

# **SPLOST COMPLAINT**

**SUBJECT:**

**Allegations of Splost Non-Compliance by  
Union County Georgia Sole Commissioner, Lamar Paris**

**SUBMITTED TO:**

Sam Olens / Georgia Attorney General  
Georgia Department of Law  
Attn: SPLOST Compliance  
40 Capitol Square, S.W.  
Atlanta, Ga. 30334-1300

**PREPARED BY:**

David Hopkins  
10887 Big Canoe  
Jasper, GA 30143

**SUBMITTED ON:**

February 20, 2014

*Outline can be found on the following page*

**COMPLAINT OUTLINE :**

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### Page 3 ~ Introduction

My name is David Hopkins. Over the years I have investigated illegal banking and political activity in the North Georgia Mountains. In 2010 I concluded an investigation of Appalachian Bank / Gilmer County Bank. I turned that information over to the FBI / FDIC, and it was used to successfully prosecute the Bank's CFO (*Adam Teague, currently serving 5+ yrs in Federal Penitentiary*). Shortly thereafter I moved to investigate United Community Bank ("UCBI"), headquartered in Blairsville Georgia (*Union County*). That information was also turned over to Federal investigators. In the midst of the 2<sup>nd</sup> bank investigation, I observed something in the local Union County political arena that utterly disgusted me, which led to a political investigation, and ultimately this Complaint.

I observed Commissioner Lamar Paris attacking, calling names and humiliating a local citizen (*Linda Pittman of Advocates for Clean and Open Government – "ACOG"*) simply because she dared ask questions about how he handled his office, and for filing open records. I subsequently watched the local newspaper pile on, and run mocking news stories on the front page of the next edition. I thought her questions were quite reasonable, and the push back she received rather suspect. So I started looking into some of ACOG's allegations. Subsequently ACOG has turned over to me years of Research and Open Records results from Union County. I have added months of my own research, diligence and analysis to the investigation of activities by Commissioner Lamar Paris. I am submitting various reports to various State Agencies detailing my findings. Other complaints detail his personal criminal activity in property tax evasion, false swearing on documents, theft by County Employees, and overall Accounting irregularities in the County Audits. But regarding this specific SPLOST complaint I am making here, I am doing so for the following reasons:

1. It is my understanding that it the duty (*legal obligation?*) of citizens to properly report criminal or illegal activity when they are aware of it. This Complaint regarding SPLOST activities in Union County should fulfill any moral or legal obligation I might have.
2. I spend money in Union County, and am concerned that my Tax dollars are not being properly spent and accounted for.
3. During my investigations in North Georgia, I have interacted with several other County Watchdog Groups, and have seen enough to know that behavior such as is outlined in this Complaint is widespread in other North Georgia Counties, and indeed throughout Georgia. It is my belief that Sole Commissioner Lamar Paris, and his role in the Union County SPLOST are excellent candidates to make an example of, and to send a message across the State that SPLOST abuses will not be tolerated, and that everyone needs to clean up their accounting acts. I also think that due to the nature and scope of allegations involved, this would be a case that could set some needed and helpful legal precedents.

**I am asking for a formal investigation by the Georgia State Attorney General's Office. I am suggesting that a Forensic Audit of the Union County SPLOST Funds be undertaken as part of that investigation.**

Peace,

- david hopkins

Box 10887 Big Canoe; Jasper, GA 30143 / 678-327-3127 / [themtnsvoice@aol.com](mailto:themtnsvoice@aol.com)

GEORGIA DEPARTMENT OF LAW  
SPLOST COMPLIANCE FORM

I. Instructions

Effective July 1, 2012, O.C.G.A. § 48-8-124 provides that “the Attorney General shall have authority to bring enforcement actions, either civil or criminal, in his or her discretion as may be appropriate to enforce compliance with [Georgia laws governing special purpose local option sales and use taxes, or ‘SPLOSTs’].” This form should be used if you have a SPLOST complaint that you believe warrants such action by this office.

Please understand that there can be disagreements with local officials over the imposition or use of SPLOST funds for which the law provides no direct redress or that may already be the subject of a pending lawsuit. There also could be other factors weighing against enforcement action by this office at this time. Consequently, in order for this office to assess what action (if any) may be appropriate, it is important you complete this form carefully and describe all the pertinent facts and circumstances.

Your answers should be typed or legibly printed. Please attach additional sheets of paper if you are unable to respond fully in the space provided below. Send the completed form and any attachments to:

Georgia Department of Law  
40 Capitol Square, S.W.  
Atlanta, Ga. 30334-1300  
Attn: SPLOST Compliance

II. Your Contact Information

Name: DAVID H. HOPKINS  
(First) (Middle) (Last)

Address: 10887 BIG CANOE; JASPER, GA 30143 (Dawson)  
(Street) (City) (State / Zip) (County)

Telephone: 678-327-3127

E-mail: themtnsvoice@aol.com

III. Identifying The Issue

A. Please identify the SPLOST in question (for example, “the SPLOST currently imposed in X County”): SPLOST 1 & SPLOST 2 PREVIOUSLY IMPOSED IN UNION COUNTY and SPLOST 3 CURRENTLY IMPOSED IN UNION COUNTY

B. Please identify the local government entity to which your complaint relates (for example, "X County" or "the City of Y"): UNION COUNTY

C. From the following categories, please check the one that best describes your complaint:

1.  The local government entity has not used or is not using SPLOST funds exclusively for the purpose or purposes specified in the resolution or ordinance calling for imposition of the tax. (If you check this category, please go to Part IV below.)

2.  The local government entity has abandoned a SPLOST purpose approved by the voters when it remains feasible to complete that purpose. (If you check this category, please go to Part V below.)

3.  The local government entity has failed to publish annually a simple, nontechnical report for each SPLOST project containing the information required by O.C.G.A. § 48-8-122. (If you check this category, please describe here what you believe the local government entity failed to do or how any such report was deficient:

**(See Attachment Section I, titled "Failure to Publish Correct Annual Report")**

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4.  Other. (If you check this category, please describe here what you believe the local government entity did or is doing wrong, and attach any documents upon which you rely in so contending:

**(See Attachment Section II, titled "OTHER: Failure to Properly Segregate & Account Funds")**

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D. Are you aware of any litigation that involves or has involved in any way the issues you are raising with this office? If so, please state the names of the parties to such litigation, the court or other tribunal in which the matter is or was pending, and the civil action number or other identifying designation for the case. NO

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IV. Allegations Of Improper SPLOST Usage

If you contend that the local government entity has not used or is not using SPLOST funds exclusively for the purpose or purposes specified in the resolution or ordinance calling for imposition of the tax, please:

A. Attach a copy of the SPLOST resolution or ordinance in question;  
n/a

B. Attach a copy of any other documents upon which you rely in so contending; and  
n/a

C. State why (referring whenever possible to the attached documents) you so contend:  
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V. Allegations Of Improper Abandonment

If you contend that the local government entity has abandoned a SPLOST purpose approved by the voters when it remains feasible to complete that purpose, please:

A. Attach a copy of the SPLOST resolution or ordinance in question;  
(See Attachment TAB 3)

B. Attach a copy of any other documents upon which you rely in so contending; and  
(See Attachment Section III titled "Allegations of Improper Abandonment" for a list of TAB References)

C. State why (referring whenever possible to the attached documents) you so contend:  
(See Attachment Section III titled "Allegations of Improper Abandonment")  
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David Hopkins  
Your Signature

2-20-2014  
Date

David Hopkins

**ATTACHMENT SECTION I:**  
***Failure to Publish Correct Annual Report***



**ATTACHMENT SECTION I:  
Failure to Publish Correct Annual Report**

**From Section III. C. 3.**  The local government entity has failed to publish annually a simple, nontechnical report for each SPLOST project containing the information required by O.C.G.A. § 48-8-122. (If you check this category, please describe here what you believe the local government entity failed to do or how any such report was deficient:

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**ALLEGATION: Union County Sole Commissioner Lamar Paris has supplied the public with incorrect accounting data in the Annually Published Reports for SPLOST 3 required by O.C.G.A. § 48-8-122.** (See TAB "4" for current and previous Code Reference.)

**1.**

**The accounting numbers provided in the annual newspaper publication are not correct.** I have attached copies of the 2008 – 2013 Annual Newspaper Publications (TAB "5"). The transitional numbers marking beginning and ending annual totals do not match in some instances. Examples:

- A. Transitional numbers from 2009 to 2010 are incorrect in the following Projects: (a) Administration Costs, (b) Roads & Bridges, (c) Parks/Recreation, (d) Library, (e) Public Safety, (f) Farmers Market, (g) Multi-Use Building.

*NOTE: It is possible that there is a single comprehensive explanation for the above, but I am not aware of what that is. I make note of the discrepancies only because they exist, but it is a minor point in this overall particular complaint.*

- B. The Multi-Use Building transitional numbers are also substantially off between 2010 – 2011.

*NOTE: This second point is not so minor, and is indicative of a larger problem you will see in point "4c" below.*

**2.**

**The accounting numbers provided in the annual newspaper publications do not match numbers provided in the annual county Audits.** I have included 1 page excerpts from the annual 2009 – 2012 Union County Audit Reports (TAB "6"). They contain the "SPLOST Section" of each Annual Audit, formatted exactly as the annual Newspaper version. The numbers diverge rather significantly between the Newspaper and Audit versions. For ease of review I have compiled all Newspaper and Audit versions into a single document (TAB "7"). Examples:

- A. The majority of the transitional numbers showing annual end and begin accounting numbers. Annual expenditures also vary significantly in the majority of project categories.

*NOTE: It is quite probable that there is a single comprehensive explanation for much of the above, specifically that the Newspaper and Audit versions have different accounting periods. The Newspaper version runs through October 31 of most years, and the Audits normally account all the way until December 31. So it is expected that expenditures would account differently. So as in item (1) above, I make note of the discrepancies primarily because they exist, but it is a minor point in this overall particular complaint.*

- B. Some of the discrepancies in date between the Newspaper & Audit versions can NOT be explained by the aforementioned time periods. The following projects have seemingly

irreconcilable differences :

- a. **Administration Costs:** “Total Expenditures” are higher in the Newspaper Version each year on Oct 31, than they are 2 months later on December 31 in the Audit Version? It appears that every year during November and December the County “unspends” money.
- b. **County Admin Annex Building:** Numbers don’t match over the entire multi-year term.
- c. **Multi-Use Building: Numbers are impossibly all over the map.** This project specifically has been under public scrutiny for the \$5,105,000 that was undertaken as an outside financing source mid-project, and then reimbursements were made to the fund, suddenly the Splost Fund would only be paying Interest Payments, not doing the actual project. Now, a Splost IV Referendum recently approved is voting for another \$5,500,000 to actually “buy back” the project after it was transferred to a different County Agency. One specific set of accounting discrepancies between the two accounting versions is in the end of year “Total Expenditures” you see in 2012 & 2013. That 2013 Newspaper Publication number cannot be explained. And most of the earlier numbers are severely divergent as well.

### 3.

**Code requires that the annual report also be published “*in a prominent location on the local government website, if such local government maintains a website*” A review of the [www.unioncountygga.gov](http://www.unioncountygga.gov) website has failed to locate a copy of the report at any time.**

### 4.

**The possibility of more serious accounting problems are further supported** by comments made in a private 37 page letter from the 2012 Auditor to the Union County Commissioner (TAB “15”) which detailed “Material Weaknesses”, “Material Misstatements” and “Internal Control Significant Deficiency and Noncompliance” related to various aspects of the SPLOST Fund. Below are some highlites:

#### **Reference TAB 15 pgs 16, 17 ~**

**MATERIAL WEAKNESS: 2) Internal controls were not sufficient to detect misstatements** in the reporting of the County's revenues and related balance sheet accounts. During our testing, certain audit adjustments were required to correct current year revenues and related assets and liabilities. The nature of these adjustments is as follows: (pg 16)

- In the SPLOST III Fund, sales tax revenues pertaining to the subsequent period were accrued. Audit adjustments totaling approximately \$481,000 were required to properly report sales tax revenues and receivables. An adjustment of approximately \$213,000 was required to adjust current year accrued revenues, and approximately \$268,000 to correct prior year's over accrual of revenues. (pg 17)
- In the SPLOST III Fund, an audit adjustment totaling approximately \$466,000 was required to properly report intergovernmental revenues which were improperly reported as unearned revenues. Governmental Accounting Standards Board Statement Number 33 states a purpose

restriction is not an appropriate reason for deferral of the recognition of grant revenues; therefore this amount should be reported as revenue in the 2012 year. (pg 17)

**Reference TAB 15 pg 18 ~**

3) Material misstatements were detected in the reporting of the County's expenditures and related liabilities. During our testing of expenditures and related liabilities certain audit adjustments were required to correct the recognition and reporting of expenditures and the related liabilities. The nature of those entries is described below:

- In the SPLOST III Fund, intergovernmental expenditures and related liabilities were accrued, but not incurred as of December 31, 2011. Audit adjustments totaling approximately \$17,000 were required to correct beginning fund balance.

**Reference TAB 15 pg 21 ~**

4) During our testing of SPLOST III Fund expenditures, we noted twenty disbursements that did not include approval from a department head or project manager on the face of the invoice or other available supporting documentation. In order to ensure that SPLOST disbursements are for services actually received and are in compliance with the voter approved SPLOST referendum, all expenditures should include documentation of proper approval. We recommend the County implement policies and procedures requiring a department head, project manager or other designated employee to sign or initial each invoice paid with SPLOST funds.

**Reference TAB 15 pgs 21, 22 ~**

7) During our search for unrecorded liabilities, we noted \$20,860 in expenditures and related liabilities were improperly omitted from the SPLOST III Fund. Audit adjustments were required to properly report expenditures and related liabilities. We recommend the County carefully review all invoices and other supporting documentation for checks cut after year end for potential accrual back to the previous year in accordance with generally accepted accounting principles.

**CONCLUSION:**

**Too many numbers don't match up.** While some possible explanations exist for some discrepancies, any such explanations are not verified and should be tested. Other sets of discrepancies cannot logically be accounted for. According to the teachings and tenants of most forensic auditors, these sorts of discrepancies in the annual newspaper publishings are simply the "Canary in the Coalmine" - or "Red Flags" that could indicate **Fraud**.

**I am asking for a formal investigation by the Georgia State Attorney General's Office into these accounting discrepancies in the Annual Splost Publications. I am suggesting that a Forensic Audit of the Union County SPLOST Funds be undertaken as a necessary part of that investigation.**

**ATTACHMENT SECTION II:**  
***OTHER: Failure to Properly Segregate & Account Funds***

**ATTACHMENT SECTION II:  
OTHER: Failure to Properly Segregate & Account Funds**

**From Section III. C. 4.**  Other. (If you check this category, please describe here what you believe the local government entity did or is doing wrong, and attach any documents upon which you rely in so contending:

**ALLEGATION:** Union County Sole Commissioner Lamar Paris failed to properly Segregate and Account for SPLOST Funds as required by O.C.G.A. § 48-8-121(a)(1) *(See Excerpt Below)*

**O.C.G. A. § 48-8-121. Use of proceeds; issuance of general obligation debt**

(a)(1) The proceeds received from the tax authorized by this part shall be used by the county and qualified municipalities within the special district receiving proceeds of the sales and use tax exclusively for the purpose or purposes specified in the resolution or ordinance calling for imposition of the tax. Such proceeds shall be kept in a separate account from other funds of such county and each qualified municipality receiving proceeds of the sales and use tax and shall not in any manner be commingled with other funds of such county and each qualified municipality receiving proceeds of the sales and use tax prior to the expenditure.

**1.**

An entry in the 2012 Annual Audit (TAB 6 – see bottom of 2012 Splost Audit page) indicates “*Transfers to Debt Service funds, funded with remaining 1998 SPLOST funds*” (SPLOST 1 – see TAB 1) in the amount of \$411,259. These funds, if actually remaining 1998 Splost Funds, were not properly segregated into a “separate account”.

***Clarification Comments and Summary Points:***

**The aforementioned 1998 SPLOST ended in 2004. A review of Annual Publications from 2008, 2009, 2010, 2011 and 2012 (TAB “5”) shows no reference to any “1998 / Splost 1” fund or account. A review of Annual Audits from 2008, 2009, 2010, 2011 and 2012 (TAB “6”) shows no reference to any “1998 / Splost 1” fund or account. No “separate account” as required by law existed. If \$411,259 remained of the extremely old 1998 / Splost 1 – then it was improperly commingled into another account. And then suddenly appears again, as it is being commingled a 2<sup>nd</sup> time into the Debt Service Account, with no matching debt service remaining from the Splost 1. While this is an old Splost, the action of having the funds unsegregated and improperly commingled is an action that occurred as recently as 2012. Not only is it a commingling of funds, and not only has it been not properly segregated into its own account, but it is a major accounting Red Flag.**

## 2.

2003 SPLOST (SPLOST 2) proceeds have been commingled improperly with other accounts, and this is evidenced by a review of certain Annual Union County Audit documents (TABs 11, 12 & 13), the specifics of which are detailed below:

- A. 2003 SPLOST ended in early 2009. Tax Revenue was \$3,235,813 in 2008, and in its final partial year of 2009 took in \$1,553,595. By 2010 there was No Tax Revenue coming in because Splost 2 was over, and the Splost 3 Tax Collections had gone into effect.
- B. The 2008 Audit shows Splost 2 Projects at almost 100% estimated completion. The 2009 & 2010 Audits show estimated completion at over 100%. Annual Project Expenditures reflect this, showing total expenditures of \$4,465,345 (in 2008), dropping to \$1,644,794 (in 2009), and then down to \$36,421 (in 2010).
- C. ALL General Obligation Debt associated with the SPLOST 2 was retired in 2009. (TAB 12; pg #38)

*Clarification Comments and Summary Points:*

**By the end of 2009, no new Tax Revenue is coming in, all the associated debt is gone, all the projects have been 100% completed and paid for. There is no project activity and no further loan repayment activity.**

- D. The 2008 Audit shows the Splost 2 Fund ending the year with a Deficit of (-\$5,051,951). (TAB 11) In 2009 the end of year Splost 2 Fund balance is running a Deficit of (-\$7,668,013). (TAB 12)
- E. The 2010 Audit shows all Deficits erased, and the Fund having a positive balance of \$16,185. (TAB 13)

*Clarification Comments and Summary Points:*

**Without any new revenue, over \$7 Million dollars in deficit has been erased.**

- F. The 2010 Audit shows massive back and forth commingling of Splost 2 funds with other funds:
    - a. Splost 2 is shown with a \$4,148,715 Payable into the General Fund
    - b. The General Fund is shown with a \$3,880,560 Payable back into the Splost 2 Fund
    - c. Splost 2 is shown with a \$1,439,044 Payable into Splost 3
    - d. The Nonmajor Govt Fund shows a Transfer of \$361 into Splost 2
    - e. Splost 3 shows a \$355,751 Transfer into Splost 2
- \* See Tab 13; Pg 39 for the above numbers

*Clarification Comments and Summary Points:*

**Splost 2 ended in early 2009, and as previously shown by the end of 2009 all debts had been retired and all projects completed. There was no revenue coming in, and basically no expenditures to speak of in 2010. Yet Millions of Dollars were flowing back and forth between other funds and Splost 2. I should also point out that in no way do any of these numbers come even close to adding up to something that could have eliminated the previously existing Deficit.**

### 3.

SPLOST 2 and the EXPANSION Fund exist as separate entities for many years, and then suddenly in 2010 they are merged into a single Reporting Fund titled SPLOST 2. (TAB 13; pg #44)

- A. The 2008 Audit shows substantial back & forth & commingling of the Expansion Fund with other non-SPLOST 2 funds:
  - a. The General Fund is shown with a \$1,989,534 Payable back into the Expansion Fund
  - b. The Nonmajor Govt Fund shows a Transfer of \$827,357 into the Expansion Fund
  - c. The Expansion Fund shows a Transfer of \$1,953,631 into the Nonmajor Govt Fund

*\* See Tab 11; Pg 38 for the above numbers*
  
- B. The 2009 Audit shows substantial commingling of the Expansion Fund with other non-SPLOST 2 funds:
  - a. The General Fund is shown with a \$3,880,559 Payable back into the Expansion Fund
  - b. The General Fund shows a Transfer of \$771 into the Expansion Fund

*\* See Tab 13; Pg 40 for the above numbers*

#### *Clarification Comments and Summary Points:*

**When you go to the law as stated in O.C.G.A. 48-8-121 (a)(1) it states “*proceeds shall be kept in a separate account*”, which is singular, not indicative of allowing multiple accounts. If the Expansion Fund was just the Splost 2 Fund under a secondary & separate account name, what was the purpose for this secondary segregation, and why were those funds not also being properly segregated according to law. If they were NOT Splost 2 Funds – then why are they inexplicably commingled in 2010 via merger with the primary SPLOST 2 Fund?**

### 4.

2009 Splost (Splost 3) proceeds have been commingled improperly with other accounts, and this is evidenced by a review of certain Annual Union County Audit documents (TABs 11, 12 & 13), the specifics of which are detailed below:

- A. As previously noted Splost 3 and Splost 2 commingled considerable funds in 2010.
  - a. Splost 2 is shown with a \$1,439,044 Payable into Splost 3
  - b. Splost 3 shows a \$355,751 Transfer into Splost 2

*\* See Tab 13; Pg 39 for the above numbers*

- B. Previously in 2009, there was also considerable commingling of Splost 2 & Splost 3 Funds.
- a. Splost 2 is shown with a \$1,668,954 Payable into Splost 3
  - b. Splost 3 is shown with a \$500,265 Payable into Splost 2
- \* See Tab 12; Pg 40 for the above numbers

*Clarification Comments and Summary Points:*

**I am not aware of, and I do not believe any legal justification exists that could satisfactorily explain Payables / Receivables / Transfers between different Splost funds, and certainly NOT at these amount levels, and not in this back and forth.**

4.

All Allegations, Facts, Statements, References, and Reference Tabs made previously in “Attachment Section I” are hereby incorporated into this “Attachment Section II” by reference, especially but not exclusively Section I Article 4.

*Clarification Comments and Summary Points:*

**Everything outlined in Attachment Section I “Failure to Publish Correct Annual Report” is also directly applicable, and supportive in evidentiary nature, for use as allegation under this Attachment Section II “OTHER: Failure to Properly Segregate & Account Funds” – specifically as it relates to the failure to properly “Account Funds”. Section 1 outlined a multitude of Accounting Discrepancies that could not be explained, specifically findings in the 2012 Auditor Report (TAB “15”).**

**CONCLUSION:**

**There is a repeat and ongoing pattern of failure to properly segregate, use and account for Splost 1, Splost 2 & Splost 3 Funds. I am asking for a formal investigation by the Georgia State Attorney General’s Office into these accounting discrepancies in the Annual Splost Publications. I am suggesting that a Forensic Audit of the Union County SPLOST Funds be undertaken as a necessary part of that investigation.**



**ATTACHMENT SECTION III:**  
*Allegations of Improper Abandonment*

**ATTACHMENT SECTION III:  
Allegations Of Improper Abandonment**

**From Section IV.** If you contend that the local government entity has abandoned a SPLOST purpose approved by the voters when it remains feasible to complete that purpose, please:

- A. Attach a copy of the SPLOST resolution or ordinance in question;  
(See Attachment Sub-Section labeled **TAB "3"**)
- B. Attach a copy of any other documents upon which you rely in so contending; and  
(See Attachment Sub-Sections labeled **TABS "5", "6", "7", "8", "9", "10", & "14"**)
- C. State why (referring whenever possible to the attached documents) you so contend:  
(See Below)

**ALLEGATION:** Union County Sole Commissioner Lamar Paris has abandoned the following SPLOST 3 purposes approved by the voters when it remains feasible to complete these purposes:

**1. Jail Renovation and Expansion**

The Original Splost Resolution (*See TAB 3*) allotted \$2,000,000 to this project. To date there has been \$63,504 expended (*See Tabs 5, 6, 7, and 8*) that consisted of a Feasibility Study, a camera maintenance project, and the replacement of Nine A/C Units. It is questionable that any of this qualifies as "Renovation" and none of it qualifies as "Expansion" even though the Feasibility Study (*Tab 9*) talked of growing population needs; a 2013 Grand Jury Report (*Tab 9*) talked of the jail having exceeded maximum occupancy; Lamar Paris in a November 2011 Newspaper Q&A talked of the increasing inmate occupancy; and newspaper reports and quotes from Lamar Paris as he actively "Sold the Splost Vote" in 2008 talked about overcrowded conditions, sometimes reaching almost double the design capacity. Furthermore Lamar Paris sold this to the Voters as a must do Project, and threatened clearly in newspaper article interviews to raise property taxes in order to do it – if Splost failed. (*Tab 9*). But now, after the Vote, a review of the Annual Splost Publications (*Tab 5*), and the Annual Audit Reports (*Tab 6*) show that this Project was immediately downgraded to a Revised Budget Estimate of \$87,490. There is also another VIDEO of Lamar Paris proclaiming the need for the jail prior to the Vote in 2008. It can be found here:  
<http://youtu.be/mEGjKQ1YeuE>

**2. Solid Waste Transfer Station/Recycling Center Renovation & Expansion**

The Original Splost Resolution (*See TAB 3*) allotted \$750,000 to this project. Inexplicably all Newspaper & Audit Reports (TABS 5 & 6) show the Original Budget as \$833,000. They also show that the Budget was immediately downgraded to \$0 (Zero) after passage of the Splost Resolution. In the 2012 Audit, the Auditor warned Commissioner Paris in a private 4 page letter (*TAB 14*) of the danger of several Splost Projects having their Budgets so reduced, that he suggested the Commissioner consult with the County Attorney in order to ensure the County performs all the projects listed in the Referendum. Immediately thereafter in 2012 / 2013 Reports

(Tabs 5 & 6) the Current Budget Estimate was raised from \$0 to \$75,000. Laudable, yet nothing has been spent, and it is hard to see how a budget 10% of the Original could effectively and realistically complete any aspect of the Original Scope of the Project. Like the Jail, Lamar Paris was very active prior to the Splost 3 Vote, and the Transfer Station Project was lauded as an important project. (Tab 10) By 2011 he was writing it had been cut. (Tab 10)

### **3. County Administration Annex Renovations**

We cannot get any information on the future status of this project, but we're in the 6<sup>th</sup> and final year of the current Splost, and all Newspaper and Audit Accounts (TABS 5 & 6) show that nothing has been spent on this project's \$500,000 Budget.

