funds.

Recommendation – The County should establish procedures for training all accounting personnel on the County’s accounting processes and software.

Response – The County concurs with the auditor’s recommendation and will establish appropriate procedures.

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.

Cause – 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 during the year.

Effect – Though no payments were made late, the County was not in compliance with the bond resolution.

Recommendation – The County should establish procedures through which bond compliance requirements are documented and monitored to enable timely compliance with bond resolutions.

Response – The County concurs with the auditor's recommendation and will establish appropriate procedures.

*Harris County, Georgia
Schedule of Prior Year Findings
For the year ended June 30, 2016*

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESS

2015-1 Internal Control over Financial Reporting

Condition and Criteria – Traditionally, the County has maintained and presented its internal financial statements in a budget comparison format, along with a comparative balance sheet, and County management had requested that the external auditors prepare the year-end financial statements and related disclosures due to their familiarity with financial statement presentation in accordance with U.S. generally accepted accounting principles (“GAAP”). During the 2014-2015 fiscal year, the County elected to prepare its own year-end financial statements. However, significant audit adjustments were required to be made to various accounts in order to present financial statements in accordance with GAAP.

Status – Subsequent to year end, the financial reporting process was improved and minimal audit adjustments were required for 2016. This finding has been resolved.

2015-2 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 – Unresolved: See current year financial audit finding 2016-1.

SIGNIFICANT DEFICIENCY

2015-3 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 2016-2.

*Harris County, Georgia
Schedule of Prior Year Findings
For the year ended June 30, 2016*

FINDINGS RELATED TO COMPLIANCE

2015-4 Pledges of Collateral

Condition and Criteria – State statutes require public funds to be insured by specific venues as outlined in Georgia Code 50-17-59. The insurance should be 110% of the uninsured deposited public funds. Public funds may not be on deposit at any one time in any depository for a time longer than ten days without proper collateral. At year-end, deposits held in an investment account as cash were not reinvested within 10 days leaving cash in the amount of approximately \$360,000 uninsured and uncollateralized.

Status – As of June 30, 2016, public funds were properly collateralized in accordance with Georgia Code. This finding has been resolved.

2015-5 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 financial audit finding 2016-4.