#### **CONCLUSION:**

**There appears to be clear evidence that the Commissioner is abandoning projects. I am asking for a formal investigation by the Georgia State Attorney General's Office into the accounting expenditures of these projects. I am suggesting that the Commissioner be forced to comply with the law and complete these projects.**

# **TAB “1”**

**Shows the Original SPLOST 1 Referendum Authorization**  
*\*also sometimes referred to as the 1998 SPLOST*

**RESOLUTION TO AUTHORIZE COUNTY ELECTIONS SUPERINTENDENT (PROBATE JUDGE) OF UNION COUNTY TO CALL A REFERENDUM TO IMPOSE WITHIN THE COUNTY A SPECIAL SALES AND USE TAX FOR ANOTHER FIVE YEAR PERIOD FOR THE DUAL PURPOSES OF BUILDING A COUNTY JAIL AND FOR CONSTRUCTION (ROADS, STREETS, AND BRIDGES) WITHIN UNION COUNTY**

WHEREAS, the 1985 General Assembly of the State of Georgia amended Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use taxation, so as to authorize the imposition of a special county one percent sales and use tax;

WHEREAS, the imposition of any such tax must be approved by the voters of the County;

WHEREAS, Union County desires to resubmit the question of the imposition of a special county sales and use tax to the voters of Union County by referendum.

NOW, THEREFORE, be it resolved that:

The County Election Superintendent put on the ballot the question of the special sales and use tax at the November 3, 1998 General Election.

The question of whether the citizens of Union County desire to have the County impose a one cent (0.01) special sales and use tax for a five-year period for the raising of not more than \$2,000,000 dollars for the purpose of constructing a county jail and for raising \$9,000,000 dollars for the purpose of constructing roads, streets and bridges, both purposes as allowed under O.C.G.A. 48-8-111.

The ballot shall have written or printed thereon the following:

- ( ) yes
- ( ) no

Shall a special one (1) percent sales and use tax be imposed in Union County for a period of time not to exceed five (5) years and for the raising of not more than \$2,000,000 for the purpose of

building a county jail and for road, street, and bridge purposes for a period of time not to exceed five (5) years for the raising of not more than \$9,000,000?

If the imposition of the tax is approved at the General Election, the tax shall be imposed on the first day of the next succeeding calendar quarter which begins more than eighty days after the date of the election at which the tax was approved by the voters. With respect to services, which are regularly billed on a monthly basis, however, the Resolution shall become effective with respect to and the tax shall apply to services billed on or after the effective date specified in the previous sentence.

Be it further resolved, that the Clerk of Union County shall immediately transmit a certified copy of this Resolution to the County Elections Superintendent (Probate Judge).

APPROVED AND ADOPTED by the County Commissioner of Union County, this 22<sup>nd</sup> day of September, 1998.



Harold Cook, Sole Commissioner  
Union County Georgia

ATTEST:

  
Yalonde Tolbert, County Clerk

# **TAB “2”**

**Shows the Original SPLOST 2 Referendum**  
***\*also sometimes referred to as the 2003 SPLOST***

K-2003-006

A REFERENDUM RESOLUTION TO REIMPOSE A SPECIAL ONE PERCENT SALES AND USE TAX, SUBJECT TO REFERENDUM APPROVAL; TO REGULATE AND PROVIDE FOR THE CALLING OF AN ELECTION AND TO CALL AN ELECTION TO DETERMINE THE REIMPOSITION OR NON-REIMPOSITION OF THE SALES AND USE TAX; TO SPECIFY THE PURPOSES FOR WHICH THE PROCEEDS OF THE SALES AND USE TAX ARE TO BE USED AND MAY BE EXPENDED; TO SPECIFY THE MAXIMUM COST OF THE PROJECTS THAT WILL BE FUNDED FROM THE PROCEEDS OF THE SALES AND USE TAX; TO SPECIFY THE MAXIMUM PERIOD OF TIME THE SALES AND USE TAX WILL BE REIMPOSED; TO AUTHORIZE THE ISSUANCE OF \$8,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION DEBT IN CONJUNCTION WITH THE REIMPOSITION OF THE SALES AND USE TAX; TO SPECIFY THE PURPOSE FOR WHICH THE DEBT IS TO BE ISSUED, THE MAXIMUM INTEREST RATE OR RATES THAT SUCH DEBT IS TO BEAR, AND THE AMOUNT OF PRINCIPAL TO BE PAID IN EACH YEAR DURING THE LIFE OF SUCH DEBT; TO PROVIDE FOR THE LEVY AND COLLECTION OF AD VALOREM TAXES TO SERVICE SUCH DEBT, TO THE EXTENT THE PROCEEDS OF THE SALES AND USE TAX ARE NOT SUFFICIENT FOR SUCH PURPOSE; AND FOR OTHER PURPOSES.

WHEREAS, the Commissioner of Union County (the "Commissioner") is the governing authority of Union County, Georgia (the "County"), a political subdivision created and existing under the laws of the State of Georgia, and is charged with the duties of levying taxes, contracting debts, and managing the affairs of the County; and

WHEREAS, the Commissioner deems it to be in the best interest of the County to improve public services in the County by carrying out the hereinafter described capital outlay projects: the renovation, expansion, and equipping of an existing courthouse, the renovation, expansion, and equipping of an existing E-911 center (including infrastructure for homeland security), the acquisition of fire engines and rescue equipment, the acquisition, construction, and equipping of the Meeks Park Community Pavilion, the renovation, expansion, and equipping of an existing library, the acquisition, construction, and equipping of a new community/youth center, and the acquisition, construction, reconstruction, repair, improvement, and installation of roads, streets, and bridges (the "County Project"), all to be owned by the County for the use and benefit of the citizens of the entire County; and

WHEREAS, the Commissioner has estimated the maximum cost of the projects described above to be \$17,000,000, the components of which are:

- (1) the County Project other than for road, street, and bridge purposes - \$8,500,000, and
- (2) the County Project for road, street, and bridge purposes - \$8,500,000; and



**WHEREAS**, it appears to the Commissioner that the most feasible plan for providing funds to pay the costs of the projects described above is to reimpose a special one percent sales and use tax, upon the termination of the special one percent sales and use tax presently in effect, pursuant to Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated; and

**WHEREAS**, on June 6, 2003, the Commissioner delivered a written notice to the Mayor of the City of Blairsville, of a meeting to be held at 6:00 p.m. on June 16, 2003, at the County's offices, to discuss the possible projects for inclusion in the sales and use tax referendum, including municipally owned or operated projects; and

**WHEREAS**, the Commissioner has determined that the County should issue its general obligation debt (in the form of general obligation bonds, promissory notes, or other instruments, as the Commissioner may approve) in the aggregate principal amount of \$8,500,000 in conjunction with the reimposition of the sales and use tax, to be payable first from the separate account in which are placed the proceeds received by the County from the sales and use tax and then from the general funds of the County, for the purpose of providing funds to pay the costs of the County Project other than for road, street, and bridge purposes, to enable the County to complete such capital outlay projects before the sales and use tax is collected; and

**WHEREAS**, under the Constitution and laws of the State of Georgia, it is necessary to submit to the qualified voters of Union County the question of whether or not a special one percent sales and use tax should be reimposed for the purposes described above, which proposal, if approved by the voters, shall also constitute approval of the issuance of general obligation debt of the County in the aggregate principal amount of \$8,500,000 for the County Project other than for road, street, and bridge purposes;

**NOW, THEREFORE, BE IT RESOLVED** by the Commissioner of Union County, and it is hereby resolved by authority of the same, as follows:

**Section 1.** There is hereby reimposed within Union County a special sales and use tax at the rate of one percent, upon the termination of the special one percent sales and use tax presently in effect, pursuant to Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, subject to approval by a majority of the qualified voters residing within the territorial limits of Union County voting in the referendum called in Section 2 hereof, for a maximum period of time of 20 calendar quarters, for the purposes of providing funds to pay the costs of the hereinafter described capital outlay projects: (1) the County Project other than for road, street, and bridge purposes, at the maximum cost of \$8,500,000, and (2) the County Project for road, street, and bridge purposes, at the maximum cost of \$8,500,000.

**Section 2.** There is hereby authorized to be called and there is hereby called an election to be held in all the precincts in Union County, on the 16th day of September 2003, for the purpose of submitting to the qualified voters of Union County the question of whether or not a special one percent sales and use tax should be reimposed within Union County, upon the termination of the special one percent sales and use tax presently in effect, for a maximum period of time of 20 calendar quarters, for the purposes of providing funds to pay the costs of the hereinafter described capital outlay projects: (1) the County Project other than for road, street,

and bridge purposes, at the maximum cost of \$8,500,000, and (2) the County Project for road, street, and bridge purposes, at the maximum cost of \$8,500,000.

**Section 3.** If the reimposition of the sales and use tax is approved by the voters in the referendum called in Section 2 hereof, such vote shall also constitute approval of the issuance of general obligation debt (in the form of general obligation bonds, promissory notes, or other instruments, as the Commissioner may approve) of the County in the aggregate principal amount of \$8,500,000 in conjunction with the reimposition of the sales and use tax, to be payable first from the separate account in which are placed the proceeds received by the County from the sales and use tax and then from the general funds of the County, for the purpose of providing funds to pay the cost of the County Project other than for road, street, and bridge purposes. Such general obligation debt, if so authorized, shall be dated as of the first day of the month of delivery or such other date(s) as the Commissioner may approve, shall be in such denomination or denominations as the Commissioner may approve, and shall bear interest from date at such rate or rates as the Commissioner may approve but not exceeding six percent (6.00%) per annum in any year. All interest shall be payable semiannually on August 1 and February 1 in each year, beginning August 1, 2004, and the principal shall mature (by scheduled maturity or by mandatory redemption, as the Commissioner may approve) on the dates and in the amounts as follows:

<u>August 1 of the Year</u>	<u>Amount</u>	<u>August 1 of the Year</u>	<u>Amount</u>
2005	\$1,600,000	2008	\$1,750,000
2006	1,640,000	2009	1,820,000
2007	1,690,000		

The general obligation debt may be issued in one or more series and on one or more dates of issuance, as the Commissioner may approve; provided, however, that the aggregate principal amount of such general obligation debt shall not exceed \$8,500,000. The general obligation debt may be made subject to redemption prior to maturity, to the extent permitted by law, upon terms and conditions to be determined by the Commissioner.

Part of the proceeds of the sales and use tax will be used for payment of general obligation debt issued in conjunction with the reimposition of the sales and use tax with respect to purposes other than road, street, and bridge purposes, and the remaining proceeds of the sales and use tax will be used to fund the capital outlay projects specified herein to the extent such capital outlay projects have not been funded with proceeds of such general obligation debt.

**Section 4.** The ballot to be used in the election shall have written or printed thereon the question to be determined by the voters, to-wit:

“Shall a special 1 percent sales and use tax be reimposed in Union County for road, street, and bridge purposes of Union County, Georgia (the “County”) for a period of time not to exceed 20 calendar quarters and for the raising of not more than \$8,500,000, and for a period of time not to exceed 20 calendar quarters and

40:

for the raising of not more than \$8,500,000 for the following purposes: the renovation, expansion, and equipping of an existing courthouse, the renovation, expansion, and equipping of an existing E-911 center (including infrastructure for homeland security), the acquisition of fire engines and rescue equipment, the acquisition, construction, and equipping of the Meeks Park Community Pavilion, the renovation, expansion, and equipping of an existing library, and the acquisition, construction, and equipping of a new community/youth center, all to be owned by the County for the use and benefit of the citizens of the entire County?"

The ballot shall also have written or printed thereon, following the question set forth above, the following:

"If reimposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of Union County, Georgia in the principal amount of \$8,500,000 for the above purposes other than for road, street, and bridge purposes."

The ballot shall have printed thereon the word "YES" and the word "NO" in order that each voter may vote in either the affirmative or the negative as to the question propounded. The polls in each of the precincts within Union County shall be opened at 7:00 a.m. and closed at 7:00 p.m. on the day fixed for the election, and the election shall be held at the regular and established places for holding elections in Union County. The election shall be held in accordance and in conformity with the Constitution and laws of the United States of America and of the State of Georgia.

**Section 5.** The Clerk of the County is hereby ordered and directed forthwith to furnish the Superintendent of Elections of Union County with a duly certified copy of this resolution in order that the Superintendent of Elections may take such action in the premises as provided by law.

**Section 6.** Any brochures, listings, or other advertisements issued by the Commissioner or by any other person, firm, corporation, or association with the knowledge and consent of the Commissioner shall be deemed to be a statement of intention of the Commissioner concerning the use of the bond funds or interest received from such bond funds that have been invested.

**Section 7.** The following notice shall be incorporated into the call of the election by the Superintendent of Elections:

NOTICE OF SALES AND USE TAX ELECTION

TO THE QUALIFIED VOTERS OF UNION COUNTY

YOU ARE HEREBY NOTIFIED that on the 16th day of September 2003, an election will be held in all of the precincts of Union County. At the election there will be submitted to the qualified voters of Union County for their determination the question of whether or not a special one percent sales and use tax should be reimposed within Union County, upon the termination of the special one percent sales and use tax presently in effect, for a maximum period of time of 20 calendar quarters, for the purposes of providing funds to pay the costs of the hereinafter described capital outlay projects: the renovation, expansion, and equipping of an existing courthouse, the renovation, expansion, and equipping of an existing E-911 center (including infrastructure for homeland security), the acquisition of fire engines and rescue equipment, the acquisition, construction, and equipping of the Meeks Park Community Pavilion, the renovation, expansion, and equipping of an existing library, the acquisition, construction, and equipping of a new community/youth center, and the acquisition, construction, reconstruction, repair, improvement, and installation of roads, streets, and bridges (the "County Project"), at a maximum cost of \$8,500,000 for purposes other than road, street, and bridge purposes and at a maximum cost of \$8,500,000 for road, street, and bridge purposes, all to be owned by Union County, Georgia (the "County") for the use and benefit of the citizens of the entire County.

If the reimposition of the sales and use tax is approved by the voters in the referendum described in this notice, such vote shall also constitute approval of the issuance of general obligation debt (in the form of general obligation bonds, promissory notes, or other instruments, as the Commissioner of Union County (the "Commissioner") may approve) of the County in the aggregate principal amount of \$8,500,000 in conjunction with the reimposition of the sales and use tax, to be payable first from the separate account in which are placed the proceeds received by the County from the sales and use tax and then from the general funds of the County, for the purpose of providing funds to pay the cost of the County Project other than for road, street, and bridge purposes. Such general obligation debt, if so authorized, shall be dated as of the first day of the month of delivery or such other date(s) as the Commissioner may approve, shall be in such denomination or denominations as the Commissioner may approve, shall bear interest from date at such rate or rates as the Commissioner may approve but not exceeding six percent (6.00%) per annum in any year, and shall provide for interest to be payable semiannually on August 1 and February 1 in each year, beginning August 1, 2004, and the principal shall mature (by scheduled maturity or by mandatory redemption, as the Commissioner may approve) on the dates and in the amounts as follows:

<u>August 1</u> <u>of the Year</u>	<u>Amount</u>	<u>August 1</u> <u>of the Year</u>	<u>Amount</u>
2005	\$1,600,000	2008	\$1,750,000
2006	1,640,000	2009	1,820,000
2007	1,690,000		

The general obligation debt may be issued in one or more series and on one or more dates of issuance, as the Commissioner may approve; provided, however, that the aggregate principal amount of such general obligation debt shall not exceed \$8,500,000. The general obligation debt may be made subject to redemption prior to maturity, to the extent permitted by law, upon terms and conditions to be determined by the Commissioner.

Voters desiring to vote for the imposition of such sales and use tax shall do so by voting "YES" and voters desiring to vote against the imposition of such sales and use tax shall do so by voting "NO," as to the question propounded, to-wit:

"Shall a special 1 percent sales and use tax be reimposed in Union County for road, street, and bridge purposes of Union County, Georgia (the "County") for a period of time not to exceed 20 calendar quarters and for the raising of not more than \$8,500,000, and for a period of time not to exceed 20 calendar quarters and for the raising of not more than \$8,500,000 for the following purposes: the renovation, expansion, and equipping of an existing courthouse, the renovation, expansion, and equipping of an existing E-911 center (including infrastructure for homeland security), the acquisition of fire engines and rescue equipment, the acquisition, construction, and equipping of the Meeks Park Community Pavilion, the renovation, expansion, and equipping of an existing library, and the acquisition, construction, and equipping of a new community/youth center, all to be owned by the County for the use and benefit of the citizens of the entire County?"

"If reimposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of Union County, Georgia in the principal amount of \$8,500,000 for the above purposes other than for road, street, and bridge purposes."

The several places for holding the election shall be in the regular and established precincts of Union County, and the polls will be open from 7:00 a.m. to 7:00 p.m. on the date fixed for the election. Those qualified to vote at the election shall be determined in all respects in accordance and in conformity with the Constitution and laws of the United States of America and of the State of Georgia.

The last day to register to vote in this special election is August 18, 2003, through 5:00 p.m.

Any brochures, listings, or other advertisements issued by the Commissioner or by any other person, firm, corporation, or association with the knowledge and consent of the Commissioner shall be deemed to be a statement of intention of the Commissioner concerning the use of the bond funds or interest received from such bond funds that have been invested.


**Section 8.** Should the general obligation debt be authorized by the requisite number of qualified voters, the Commissioner shall, prior to the issuance of any such general obligation debt, levy an ad valorem tax upon all the property subject to taxation for general obligation bond purposes, within the territorial limits of the County, sufficient in amount to pay the principal of and the interest on such general obligation debt at their respective maturities, to the extent such principal and interest is not satisfied from the proceeds of the sales and use tax.

**Section 9.** Any and all resolutions in conflict with this resolution this day passed be and they are hereby repealed.

**PASSED, ADOPTED, SIGNED, APPROVED, AND EFFECTIVE** this 16th day of July 2003.

**UNION COUNTY, GEORGIA**

(SEAL)

By:   
Commissioner of Union County

Attest:

  
Clerk

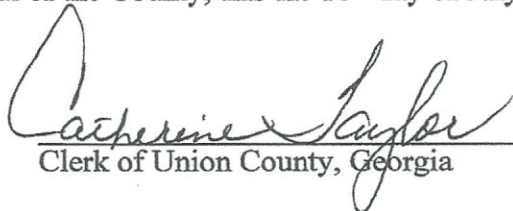
STATE OF GEORGIA  
UNION COUNTY

CLERK'S CERTIFICATE

I, **Catherine Taylor**, Clerk of Union County, Georgia (the "County"), **DO HEREBY CERTIFY** that the foregoing pages constitute a true and correct copy of a referendum resolution adopted by the Commissioner of Union County at an open public meeting duly called and lawfully assembled at 6:00 p.m., on the 16th day of July 2003, in connection with calling an election pertaining to the re-imposition or non-re-imposition of a special one percent sales and use tax, the original of such referendum resolution being duly recorded in the Minute Book of the County, which Minute Book is in my custody and control.

WITNESS my hand and the official seal of the County, this the 16<sup>th</sup> day of July 2003.

(SEAL)

  
Catherine Taylor  
Clerk of Union County, Georgia

# **TAB “3”**

**Shows the Original SPLOST 3 Referendum Voter Notice**  
*\*also sometimes referred to as the 2009 SPLOST*



## **Notice of Sales and Use Tax Election To The Qualified Voters Of Union County**

You are hereby notified that on the 5th day of February 2008, an election will be held in all of the precincts of Union County. At the election there will be submitted to the qualified voters of Union County for their determination the question of whether or not a special one percent sales and use tax should be reimposed within the special district of Union County, upon the termination of the special one percent sales and use tax presently in effect, for a maximum of 24 calendar quarters, for the purpose of providing funds to pay the costs of the hereinafter described capital outlay projects pursuant to an Intergovernmental Sales Tax Agreement, dated as of November 20, 2007, among Union County, Georgia (the "County"), and the City of Blairsville (the "City"):

### **(a) Projects to be owned or operated or both by the County (the "County Projects"):**

- (1) Roads and Bridges - \$12,000,000
- (2) Jail Renovation and Expansion - \$2,000,000
- (3) County Administration Annex Renovations - \$500,000
- (4) Park and Recreation Facilities and Land Acquisition - \$5,350,000
- (5) Library Renovation, Expansion, and Books - \$900,000
- (6) Public Safety Facilities, Vehicles, and Equipment - \$2,000,000
- (7) Solid Waste Transfer Station/Recycling Center Renovation & Expansion - \$750,000
- (8) New Farmers Market/Livestock Arena - \$750,000
- (9) Civic Center Renovation and Expansion - \$250,000
- (10) New Multi-Use Building for Economic Development Offices, Community Center, Recreation Department, and Pro Shop - \$3,500,000
- (11) Renovations to Old Courthouse, Old Gym and other Historic Facilities - \$1,350,000
- (12) Animal Control Facilities - \$150,000 and

### **(b) Projects to be owned or operated or both by the City:**

- (1) Water and Sewer Facilities and Equipment - \$1,575,000
- (2) City Hall Renovation and Expansion - \$325,000
- (3) Streets, Street Improvements, and Public Facilities - \$100,000

If the reimposition of the sales and use tax is approved by the voters in the referendum described in this notice, such vote shall also constitute approval of the issuance of general obligation debt (in the form of general obligation bonds, promissory notes, or other instruments, as the Commissioner of Union County (the "Commissioner") may approve) of the County in the aggregate principal amount of \$15,000,000 in conjunction with the reimposition of the sales and use tax, to be payable first from the separate account in which are placed the proceeds received by the County from the sales and use tax and then from the general funds of the County, for the purpose of providing funds to pay the cost of the County Projects. Such general obligation debt, if so authorized, shall be dated as of the date of delivery or such other date(s) as the Commissioner may approve, shall be in such denomination or denominations as the Commissioner may approve, shall bear interest from date at such a rate or rates as the

Commissioner may approve but not exceeding six percent (6%) per annum in any year, and shall provide for interest to be paid semiannually on February 1 and August 1 in each year, beginning August 1, 2008, and the principle shall mature (by scheduled maturity or by mandatory redemption, as the Commissioner may approve) on the dates and in the amounts as follows:

<u>August 1</u> <u>of the Year</u>	<u>Amount</u>	<u>August 1</u> <u>of the Year</u>	<u>Amount</u>
2010	\$2,258,000	2013	\$2,540,000
2011	2,360,000	2014	2,635,000
2012	2,450,000	2015	2,735,000

The general obligation debt may be issued in one or more series, and on one or more dates of issuance as the Commissioner may approve; provided, however, that the aggregate principal amount of such general obligation debt shall not exceed \$15,000,000. The general obligation debt may be made subject to redemption prior to maturity, to the extent permitted by law, upon terms and conditions to be determined by the Commissioner.

Voters desiring to vote for the reimposition of such sales and use tax shall do so by voting "YES" and voters desiring to vote against the reimposition of such sales and use tax shall do so by voting "NO," as to the question propounded, to-wit:

"Shall a special 1 percent sales and use tax be reimposed in the special district of Union County for a period of time not to exceed 24 calendar quarters and for raising of an estimated amount of \$31,500,000 for the following purposes pursuant to an Intergovernmental Sales Tax Agreement, dated November 20, 2007, among Union County, Georgia (the "County") and the City of Blairsville (the "City"):

(a) capitol outlay projects to be owned or operated or both by the County (the "County Projects"): (1) Roads and Bridges, (2) Jail Renovation and Expansion, (3) County Administration Annex Renovations, (4) Park and Recreation Facilities and Land Acquisition, (5) Library Renovation, Expansion, and Books, (6) Public Safety Facilities, Vehicles, and Equipment, (7) Solid Waste Transfer Station/Recycling Center Renovation and Expansion, (8) New Farmers Market/Livestock Arena, (9) Civic Center Renovation and Expansion, (10) New Multi-Use Building for Economic Development Offices, Community Center, Recreation Department, and Pro Shop, (11) Renovations to Old Courthouse, Old Gym, and other Historic Facilities, and (12) Animal Control Facilities; and (b) capitol outlay projects to be owned or operated or both by the City: (1) Water and Sewer Facilities and Equipment, (2) City Hall Renovation and Expansion, (3) Streets, Street Improvements, and Public Facilities?"

"If reimposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of Union County, Georgia in the principal amount of \$15,000,000 for the purpose of County Projects."

The several places for holding the election shall be in the regular and established precincts of Union County, and the polls will be open from 7:00 a.m. to 7:00 p.m. on the date fixed for the election. Those qualified to vote at the election shall be determined in all respects in accordance and in conformity with the Constitution and laws of the United States of America and of the State of Georgia.

The last day to register to vote in this special election is January 7, 2008, through 5:00 p.m.

Any brochures, listings, or other advertisements issued by the Commissioner or by any other person, firm, corporation, or association with the knowledge and consent of the Commissioner shall be deemed to be a statement of intention of the Commissioner concerning the use of bond funds or interest received from such bond funds that have been invested.

This notice is hereby given pursuant to joint action of the Commissioner of Union County and the Superintendent of Elections of Union County.

UNION COUNTY, GEORGIA

By:/s/ Lamar Paris

Commissioner of Union County

BOARD OF ELECTIONS OF UNION COUNTY

By:/s/ Ruth Ann Miner

Chairperson

# **TAB “4”**

**O.C.G.A. § 48-8-122 Code Reference**  
***(current & previous versions span entirety of Splost 2 & 3 Term)***

## O.C.G.A. § 48-8-122 Code Reference

### **CURRENT VERSION (2012>) O.C.G.A. § 48-8-122. Record of projects on which tax proceeds are used; annual reporting and newspaper publication of report**

The governing authority of the county and the governing authority of each municipality receiving any proceeds from the tax under this part or under Article 4 of this chapter shall maintain a record of each and every project for which the proceeds of the tax are used. Not later than December 31 of each year, the governing authority of each local government receiving any proceeds from the tax under this part shall publish annually, in a newspaper of general circulation in the boundaries of such local government and in a prominent location on the local government website, if such local government maintains a website, a simple, nontechnical report which shows for each project or purpose in the resolution or ordinance calling for imposition of the tax the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, amounts expended in the current year, any excess proceeds which have not been expended for a project or purpose, estimated completion date, and the actual completion cost of a project completed during the current year. In the case of road, street, and bridge purposes, such information shall be in the form of a consolidated schedule of the total original estimated cost, the total current estimated cost if it is not the original estimated cost, and the total amounts expended in prior years and the current year for all such projects and not a separate enumeration of such information with respect to each such individual road, street, or bridge project. The report shall also include a statement of what corrective action the local government intends to implement with respect to each project which is underfunded or behind schedule.

*HISTORY: Code 1981, § 48-8-123, enacted by Ga. L. 2004, p. 69, § 21; Ga. L. 2012, p. 954, § 2/SB 332.*

### **PREVIOUS VERSION (<2012) O.C.G.A. § 48-8-122. Record of projects on which tax proceeds are used; annual reporting and newspaper publication of report**

The governing authority of the county and the governing authority of each municipality receiving any proceeds from the tax under this part or under Article 4 of this chapter shall maintain a record of each and every project for which the proceeds of the tax are used. Not later than December 31 of each year, the governing authority of each local government receiving any proceeds from the tax under this part shall publish annually, in a newspaper of general circulation in the boundaries of such local government, a simple, nontechnical report which shows for each project or purpose in the resolution or ordinance calling for imposition of the tax the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year. In the case of road, street, and bridge purposes, such information shall be in the form of a consolidated schedule of the total original estimated cost, the total current estimated cost if it is not the original estimated cost, and the total amounts expended in prior years and the current year for all such projects and not a separate enumeration of such information with respect to each such individual road, street, or bridge project. The report shall also include a statement of what corrective action the local government intends to implement with respect to each project which is underfunded or behind schedule and a statement of any surplus funds which have not been expended for a project or purpose.

# **TAB “5”**

**Shows Annual SPLOST Publications in Newspaper**  
***(Includes Introductory Summary Chart with all Years Consolidated)***

**Includes the following years:**

***2008***

***2009***

***2010***

***2011***

***2012***

***2013***

NOTE: Following Chart is for quick reference – showing compilation from all annual Newspaper publications

PROJECT	ESTIMATED COST			EXPENDITURES	
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL
<b>Administration Costs</b>					
Newspaper Publication in 2008	-	-	-	-	-
Newspaper Publication in 2009	\$630,000	\$500,000	\$0	\$44,927	\$44,927
Newspaper Publication in 2010	\$630,000	\$500,000	\$54,931	\$44,647	\$99,578
Newspaper Publication in 2011	\$630,000	\$500,000	\$99,578	\$66,511	\$166,089
Newspaper Publication in 2012	\$630,000	\$500,000	\$166,089	\$67,934	\$234,023
Newspaper Publication in 2013	\$630,000	\$500,000	\$234,023	\$62,772	\$296,795
<b>Roads &amp; Bridges</b>					
Newspaper Publication in 2008	\$11,760,000	\$11,760,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$11,760,000	\$4,000,000	\$0	\$123,754	\$123,754
Newspaper Publication in 2010	\$11,760,000	\$4,731,506	\$314,279	\$559,055	873,334
Newspaper Publication in 2011	\$11,760,000	\$4,731,506	873,334	\$1,118,968	\$1,992,302
Newspaper Publication in 2012	\$11,760,000	\$4,469,848	\$1,992,302	\$800,700	\$2,793,002
Newspaper Publication in 2013	\$11,760,000	\$4,427,538	\$2,793,002	\$1,264,096	\$4,057,098
<b>Jail Renovation &amp; Expansion ~ Project has effectively been abandoned.</b>					
Newspaper Publication in 2008	\$1,960,000	\$1,960,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$1,960,000	\$7,500	\$0	\$7,421	\$7,421
Newspaper Publication in 2010	\$1,960,000	\$87,490	\$7,421	\$56,083	\$63,504
Newspaper Publication in 2011	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
Newspaper Publication in 2012	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
Newspaper Publication in 2013	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
<b>County Admin Annex Renovations ~ Project possibly has been abandoned.</b>					
Newspaper Publication in 2008	\$490,000	\$490,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$490,000	\$490,000	\$0	\$8,645	\$8,645
Newspaper Publication in 2010	\$490,000	\$500,000	\$8,645	\$3,019	\$11,664
Newspaper Publication in 2011	\$490,000	\$500,000	\$11,664	\$0	\$11,664
Newspaper Publication in 2012	\$490,000	\$500,000	\$11,664	-\$47	\$11,617
Newspaper Publication in 2013	\$490,000	\$500,000	\$11,617	\$0	\$11,617
<b>Parks / Recreation &amp; Land Acquisition</b>					
Newspaper Publication in 2008	\$5,047,000	\$5,047,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$5,047,000	\$4,000,000	\$0	\$811,756	\$811,756
Newspaper Publication in 2010	\$5,047,000	\$3,994,583	\$946,794	\$916,754	\$1,863,548
Newspaper Publication in 2011	\$5,047,000	\$3,994,583	\$1,863,548	\$392,883	\$2,256,431
Newspaper Publication in 2012	\$5,047,000	\$3,994,583	\$2,256,431	\$340,013	\$2,596,444
Newspaper Publication in 2013	\$5,047,000	\$4,271,789	\$2,596,444	\$357,501	\$2,953,945
<b>Library Renovation, Expansion, Books</b>					
Newspaper Publication in 2008	\$882,000	\$882,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$882,000	\$882,000	\$0	\$12,827	\$12,827
Newspaper Publication in 2010	\$882,000	\$900,000	\$34,997	\$12,178	\$47,175
Newspaper Publication in 2011	\$882,000	\$900,000	\$47,175	\$824,373	\$871,548
Newspaper Publication in 2012	\$882,000	\$900,000	\$871,548	\$18,007	\$889,555
Newspaper Publication in 2013	\$882,000	\$900,000	\$889,555	\$10,445	\$900,000
<b>Public Safety Facilities, Vehicles, Equip</b>					
Newspaper Publication in 2008	\$2,009,000	\$2,009,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$2,009,000	\$2,009,000	\$0	\$1,046,250	\$1,046,250
Newspaper Publication in 2010	\$2,009,000	\$2,050,000	\$1,047,500	\$219,407	\$1,266,907
Newspaper Publication in 2011	\$2,009,000	\$2,050,000	\$1,266,907	\$73,500	\$1,340,407
Newspaper Publication in 2012	\$2,009,000	\$2,337,785	\$1,340,407	\$94,970	\$1,435,377
Newspaper Publication in 2013	\$2,009,000	\$2,482,036	\$1,435,377	\$1,046,659	\$2,482,036
<b>Solid Waste Transfer Station/ Recycling ~ Project has effectively been abandoned.</b>					
Newspaper Publication in 2008	\$833,000	\$833,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$833,000	\$0	\$0	\$0	\$0
Newspaper Publication in 2010	\$833,000	\$0	\$0	\$0	\$0
Newspaper Publication in 2011	\$833,000	\$0	\$0	\$0	\$0
Newspaper Publication in 2012	\$833,000	\$0	\$0	\$0	\$0
Newspaper Publication in 2013	\$833,000	\$75,000	\$0	\$14,109	\$14,109

PROJECT (cont.)	ESTIMATED COST			EXPENDITURES	
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL
<b>New Farmers Market/ Arena/ Cannery</b>					
Newspaper Publication in 2008	\$784,000	\$784,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$784,000	\$784,000	\$0	\$225,150	\$225,150
Newspaper Publication in 2010	\$784,000	\$800,000	\$257,618	\$407,802	\$665,420
Newspaper Publication in 2011	\$784,000	\$800,000	\$665,420	-\$7,388	\$658,032
Newspaper Publication in 2012	\$784,000	\$1,199,860	\$658,032	\$473,438	\$1,131,470
Newspaper Publication in 2013	\$784,000	\$1,199,860	\$1,131,470	\$8,987	\$1,140,457
<b>Civic Center Renovation &amp; Expansion</b>					
Newspaper Publication in 2008	\$245,000	\$245,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$245,000	\$245,000	\$0	\$238,453	\$238,453
Newspaper Publication in 2010	\$245,000	\$250,000	\$239,967	\$6,891	\$246,858
Newspaper Publication in 2011	\$245,000	\$250,000	\$246,858	\$0	\$246,858
Newspaper Publication in 2012	\$245,000	\$250,000	\$246,858	\$3000	\$249,858
Newspaper Publication in 2013	\$245,000	\$250,000	\$249,858	\$0	\$249,858
<b>New Multi-Use Building ~ Project has been partially abandoned in that it is not funding the actual Project Directly</b>					
Newspaper Publication in 2008	\$3,430,000	\$3,430,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$3,430,000	\$3,430,000	\$0	\$275,098	\$275,098
Newspaper Publication in 2010	\$3,430,000	\$3,500,000	380,660	255,604	\$636,264
Newspaper Publication in 2011	\$3,430,000	\$3,430,000	\$46,405	\$362,707	\$409,112
Newspaper Publication in 2012	\$3,430,000	\$3,430,000	\$409,112	\$184,423	\$593,535
Newspaper Publication in 2013	\$3,430,000	\$3,500,000	\$593,535	\$0	\$593,535
<b>Old Courthouse; Old Gym; Historic</b>					
Newspaper Publication in 2008	\$1,323,000	\$1,323,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$1,323,000	\$594,755	\$0	\$30,877	\$30,877
Newspaper Publication in 2010	\$1,323,000	\$594,755	\$31,030	\$121,435	\$152,465
Newspaper Publication in 2011	\$1,323,000	\$594,755	\$152,465	\$15,400	\$167,865
Newspaper Publication in 2012	\$1,323,000	\$594,755	\$167,865	\$49,193	\$217,058
Newspaper Publication in 2013	\$1,323,000	\$594,755	\$217,058	\$224,447	441,505
<b>Animal Control Facilities</b>					
Newspaper Publication in 2008	\$147,000	\$147,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$147,000	\$147,000	\$0	\$65,578	\$65,578
Newspaper Publication in 2010	\$147,000	\$150,000	\$65,578	\$0	\$65,578
Newspaper Publication in 2011	\$147,000	\$150,000	\$65,578	\$920	\$66,498
Newspaper Publication in 2012	\$147,000	\$150,000	\$66,498	\$82,287	\$148,785
Newspaper Publication in 2013	\$147,000	\$150,000	\$148,785	\$0	\$148,785
<b>SPLOST 3 – TOTALS *less City of Blairsville Projects - which are not applicable to this Report / **2008 TOTALS Estimates do not include 2% Administrative</b>					
Newspaper Publication in 2008	\$30,870,000**	\$30,870,000**	\$0	\$0	\$0
Newspaper Publication in 2009	\$31,500,000	\$19,049,255	\$0	\$2,958,736	\$2,958,736
Newspaper Publication in 2010	\$31,500,000	\$19,282,334	\$3,491,420	\$2,772,875	\$6,264,295
Newspaper Publication in 2011	\$31,500,000	\$19,212,334	\$5,674,436	\$3,051,874	\$8,726,310
Newspaper Publication in 2012	\$31,500,000	\$19,638,321	\$8,726,310	\$2,320,318	\$11,046,628
Newspaper Publication in 2013	\$31,500,000	\$20,222,432	\$11,046,628	\$3,220,953	\$14,267,581

**NOTE 1 ~ The following timeframes are used in reporting Current Expenditures**

2008> says FY 2007, but numbers indicate 2008

2011> "through 10/31/2011"

2009> says FY 2008, but numbers indicate 2009

2012> from 11/1/2011 to 10/31/2012

2010> "through 10/31/2010"

2013> from 11/1/2012 to 10/31/2013

**MAJOR NOTES:**

- a) Jail Renovation/Expansion & Solid Waste Transfer Station Projects appear to have been effectively abandoned when compared to Original Estimate, Latest Current Estimate, and what has been Spent. The Admin Annex Project appears it could possibly be heading for abandonment. The Multi-Use Building Project appears to at least be partially abandoned in that the Splost Funds are not funding the actual Project – just the Interest on the Project. (All four of these issues are highlighted in blue above)



MINOR NOTES:

- b) Transition of "Total Expenditures" in 2009 to "Prior Expenditures" in 2010 seemed to be a challenge. *(The transitions that do not match are highlighted in yellow above).*
- c) Transition of the Multi-Use "Total Expenditures" in 2010 to "Prior Expenditures" in 2011 reflect \$589,859 of reversals in money that was "Unspent". (Highlighted in purple above). In the 2011 Publication it includes a note at bottom as follows: *\*\*\* Corrected prior years amount which did not include reimbursements from the Urban Redevelopment Agency Bond". Numbers on this Project's expenditures are all over the map when compared to Open Records Response Data, Annual Audit info etc.*

UNION COUNTY, GEORGIA  
 2008 Report on Projects Funded Through Special Purpose Local Option Sales Tax  
 Year Ended December 31, 2007

PROJECT	ORIGINAL	CURRENT	EXPENDITURES		TOTAL
	ESTIMATED COSTS	ESTIMATED COSTS	PRIOR YEARS	FY 2007	
<b>SPLOST #2 - Commencing 2003</b>					
Road & bridge improvements/repair			\$2,614,719	\$1,643,795	\$4,258,514
Other capital projects			\$6,638,637	\$2,316,450	\$8,955,087
<i>(includes Courthouse Expansion, Meeks Park Improvements, E-911 Renovation/Expansion/ Equipment, Public Safety Vehicles, Community/Youth Center, and Airport Terminal Road Project)</i>					
Total SPLOST #2			<u>\$9,253,356</u>	<u>\$3,960,245</u>	<u>\$13,213,601</u>
<b>SPLOST #3 - Commencing 2009</b>					
Roads and Bridges	\$11,760,000	\$11,760,000	\$0	\$0	\$0
Jail Renovation & Expansion	\$1,960,000	\$1,960,000	\$0	\$0	\$0
County Administration Annex Renovations	\$490,000	\$490,000	\$0	\$0	\$0
Park & Recreation Facilities & Land Acquisition	\$5,047,000	\$5,047,000	\$0	\$0	\$0
Library Renovation, Expansion & Books	\$882,000	\$882,000	\$0	\$0	\$0
Public Safety Facilities, Vehicles, & Equipment	\$2,009,000	\$2,009,000	\$0	\$0	\$0
Solid Waste Transfer Station/Recycling Center Renovation & Expansion	\$833,000	\$833,000	\$0	\$0	\$0
New Farmers Market/Arena/Cannery	\$784,000	\$784,000	\$0	\$0	\$0
Civic Center Renovation and Expansion	\$245,000	\$245,000	\$0	\$0	\$0
New Multi-Use Building for Economic Development Offices, Community Center, and Pro Shop	\$3,430,000	\$3,430,000	\$0	\$0	\$0
Renovations to Old Courthouse, Old Gym, and Other Historic Facilities	\$1,323,000	\$1,323,000	\$0	\$0	\$0
Animal Control Facilities	\$147,000	\$147,000	\$0	\$0	\$0
City of Blairsville Projects	\$1,960,000	\$1,960,000	\$0	\$0	\$0
Total SPLOST #3:	<u>\$30,870,000</u>	<u>\$30,870,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

\*SPLOST #3 project numbers represent project budget amount LESS 2% county administration cost.

12/24/08

**UNION COUNTY, GEORGIA**  
**2009 Report on Projects Funded Through Special Purpose Local Option Sales Tax**  
**Year Ended December 31, 2008**

PROJECT	ORIGINAL	CURRENT	EXPENDITURES		TOTAL
	ESTIMATED COSTS	ESTIMATED COSTS	PRIOR YEARS	FY 2008	
<b>SPLOST #2 - Commencing 2003</b>					
Road & bridge improvements/repair	\$8,500,000	\$8,500,000	\$4,009,955	\$4,028,656	\$8,038,611
Other capital projects:					
Road vehicles and equipment			\$211,119	\$185,149	\$399,268
Courthouse Expansion			\$6,577,895	\$0	\$6,577,895
Meeks Park improvements			\$9,800	\$0	\$9,800
E-911 renovation/expansion/equipment			\$552,934	\$116,156	\$669,090
Public safety vehicles			\$624,857	\$0	\$624,857
Total Other Capital Projects:	\$8,500,000	\$8,500,000	\$7,976,605	\$304,305	\$8,280,910
Total SPLOST #2	<u>\$17,000,000</u>	<u>\$17,000,000</u>	<u>\$11,986,560</u>	<u>\$4,332,961</u>	<u>\$16,319,521</u>

PROJECT	ORIGINAL	CURRENT	EXPENDITURES		TOTAL
	ESTIMATED COSTS	ESTIMATED COSTS	PRIOR YEARS	ACTUAL thru 10/31/09	
<b>SPLOST #3 - Commencing 2009</b>					
Administration Costs	\$630,000	\$500,000	\$0	\$44,927	\$44,927
Roads and Bridges	\$11,760,000	\$4,000,000	\$0	\$123,754	\$123,754
Jail Renovation & Expansion (Variable Project)	\$1,960,000	\$7,500	\$0	\$7,421	\$7,421
County Administration Annex Renovations	\$490,000	\$490,000	\$0	\$8,645	\$8,645
Park & Recreation Facilities & Land Acquisition	\$5,047,000	\$4,000,000	\$0	\$811,756	\$811,756
Library Renovation, Expansion & Books	\$882,000	\$882,000	\$0	\$12,827	\$12,827
Public Safety Facilities, Vehicles, & Equipment	\$2,009,000	\$2,009,000	\$0	\$1,046,250	\$1,046,250
Solid Waste Transfer Station/Recycling Center Renovation & Expansion (Variable Project)	\$833,000	\$0	\$0	\$0	\$0
New Farmers Market/Arena/Cannery	\$784,000	\$784,000	\$0	\$225,150	\$225,150
Civic Center Renovation and Expansion	\$245,000	\$245,000	\$0	\$238,453	\$238,453
New Multi-Use Building for Economic Development Offices, Community Center, and Pro Shop	\$3,430,000	\$3,430,000	\$0	\$275,098	\$275,098
Renovations to Old Courthouse, Old Gym, and Other Historic Facilities	\$1,323,000	\$594,755	\$0	\$30,877	\$30,877
Animal Control Facilities	\$147,000	\$147,000	\$0	\$65,578	\$65,578
City of Blairsville Projects	\$1,960,000	\$1,960,000	\$0	\$68,000	\$68,000
Total SPLOST #3:	<u>\$31,500,000</u>	<u>\$19,049,255</u>	<u>\$0</u>	<u>\$2,958,736</u>	<u>\$2,958,736</u>

Current estimated costs on SPLOST #3 are based on estimated program projections of actual sales tax receipts.

12/23/09

**UNION COUNTY, GEORGIA**  
**2010 Report on Projects Funded Through Special Purpose Local Option Sales Tax**  
**Year Ended December, 31, 2009**

PROJECT	ORIGINAL	CURRENT	EXPENDITURES		TOTAL
	ESTIMATED COSTS	ESTIMATED COSTS	PRIOR YEARS	FY 2009	
<b>SPLOST #2 - Commencing 2003</b>					
Road & bridge improvements/repair			\$8,038,611	\$1,538,024	\$9,576,635
Other capital projects			\$8,413,294	\$106,770	\$8,520,064
(includes road vehicles and equipment, fire department trucks and equipment, E-911 renovation/expansion/ equipment, and courthouse expansion and renovation)					
Total SPLOST #2			\$16,451,905	\$1,644,794	\$18,096,699

PROJECT	ORIGINAL	CURRENT	EXPENDITURES		TOTAL
	ESTIMATED COSTS	ESTIMATED COSTS	PRIOR YEARS	ACTUAL thru 10/31/10	
<b>SPLOST #3 - Commencing 2009</b>					
Administration Costs	\$630,000	\$500,000	\$54,931	\$44,647	\$99,578
Roads and Bridges	\$11,760,000	\$4,731,506	\$314,279	\$559,055	\$873,334
Jail Renovation & Expansion (Variable Project)	\$1,960,000	\$87,490	\$7,421	\$56,083	\$63,504
County Administration Annex Renovations	\$490,000	\$500,000	\$8,645	\$3,019	\$11,664
Park & Recreation Facilities & Land Acquisition *	\$5,047,000	\$3,994,583	\$946,794	\$916,754	\$1,863,548
Library Renovation, Expansion & Books	\$882,000	\$900,000	\$34,997	\$12,178	\$47,175
Public Safety Facilities, Vehicles, & Equipment **	\$2,009,000	\$2,050,000	\$1,047,500	\$219,407	\$1,266,907
Solid Waste Transfer Station/Recycling Center Renovation & Expansion (Variable Project)	\$833,000	\$0	\$0	\$0	\$0
New Farmers Market/Arena/Cannery	\$784,000	\$800,000	\$257,618	\$407,802	\$665,420
Civic Center Renovation and Expansion	\$245,000	\$250,000	\$239,967	\$6,891	\$246,858
New Multi-Use Building for Economic Development Offices, Community Center, and Tourism Shop	\$3,430,000	\$3,500,000	\$380,660	\$255,604	\$636,264
Renovations to Old Courthouse, Old Gym, and Other Historic Facilities	\$1,323,000	\$594,755	\$31,030	\$121,435	\$152,465
Animal Control Facilities	\$147,000	\$150,000	\$65,578	\$0	\$65,578
City of Blairsville Projects	\$1,960,000	\$1,224,000	\$102,000	\$170,000	\$272,000
Total SPLOST #3:	\$31,500,000	\$19,282,334	\$3,491,420	\$2,772,875	\$6,264,295

\*includes Meeks Land, North Complex Land, North Complex Fields, Improvements Recreation Department/Playground, Covered Outdoor Stage, Horse Arena Improvements, Suchs Community Room, and Senior Center Renovation

\*\*includes Sheriff's Department cars, Fire Department (building and equipment), Fire Trucks (payoff), and Ambulances

Current estimated costs on SPLOST #3 are based on estimated program projections of actual sales tax receipts.

12/22/10 NGN

**UNION COUNTY, GEORGIA**  
**2011 Report on Projects Funded Through Special Purpose Local Option Sales Tax**

<u>SPLOST #3 - Commencing 2009</u>	<u>ORIGINAL</u> <u>ESTIMATED COSTS</u>	<u>CURRENT</u> <u>ESTIMATED COSTS</u>	<u>EXPENDITURES</u>		<u>TOTAL</u>
			<u>PRIOR YEARS</u>	<u>ACTUAL</u> <u>thru 10/31/11</u>	
Administration Costs	\$630,000	\$500,000	\$99,578	\$66,511	\$166,089
Roads and Bridges	\$11,760,000	\$4,731,506	\$873,334	\$1,118,968	\$1,992,302
Jail Renovation & Expansion (Variable Project)	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
County Administration Annex Renovations	\$490,000	\$500,000	\$11,664	\$0	\$11,664
Park & Recreation Facilities & Land Acquisition *	\$5,047,000	\$3,994,583	\$1,863,548	\$392,883	\$2,256,431
Library Renovation, Expansion & Books	\$882,000	\$900,000	\$47,175	\$824,373	\$871,548
Public Safety Facilities, Vehicles, & Equipment **	\$2,009,000	\$2,050,000	\$1,266,907	\$73,500	\$1,340,407
Solid Waste Transfer Station/Recycling Center Renovation & Expansion (Variable Project)	\$833,000	\$0	\$0	\$0	\$0
New Farmers Market/Arena/Cannery	\$784,000	\$800,000	\$665,420	-\$7,388	\$658,032
Civic Center Renovation and Expansion	\$245,000	\$250,000	\$246,858	\$0	\$246,858
New Multi-Use Building for Economic Development Offices, Community Center, and Tourism Shop***	\$3,430,000	\$3,430,000	\$46,405	\$362,707	\$409,112
Renovations to Old Courthouse, Old Gym, and Other Historic Facilities	\$1,323,000	\$594,755	\$152,465	\$15,400	\$167,865
Animal Control Facilities	\$147,000	\$150,000	\$65,578	\$920	\$66,498
City of Blairsville Projects	\$1,960,000	\$1,224,000	\$272,000	\$204,000	\$476,000
Total SPLOST #3:	<u>\$31,500,000</u>	<u>\$19,212,334</u>	<u>\$5,674,436</u>	<u>\$3,051,874</u>	<u>\$8,726,310</u>

\*includes Meeks Land, North Complex Land, North Complex Fields, Improvements Recreation Department/Playground, Covered Outdoor Stage, Horse Arena Improvements, Suches Community Room, and Senior Center Renovation

\*\*includes Sheriff's Department cars, Fire Department (building and equipment), Fire Trucks (payoff), and Ambulances

\*\*\*Corrected prior years amount which did not include reimbursements from the Urban Redevelopment Agency Bond

Current estimated costs on SPLOST #3 are based on estimated program projections of actual sales tax receipts.

Dec 21, 2011

**UNION COUNTY, GEORGIA**  
**2012 Report on Projects Funded Through Special Purpose Local Option Sales Tax**

SPLOST #3 - Commencing 2009	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES		TOTAL
			PRIOR YEARS	ACTUAL (11/1/11 thru 10/31/12)	
Administration Costs	\$630,000	\$500,000	\$166,089	\$67,934	\$234,023
Roads and Bridges	\$11,760,000	\$4,469,848	\$1,992,302	\$800,700	\$2,793,002
Jail Renovation & Expansion (Variable Project)	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
County Administration Annex Renovations	\$490,000	\$500,000	\$11,664	-\$47	\$11,617
Park & Recreation Facilities & Land Acquisition *	\$5,047,000	\$3,994,583	\$2,256,431	\$340,013	\$2,596,444
Library Renovation, Expansion & Books	\$882,000	\$900,000	\$871,548	\$18,007	\$889,555
Public Safety Facilities, Vehicles, & Equipment **	\$2,009,000	\$2,337,785	\$1,340,407	\$94,970	\$1,435,377
Solid Waste Transfer Station/Recycling Center Renovation & Expansion	\$833,000	\$0	\$0	\$0	\$0
New Farmers Market/Arena/Cannery	\$784,000	\$1,199,860	\$658,032	\$473,438	\$1,131,470
Civic Center Renovation and Expansion	\$245,000	\$250,000	\$246,858	\$3,000	\$249,858
New Multi-Use Building for Economic Development Offices, Community Center, and Tourism Shop***	\$3,430,000	\$3,430,000	\$409,112	\$184,423	\$593,535
Renovations to Old Courthouse, Old Gym, and Other Historic Facilities	\$1,323,000	\$594,755	\$167,865	\$49,193	\$217,058
Animal Control Facilities	\$147,000	\$150,000	\$66,498	\$82,287	\$148,785
City of Blairsville Projects	\$1,960,000	\$1,224,000	\$476,000	\$206,400	\$682,400
Total SPLOST #3:	<u>\$31,500,000</u>	<u>\$19,638,321</u>	<u>\$8,726,310</u>	<u>\$2,320,318</u>	<u>\$11,046,628</u>

\*includes Meeks Park Land, Improvements Recreation Department/Playground, Covered Outdoor Stage, Horse Arena, Suches Community Room, and Senior Center Renovation

\*\*includes Sheriff's Department cars, Fire Department (building and equipment), Fire Trucks (payoff), and Ambulances

Current estimated costs on SPLOST #3 are based on estimated program projections of actual sales tax receipts.

ND-1203-1

12/19/12 NEN

**UNION COUNTY, GEORGIA**  
**2013 Report on Projects Funded Through Special Purpose Local Option Sales Tax**

SPLOST #3 - Commencing 2009	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES		TOTAL
			PRIOR YEARS	ACTUAL (11/1/12 thru 10/31/13)	
Administration Costs	\$630,000	\$500,000	\$234,023	\$62,772	\$296,795
Roads and Bridges	\$11,760,000	\$4,427,538	\$2,793,002	\$1,264,096	\$4,057,098
Jail Renovation & Expansion (Variable Project)	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
County Administration Annex Renovations	\$490,000	\$500,000	\$11,617	\$0	\$11,617
Park & Recreation Facilities & Land Acquisition *	\$5,047,000	\$4,271,789	\$2,596,444	\$357,501	\$2,953,945
Library Renovation, Expansion & Books	\$882,000	\$900,000	\$889,555	\$10,445	\$900,000
Public Safety Facilities, Vehicles, & Equipment **	\$2,009,000	\$2,482,036	\$1,435,377	\$1,046,659	\$2,482,036
Solid Waste Transfer Station/Recycling Center Renovation & Expansion	\$833,000	\$75,000	\$0	\$14,109	\$14,109
New Farmers Market/Arena/Cannery	\$784,000	\$1,199,860	\$1,131,470	\$8,987	\$1,140,457
Civic Center Renovation and Expansion	\$245,000	\$250,000	\$249,858	\$0	\$249,858
New Multi-Use Building for Economic Development Offices, Community Center, and Tourism Shop	\$3,430,000	\$3,500,000	\$593,535	\$0	\$593,535
Renovations to Old Courthouse, Old Gym, and Other Historic Facilities	\$1,323,000	\$594,755	\$217,058	\$224,447	\$441,505
Animal Control Facilities	\$147,000	\$150,000	\$148,785	\$0	\$148,785
City of Blairsville Projects	\$1,960,000	\$1,283,964	\$682,400	\$231,937	\$914,337
Total SPLOST #3:	<u>\$31,500,000</u>	<u>\$20,222,432</u>	<u>\$11,046,628</u>	<u>\$3,220,953</u>	<u>\$14,267,581</u>

\*includes Meeks Park Land, Improvements Recreation Department/Playground, Covered Outdoor Stage, Horse Arena, Suches Community Room, and Senior Center Renovation

\*\*includes Sheriff's Department cars, Fire Department (building and equipment), Fire Trucks (payoff), and Ambulances

Current estimated costs on SPLOST #3 are based on estimated program projections of actual sales tax receipts.

**From the December 25, 2013 Edition of the North Georgia News.**

# **TAB “6”**

**Shows Annual SPLOST Audit Excerpts**  
***(Includes Introductory Summary Chart with all Years Consolidated)***

**Includes the following years:**

***2009***

***2010***

***2011***

***2012***



**NOTE: Following Chart is for quick reference – showing compilation from all annual County Audit Reports**

PROJECT	ESTIMATED COST			EXPENDITURES	
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL
<b>Administration Costs</b>					
Annual County Audit in 2009	\$630,000	\$500,000	\$0	\$161,948	\$161,948
Annual County Audit in 2010	\$630,000	\$500,000	\$161,948	\$60,265	\$89,828
Annual County Audit in 2011	\$630,000	\$500,000	\$89,828	\$68,578	\$158,406
Annual County Audit in 2012	\$630,000	\$500,000	\$158,406	\$62,316	\$220,722
<b>Roads &amp; Bridges</b>					
Annual County Audit in 2009	\$11,760,000	\$4,000,000	\$0	\$314,279	\$314,279
Annual County Audit in 2010	\$11,760,000	\$4,731,506	\$314,279	\$632,682	\$946,961
Annual County Audit in 2011	\$11,760,000	\$4,731,506	\$946,961	\$1,116,661	\$2,063,622
Annual County Audit in 2012	\$11,760,000	\$4,469,848	\$2,149,226	\$822,523	\$2,971,749
<b>Jail Renovation &amp; Expansion ~ Project has effectively been abandoned.</b>					
Annual County Audit in 2009	\$1,960,000	\$7,500	\$0	\$7,421	\$7,421
Annual County Audit in 2010	\$1,960,000	\$87,490	\$7,421	\$56,083	\$63,504
Annual County Audit in 2011	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
Annual County Audit in 2012	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
<b>County Admin Annex Renovations ~ Project has possibly been abandoned.</b>					
Annual County Audit in 2009	\$490,000	\$490,000	\$0	\$0	\$0
Annual County Audit in 2010	\$490,000	\$500,000	\$0	\$0	\$0
Annual County Audit in 2011	\$490,000	\$500,000	\$0	\$0	\$0
Annual County Audit in 2012	\$490,000	\$500,000	\$0	\$0	\$0
<b>Parks / Recreation &amp; Land Acquisition</b>					
Annual County Audit in 2009	\$5,047,000	\$4,000,000	\$0	\$793,594	\$793,594
Annual County Audit in 2010	\$5,047,000	\$3,994,583	\$793,594	\$939,205	\$1,885,999
Annual County Audit in 2011	\$5,047,000	\$3,994,583	\$1,885,999	\$386,360	\$2,272,359
Annual County Audit in 2012	\$5,047,000	\$4,271,789	\$2,336,621	\$399,750	\$2,766,371
<b>Library Renovation, Expansion, Books</b>					
Annual County Audit in 2009	\$882,000	\$882,000	\$0	\$34,997	\$34,997
Annual County Audit in 2010	\$882,000	\$900,000	\$34,997	\$180,154	\$182,935
Annual County Audit in 2011	\$882,000	\$900,000	\$182,935	\$703,948	\$886,883
Annual County Audit in 2012	\$882,000	\$930,000	\$923,673	\$5,476	\$929,149
<b>Public Safety Facilities, Vehicles, Equip</b>					
Annual County Audit in 2009	\$2,009,000	\$2,009,000	\$0	\$1,068,315	\$1,068,315
Annual County Audit in 2010	\$2,009,000	\$2,050,000	\$1,068,315	\$219,407	\$1,266,907
Annual County Audit in 2011	\$2,009,000	\$2,050,000	\$1,266,907	\$73,498	\$1,340,405
Annual County Audit in 2012	\$2,009,000	\$2,337,785	\$1,396,008	\$199,322	\$1,595,330
<b>Solid Waste Transfer Station/ Recycling ~ Project has effectively been abandoned.</b>					
Annual County Audit in 2009	\$833,000	\$0	\$0	\$0	\$0
Annual County Audit in 2010	\$833,000	\$0	\$0	\$0	\$0
Annual County Audit in 2011	\$833,000	\$0	\$0	\$0	\$0
Annual County Audit in 2012	\$833,000	\$75,000	\$0	\$0	\$0
<b>New Farmers Market/ Arena/ Cannery</b>					
Annual County Audit in 2009	\$784,000	\$784,000	\$0	\$257,618	\$257,618
Annual County Audit in 2010	\$784,000	\$800,000	\$257,618	\$407,802	\$665,420
Annual County Audit in 2011	\$784,000	\$800,000	\$665,420	\$8,341	\$673,761
Annual County Audit in 2012	\$784,000	\$1,199,860	\$701,710	\$482,503	\$1,184,213
<b>Civic Center Renovation &amp; Expansion</b>					
Annual County Audit in 2009	\$245,000	\$245,000	\$0	\$239,967	\$239,967
Annual County Audit in 2010	\$245,000	\$250,000	\$239,967	\$6,891	\$246,858
Annual County Audit in 2011	\$245,000	\$250,000	\$246,858	\$0	\$246,858
Annual County Audit in 2012	\$245,000	\$250,000	\$246,858	\$3000	\$249,858
<b>New Multi-Use Building ~ Project has been partially abandoned in that it is not funding the actual Project Directly</b>					
Annual County Audit in 2009	\$3,430,000	\$3,430,000	\$0	\$380,660	\$380,660
Annual County Audit in 2010	\$3,430,000	\$3,500,000	\$380,660	-\$166,965	\$213,695
Annual County Audit in 2011	\$3,430,000	\$3,500,000	\$213,695	\$257,479	\$471,174
Annual County Audit in 2012	\$3,430,000	\$3,500,000	\$629,165	\$303,978	\$933,143

PROJECT (cont.)	ESTIMATED COST			EXPENDITURES	
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL
<b>Old Courthouse; Old Gym; Historic</b>					
Annual County Audit in 2009	\$1,323,000	\$594,755	\$0	\$31,030	\$31,030
Annual County Audit in 2010	\$1,323,000	\$594,755	\$31,030	\$124,870	\$152,465
Annual County Audit in 2011	\$1,323,000	\$594,755	\$155,900	\$14,586	\$170,486
Annual County Audit in 2012	\$1,323,000	\$594,755	\$170,486	\$51,537	\$221,823
<b>Animal Control Facilities</b>					
Annual County Audit in 2009	\$147,000	\$147,000	\$0	\$65,578	\$65,578
Annual County Audit in 2010	\$147,000	\$150,000	\$65,578	\$0	\$65,578
Annual County Audit in 2011	\$147,000	\$150,000	\$65,578	\$52,462	\$118,040
Annual County Audit in 2012	\$147,000	\$150,000	\$118,040	\$30,745	\$148,785
<b>SPLOST 3 – TOTALS</b> *less City of Blairsville Projects - which are not applicable to this Report					
Annual County Audit in 2009	\$31,500,000	\$19,049,255	\$0	\$3,457,407	\$3,457,407
Annual County Audit in 2010	\$31,500,000	\$19,282,334	\$3,457,407	\$2,715,394	\$6,140,585
Annual County Audit in 2011	\$31,500,000	\$19,212,334	\$6,140,585	\$2,885,913	\$9,026,498
Annual County Audit in 2012	\$31,500,000	\$20,143,580	\$9,484,697	\$2,568,550	\$12,053,247

**NOTE 1 ~ Timeframes for all of the above Annual Audits were for Fiscal Years ending on December 31.**

**MAJOR NOTES:**

- a) Jail Renovation/Expansion & Solid Waste Transfer Station Projects appear to have been effectively abandoned when compared to Original Estimate, Latest Current Estimate, and what has been Spent. The Admin Annex Project appears it could possibly be heading for abandonment. The Multi-Use Building Project appears to at least be partially abandoned in that the Splost Funds are not funding the actual Project – just the Interest on the Project. *(All four of these issues are highlighted in blue above)*

**MINOR NOTES:**

- b) Transitions of “Total Expenditures” in 2011 to “Prior Expenditures” in 2012 seemed to be a challenge. *(The transitions that do not match are highlighted in yellow above).*
- c) Make note of the -\$166,965 spending reversal in 2010 Multi-Use Project Current Expenses category. . *(Highlighted in purple above).*

**UNION COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**For the Fiscal Year Ended December 31, 2008**

<u>PROJECT</u>	<u>Estimated Cost</u>		<u>Prior Years</u>	<u>Reclassifications and Adjustments</u>	<u>Expenditures</u>		<u>Total</u>	<u>Estimated % of Completion</u>
	<u>Original</u>	<u>Current</u>			<u>Prior Years, as restated</u>	<u>Current Year</u>		
<b><u>SPLOST 2003</u></b>								
Road and bridge improvements/repair	\$ 8,500,000	\$ 8,500,000	\$ 4,382,304	\$ (372,349)	\$ 4,009,955	\$ 4,028,656	\$ 8,038,611	95%
Other capital projects:								
Road vehicles and equipment			-	211,119	211,119	188,149	399,268	
SPLOST project preplanning			-	-	-	132,384	132,384	
Courthouse expansion			7,594,214	(1,016,319)	6,577,895	-	6,577,895	
Meeks Park improvements			115,538	(105,738)	9,800	-	9,800	
E-911 renovation/expansion/equipment			485,857	67,077	552,934	116,156	669,090	
Public safety vehicles			624,857	-	624,857	-	624,857	
Community/Youth Center			10,831	(10,831)	-	-	-	
			-	-	-	-	-	
Total other capital projects	8,500,000	8,500,000	8,831,297	(854,692)	7,976,605	436,689	8,413,294	100%
<b>Totals SPLOST 2003</b>	<b>\$ 17,000,000</b>	<b>\$ 17,000,000</b>	<b>\$ 13,213,601</b>	<b>\$ (1,227,041)</b>	<b>\$ 11,986,560</b>	<b>\$ 4,465,345</b>	<b>\$ 16,451,905</b>	

**Note A: Basis of Accounting** ---This schedule has been prepared on the modified accrual basis of accounting.

**Note B: Prior Period Restatement**---Debt service expenditures of \$1,016,319 and other amounts of \$210,722, totalling \$1,227,041, were reported in error and have been eliminated from the cumulative prior year project totals. Also, various reclassifications have been made among project categories.

2008 Annual Audit

UNION COUNTY, GEORGIA  
 SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX  
 For the Fiscal Year Ended December 31, 2009

PROJECT	Estimated Cost		Expenditures				Estimated % of Completion
	Original	Current	Prior Years	Reclassifications and Adjustments	Current	Total	
					Year		
<b>SPLOST 2009</b>							
Administration costs	\$ 630,000	\$ 500,000	\$ -	\$ -	\$ 161,948	161,948	32%
Roads and bridges	11,760,000	4,000,000	-	-	314,279	314,279	8%
Jail renovation and expansion	1,960,000	7,500	-	-	7,421	7,421	99%
County administration annex renovations	490,000	490,000	-	-	-	-	0%
Park and recreation facilities and land acquisition	5,047,000	4,000,000	-	-	793,594	793,594	20%
Library renovation, expansion and books	882,000	882,000	-	-	34,997	34,997	4%
Public safety facilities, vehicles and equipment	2,009,000	2,009,000	-	-	1,068,315	1,068,315	53%
Solid waste transfer station/recycling center	833,000	-	-	-	-	-	0%
Farmers market/arena/cannery	784,000	784,000	-	-	257,618	257,618	33%
Civic center renovation and expansion	245,000	245,000	-	-	239,967	239,967	98%
Multi-use building for economic development	-	-	-	-	-	-	0%
Offices, community center and pro-shop	3,430,000	3,430,000	-	-	380,660	380,660	11%
Renovations to old courthouse, gym and other historic facilities	1,323,000	594,755	-	-	31,030	31,030	5%
Animal control facilities	147,000	147,000	-	-	65,578	65,578	45%
Contractual payments: City of Blairsville	1,960,000	1,960,000	-	-	102,000	102,000	5%
<b>Totals SPLOST 2009</b>	<b>\$ 31,500,000</b>	<b>\$ 19,049,255</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,457,407</b>	<b>\$ 3,457,407</b>	<b>18%</b>
<b>SPLOST 2003</b>							
Road and bridge improvements/repair	\$ 8,500,000	\$ 8,500,000	\$ 8,038,611	\$ -	\$ 1,538,024	\$ 9,576,635	113%
Other capital projects:							
Road vehicles and equipment			399,268		34,500	433,768	
SPLOST project preplanning			132,384		-	132,384	
Courthouse expansion			6,577,895		-	6,577,895	
Meeks Park improvements			9,800		-	9,800	
E-911 renovation/expansion/equipment			669,090		72,270	741,360	
Public safety vehicles			624,857		-	624,857	
Community/youth Center			-		-	-	
Total other capital projects	8,500,000	8,500,000	8,413,294	-	106,770	8,520,064	100%
<b>Totals SPLOST 2003</b>	<b>\$ 17,000,000</b>	<b>\$ 17,000,000</b>	<b>\$ 16,451,905</b>	<b>\$ -</b>	<b>\$ 1,644,794</b>	<b>\$ 18,096,699</b>	

Note A: Basis of Accounting ---This schedule has been prepared on the modified accrual basis of accounting.

2009 Annual Audit

UNION COUNTY, GEORGIA  
 SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX  
 For the Fiscal Year Ended December 31, 2010

PROJECT	Estimated Cost		Expenditures				Estimated % of Completion
	Original	Current	Prior Years	Reclassifications and Adjustments	Current	Total	
					Year		
<b>SPLOST 2009</b>							
Administration and debt service costs	\$ 630,000	\$ 500,000	\$ 161,948	\$ (132,385)	\$ 60,265	89,828	18%
Roads and bridges	11,760,000	4,731,506	314,279	-	632,682	946,961	20%
Jail renovation and expansion	1,960,000	87,490	7,421	-	56,083	63,504	73%
County administration annex renovations	490,000	500,000	-	-	-	-	0%
Park and recreation facilities and land acquisition	5,047,000	3,994,583	793,594	153,200	939,205	1,885,999	47%
Library renovation, expansion and books	882,000	900,000	34,997	(32,216) (b)	180,154	182,935	20%
Public safety facilities, vehicles and equipment	2,009,000	2,050,000	1,068,315	(20,815)	219,407	1,266,907	62%
Solid waste transfer station/recycling center	833,000	-	-	-	-	-	0%
Farmers market/arena/cannery	784,000	800,000	257,618	-	407,802	665,420	83%
Civic center renovation and expansion	245,000	250,000	239,967	-	6,891	246,858	99%
Multi-use building for economic development offices, community center and pro-shop	3,430,000	3,500,000	380,660	-	(166,965) (a)	213,695	6%
Renovations to old courthouse, gym and other historic facilities	1,323,000	594,755	31,030	-	124,870	155,900	26%
Animal control facilities	147,000	150,000	65,578	-	-	65,578	44%
Contractual payments: City of Blairsville	1,960,000	1,224,000	102,000	-	255,000	357,000	29%
<b>Totals SPLOST 2009</b>	<b>\$ 31,500,000</b>	<b>\$ 19,282,334</b>	<b>\$ 3,457,407</b>	<b>\$ (32,216)</b>	<b>\$ 2,715,394</b>	<b>\$ 6,140,585</b>	<b>32%</b>
<b>SPLOST 2003</b>							
Road and bridge improvements/repair	\$ 8,500,000	\$ 8,500,000	\$ 9,576,635	\$ -	\$ 36,421	\$ 9,613,056	113%
Other capital projects:							
Road vehicles and equipment			433,768		-	433,768	
SPLOST project preplanning			132,384		-	132,384	
Courthouse expansion			6,577,895		-	6,577,895	
Meeks Park improvements			9,800		-	9,800	
E-911 renovation/expansion/equipment			741,360		-	741,360	
Public safety vehicles			624,857		-	624,857	
Community/youth Center			-		-	-	
<b>Total other capital projects</b>	<b>8,500,000</b>	<b>8,500,000</b>	<b>8,520,064</b>	<b>-</b>	<b>-</b>	<b>8,520,064</b>	<b>100%</b>
<b>Totals SPLOST 2003</b>	<b>\$ 17,000,000</b>	<b>\$ 17,000,000</b>	<b>\$ 18,096,699</b>	<b>\$ -</b>	<b>\$ 36,421</b>	<b>\$ 18,133,120</b>	

Note A- Basis of Accounting: This schedule has been prepared on the modified accrual basis of accounting.

Note B- Reconciliation of schedule with governmental fund statement:

SPLOST 2009 expenditures per above schedule	\$ 2,715,394
Reimbursement of project expenditures from component unit bond issue proceeds noted as (a) above and included in Miscellaneous Revenue on governmental fund statement	166,965
Expenditures per SPLOST III Fund Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 2,882,359</u>

Note C- Reclassification and Adjustments:

Reclassification among project costs reflected in the Prior Years column were necessary to correct project costs incurred in 2009. Additionally, reimbursements received in 2009 for project costs are reflected.	
SPLOST 2009 expenditures per above schedule	\$ 3,457,407
Reimbursement of project expenditures from component unit bond issue proceeds noted as (b) above and included in Miscellaneous Revenue in the 2009 fund statement	(32,216)
Cumulative net expenditures as of December 31, 2009, as restated	<u>\$ 3,425,191</u>

2010 Annual Audit

UNION COUNTY, GEORGIA  
 SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX  
 For the Fiscal Year Ended December 31, 2011

PROJECT	Estimated Cost		Expenditures				Estimated
	Original	Current	Prior	Reclassifications	Current	Total	% of
			Years	and Adjustments	Year		Completion
<b>SPLOST 2009</b>							
Administration and debt service costs	\$ 630,000	\$ 500,000	\$ 89,828		\$ 68,578	158,406	32%
Roads and bridges	11,760,000	4,731,506	946,961		1,116,661	2,063,622	44%
Jail renovation and expansion	1,960,000	87,490	63,504		-	63,504	73%
County administration annex renovations	490,000	500,000	-		-	-	0%
Park and recreation facilities and land acquisition	5,047,000	3,994,583	1,885,999		386,360	2,272,359	57%
Library renovation, expansion and books	882,000	900,000	182,935		703,948	886,883	99%
Public safety facilities, vehicles and equipment	2,009,000	2,050,000	1,266,907		73,498	1,340,405	65%
Solid waste transfer station/recycling center	833,000	-	-		-	-	0%
Farmers market/arena/cannery	784,000	800,000	665,420		8,341	673,761	84%
Civic center renovation and expansion	245,000	250,000	246,858		-	246,858	99%
Multi-use building for economic development							
offices, community center and pro-shop	3,430,000	3,500,000	213,695		257,479 (a)	471,174	13%
Renovations to old courthouse, gym and other							
historic facilities	1,323,000	594,755	155,900		14,586	170,486	29%
Animal control facilities	147,000	150,000	65,578		52,462	118,040	79%
Contractual payments:							
City of Blairsville	1,960,000	1,224,000	357,000	-	204,000	561,000	46%
<b>Totals SPLOST 2009</b>	<b>\$ 31,500,000</b>	<b>\$ 19,282,334</b>	<b>\$ 6,140,585</b>	<b>\$ -</b>	<b>\$ 2,885,913</b>	<b>\$ 9,026,498</b>	
<b>SPLOST 2003</b>							
Road and bridge Improvements/repair	\$ 8,500,000	\$ 8,500,000	\$ 9,613,056	\$ -	\$ 14,875	\$ 9,627,931	113%
Other capital projects:							
Road vehicles and equipment			433,768		-	433,768	
SPLOST project preplanning			132,384		-	132,384	
Courthouse expansion			6,577,895		-	6,577,895	
Meeks Park Improvements			9,800		-	9,800	
E-911 renovation/expansion/equipment			741,360		-	741,360	
Public safety vehicles			624,857		-	624,857	
Community/youth Center			-		-	-	
Total other capital projects	8,500,000	8,500,000	8,520,064	-	-	8,520,064	100%
<b>Totals SPLOST 2003</b>	<b>\$ 17,000,000</b>	<b>\$ 17,000,000</b>	<b>\$ 18,133,120</b>	<b>\$ -</b>	<b>\$ 14,875</b>	<b>\$ 18,147,995</b>	
<b>Total SPLOST Project Expenditures</b>			<b>\$ 24,273,705</b>	<b>\$ -</b>	<b>\$ 2,900,788</b>	<b>\$ 27,174,493</b>	

**Note A- Basis of Accounting:** This schedule has been prepared on the modified accrual basis of accounting.

**Note B-** Transfers in the amount of \$14,875 from SPLOST II Fund into SPLOST III Fund were used to finance project costs for road and bridge Improvements/repairs, but have been reflected above as a SPLOST II project expenditure.

**Note C-** Reimbursement received by the SPLOST III Fund from an outside source in the amount of \$15,350 is reported as revenue in the governmental fund statements, but has been "netted" above against current year expenditures for road and bridge Improvements/repairs.

**Note D-** Transfers from SPLOST III Fund to the Debt Service Fund -SPLOST Projects in the amount of \$1,174,116 were used for SPLOST approved debt service for various past and present SPLOST projects.

2011 Annual Audit

# UNION COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Project</u>	Estimated Cost		Expenditures		<u>Total</u>
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	
<b>2009 SPLOST</b>					
Administration Costs	\$ 630,000	\$ 500,000	\$ 158,406	\$ 62,316	\$ 220,722
Roads & Bridges	11,760,000	4,469,848	2,149,226	822,523	2,971,749
Jail Renovation & Expansion	1,960,000	87,490	63,504	-	63,504
Administrative Annex Renovations	490,000	500,000	-	-	-
Park & Recreation Facilities	5,047,000	4,271,789	2,366,621	399,750	2,766,371
Library Renovation, Expansion & Books	882,000	930,000	923,673	5,476	929,149
Public Safety Facilities, Vehicles & Equipment	2,009,000	2,337,785	1,396,008	199,322	1,595,330
Solid Waste Transfer Station	833,000	75,000	-	-	-
Farmers Market Facilities	784,000	1,199,860	701,710	482,503	1,184,213
Civic Center Renovation & Expansion	245,000	250,000	246,858	3,000	249,858
Multi-use Building for Economic Development, Community Center & Golf Course Shop	3,430,000	3,500,000	629,165	303,978	933,143
Historic Facilities Renovations	1,323,000	594,755	170,486	51,337	221,823
Animal Control Facilities	147,000	150,000	118,040	30,745	148,785
City of Blairsville Facilities	1,960,000	1,277,053	561,000	207,600	768,600
<b>Total 2009 SPLOST</b>	<b><u>\$ 31,500,000</u></b>	<b><u>\$ 20,143,580</u></b>	<b><u>\$ 9,484,697</u></b>	<b><u>\$ 2,568,550</u></b>	<b><u>\$ 12,053,247</u></b>
				411,259	
				488,119	
				<b><u>\$ 3,467,928</u></b>	

\* Transfers to Debt Service funds, funded with remaining 1998 SPLOST funds \*

\* Transfers to Debt Service funds, for sinking fund requirements \*

Total SPLOST Fund Expenditures **\$ 3,467,928**

2012 Annual Audit

# **TAB “7”**

**Quick Reference Compilation of Data from:  
Annual Newspaper SPLOST Reports (TAB “5”)  
Annual Audit Reports (TAB “6”)**

*(data has been merged into a single document for easy review)*



**NOTE: Following Chart is for quick reference – showing compilation of data from all annual Newspaper publications, and all annual County Audits. The reason for this compilation is to enable a quick and clear highlighting of discrepancies in the accounting between the two reporting methods. The Original Reports the Data was collected from can be found in TABs “5” & “6”.**

**SEE NOTES ON LAST PAGE**

PROJECT	ESTIMATED COST			EXPENDITURES	
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL
<b>Administration Costs</b>					
Newspaper Publication in 2008	-	-	-	-	-
Newspaper Publication in 2009	\$630,000	\$500,000	\$0	\$44,927	\$44,927
Annual County Audit in 2009	\$630,000	\$500,000	\$0	\$161,948	\$161,948
Newspaper Publication in 2010	\$630,000	\$500,000	\$54,931	\$44,647	\$99,578
Annual County Audit in 2010	\$630,000	\$500,000	\$161,948	\$60,265	\$89,828
Newspaper Publication in 2011	\$630,000	\$500,000	\$99,578	\$66,511	\$166,089
Annual County Audit in 2011	\$630,000	\$500,000	\$89,828	\$68,578	\$158,406
Newspaper Publication in 2012	\$630,000	\$500,000	\$166,089	\$67,934	\$234,023
Annual County Audit in 2012	\$630,000	\$500,000	\$158,406	\$62,316	\$220,722
Newspaper Publication in 2013	\$630,000	\$500,000	\$234,023	\$62,772	\$296,795
<b>Roads &amp; Bridges</b>					
Newspaper Publication in 2008	\$11,760,000	\$11,760,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$11,760,000	\$4,000,000	\$0	\$123,754	\$123,754
Annual County Audit in 2009	\$11,760,000	\$4,000,000	\$0	\$314,279	\$314,279
Newspaper Publication in 2010	\$11,760,000	\$4,731,506	\$314,279	\$559,055	\$873,334
Annual County Audit in 2010	\$11,760,000	\$4,731,506	\$314,279	\$632,682	\$946,961
Newspaper Publication in 2011	\$11,760,000	\$4,731,506	873,334	\$1,118,968	\$1,992,302
Annual County Audit in 2011	\$11,760,000	\$4,731,506	\$946,961	\$1,116,661	\$2,063,622
Newspaper Publication in 2012	\$11,760,000	\$4,469,848	\$1,992,302	\$800,700	\$2,793,002
Annual County Audit in 2012	\$11,760,000	\$4,469,848	\$2,149,226	\$822,523	\$2,971,749
Newspaper Publication in 2013	\$11,760,000	\$4,427,538	\$2,793,002	\$1,264,096	\$4,057,098
<b>Jail Renovation &amp; Expansion ~ Project has effectively been abandoned.</b>					
Newspaper Publication in 2008	\$1,960,000	\$1,960,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$1,960,000	\$7,500	\$0	\$7,421	\$7,421
Annual County Audit in 2009	\$1,960,000	\$7,500	\$0	\$7,421	\$7,421
Newspaper Publication in 2010	\$1,960,000	\$87,490	\$7,421	\$56,083	\$63,504
Annual County Audit in 2010	\$1,960,000	\$87,490	\$7,421	\$56,083	\$63,504
Newspaper Publication in 2011	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
Annual County Audit in 2011	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
Newspaper Publication in 2012	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
Annual County Audit in 2012	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
Newspaper Publication in 2013	\$1,960,000	\$87,490	\$63,504	\$0	\$63,504
<b>County Admin Annex Renovations ~ Project possibly has been abandoned. Historically erroneous data matching.</b>					
Newspaper Publication in 2008	\$490,000	\$490,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$490,000	\$490,000	\$0	\$8,645	\$8,645
Annual County Audit in 2009	\$490,000	\$490,000	\$0	\$0	\$0
Newspaper Publication in 2010	\$490,000	\$500,000	\$8,645	\$3,019	\$11,664
Annual County Audit in 2010	\$490,000	\$500,000	\$0	\$0	\$0
Newspaper Publication in 2011	\$490,000	\$500,000	\$11,664	\$0	\$11,664
Annual County Audit in 2011	\$490,000	\$500,000	\$0	\$0	\$0
Newspaper Publication in 2012	\$490,000	\$500,000	\$11,664	-\$47	\$11,617
Annual County Audit in 2012	\$490,000	\$500,000	\$0	\$0	\$0
Newspaper Publication in 2013	\$490,000	\$500,000	\$11,617	\$0	\$11,617

PROJECT (cont.)	ESTIMATED COST			EXPENDITURES	
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL
<b>Parks / Recreation &amp; Land Acquisition</b>					
Newspaper Publication in 2008	\$5,047,000	\$5,047,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$5,047,000	\$4,000,000	\$0	\$811,756	\$811,756
Annual County Audit in 2009	\$5,047,000	\$4,000,000	\$0	\$793,594	\$793,594
Newspaper Publication in 2010	\$5,047,000	\$3,994,583	\$946,794	\$916,754	\$1,863,548
Annual County Audit in 2010	\$5,047,000	\$3,994,583	\$793,594	\$939,205	\$1,885,999
Newspaper Publication in 2011	\$5,047,000	\$3,994,583	\$1,863,548	\$392,883	\$2,256,431
Annual County Audit in 2011	\$5,047,000	\$3,994,583	\$1,885,999	\$386,360	\$2,272,359
Newspaper Publication in 2012	\$5,047,000	\$3,994,583	\$2,256,431	\$340,013	\$2,596,444
Annual County Audit in 2012	\$5,047,000	\$4,271,789	\$2,336,621	\$399,750	\$2,766,371
Newspaper Publication in 2013	\$5,047,000	\$4,271,789	\$2,596,444	\$357,501	\$2,953,945
<b>Library Renovation, Expansion, Books</b>					
Newspaper Publication in 2008	\$882,000	\$882,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$882,000	\$882,000	\$0	\$12,827	\$12,827
Annual County Audit in 2009	\$882,000	\$882,000	\$0	\$34,997	\$34,997
Newspaper Publication in 2010	\$882,000	\$900,000	\$34,997	\$12,178	\$47,175
Annual County Audit in 2010	\$882,000	\$900,000	\$34,997	\$180,154	\$182,935
Newspaper Publication in 2011	\$882,000	\$900,000	\$47,175	\$824,373	\$871,548
Annual County Audit in 2011	\$882,000	\$900,000	\$182,935	\$703,948	\$886,883
Newspaper Publication in 2012	\$882,000	\$900,000	\$871,548	\$18,007	\$889,555
Annual County Audit in 2012	\$882,000	\$930,000	\$923,673	\$5,476	\$929,149
Newspaper Publication in 2013	\$882,000	\$900,000	\$889,555	\$10,445	\$900,000
<b>Public Safety Facilities, Vehicles, Equip</b>					
Newspaper Publication in 2008	\$2,009,000	\$2,009,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$2,009,000	\$2,009,000	\$0	\$1,046,250	\$1,046,250
Annual County Audit in 2009	\$2,009,000	\$2,009,000	\$0	\$1,068,315	\$1,068,315
Newspaper Publication in 2010	\$2,009,000	\$2,050,000	\$1,047,500	\$219,407	\$1,266,907
Annual County Audit in 2010	\$2,009,000	\$2,050,000	\$1,068,315	\$219,407	\$1,266,907
Newspaper Publication in 2011	\$2,009,000	\$2,050,000	\$1,266,907	\$73,500	\$1,340,407
Annual County Audit in 2011	\$2,009,000	\$2,050,000	\$1,266,907	\$73,498	\$1,340,405
Newspaper Publication in 2012	\$2,009,000	\$2,337,785	\$1,340,407	\$94,970	\$1,435,377
Annual County Audit in 2012	\$2,009,000	\$2,337,785	\$1,396,008	\$199,322	\$1,595,330
Newspaper Publication in 2013	\$2,009,000	\$2,482,036	\$1,435,377	\$1,046,659	\$2,482,036
<b>Solid Waste Transfer Station/ Recycling ~ Clearly Shows that the Project was effectively been abandoned.</b>					
Newspaper Publication in 2008	\$833,000	\$833,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$833,000	\$0	\$0	\$0	\$0
Annual County Audit in 2009	\$833,000	\$0	\$0	\$0	\$0
Newspaper Publication in 2010	\$833,000	\$0	\$0	\$0	\$0
Annual County Audit in 2010	\$833,000	\$0	\$0	\$0	\$0
Newspaper Publication in 2011	\$833,000	\$0	\$0	\$0	\$0
Annual County Audit in 2011	\$833,000	\$0	\$0	\$0	\$0
Newspaper Publication in 2012	\$833,000	\$0	\$0	\$0	\$0
Annual County Audit in 2012	\$833,000	\$75,000	\$0	\$0	\$0
Newspaper Publication in 2013	\$833,000	\$75,000	\$0	\$14,109	\$14,109
<b>New Farmers Market/ Arena/ Cannery</b>					
Newspaper Publication in 2008	\$784,000	\$784,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$784,000	\$784,000	\$0	\$225,150	\$225,150
Annual County Audit in 2009	\$784,000	\$784,000	\$0	\$257,618	\$257,618
Newspaper Publication in 2010	\$784,000	\$800,000	\$257,618	\$407,802	\$665,420
Annual County Audit in 2010	\$784,000	\$800,000	\$257,618	\$407,802	\$665,420
Newspaper Publication in 2011	\$784,000	\$800,000	\$665,420	-\$7,388	\$658,032
Annual County Audit in 2011	\$784,000	\$800,000	\$665,420	\$8,341	\$673,761
Newspaper Publication in 2012	\$784,000	\$1,199,860	\$658,032	\$473,438	\$1,131,470
Annual County Audit in 2012	\$784,000	\$1,199,860	\$701,710	\$482,503	\$1,184,213
Newspaper Publication in 2013	\$784,000	\$1,199,860	\$1,131,470	\$8,987	\$1,140,457

PROJECT (cont.)	ESTIMATED COST			EXPENDITURES	
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL
<b>Civic Center Renovation &amp; Expansion</b>					
Newspaper Publication in 2008	\$245,000	\$245,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$245,000	\$245,000	\$0	\$238,453	\$238,453
Annual County Audit in 2009	\$245,000	\$245,000	\$0	\$239,967	\$239,967
Newspaper Publication in 2010	\$245,000	\$250,000	\$239,967	\$6,891	\$246,858
Annual County Audit in 2010	\$245,000	\$250,000	\$239,967	\$6,891	\$246,858
Newspaper Publication in 2011	\$245,000	\$250,000	\$246,858	\$0	\$246,858
Annual County Audit in 2011	\$245,000	\$250,000	\$246,858	\$0	\$246,858
Newspaper Publication in 2012	\$245,000	\$250,000	\$246,858	\$3000	\$249,858
Annual County Audit in 2012	\$245,000	\$250,000	\$246,858	\$3000	\$249,858
Newspaper Publication in 2013	\$245,000	\$250,000	\$249,858	\$0	\$249,858
<b>New Multi-Use Building ~ Project has been partially abandoned in that it is not funding the actual Project Directly</b>					
Newspaper Publication in 2008	\$3,430,000	\$3,430,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$3,430,000	\$3,430,000	\$0	\$275,098	\$275,098
Annual County Audit in 2009	\$3,430,000	\$3,430,000	\$0	\$380,660	\$380,660
Newspaper Publication in 2010	\$3,430,000	\$3,500,000	380,660	255,604	\$636,264
Annual County Audit in 2010	\$3,430,000	\$3,500,000	\$380,660	-\$166,965	\$213,695
Newspaper Publication in 2011	\$3,430,000	\$3,430,000	\$46,405	\$362,707	\$409,112
Annual County Audit in 2011	\$3,430,000	\$3,500,000	\$213,695	\$257,479	\$471,174
Newspaper Publication in 2012	\$3,430,000	\$3,430,000	\$409,112	\$184,423	\$593,535
Annual County Audit in 2012	\$3,430,000	\$3,500,000	\$629,165	\$303,978	\$933,143
Newspaper Publication in 2013	\$3,430,000	\$3,500,000	\$593,535	\$0	\$593,535
<b>Old Courthouse; Old Gym; Historic</b>					
Newspaper Publication in 2008	\$1,323,000	\$1,323,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$1,323,000	\$594,755	\$0	\$30,877	\$30,877
Annual County Audit in 2009	\$1,323,000	\$594,755	\$0	\$31,030	\$31,030
Newspaper Publication in 2010	\$1,323,000	\$594,755	\$31,030	\$121,435	\$152,465
Annual County Audit in 2010	\$1,323,000	\$594,755	\$31,030	\$124,870	\$152,465
Newspaper Publication in 2011	\$1,323,000	\$594,755	\$152,465	\$15,400	\$167,865
Annual County Audit in 2011	\$1,323,000	\$594,755	\$155,900	\$14,586	\$170,486
Newspaper Publication in 2012	\$1,323,000	\$594,755	\$167,865	\$49,193	\$217,058
Annual County Audit in 2012	\$1,323,000	\$594,755	\$170,486	\$51,537	\$221,823
Newspaper Publication in 2013	\$1,323,000	\$594,755	\$217,058	\$224,447	441,505
<b>Animal Control Facilities</b>					
Newspaper Publication in 2008	\$147,000	\$147,000	\$0	\$0	\$0
Newspaper Publication in 2009	\$147,000	\$147,000	\$0	\$65,578	\$65,578
Annual County Audit in 2009	\$147,000	\$147,000	\$0	\$65,578	\$65,578
Newspaper Publication in 2010	\$147,000	\$150,000	\$65,578	\$0	\$65,578
Annual County Audit in 2010	\$147,000	\$150,000	\$65,578	\$0	\$65,578
Newspaper Publication in 2011	\$147,000	\$150,000	\$65,578	\$920	\$66,498
Annual County Audit in 2011	\$147,000	\$150,000	\$65,578	\$52,462	\$118,040
Newspaper Publication in 2012	\$147,000	\$150,000	\$66,498	\$82,287	\$148,785
Annual County Audit in 2012	\$147,000	\$150,000	\$118,040	\$30,745	\$148,785
Newspaper Publication in 2013	\$147,000	\$150,000	\$148,785	\$0	\$148,785
<b>SPLOST 3 – TOTALS *less City of Blairsville Projects - which are not applicable to this Report / **2008 TOTALS Estimates do not include 2% Administrative</b>					
Newspaper Publication in 2008	\$30,870,000**	\$30,870,000**	\$0	\$0	\$0
Newspaper Publication in 2009	\$31,500,000	\$19,049,255	\$0	\$2,958,736	\$2,958,736
Annual County Audit in 2009	\$31,500,000	\$19,049,255	\$0	\$3,457,407	\$3,457,407
Newspaper Publication in 2010	\$31,500,000	\$19,282,334	\$3,491,420	\$2,772,875	\$6,264,295
Annual County Audit in 2010	\$31,500,000	\$19,282,334	\$3,457,407	\$2,715,394	\$6,140,585
Newspaper Publication in 2011	\$31,500,000	\$19,212,334	\$5,674,436	\$3,051,874	\$8,726,310
Annual County Audit in 2011	\$31,500,000	\$19,212,334	\$6,140,585	\$2,885,913	\$9,026,498
Newspaper Publication in 2012	\$31,500,000	\$19,638,321	\$8,726,310	\$2,320,318	\$11,046,628
Annual County Audit in 2012	\$31,500,000	\$20,143,580	\$9,484,697	\$2,568,550	\$12,053,247
Newspaper Publication in 2013	\$31,500,000	\$20,222,432	\$11,046,628	\$3,220,953	\$14,267,581

See Notes on following page

## NOTES / OBSERVATIONS:

- 1) Jail Renovation/Expansion & Solid Waste Transfer Station Projects appear to have been effectively abandoned when compared to Original Estimate, Latest Current Estimate, and what has been Spent. The Admin Annex Project appears it could possibly be heading for abandonment. The Multi-Use Building Project appears to at least be partially abandoned in that the Splost Funds are not funding the actual Project – just the interest on the Project.
- 2) While almost none of the annual numbers matchup between the Publication Version & the Audit Versions, much of this can be explained by overlapping Report timeframes, or perhaps annual Audit Adjustments. *(For example, Newspaper Published Reports end on October 31 of most years, while the Audits run through December 31 – so obviously it is possible that numbers would total differently for different time frames)* **However, some numbers simply cannot be reconciled. Below are some examples:**
  - a) **Administration Costs:** “Total Expenditures” are higher in the Newspaper Version each year on Oct 31, than they are 2 months later on December 31 in the Audit Version? It appears that every year during November and December the County “unspends” money.
  - b) **County Admin Annex Building:** Numbers clearly don’t match over the entire multi-year term.
  - c) **Multi-Use Building:** Numbers are impossibly all over the map. This project specifically has been under public scrutiny for the \$5,105,000 that was undertaken as an outside financing source mid-project, and then reimbursements were made to the fund, suddenly the Splost Fund would only be paying Interest Payments, not doing the actual project. Now, a Splost IV Referendum recently approved is voting for another \$5,500,000 to actually “buy back” the project after it was transferred to a different County Agency. One specific set of accounting discrepancies between the two accounting versions is in the end of year “Total Expenditures” you see in 2012 & 2013. That 2013 Newspaper Publication number cannot be explained. And ALL of the earlier numbers are severely divergent as well.

**SUMMARY:** You have substantial numbers that do not match up. Both of these Report Sets (Annual Newspaper Publications & Annual Audits) are legally required reports. There are major inconsistencies. For the purpose of this complaint, the Newspaper Publication is alleged to be incorrect. **The only way to get to the bottom of the numbers is to FORENSICALLY AUDIT the Splost Accounts, which is hereby requested.**

# **TAB “8”**

**Shows Jail Expenses to Date**  
*(includes invoice / pay stub attachments)*

## JAIL PROJECT INVOICES

The Original Referendum stated \$2,000,000 for “**Jail Renovation AND Expansion**”

Of the \$63,503.19 spent out of a \$2,000,000 SPLOST Referendum, part of it was for a Feasibility study that basically justified the expansion. \$3,500 was for a small video maintenance project, and the remainder was to replace air conditioners. **NONE of that qualifies as Expansion, even though the jail is overcrowded, averaging occupancy status 26% Over Maximum Capacity.**

**Below is the breakdown of what has been spent out of SPLOST 3 Funds:**

<b>3/10/08 Clough Harbour</b>	\$7,420.69
<i>This was for the original feasibility Study, pay stub also attached.</i>	
<b>1/5/10 G Tech Security Sol</b>	\$3,500.00
<i>This is actually maintenance, which is a questionable Splost Expense</i>	
<b>2/22/10 Stewart H&amp;A</b>	\$38,500.00
<b>8/24/10 Stewart H&amp;A</b>	\$5,000.00
<b>9/1/10 Stewart H&amp;A</b>	\$6,990.00
<i>These are 3 payments to remove &amp; repair 9 A/C Units on top of Jail.</i>	
<b>8/30/10 Merlin Ramsey</b>	\$2,092.50
<i>This was for a Crane Rental to lift the A/C Units.</i>	
<b>Total</b>	\$63,503.19
<i>This effectively matches up with the Newspaper and Audit figures showing Current Expenditures at \$64,504.</i>	

**See the referenced actual payment stubs / invoices attached on following pages.**

# Clough Harbour Feasibility Study:

MISSIONER  
HARBOUR & ASSOC. LLP

3/10/2008 1720901

PROJECT 17209

047008

NET AMOUNT  
\$12,367.81

47,008  
03/20/2008

Design

~~370~~ 3,283,000

60% 2 JHL \$ 7,420.69 ←

25% 11 GYM \$ 3,091.95

15% 3 ANNEX \$ 1,855.17

\$ 12,367.81

TOTAL AMOUNT:

\$12,367.81

47,008

feasibility study

**G Tech Security:**  
**G-Tech Security Solutions**

336 South Hamilton St  
 Dalton, GA 30720  
 Phone (706) 428-4848 Fax: (706) 529-2340

DATE: January 5, 2010  
 INVOICE # 30182

Bill To: Union County Commissioner  
 114 Courthouse Street  
 Blairsville, GA 30512

Comments or Special Instructions:

SALESPERSON	P.O. NUMBER	SHIP DATE	SHIP VIA	F.O.B. POINT	TERMS
					ROI

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
1	Capture Card for Mug Shot Cam	\$ 599.00	\$ 599.00
1	Miscellaneous Clean Up on cameras	250.00	250.00
3	PTZ adjustments 3 trips	600.00	1,800.00
1	system evaluation and adjustment	401.00	401.00
3	Trip Charge	150.00	450.00
	(2) 326-3326-541300		

SUBTOTAL	\$ 3,500.00
TAX RATE	0.00%
SALES TAX	-
SHIPPING & HANDLING	
<b>TOTAL</b>	<b>\$ 3,500.00</b>

Make all checks payable to G-Tech Security Solutions  
 If you have any questions concerning this invoice, Drew Garrett, 706-847-4848, drewg@g-techss.com\

THANK YOU FOR YOUR BUSINESS!



**Stewart Heating and Air Invoice - 3 Payments on following page**

Stewart Heating & Air Inc.  
 82 Crossing Drive  
 Blairsville, GA 30512  
 one: 706-835-1383

Contract Date	Invoice #
2/22/2010	704449

Bill To
Union County Commissioner 114 Courthouse Street Blairsville, GA 30512

		Invoice Date	Job Name
		2/22/2010	Jail
Quantity	Description	Rate	Amount
	Remove and replace 9 roof top units	49,990.00	49,990.00
	Delivery of equipment - \$38,500.00		
Thank you for your business. Please note our mailing address has changed!		<b>Total</b>	\$49,990.00

*Handwritten signature*

706-835-1383	706-835-1527 Fax	officemanagestewartac@brmemc.net
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**Stewart Heating and Air Payments:**

AMAR PARIS  
 ION COUNTY COMMISSIONER

1424

STEWART HEATING & AIR, INC.				NET AMOUNT		1,424
OUR REF. NO.	YOUR INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
	0272272010 704449		DELIVERY OF EQUIPMENT		\$38,500.00	
STEWART HEATING & AIR, INC.				TOTAL AMOUNT:	\$38,500.00	1,424

AMAR PARIS  
 ION COUNTY COMMISSIONER

1771

STEWART HEATING & AIR, INC.				NET AMOUNT		1,771
OUR REF. NO.	YOUR INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
	0970172010 704449		U.C. JAIL		\$6,990.00	
STEWART HEATING & AIR, INC.				TOTAL AMOUNT:	\$6,990.00	1,771

AMAR PARIS  
 ION COUNTY COMMISSIONER

1754

STEWART HEATING & AIR, INC.				NET AMOUNT		1,754
OUR REF. NO.	YOUR INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
	0572472010 ROOF CURBS				\$5,000.00	
STEWART HEATING & AIR, INC.				TOTAL AMOUNT:	\$5,000.00	1,754

**Merlin Ramsey Invoice / Payment:**

1770

AMAR PARIS NON COUNTY COMMISSIONER	YOUR INVOICE NO. 0873072010	INVOICE DATE 08/30/2010	INVOICE AMOUNT CRANE SERVICE	AMOUNT PAID	DISCOUNT TAKEN \$2,092.50	NET CHECK AMOUNT 1,770
				TOTAL AMOUNT: \$2,092.50		1,770

MERLIN RAMSEY

**MERLIN RAMSEY  
CRANE SERVICE & RENTAL**

P.O. Box 1005  
Murphy, NC 28906  
828-837-6665  
TAX ID# 238-54-3016

Customer's Order No. <u>1-11706-835</u> Date <u>8-30-2010</u>	
Name <u>Union County Courthouse</u>	
Address <u>116 Court House St</u>	
Phone: <u>706-339-6000</u>	
RATE PER HR. <u>135.00</u>	HR. MIN. WORK TIME <u>4</u>
PLUS TRAVEL TIME BOTH WAYS <input checked="" type="checkbox"/>	

DATE	DESCRIPTION	HRS	AMOUNT
	TRAVEL TIME	2	270.00
	WORK TIME <u>8:00 to 11:00</u>	7	945.00
	<u>1 HR LUNCH</u>	1	135.50
PLEASE MAKE CHECK PAY TO MERLIN RAMSEY Thank you Merlin Ramsey			

All work to be paid for upon completion unless prior arrangements were made. If payment is not received by then, a 2% INTEREST AND SERVICE CHARGE will be added monthly to past due balances. This charge is equivalent to an interest rate of 24% PER ANNUM. Customer agrees that he shall be responsible for reasonable attorney's fees and costs should they be incurred to collect the order, and further agrees that the situs of this contract is Murphy, N.C.

002582	Received By <u>[Signature]</u>	TAX	
		TOTAL	<u>2,092.50</u>

CREATIVE PRINTERS 800-524-9776 CP-20270 *Thank You*

② 326-3326-541300

# **TAB “9”**

**Validations of the Jail Project**  
***(Includes Summary + Supporting Docs)***

## JAIL PROJECT VALIDATIONS

### **A Feasibility Study done by Clough Harbour in 2008 found general validation:**

*"The facility itself is in good condition; however **it's population needs are growing**. Through our research it appears that **future expansion was considered in the original design and construction**. A more detailed analysis of projected inmate population growth **would validate the original expansion considerations**."*

\* See Attached 1 Page Excerpt from the Clough Harbour

### **A Presentment to the Union Co. Grand Jury in 2013 found overcrowding:**

*"An inspection of the offices and operation of the following offices were conducted by the Grand Jury pursuant to O.C.G.A. 15-12-71(b)(1). The inspection of the jail facility was completed. We the Grand Jury found the jail to be in a sanitary condition with adequate heating and ventilation. We, the Grand Jury also found **the jail's maximum capacity for inmates is 57, and the current occupation of inmates is 72** and zero inmates being housed in other county jails."*

\* See Attached 3 Page Grand Jury Presentation –pgs 2&3

### **Lamar Paris himself has publicly acknowledged increasing Jail Occupancy:**

*"In 2010, we spent \$167,088 just on meals for the inmates in our jail. That alone is over 1% of our total operation budget for the entire county and **it is a cost that continues to increase as the number of inmates in jail increases**."*

\*See Attached Q & A by Lamar Paris published in the November 11, 2011 North GA News

### **Union County Commissioner actively SOLD the current Splost to the public using the Jail.**

Below is an excerpt from January 23, 2008 edition of the North Georgia News (County Newspaper) in which overcrowding is discussed, and Commissioner Paris basically threatens higher Property Taxes on Voters if they do not pass the Splost – specifically using the Jail as a mandatory reason monies are needed. :

*{The Union County Jail which was contracted and under construction before Paris came into office, was **built too small – designed for only 52 inmates**. It is averaging 70 – 75 people per night and the inmate population has reached as high as 99. "Our jail has to be expanded," Paris said, "We can either pay for it with SPLOST or we can pay for it with property tax"}*

\* See attached visual excerpt from the story

**See the referenced Clough Harbour, Grand Jury, Q&A, and Newspaper Clipping Attachments on following pages.**



← Existing Conditions – County Jail

1. General

The Union County Jail, being only seven years old, is in excellent condition.

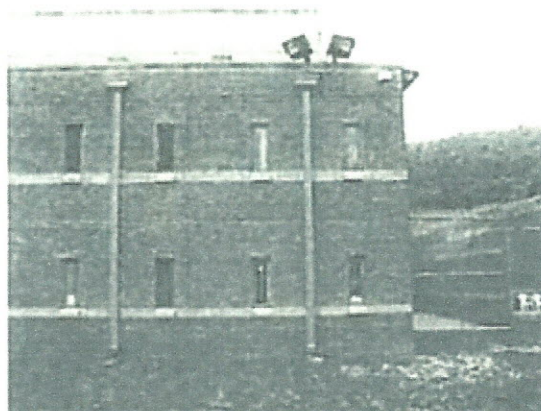


Photo #2 – County Jail

2. Condition of Building

Building Element	Description	Observation/Recommendation	Photo Appendix Reference	Estimate of Probable Cost
Building Structure	Load-bearing CMU, some EIFS wall systems over metal-stud framing	See Recommendation Note 1	10,11,12,13,14	\$250-\$300/s.f. For All Items Listed in This Index (Unless Otherwise Indicated)

3. Recommendation Notes

- The building is constructed of load-bearing CMU with a steel frame roof structure. The facility itself is in good condition; however, its population needs are growing. Through our research it appears that future expansion was considered in the original design and construction. A more detailed analysis of projected inmate population growth would validate the original expansion considerations.

UNION COUNTY GRAND JURY PRESENTMENTS

JANUARY TERM, 2013

TO THE HONORABLE RAYMOND E. GEORGE, JUDGE OF SUPERIOR  
COURT OF UNION COUNTY, GEORGIA, ENOTAH JUDICIAL CIRCUIT:

- |                                      |   |
|--------------------------------------|---|
| 1. Joy C. Leopold-Crumbley           | 13. Brittany Nicole McGaha                    |
| 2. Jeanne Strain Yost                | 14. Ryan Patrick Trow                         |
| 3. Marjorie Ann Wilson               | 15. Cynthia L. Sparks                         |
| 4. Elizabeth Vela Plott, Clerk       | 16. Alma Gail Bulloch                         |
| 5. Lynn E. Gooch, Asst. Foreperson   | 17. Dale A. Allison, Jr.                      |
| 6. William Clifford Smock, Jr.       | 18. <del>Linda H. Brewer</del> <i>excused</i> |
| 7. Michael William Raper, Foreperson | 19. Lucas Austin Parker                       |
| 8. Derek Gustav Richards             | 20. Sarah Mae Anderson                        |
| 9. Robert J Dougherty                | 21. Ronald Lee Borr                           |
| 10. Rhonda Lynn Melton               | 22. Vickie A. Cook                            |
| 11. Michael Nelson Seabolt           | 23. David Alexander Breadlove                 |
| 12. Brenda Kay Carroll               |   |

The Grand Jury, chosen for the January Term, 2013 of Union County Superior Court, respectfully submits the following presentments:

INDICTMENTS

We, the Grand Jury have considered 27 criminal cases presented to us by Jeffrey Langley, District Attorney, and herein return 27 True bills and 0 No bill and 0 Tabled.

COMMENDATIONS

This Grand Jury extends its appreciation to the Honorable Raymond E. George, Judge of Superior Courts of the Enotah Judicial Circuit, for her assistance to this body.

The Grand Jury would like to commend our District Attorney Jeffrey Langley and his assistants and staff for their guidance and assistance during our session. Also, we commend our Bailiff, Ms. Margorie Gilroy for her commitment to this Grand Jury.

FILED IN OFFICE THIS 27<sup>th</sup> DAY OF  
January 2013, 4:20 P  
Judy L. Loden  
Superior Court Clerk Union County

The Grand Jury would like to commend all the Law Enforcement Officers who appeared before this body. We appreciate their professionalism and the care given to the preparation of their cases.

The Grand Jury wishes to thank the courthouse maintenance staff for their hard work and dedication in keeping the courthouse clean.

The Grand Jury would like to thank the staff of the Union County Jail for their assistance in the inspection of the jail books.

#### REPORTS TO THE GRAND JURY

A report of the finances and operation of the Commissioner's Office was presented to the Grand Jury by the Commissioner Lamar Paris pursuant to O.C.G.A. 36-1-7(a) and found to be in order.

A written report of the finances and operation of the Probate Court of Union County was given to the Grand Jury by Dwaine Brackett, Probate Judge, pursuant to O.C.G.A. 36-1-7(a) and found to be in order.

A written report of the finances and operation of the Clerk of Superior Court was given to the Grand Jury by Judy Odom, Clerk of Superior Court pursuant to O.C.G.A. 36-1-7(a) and was found to be in order.

A written report of the finances and operation of the Sheriff's Office will be given within 90 days to the Grand Jury by Mack Mason, Sheriff of Union County pursuant to O.C.G.A. 36-1-7(a).

Lee Knight, Tax Commissioner appeared before the Grand Jury and stated that 86.7 % of property taxes have been collected with proper procedures in place to collect unpaid balance.

#### INSPECTIONS

An inspection of the offices and operation of the following offices were conducted by the Grand Jury pursuant to O.C.G.A. 15-12-71(b) (1):

The inspection of the jail facility was completed. We the Grand Jury found the jail to be in a sanitary condition with adequate heating and ventilation. We, the Grand Jury also found the jail's maximum capacity for inmates is 57, and the current occupation

---



of inmates is 72 and 0 inmates being housed in other county jails.

An inspection of the jail book at the county jail was conducted and it was found to be in order.

The inspection of the District Attorney's office was completed and found to be in order.

### BOARD OF REGISTRARS

We, the Grand Jury submit the following list to the Chief Superior Court Judge for appointment selections to the Board of Registrars:

- |                     |                    |
|---------------------|--------------------|
| 1. Robert Jackson   | 6. Lee Lyons       |
| 2. Hoyt Raper       | 7. Mike Mashburn   |
| 3. Barbara Anderson | 8. Carol Hood      |
| 4. Jim Allison      | 9. Patsy Efrid     |
| 5. Patricia Collins | 10. Margie Harkins |

### APPOINTMENTS

We, the Grand Jury will appoint to the Equalization Board, Homer Thomasson as a regular member term expiring on 12-31-2015; Lawrence Browning as alternated members with his terms to expiring 12-31-2015; Martin V. Duncan as alternated member with term expiring 12-31-2014:

### EQUALIZATION BOARD:

Due to the foregoing appointments, Equalization Board will be composed of the following members beginning January 01, 2013:

# Questions answered by Lamar Paris, County Commissioner

## Part one

Q. It is not fair that my property tax bill has gone up in this bad economy. Can't you do something about it?

A. The operation of the county government did not cause your tax bill to increase; it was the operation of the school. Many people still blame the commissioner, but I have absolutely no input into the school system, their budget, their operation, or their property tax rate (mil). The school board and the superintendent set the school mil rate.

Q. If you did not raise taxes this year, why did the school board have to?

A. Both of us have completely different operations. I tried to deal with this in a previous question a few weeks ago. Union County government and Union County school system both have always operated very efficiently for many years. That is why our combined property tax mil rate has been one of the lowest in the state year after year, always in the 10 lowest and usually second or third lowest property tax rate in the state. Last year we were second out of 159 counties.

However, the state mandates so much of the school system budget including how many teachers they must have and how many kids per classroom, how many days they must teach and many other regulations, whereas the county has more flexibility with our budget because the state does not mandate how we serve our public.

Q. Since inflation is down, hasn't the cost of operation of government also gone down?

A. No. I have also dealt with this issue in my column before, but almost everything we do in government continues to go up, from the cost of tires, the ever increasing cost of gasoline, and more particularly for the county, the cost of tar, gravel and asphalt, the cost of jail meals, and jail medical care. Medical insurance costs have continued to rise and many counties have seen 30% and 40% increases. We have seen more modest increases, but it is always an issue of trying to balance our budgets. In 2010, we spent \$167,088 just on meals for the inmates in our jail. That alone is over 1% of our total operation budget for the entire county and it is a cost that continues to increase as the number of inmates in jail increases.

5



N(123 30)B-SC

**DIRT?**



in the *North Georgia News*, the only publication to have published detailed information on those projects.

The Union County Jail, which was contracted and under construction before Paris came into office, was built too small - designed for only 52 inmates. It is averaging 70-75 people per night and the inmate population has reached as high as 99.

"Our jail has to be expanded," Paris said. "We can either pay for it with SPLOST or we can pay for it with property tax."

Paris showed a plat that shows a 31-acre parcel next to Meeks Park across from Butternut Creek, which

be built at N if enough fur but it is a pro added to the paid by SPL enues are a

The ho by the count Saddle Club. have impro the SPLOST would gam a munity room in Union C expanded.

Prior volunteer fi out literatur SPLOST, v off five new

Union. operates the

# **TAB “9”**

**Validations of the Jail Project**  
*(includes Summary + Supporting Docs)*

# **TAB “10”**

**Validations of the Transfer Station Project**  
*(Includes Summary + Supporting Docs)*

## TRANSFER STATION PROJECT VALIDATIONS

Union County Commissioner actively SOLD the current Splost to the public using the Transfer Station. Below is an excerpt from January 23, 2008 edition of the North Georgia News (County Newspaper) in which the Transfer Station is discussed, and Commissioner Paris calls the Transfer Station a "Disgrace", defines what is needed, and directly states it is a NEEDED Project, and makes thinly veiled hints at property tax increases :

***{SPLOST funds would be used for the transfer station, a situation he inherited. "Anyone who has been there lately know it rightly deserves the name, dump" Paris said. "It looks like one, works like one and acts like one. It is a disgrace." The transfer station would be redeveloped and designed to separate commercial haulers from private vehicles plus more than double the capacity. "It is something we need to do, so it is better to do it with SPLOST than property tax money," Paris said. "}***

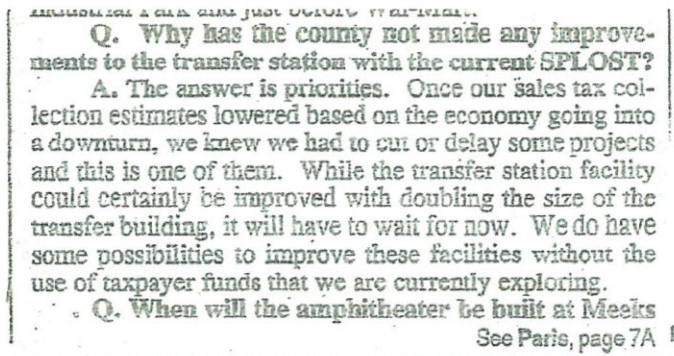
\* See attached visual excerpt at right



SPLOST funds would be used for the transfer station, a situation he inherited. "Anyone who has been there lately know it rightly deserves the name, dump," Paris said. "It looks like one, works like one and acts like one. It is a disgrace." The transfer station would be redeveloped and designed to separate commercial haulers from private vehicles, plus more than double the capacity. "It is something we need to do, so it is better to do it with SPLOST than property tax money," Paris said.

Lamar Paris has publicly acknowledged ABANDONING the Transfer Station Project:

Below is an excerpt from September 7, 2011 edition of the North Georgia News (County Newspaper)



**Q. Why has the county not made any improvements to the transfer station with the current SPLOST?**  
**A. The answer is priorities. Once our sales tax collection estimates lowered based on the economy going into a downturn, we knew we had to cut or delay some projects and this is one of them. While the transfer station facility could certainly be improved with doubling the size of the transfer building, it will have to wait for now. We do have some possibilities to improve these facilities without the use of taxpayer funds that we are currently exploring.**  
**Q. When will the amphitheater be built at Meeks**  
See Paris, page 7A

\*See attached visual Q & A by Lamar Paris published above

***{Q. Why has the county not made any improvements to the transfer station with the current SPLOST?***

***{A. The answer is priorities. Once our sales tax collection estimates lowered based on the economy going into a downturn, we knew we had to cut or delay some projects and this is one of them. While the transfer station facility could certainly be improved with doubling the size of the transfer building, it will have to wait for now.}***

# TAB “11”

## **Excerpted Pages From the 2008 County Audit** *(Includes the following)*

- 2008 Audit Pg # 13:** Balance Sheet *(shows Splost 2)*
- 2008 Audit Pg # 15:** Statement of Revenues, Expenditures, and Fund Balances *(shows Splost 2)*
- 2008 Audit Pg # 38:** Note 8 Interfund Receivables, Payables and Transfers
- 2008 Audit Pg # 39:** Note 9 Reserved / Deficit Fund Balances *(shows Splost 2 having a Deficit of \$5,051,951 and makes the statement that future revenue will offset this)*
- 2008 Audit Pg # 60:** Splost Report shows estimated Project Completion % and current year expenditures *(shows Splost 2)*

**Note:** *Splost 2 is also often referred to as 2003 Splost, which is the year in which it was passed.*

2008 Audit  
Balance Sheet

Pg # 13

UNION COUNTY, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2008

	General Fund	SPLOST II	Expansion	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,858,905	\$ -	\$ 118,549	\$ 577,018	\$ 6,554,472
Restricted cash	-	518,291	-	1,670,567	2,188,858
Taxes receivable, net	1,357,393	-	-	-	1,357,393
Due from other governments	632,508	520,079	475,137	16,530	1,644,254
Other receivables	275,978	-	-	56,994	332,972
Due from other funds	5,234,386	-	5,141,093	520,440	10,895,919
Inventories	10,305	-	-	-	10,305
Prepaid expenses	197,892	-	-	-	197,892
<b>Total Assets</b>	<b>\$ 13,567,367</b>	<b>\$ 1,038,370</b>	<b>\$ 5,734,779</b>	<b>\$ 2,841,549</b>	<b>\$ 23,182,065</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 408,130	\$ -	\$ -	\$ 22,342	\$ 430,472
Due to other funds	2,513,749	6,090,321	-	1,763,171	10,367,241
Deferred revenue	6,394,520	-	-	63,612	6,458,132
Accrued landfill costs	17,912	-	-	-	17,912
Other accrued expenses	670	-	-	-	670
<b>Total Liabilities</b>	<b>9,334,981</b>	<b>6,090,321</b>	<b>-</b>	<b>1,849,125</b>	<b>17,274,427</b>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Inventories	10,305	-	-	-	10,305
Prepaid items	197,892	-	-	-	197,892
Debt service	-	-	-	2,063,645	2,063,645
Capital projects	-	-	5,734,779	-	5,734,779
Unreserved	4,024,189	(5,051,951)	-	-	(1,027,762)
<b>Unreserved, reported in nonmajor funds:</b>					
Special revenue funds	-	-	-	(1,066,252)	(1,066,252)
Debt service funds	-	-	-	(327,529)	(327,529)
Capital projects funds	-	-	-	322,560	322,560
<b>Total Fund Balances (Deficit)</b>	<b>4,232,386</b>	<b>(5,051,951)</b>	<b>5,734,779</b>	<b>992,424</b>	<b>5,907,638</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,567,367</b>	<b>\$ 1,038,370</b>	<b>\$ 5,734,779</b>	<b>\$ 2,841,549</b>	<b>\$ 23,182,065</b>

The notes to financial statements are integral part of this statement.



2008 Audit

Pg #15

UNION COUNTY, GEORGIA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Fiscal Year Ended December 31, 2008

	General Fund	SPLOST II	Expansion	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 9,955,262	\$ 3,221,551	\$ -	\$ 100,689	\$ 13,277,502
Licenses and permits	206,804	-	-	-	206,804
Intergovernmental	869,167	-	1,462,628	572,995	2,904,790
Charges for services	355,828	-	-	375,451	731,279
Fines and forfeitures	651,170	-	-	85,547	736,717
Interest income	71,801	14,262	10,092	83,152	179,307
Contributions and donations	133,016	-	-	-	133,016
Miscellaneous	257,567	-	-	870	258,437
<b>Total Revenues</b>	<b>12,500,615</b>	<b>3,235,813</b>	<b>1,472,720</b>	<b>1,218,704</b>	<b>18,427,852</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	3,057,955	-	-	-	3,057,955
Judicial	965,888	-	-	27,310	993,198
Public safety	4,218,454	-	-	1,095,781	5,314,235
Public works	892,532	-	-	4,000	896,532
Health and welfare	864,423	-	-	-	864,423
Culture and recreation	207,890	-	-	-	207,890
Housing and development	489,673	-	-	128,882	618,555
<b>Debt service:</b>					
Principal	263,399	-	-	1,750,000	2,013,399
Interest and other charges	67,013	-	-	104,562	171,575
<b>Capital outlay:</b>					
General government	-	-	-	132,384	132,384
Judicial	10,962	-	-	-	10,962
Public safety	27,905	116,156	-	6,989	151,050
Public works	-	3,251,610	965,195	-	4,216,805
Health and welfare	-	-	-	30,325	30,325
Culture and recreation	-	-	-	124,736	124,736
Housing and development	169,874	-	-	-	169,874
<b>Total Expenditures</b>	<b>11,235,968</b>	<b>3,367,766</b>	<b>965,195</b>	<b>3,404,969</b>	<b>18,973,898</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,264,647</b>	<b>(131,953)</b>	<b>507,525</b>	<b>(2,186,265)</b>	<b>(546,046)</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from capital lease	6,575	-	-	-	6,575
Proceeds from sale of assets	11,174	-	-	-	11,174
Proceeds from insurance recovery	23,595	-	-	-	23,595
Transfers in	41,079	-	4,677,357	1,953,631	6,672,067
Transfers out	(385,874)	(3,880,965)	(1,953,631)	(837,471)	(7,057,941)
<b>Total other financing sources and uses</b>	<b>(303,451)</b>	<b>(3,880,965)</b>	<b>2,723,726</b>	<b>1,116,160</b>	<b>(344,530)</b>
<b>Net change in fund balances</b>	<b>961,196</b>	<b>(4,012,918)</b>	<b>3,231,251</b>	<b>(1,070,105)</b>	<b>(890,576)</b>
Fund balances, beginning of year	3,271,190	(1,039,033)	2,503,528	2,062,529	6,798,214
<b>Fund balances (deficit), end of year</b>	<b>\$ 4,232,386</b>	<b>\$ (5,051,951)</b>	<b>\$ 5,734,779</b>	<b>\$ 992,424</b>	<b>\$ 5,907,638</b>

The notes to financial statements are an integral part of this statement.

2008  
Audit

Pg # 38

NOTES TO FINANCIAL STATEMENTS

**NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

*Interfund Receivable/ Payable:*

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	SPLOST II	\$ 2,938,762
General	Nonmajor governmental	1,763,171
General	Nonmajor enterprise	336,402
General	Golf Course	196,051
Expansion	SPLOST II	3,151,559
Expansion	General Fund	1,989,534
Golf Course	Nonmajor enterprise	53,456
Golf Course	Golf Course	10,770
Nonmajor governmental	General Fund	520,440
Nonmajor enterprise	General Fund	3,775
		<u>\$ 10,963,920</u>

These balances resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

*Interfund transfers:*

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 10,114
General	SPLOST II	30,965
Expansion	SPLOST II	3,850,000
Expansion	Nonmajor governmental	827,357
Nonmajor governmental	Expansion	1,953,631
Nonmajor enterprise	General Fund	385,874
		<u>\$ 7,057,941</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

2004  
Audit

5739

NOTES TO FINANCIAL STATEMENTS

**NOTE 9. RESERVED FUND BALANCES/ DEFICIT FUND BALANCES**

Major fund reservations are disclosed on the face of the statements. The nonmajor funds have reserved fund balances for the following purposes:

Debt service	<u>\$ 2,063,645</u>
--------------	---------------------

The SPLOST II Fund had a deficit fund balance of \$5,051,951, and nonmajor funds (E911 Fund, Multiple Grant Fund, Hotel/Motel Fund, TEA Grant Fund, SPLOST Roads and Bridges Fund, and Debt Service-Jail Fund) had deficit fund balances of \$1,628,286. The County expects to generate future revenues to offset these deficits.

**NOTE 10. CONTINGENT LIABILITIES AND LITIGATION**

The County generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. The County is a party to various legal proceedings, which normally occur, in governmental operations. The results of any litigation, however, contain elements of uncertainty, and liability, if any, which might result from these proceedings, would not, in the opinion of management, have a material adverse effect on the ability of the County to meet its financial obligations.

**NOTE 11. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for five years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as a current operating expenditure in each period based on landfill capacity used as of each balance sheet date.

As of December 31, 2008, the County has recorded a liability of \$308,223, which is recognized in the government-wide financial statements. The landfill, which is closed, reached capacity in prior years.

These amounts are based on what it would cost to perform all closure and post-closure care in 2008. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

2008  
Audit

Pg # 60

**UNION COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**For the Fiscal Year Ended December 31, 2008**

PROJECT	Estimated Cost		Prior Years	Reclassifications and Adjustments	Expenditures		Total	Estimated % of Completion
	Original	Current			Prior Years, as restated	Current Year		
<b>SPLOST 2003</b>								
Road and bridge improvements/repair	\$ 8,500,000	\$ 8,500,000	\$ 4,382,304	\$ (372,349)	\$ 4,009,955	\$ 4,028,656	\$ 8,038,611	95%
Other capital projects:								
Road vehicles and equipment			-	211,119	211,119	188,149	399,268	
SPLOST project preplanning			-	-	-	132,384	132,384	
Courthouse expansion			7,594,214	(1,016,319)	6,577,895	-	6,577,895	
Meeks Park improvements			115,538	(105,738)	9,800	-	9,800	
E-911 renovation/expansion/equipment			485,857	67,077	552,934	116,156	669,090	
Public safety vehicles			624,857	-	624,857	-	624,857	
Community/Youth Center			10,831	(10,831)	-	-	-	
			-	-	-	-	-	
Total other capital projects	8,500,000	8,500,000	8,831,297	(854,692)	7,976,605	436,689	8,413,294	100%
<b>Totals SPLOST 2003</b>	<b>\$ 17,000,000</b>	<b>\$ 17,000,000</b>	<b>\$ 13,213,601</b>	<b>\$ (1,227,041)</b>	<b>\$ 11,986,560</b>	<b>\$ 4,465,345</b>	<b>\$ 16,451,905</b>	

**Note A: Basis of Accounting** ---This schedule has been prepared on the modified accrual basis of accounting.

**Note B: Prior Period Restatement**---Debt service expenditures of \$1,016,319 and other amounts of \$210,722, totalling \$1,227,041, were reported in error and have been eliminated from the cumulative prior year project totals. Also, various reclassifications have been made among project categories.

# TAB "12"

## Excerpted Pages From the 2009 County Audit (Includes the following)

- 2009 Audit Pg # 14:** Balance Sheet (*shows Splost 2*)
- 2009 Audit Pg # 16:** Statement of Revenues, Expenditures, and Fund Balances (*shows Splost 2*)
- 2009 Audit Pg # 38:** Note 7 Long Term Debt shows all GO Bonds for Expansion (Splost 2) Retired  
- also shows the New GO Bond for \$5,000,000 for 2009 Splost (Splost 3)
- 2009 Audit Pg # 39:** Note 7 Notes Payable shows 2007 Debt Obligations (from Splost 2) being paid off w/proceeds from the new 2009 GO Bond (supposedly for Splost 3 Projects)
- 2009 Audit Pg # 40:** Note 8 Interfund Receivables, Payables & Transfers (*shows Splost 2 & 3 mixing*)
- 2009 Audit Pg # 41:** Note 9 Reserved / Deficit Fund Balances (*shows Splost 2 Deficit*)
- 2009 Audit Pg # 59:** Splost Report shows estimated Project Completion % (*shows all Splost 2 Projects as being Complete*)

**Notes:** *Splost 2 is also often referred to as 2003 Splost, which is the year in which it was passed.  
Splost 3 is also often referred to as 2009 Splost, which is the year in which it was passed.*

2009 Audit  
Balance Sheet

Pg #14

UNION COUNTY, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2009

	General Fund	Expansion	SPLOST II	SPLOST III	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,008,416	\$ 38,531	\$ -	\$ 1,492,368	\$ 458,316	\$ 8,997,631
Restricted cash	-	-	1,111,908	-	765,546	1,877,454
Taxes receivable, net	1,359,035	-	-	-	-	1,359,035
Due from component unit	2,711	-	-	-	-	2,711
Due from other governments	559,119	-	-	500,265	60,406	1,119,790
Other receivables	586,514	-	-	32,216	113,105	731,835
Due from other funds	6,426,329	7,343,078	500,265	1,668,953	397,838	16,336,463
Inventories	32,689	-	-	-	-	32,689
Prepaid expenses	49,489	-	-	-	-	49,489
<b>Total Assets</b>	<b>\$ 16,024,302</b>	<b>\$ 7,381,609</b>	<b>\$ 1,612,173</b>	<b>\$ 3,693,802</b>	<b>\$ 1,795,211</b>	<b>\$ 30,507,097</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 574,208	\$ -	\$ -	\$ -	\$ 13,136	\$ 587,344
Due to other funds	4,282,171	-	9,280,186	526,181	2,053,308	16,141,846
Deferred revenue	6,598,274	-	-	-	63,612	6,661,886
Other accrued expenses	123,692	-	-	-	-	123,692
<b>Total Liabilities</b>	<b>11,578,345</b>	<b>-</b>	<b>9,280,186</b>	<b>526,181</b>	<b>2,130,056</b>	<b>23,514,768</b>
<b>Fund Balances:</b>						
<b>Reserved for:</b>						
Inventories	32,689	-	-	-	-	32,689
Prepaid items	49,489	-	-	-	-	49,489
Debt service	-	-	-	-	1,158,625	1,158,625
Capital projects	-	7,381,609	1,111,908	-	-	8,493,517
Unreserved	4,363,779	-	(8,779,921)	3,167,621	-	(1,248,521)
<b>Unreserved, reported in nonmajor funds:</b>						
Special revenue funds	-	-	-	-	(1,263,496)	(1,263,496)
Debt service funds	-	-	-	-	(383,786)	(383,786)
Capital projects funds	-	-	-	-	153,812	153,812
<b>Total Fund Balances (Deficit)</b>	<b>4,445,957</b>	<b>7,381,609</b>	<b>(7,668,013)</b>	<b>3,167,621</b>	<b>(334,845)</b>	<b>6,992,329</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,024,302</b>	<b>\$ 7,381,609</b>	<b>\$ 1,612,173</b>	<b>\$ 3,693,802</b>	<b>\$ 1,795,211</b>	<b>\$ 30,507,097</b>

The notes to financial statements are an integral part of this statement.

UNION COUNTY, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2009

	General Fund	Expansion	SPLOST II	SPLOST III	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 10,183,775	\$ -	\$ 1,553,595	\$ 1,545,071	\$ 96,502	\$ 13,378,943
Licenses and permits	106,464	-	-	-	-	106,464
Intergovernmental	950,199	139,880	-	-	197,144	1,287,223
Charges for services	203,307	-	-	-	363,481	566,788
Fines and forfeitures	640,408	-	-	-	173,798	814,206
Interest income	33,225	4,654	2,157	10,561	45,961	96,558
Contributions and donations	244,899	-	-	-	-	244,899
Miscellaneous	257,654	-	-	32,216	350	290,220
<b>Total Revenues</b>	<b>12,619,931</b>	<b>144,534</b>	<b>1,555,752</b>	<b>1,587,848</b>	<b>877,236</b>	<b>16,785,301</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	3,014,527	-	-	-	-	3,014,527
Judicial	1,000,188	-	-	-	15,712	1,015,900
Public safety	4,771,186	-	-	-	820,184	5,591,370
Public works	1,083,027	-	-	-	-	1,083,027
Health and welfare	584,190	-	-	-	-	584,190
Culture and recreation	211,909	-	-	-	-	211,909
Housing and development	445,788	-	-	-	96,101	541,889
Intergovernmental	-	-	-	102,000	-	102,000
<b>Debt service:</b>						
Principal	272,631	-	-	835,238	1,820,000	2,927,869
Interest and other charges	20,528	-	-	164,485	109,388	294,401
<b>Capital outlay:</b>						
General government	29,432	-	-	-	-	29,432
Judicial	-	-	-	-	-	-
Public safety	36,629	-	72,270	219,147	30,950	358,996
Public works	5,830	89,744	1,572,524	314,279	-	1,982,377
Health and welfare	-	-	-	239,967	-	239,967
Culture and recreation	-	-	-	944,013	256,423	1,200,436
Housing and development	65,201	-	-	638,278	-	703,479
<b>Total Expenditures</b>	<b>11,541,066</b>	<b>89,744</b>	<b>1,644,794</b>	<b>3,457,407</b>	<b>3,148,758</b>	<b>19,881,769</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,078,865</b>	<b>54,790</b>	<b>(89,042)</b>	<b>(1,869,559)</b>	<b>(2,271,522)</b>	<b>(3,096,468)</b>
<b>Other Financing Sources (Uses):</b>						
Proceeds from bond issuance	-	-	-	5,045,682	-	5,045,682
Proceeds from sale of assets	69,978	-	-	-	-	69,978
Proceeds from insurance recovery	19,156	-	-	-	-	19,156
Transfers in	-	1,592,040	-	-	935,751	2,527,791
Transfers out	(954,428)	-	(2,527,020)	-	-	(3,481,448)
<b>Total other financing sources and uses</b>	<b>(865,294)</b>	<b>1,592,040</b>	<b>(2,527,020)</b>	<b>5,045,682</b>	<b>935,751</b>	<b>4,181,159</b>
<b>Net change in fund balances</b>	<b>213,571</b>	<b>1,646,830</b>	<b>(2,616,062)</b>	<b>3,176,123</b>	<b>(1,335,771)</b>	<b>1,084,691</b>
Fund balances, beginning of year	4,232,386	5,734,779	(5,051,951)	(8,502)	1,000,926	5,907,638
<b>Fund balances (deficit), end of year</b>	<b>\$ 4,445,957</b>	<b>\$ 7,381,609</b>	<b>\$ (7,668,013)</b>	<b>\$ 3,167,621</b>	<b>\$ (334,845)</b>	<b>\$ 6,992,329</b>

The notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. **LONG-TERM DEBT** (continued)

**CONTRACTS**

*Governmental activities:*

In 1979, the County entered into an agreement to provide a maximum of \$100,000 annually to the Hospital Authority through the year 2015. The amount may be reduced in any given year, but only by the direction of the Hospital Authority. The remaining obligation as of December 31, 2009 was \$600,000.

Future minimum payments under this agreement consisted of the following at December 31, 2009:

2010	\$ 100,000
2011	100,000
2012	100,000
2013	100,000
2014	100,000
2015	<u>100,000</u>
	<u>\$ 600,000</u>

**GENERAL OBLIGATION BONDS**

*Governmental activities:*

The following is a summary of the outstanding long-term bond issues at December 31, 2009:

Year Issued / Purpose	Interest Rate (%)	Interest Due	Issue Date	Maturity Date	Authorized and Issued	Retired	Outstanding
→ 2004/Courthouse Expansion	2.73%	Feb 1, Aug 1	8/1/2004	8/1/2009	\$5,000,000	\$5,000,000	\$ -
→ 2006/Courthouse Expansion	3.40%	Feb 1, Aug 1	3/23/2006	8/1/2009	1,900,000	1,900,000	-
→ 2009/Various SPLOST Projects	Varies	Feb 1, Aug 1	2/25/2009	8/1/2015	5,000,000		<u>5,000,000</u>
							<u>\$ 5,000,000</u>

On February 1, 2004, the County issued general obligation bonds of \$5,000,000 to finance the expansion of the Courthouse. Bond issue costs totaling \$113,500 were amortized over sixty months. Amortization expense for 2009 totaled \$12,617. On March 23, 2006, the County issued general obligation bonds of \$1,900,000 to finance the expansion of the courthouse. Bond issue costs totaling \$51,750 were amortized over sixty months. Amortization expense for 2009 totaled \$15,814. On February 25, 2009, the County issued general obligation bonds of \$5,000,000 to finance various SPLOST III projects. Bond issuance costs totaling \$98,372 are being amortized over seventy-two months. Amortization expense for 2009 totaled \$11,977. Total amortization expense for 2009 was \$40,408.



NOTES TO FINANCIAL STATEMENTS

NOTE 7. **LONG-TERM DEBT** (continued)

Annual debt service requirements to amortize bonds outstanding, as of December 31, 2009, are as follows:

Year	Principal	Interest	Total
2010	\$ 785,000	\$ 129,825	\$ 914,825
2011	800,000	114,125	914,125
2012	820,000	98,125	918,125
2013	840,000	73,525	913,525
2014	865,000	48,325	913,325
2015	<u>890,000</u>	<u>26,700</u>	<u>916,700</u>
	<u>\$ 5,000,000</u>	<u>\$ 490,625</u>	<u>\$ 5,490,625</u>

**NOTES PAYABLE**

*Governmental activities:*

During 2007, the County obtained financing for the acquisition of five (5) fire trucks through Union County Building Authority (a discretely presented component unit of the County) in an original amount of \$880,000. The loan agreement has been payable in annual installments of principal ranging from \$65,000 to \$95,000, with interest payable semi-annually at a rate of 4.32%, and a maturity date in August 2019. The note was paid in full in February, 2009 with proceeds from the issuance of general obligation bonds.

**CHANGES IN LONG-TERM DEBT**

Changes in long-term liabilities consisted of the following for the year ended December 31, 2009:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts due In one year
<i>Governmental activities:</i>					
Bonds payable:					
General obligation bonds	\$1,820,000	\$5,000,000	\$1,820,000	\$5,000,000	\$ 785,000
Plus deferred amounts:					
Issuance premium	-	<u>45,682</u>	<u>5,572</u>	<u>40,110</u>	-
Total bonds payable	<u>1,820,000</u>	<u>5,045,682</u>	<u>1,825,572</u>	<u>5,040,110</u>	<u>785,000</u>
Capital leases	400,426	-	172,631	227,795	112,329
Contracts	700,000	-	100,000	600,000	100,000
Notes payable	835,238	-	835,238	-	-
Compensated absences	95,757	10,465	-	106,222	-
Closure and post-closure landfill costs	<u>308,223</u>	<u>-</u>	<u>18,510</u>	<u>289,713</u>	<u>17,912</u>
	<u>\$ 4,159,644</u>	<u>\$ 5,056,147</u>	<u>\$ 2,951,951</u>	<u>\$ 6,263,840</u>	<u>\$ 1,015,241</u>
<i>Business-type activities:</i>					
Capital leases	<u>\$ 106,299</u>	<u>\$ -</u>	<u>\$ 31,923</u>	<u>\$ 74,376</u>	<u>\$ 35,384</u>

NOTES TO FINANCIAL STATEMENTS

**NOTE 7. LONG-TERM DEBT (concluded)**

All long term obligations of the County's governmental funds will be financed through future expendable available financial resources as they become due. Principal and interest payments related to the County's enterprise funds are financed from income derived from operations of the Golf Course Fund and Meeks Park Fund. The compensated absences and closure and post-closure landfill liabilities will be paid from the General Fund.

**NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

*Interfund Receivable/ Payable:*

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	SPLOST II	\$ 4,148,714
General	SPLOST III	25,915
General	Nonmajor governmental	2,053,308
General	Nonmajor enterprise	12,039
General	Golf Course	186,353
Expansion	SPLOST II	3,462,519
Expansion	General Fund	3,880,559
SPLOST III	SPLOST II	1,668,953
SPLOST II	SPLOST III	500,265
Nonmajor governmental	General Fund	397,838
		<u>\$ 16,336,463</u>

These balances resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

*Interfund transfers:*

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Nonmajor enterprise	General Fund	\$ 953,657
Nonmajor governmental	SPLOST II	935,751
Expansion	General Fund	771
Expansion	SPLOST II	1,591,269
		<u>\$ 3,481,448</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

2009  
Audit

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NOTES TO FINANCIAL STATEMENTS

**NOTE 9. RESERVED FUND BALANCES/ DEFICIT FUND BALANCES**

Major fund reservations are disclosed on the face of the statements. The nonmajor funds have reserved fund balances for the following purposes:

Debt service \$ 1,158,625

The following funds had deficit fund balances at December 31, 2009:

SPLOST II Fund	\$ 7,668,013
E911 Fund	461,452
Multiple Grant Fund	1,007,640
Hotel Motel Fund	6,809
Debt Service Jail Fund	327,529
TEA Grant Fund	80,468

The County expects to generate future revenues to offset these deficits.

**NOTE 10. CONTINGENT LIABILITIES AND LITIGATION**

The County generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. The County is a party to various legal proceedings, which normally occur, in governmental operations. The results of any litigation, however, contain elements of uncertainty, and liability, if any, which might result from these proceedings, would not, in the opinion of management, have a material adverse effect on the ability of the County to meet its financial obligations.

**NOTE 11. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for five years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as a current operating expenditure in each period based on landfill capacity used as of each balance sheet date.

As of December 31, 2009, the County has recorded a liability of \$289,713, which is recognized in the government-wide financial statements. The landfill, which is closed, reached capacity in prior years.

These amounts are based on what it would cost to perform all closure and post-closure care in 2009. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

2009  
Audit

UNION COUNTY, GEORGIA  
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX  
For the Fiscal Year Ended December 31, 2009

PS # 59

PROJECT	Estimated Cost		Expenditures			Total	Estimated % of Completion
	Original	Current	Prior Years	Reclassifications and Adjustments	Current Year		
<b>SPLOST 2009</b>							
Administration costs	\$ 630,000	\$ 500,000	\$ -	\$ -	\$ 161,948	161,948	32%
Roads and bridges	11,760,000	4,000,000	-	-	314,279	314,279	8%
Jail renovation and expansion	1,960,000	7,500	-	-	7,421	7,421	99%
County administration annex renovations	490,000	490,000	-	-	-	-	0%
Park and recreation facilities and land acquisition	5,047,000	4,000,000	-	-	793,594	793,594	20%
Library renovation, expansion and books	882,000	882,000	-	-	34,997	34,997	4%
Public safety facilities, vehicles and equipment	2,009,000	2,009,000	-	-	1,068,315	1,068,315	53%
Solid waste transfer station/recycling center	833,000	-	-	-	-	-	0%
Farmers market/arena/cannery	784,000	784,000	-	-	257,618	257,618	33%
Civic center renovation and expansion	245,000	245,000	-	-	239,967	239,967	98%
Multi-use building for economic development	-	-	-	-	-	-	0%
Offices, community center and pro-shop	3,430,000	3,430,000	-	-	380,660	380,660	11%
Renovations to old courthouse, gym and other historic facilities	1,323,000	594,755	-	-	31,030	31,030	5%
Animal control facilities	147,000	147,000	-	-	65,578	65,578	45%
Contractual payments:							
City of Blairsville	1,960,000	1,960,000	-	-	102,000	102,000	5%
<b>Totals SPLOST 2009</b>	<b>\$ 31,500,000</b>	<b>\$ 19,049,255</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,457,407</b>	<b>\$ 3,457,407</b>	<b>18%</b>
<b>SPLOST 2003</b>							
Road and bridge improvements/repair	\$ 8,500,000	\$ 8,500,000	\$ 8,038,611	\$ -	\$ 1,538,024	\$ 9,576,635	113%
Other capital projects:							
Road vehicles and equipment			399,268		34,500	433,768	
SPLOST project preplanning			132,384		-	132,384	
Courthouse expansion			6,577,895		-	6,577,895	
Meeks Park improvements			9,800		-	9,800	
E-911 renovation/expansion/equipment			669,090		72,270	741,360	
Public safety vehicles			624,857		-	624,857	
Community/youth Center			-		-	-	
<b>Total other capital projects</b>	<b>8,500,000</b>	<b>8,500,000</b>	<b>8,413,294</b>	<b>-</b>	<b>106,770</b>	<b>8,520,064</b>	<b>100%</b>
<b>Totals SPLOST 2003</b>	<b>\$ 17,000,000</b>	<b>\$ 17,000,000</b>	<b>\$ 16,451,905</b>	<b>\$ -</b>	<b>\$ 1,644,794</b>	<b>\$ 18,096,699</b>	

Note A: Basis of Accounting ---This schedule has been prepared on the modified accrual basis of accounting.

# TAB "13"

## Excerpted Pages From the 2010 County Audit (Includes the following)

- 2010 Audit Pg # 14: Balance Sheet (*shows Splost 2*)
- 2010 Audit Pg # 16: Statement of Revenues, Expenditures, and Fund Balances (*shows Splost 2*)
- 2010 Audit Pg # 39: Note 9 Interfund Receivables, Payables & Transfers (*shows Splost 2 mixing back and forth with Several Funds – long after Splost 2 ended*)
- 2010 Audit Pg # 44: Note 20 Restatement of Fund Balances (*shows Splost 2 & Expansion Combined*)
- 2010 Audit Pg # 54: Splost Report shows estimated Project Completion % (*shows all Splost 2 Projects as being Complete and shows NO Expenditures during the year.*)

**Note:** *Splost 2 is also often referred to as 2003 Splost, which is the year in which it was passed.  
Splost 3 is also often referred to as 2009 Splost, which is the year in which it was passed.*

2010  
Audit

Pg #14

UNION COUNTY, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010

	General Fund	SPLOST II	SPLOST III	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,352,977	\$ 1,723,384	\$ 1,000,014	\$ 573,346	\$ 10,649,721
Restricted cash	-	-	-	468,187	468,187
Taxes receivable, net	1,501,531	-	-	12,859	1,514,390
Due from component units	122,967	-	-	-	122,967
Due from other governments	436,242	-	492,301	120,342	1,048,885
Other receivables	607,875	-	-	79,004	686,879
Due from other funds	6,921,780	3,880,560	1,439,044	296,202	12,537,586
Inventories	43,531	-	-	-	43,531
Prepaid expenses	52,355	-	-	-	52,355
<b>Total Assets</b>	<b>\$ 17,039,258</b>	<b>\$ 5,603,944</b>	<b>\$ 2,931,359</b>	<b>\$ 1,549,940</b>	<b>\$ 27,124,501</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,075,956	\$ -	\$ 34,000	\$ 13,136	\$ 1,123,092
Due to other funds	4,197,077	5,587,759	168,761	2,246,860	12,200,457
Deferred revenue	6,642,773	-	-	63,612	6,706,385
Other accrued expenses	82,178	-	-	-	82,178
<b>Total Liabilities</b>	<b>11,997,984</b>	<b>5,587,759</b>	<b>202,761</b>	<b>2,323,608</b>	<b>20,112,112</b>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Inventories	43,531	-	-	-	43,531
Prepaid items	52,355	-	-	-	52,355
Debt service	-	-	-	699,290	699,290
Capital projects	-	16,185	2,728,598	-	2,744,783
Other purposes	-	-	-	-	-
Unreserved	4,945,388	-	-	-	4,945,388
<b>Unreserved, reported in nonmajor funds:</b>					
Special revenue funds	-	-	-	(1,555,726)	(1,555,726)
Capital projects funds	-	-	-	82,768	82,768
<b>Total Fund Balances (Deficit)</b>	<b>5,041,274</b>	<b>16,185</b>	<b>2,728,598</b>	<b>(773,668)</b>	<b>7,012,389</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 17,039,258</b>	<b>\$ 5,603,944</b>	<b>\$ 2,931,359</b>	<b>\$ 1,549,940</b>	<b>\$ 27,124,501</b>

The notes to financial statements are an integral part of this statement.

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UNION COUNTY, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2010

	General Fund	SPLOST II	SPLOST III	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 10,414,708	\$ -	\$ 3,226,533	\$ 95,768	\$ 13,737,009
Licenses and permits	127,200	-	-	-	127,200
Intergovernmental	759,708	-	-	474,063	1,233,771
Charges for services	468,664	-	-	320,661	789,325
Fines and forfeitures	640,385	-	-	95,606	735,991
Interest income	20,677	2,898	2,297	7,744	33,616
Contributions and donations	244,630	-	-	-	244,630
Miscellaneous	253,608	-	166,965	7,761	428,334
<b>Total Revenues</b>	<b>12,929,580</b>	<b>2,898</b>	<b>3,395,795</b>	<b>1,001,603</b>	<b>17,329,876</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	3,022,288	-	-	-	3,022,288
Judicial	937,367	-	-	32,066	969,433
Public safety	4,271,470	-	-	713,479	4,984,949
Public works	1,134,353	-	-	-	1,134,353
Health and welfare	1,061,788	-	-	17,684	1,079,472
Culture and recreation	202,222	-	-	-	202,222
Housing and development	472,884	-	-	135,143	608,027
Intergovernmental	-	-	255,000	-	255,000
<b>Debt service:</b>					
Principal	212,795	-	-	785,000	997,795
Interest and other charges	7,672	-	-	129,840	137,512
<b>Capital outlay:</b>					
General government	-	-	60,265	-	60,265
Judicial	-	-	-	-	-
Public safety	54,275	-	275,490	96,868	426,633
Public works	-	36,421	632,682	-	669,103
Health and welfare	107,704	-	6,891	-	114,595
Culture and recreation	-	-	1,244,229	368,925	1,613,154
Housing and development	-	-	407,802	-	407,802
<b>Total Expenditures</b>	<b>11,484,818</b>	<b>36,421</b>	<b>2,882,359</b>	<b>2,279,005</b>	<b>16,682,603</b>
Excess (deficiency) of revenues over expenditures	1,444,762	(33,523)	513,436	(1,277,402)	647,273
<b>Other Financing Sources (Uses):</b>					
Proceeds from sale of assets	32,584	-	-	-	32,584
Proceeds from insurance recovery	11,462	-	-	-	11,462
Transfers in	105,847	336,112	550	944,787	1,387,296
Transfers out	(999,338)	-	(953,009)	(106,208)	(2,058,555)
<b>Total other financing sources and uses</b>	<b>(849,445)</b>	<b>336,112</b>	<b>(952,459)</b>	<b>838,579</b>	<b>(627,213)</b>
Net change in fund balances	595,317	302,589	(439,023)	(438,823)	20,060
Fund balances, beginning of year, as restated	4,445,957	(286,404)	3,167,521	(334,845)	6,992,329
<b>Fund balances (deficit), end of year</b>	<b>\$ 5,041,274</b>	<b>\$ 16,185</b>	<b>\$ 2,728,598</b>	<b>\$ (773,668)</b>	<b>\$ 7,012,389</b>

The notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

*Interfund Receivable/ Payable:*

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	SPLOST II	\$ 4,148,715
General	SPLOST III	168,761
General	Nonmajor governmental	2,246,860
General	Nonmajor enterprise	12,000
General	Golf Course	345,444
SPLOST II	General	3,880,560
SPLOST III	SPLOST II	1,439,044
Golf Course	General	2,890
Nonmajor governmental	General	296,202
Nonmajor enterprise	General	<u>17,425</u>
		<u>\$ 12,557,901</u>

These balances resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

*Interfund transfers:*

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 105,847
SPLOST III	General	550
SPLOST II	Nonmajor governmental	361
SPLOST II	SPLOST III	335,751
Nonmajor enterprise	General	671,259
Nonmajor debt service	General	327,529
Nonmajor debt service	SPLOST III	<u>617,258</u>
		<u>\$ 2,058,555</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 10. RESERVED FUND BALANCES/ DEFICIT FUND BALANCES**

Major fund reservations are disclosed on the face of the statements. The nonmajor funds have reserved fund balances for the following purposes:

Debt service \$ 699,290

The following funds had the following deficit fund balances at December 31, 2010:

Nonmajor E911 Fund	\$ 691,748
Nonmajor Multiple Grant Fund	1,142,654
Nonmajor TEA Grant Fund	155,941

The County expects to generate future revenues to offset these deficits.



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## NOTES TO FINANCIAL STATEMENTS

### NOTE 19. NET ASSETS RESTATEMENT – COMPONENT UNITS

The Union County Department of Public Health has determined a restatement is required to increase the balance of net assets to properly reflect revenue earned. The restatement impacts the beginning net assets as follows:

Net Assets, December 31, 2009, as previously reported	\$ 69,089
Adjustment to increase understated revenue	<u>10</u>
Net Assets, December 31, 2009, as restated	<u>\$ 69,099</u>

The Union County Development Authority has determined a restatement is required to increase the balance of net assets to properly reflect the accrual of accounts payable. The restatement impacts the beginning net assets as follows:

Net Assets, December 31, 2009, as previously reported	\$ 1,926,257
Adjustment to decrease accounts payable	<u>5,375</u>
Net Assets, December 31, 2009, as restated	<u>\$ 1,931,632</u>

### NOTE 20. RESTATEMENT OF FUND BALANCE – PRIMARY GOVERNMENT

The Expansion Fund and SPLOST II Fund has been combined and reported as the "SPLOST II Fund", effective January 1, 2010. The restatement impacts fund balance as follows:

	<u>Expansion Fund</u>	<u>SPLOST II Fund</u>
Net Assets, December 31, 2009, as previously reported	\$ 7,381,609	\$ (7,668,013)
Decrease for combining effect	<u>(7,381,609)</u>	<u>7,381,609</u>
Net Assets, January 1, 2010, as restated	<u>\$ -</u>	<u>\$ (286,404)</u>

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**UNION COUNTY, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**For the Fiscal Year Ended December 31, 2010**

PROJECT	Estimated Cost		Prior Years	Reclassifications and Adjustments	Expenditures		Estimated % of Completion
	Original	Current			Current Year	Total	
<b>SPLOST 2009</b>							
Administration and debt service costs	\$ 630,000	\$ 500,000	\$ 161,948	\$ (132,385)	\$ 60,265	89,828	18%
Roads and bridges	11,760,000	4,731,506	314,279	-	632,682	946,961	20%
Jail renovation and expansion	1,960,000	87,490	7,421	-	56,083	63,504	73%
County administration annex renovations	490,000	500,000	-	-	-	-	0%
Park and recreation facilities and land acquisition	5,047,000	3,994,583	793,594	153,200	939,205	1,885,999	47%
Library renovation, expansion and books	882,000	900,000	34,997	(32,216) (b)	180,154	182,935	20%
Public safety facilities, vehicles and equipment	2,009,000	2,050,000	1,068,315	(20,815)	219,407	1,266,907	62%
Solid waste transfer station/recycling center	833,000	-	-	-	-	-	0%
Farmers market/arena/cannery	784,000	800,000	257,618	-	407,802	665,420	83%
Civic center renovation and expansion	245,000	250,000	239,967	-	6,891	246,858	99%
Multi-use building for economic development offices, community center and pro-shop	3,430,000	3,500,000	380,660	-	(166,965) (a)	213,695	6%
Renovations to old courthouse, gym and other historic facilities	1,323,000	594,755	31,030	-	124,870	155,900	26%
Animal control facilities	147,000	150,000	65,578	-	-	65,578	44%
Contractual payments:							
City of Blairsville	1,960,000	1,224,000	102,000	-	255,000	357,000	29%
<b>Totals SPLOST 2009</b>	<b>\$ 31,500,000</b>	<b>\$ 19,282,334</b>	<b>\$ 3,457,407</b>	<b>\$ (32,216)</b>	<b>\$ 2,715,394</b>	<b>\$ 6,140,585</b>	<b>32%</b>
<b>SPLOST 2003</b>							
Road and bridge improvements/repair	\$ 8,500,000	\$ 8,500,000	\$ 9,576,635	\$ -	\$ 36,421	\$ 9,613,056	113%
Other capital projects:							
Road vehicles and equipment			433,768	-	-	433,768	
SPLOST project preplanning			132,384	-	-	132,384	
Courthouse expansion			6,577,895	-	-	6,577,895	
Meeks Park Improvements			9,800	-	-	9,800	
E-911 renovation/expansion/equipment			741,360	-	-	741,360	
Public safety vehicles			624,857	-	-	624,857	
Community/youth Center			-	-	-	-	
<b>Total other capital projects</b>	<b>8,500,000</b>	<b>8,500,000</b>	<b>8,520,064</b>	<b>-</b>	<b>-</b>	<b>8,520,064</b>	<b>100%</b>
<b>Totals SPLOST 2003</b>	<b>\$ 17,000,000</b>	<b>\$ 17,000,000</b>	<b>\$ 18,096,699</b>	<b>\$ -</b>	<b>\$ 36,421</b>	<b>\$ 18,133,120</b>	

Note A- Basis of Accounting: This schedule has been prepared on the modified accrual basis of accounting.

Note B- Reconciliation of schedule with governmental fund statement:

SPLOST 2009 expenditures per above schedule	\$ 2,715,394
Reimbursement of project expenditures from component unit bond issue proceeds noted as (a) above and included in Miscellaneous Revenue on governmental fund statement	166,965
Expenditures per SPLOST III Fund Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 2,882,359</u>

Note C- Reclassification and Adjustments:

Reclassification among project costs reflected in the Prior Years column were necessary to correct project costs incurred in 2009. Additionally, reimbursements received in 2009 for project costs are reflected.

SPLOST 2009 expenditures per above schedule	\$ 3,457,407
Reimbursement of project expenditures from component unit bond issue proceeds noted as (b) above and included in Miscellaneous Revenue in the 2009 fund statement	(32,216)
Cumulative net expenditures as of December 31, 2009, as restated	<u>\$ 3,425,191</u>

# **TAB “14”**

**Prior Warning of Project Abandonment From County Auditor  
*(Includes Original 4 Page Auditors Letter Attachment)***

Direct References:

- ¶ 14 details Auditor Warning referenced above
- ¶ 4 is of note regarding Splost Accounting Issues
- ¶ 7 is also of note regarding Splost Accounting Issues

## PRIOR WARNING FROM COUNTY AUDITOR

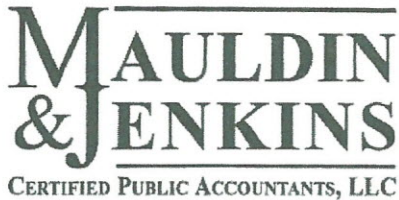
On June 25, 2013, the County Auditor, Mauldin & Jenkins submitted a 4 page letter to Union County Commissioner Lamar Paris with the primary intent to share *“comments and suggestions with respect to matters that came to our attention in connection with our audit of the basic financial statements of Union County, Georgia for the year ended December 31, 2012.”*

**SECTION 14 from that letter, found on page 3 reads as follows:**

{14) In our discussions with County management and review of the County's schedule of expenditures of special purpose local option sales tax, **we noted there were several projects for which the budgets have been significantly reduced. If the County does not plan to complete the projects identified in the SPLOST referendum approved by the citizens, we recommend the County consult with the County's attorney to determine the appropriate actions and guidance to ensure the County performs all projects as listed in the referendum or takes the necessary actions to modify or abandon a project.** Although the County is still collecting proceeds from the sales tax revenue, we want to ensure the County proactively evaluates the options and requirements specified in State of Georgia law.}

**It should be noted that immediately thereafter,** the County did change the Transfer Station “Current Budget” from \$0 to \$75,000. While at least a start on this particular project, it hardly constitutes any realistic attempt at performance of the original \$833,000 Transfer Station project. Similarly, the \$63,503.19 currently spent on the Jail Renovations and Expansion did not reasonably achieve any sort of performance towards that original \$2,000,000 Project Goals.

**See the referenced 4 Page Letter from Mauldin & Jenkins on the following pages.**



**Honorable Lamar Paris, Commissioner  
of Union County, Georgia  
Blairsville, Georgia**

This letter includes comments and suggestions with respect to matters that came to our attention in connection with our audit of the basic financial statements of Union County, Georgia for the year ended December 31, 2012. We have also communicated to management other matters involving the internal control over financial reporting (or other instances of noncompliance) that we consider to be material weaknesses and significant deficiencies, as defined by *Government Auditing Standards* issued by the Comptroller General of the United States. Please refer to the communications noted in the 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 25, 2013.

The following items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving the County's practices and procedures.

- 1) During our internal control documentation procedures for the Probate Court cash receipts process, it was noted that the court does not maintain copies of system generated reports to corroborate voided cash receipts transactions. The Court's cash receipts system has the capability to generate a "Voided Transactions by User" report to serve as supporting documentation for any voided transactions. We recommend the Court maintain a copy of the "Voided Transactions by User" system generated report in the cash receipts supporting files to serve as corroboration for any voided cash receipts.
- 2) During our testing of the Clerk of Courts cash balances, two additional bank accounts that were previously unreported by the County were identified. Audit journal entries totaling \$8,373 were required to properly record the two accounts in the Clerk of Courts Fund. We recommend the County carefully review all potential bank accounts in the County's tax identification number to ensure all accounts and related activity are properly reported.
- 3) During our testing of Magistrate Court cash balances, it was noted that the December 2012 month end bank reconciliation was not properly prepared in an accurate manner. The December 2012 bank reconciliation improperly included checks cut and dated in January 2013 as outstanding reconciling items. Audit journal entries totaling \$3,121 were required to properly report Magistrate Court cash balances. We recommend the County ensure that all monthly bank reconciliations are prepared in an accurate and timely manner.

- 4) During our testing of SPLOST III Fund expenditures, we noted twenty disbursements that did not include approval from a department head or project manager on the face of the invoice or other available supporting documentation. In order to ensure that SPLOST disbursements are for services actually received and are in compliance with the voter approved SPLOST referendum, all expenditures should include documentation of proper approval. We recommend the County implement policies and procedures requiring a department head, project manager or other designated employee to sign or initial each invoice paid with SPLOST funds.
- 5) During our testing of capital assets, we noted that the Golf Course Fund, Meeks Park Fund and Development Authority capital asset subsidiary ledgers are maintained in Excel. The use of Excel to track capital assets and calculate depreciation expense will often lead to inaccuracies in the reporting of capital asset subsidiary ledgers. We recommend each of the aforementioned entities to utilize a capital asset module or formalized system to track capital asset subsidiary ledger information and to calculate depreciation expense.
- 6) During our testing of accrued payroll liabilities, we noted the County was not properly allocating the accrual for earned wages across the funds responsible for the employees' wages and benefits. The total accrued wages at December 31, 2012 was approximately \$103,000. An adjustment was needed to remove approximately \$15,000 of expenditures from the General Fund and allocate to the Emergency 911 Fund (\$5,000), Golf Course Fund (\$4,000), and Meeks Park Fund (\$6,000). We recommend the County carefully review accrued liability calculations during year end close out to ensure all expenditures are appropriately reported in the correct fund.
- 7) During our search for unrecorded liabilities, we noted \$20,860 in expenditures and related liabilities were improperly omitted from the SPLOST III Fund. Audit adjustments were required to properly report expenditures and related liabilities. We recommend the County carefully review all invoices and other supporting documentation for checks cut after year end for potential accrual back to the previous year in accordance with generally accepted accounting principles.
- 8) During our testing of compensated absences liabilities, it was noted that the County was not properly reporting the fund level liability for the Golf Course Fund and Meeks Park Fund. Compensated absences liabilities pertaining to the Golf Course Fund and Meeks Park Fund employees were improperly included in the Governmental Activities compensated absences liability at December 31, 2012. Audit adjustments for \$4,114 and \$2,201 were required to correctly report the compensated absences liability in the Golf Course and Meeks Park Fund, respectively. Additionally, in Governmental Activities the compensated absences liability included several employees whose accrued leave hours on the compensated absences report exceeded the allowable hours available to carry forward to the next year. Therefore, audit adjustments totaling \$24,139 were required to remove the excess portion over the County payroll policy. We recommend the County carefully review compensated absences reports at year end to ensure that the liabilities are reported properly and that the liabilities are recorded in accordance with the County payroll policies.

- 9) During the testing of the activity at each of the respective elected official offices, as well as the balances on the County's general ledger for amounts due from the various offices, we noted a lack of oversight of the finances by the County's finance department over each of the elected official's offices. Since the County's finance office has ultimate responsibility for the financial reporting of the County's operations, the elected officials' financial records, including monthly trial balances, bank reconciliations, and subsidiary liabilities listings, should be provided to the County's finance office for review, approval, and inclusion in the County's annual financial report.
- 10) During our testing of the Golf Course Fund we noted the three leases which the County was entered into for various green and fairway equipment were each behind in their lease payments as compared to the payment schedule. The leases were one and two months behind on their payments. We recommend the County maintain a current status for payments of all long-term liabilities.
- 11) During our testing of the cash balances at the County, we received a confirmation from United Community Bank which listed the authorized signors. We noted there were approximately seven (7) of the twenty-eight (28) listed accounts which included authorized signors who were no longer employed by the County. We recommend the County ensure all employees are removed from signature cards upon termination and the lists are periodically reviewed for appropriateness.
- 12) During our testing of revenues in the General Fund, we noted the County recorded a fund level revenue for the forgiveness of a long-term liability. As the General Fund is intended to be reported using the economic resources measurement focus, the fund should only report activity which provides or consumes the current financial resources of the fund. Forgiveness of a long-term asset should only be reported in the governmental activities. As such, an entry was required to remove the \$100,000 of revenue and expenditures in the General Fund.
- 13) During our audit procedures, we noted that the County has not adopted a written accounting policy related to Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This new standard was effective for the County for the years ended December 31, 2011 and December 31, 2012. We recommend the County to adopt a written accounting policy related to GASB Statement No. 54.
- 14) In our discussions with County management and review of the County's schedule of expenditures of special purpose local option sales tax, we noted there were several projects for which the budgets have been significantly reduced. If the County does not plan to complete the projects identified in the SPLOST referendum approved by the citizens, we recommend the County consult with the County's attorney to determine the appropriate actions and guidance to ensure the County performs all projects as listed in the referendum or takes the necessary actions to modify or abandon a project. Although the County is still collecting proceeds from the sales tax revenue, we want to ensure the County proactively evaluates the options and requirements specified in State of Georgia law.

This letter is intended solely for the information and use of the Commissioner of Union County, Georgia, and its management and other officials and is not intended to be and should not be used by anyone other than these specified parties. We appreciate serving Union County, Georgia and would be happy to assist you in addressing and implementing any of the suggestions in this letter.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
June 25, 2013



# TAB "15"

## **37 Page Letter From County Auditor Regarding 2012 Audit (Includes several References to Problems and/or Adjustments to Splost)**

### Direct References:

MATERIAL WEAKNESS: 2) Internal controls were not sufficient to detect misstatements in the reporting of the County's revenues and related balance sheet accounts. During our testing, certain audit adjustments were required to correct current year revenues and related assets and liabilities. The nature of these adjustments is as follows: (pg 16)

- In the SPLOST III Fund, sales tax revenues pertaining to the subsequent period were accrued. Audit adjustments totaling approximately \$481,000 were required to properly report sales tax revenues and receivables. An adjustment of approximately \$213,000 was required to adjust current year accrued revenues, and approximately \$268,000 to correct prior year's over accrual of revenues. (pg 17)
- In the SPLOST III Fund, an audit adjustment totaling approximately \$466,000 was required to properly report intergovernmental revenues which were improperly reported as unearned revenues. Governmental Accounting Standards Board Statement Number 33 states a purpose restriction is not an appropriate reason for deferral of the recognition of grant revenues; therefore this amount should be reported as revenue in the 2012 year. (pg 17)

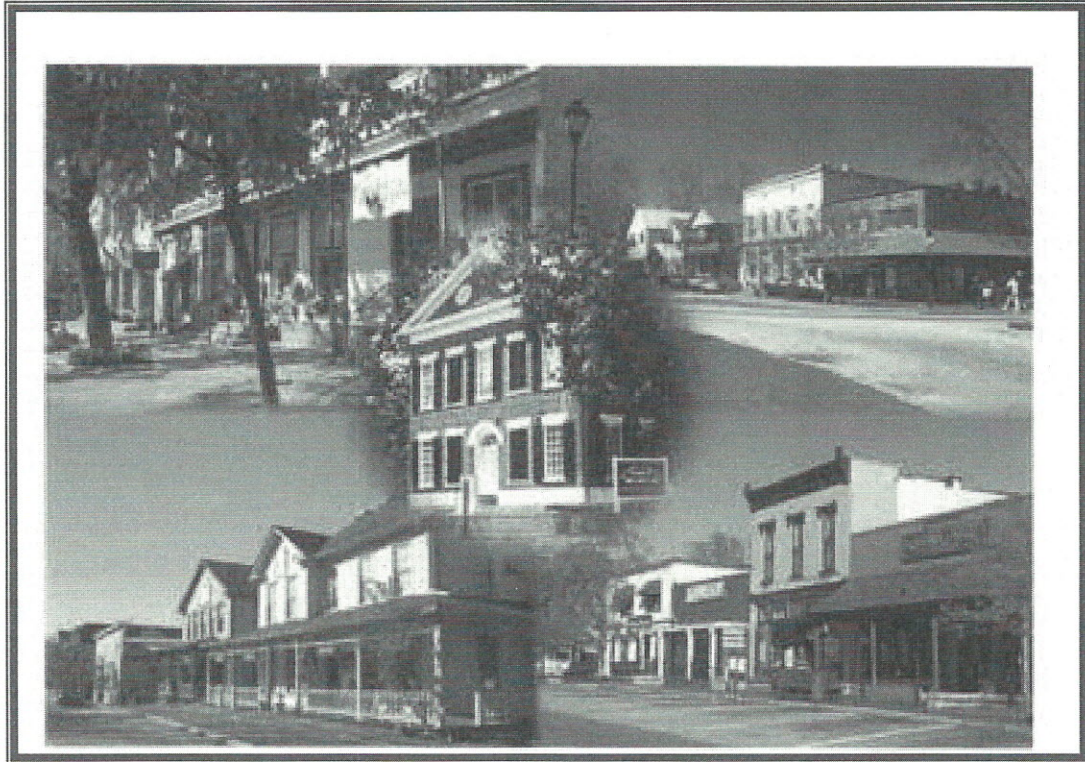
3) Material misstatements were detected in the reporting of the County's expenditures and related liabilities. During our testing of expenditures and related liabilities certain audit adjustments were required to correct the recognition and reporting of expenditures and the related liabilities. The nature of those entries is described below: (pg 18)

- In the SPLOST III Fund, intergovernmental expenditures and related liabilities were accrued, but not incurred as of December 31, 2011. Audit adjustments totaling approximately \$17,000 were required to correct beginning fund balance. (pg 18)

4) During our testing of SPLOST III Fund expenditures, we noted twenty disbursements that did not include approval from a department head or project manager on the face of the invoice or other available supporting documentation. (pg 21)

7) During our search for unrecorded liabilities, we noted \$20,860 in expenditures and related liabilities were improperly omitted from the SPLOST III Fund. Audit adjustments were required to properly report expenditures and related liabilities. (pg 21)

# Union County, Georgia



*Annual Audit Agenda  
December 31, 2012*

Presented by:

**MAULDIN  
& JENKINS**  
CERTIFIED PUBLIC ACCOUNTANTS, LLC

# UNION COUNTY, GEORGIA

*Annual Audit Agenda*

December 31, 2012

## PURPOSE OF ANNUAL AUDIT AGENDA

- ◆ Engagement Team and Firm Information.
  
- ◆ Overview of:
  - Audit Opinion;
  - Financial Statements, Footnotes and Supplementary Information;
  - Compliance Reports;
  
- ◆ Required Communications under Government Auditing Standards.
  
- ◆ Accounting Recommendations and Related Matters.
  
- ◆ Answer Questions.



# UNION COUNTY, GEORGIA

*Annual Audit Agenda*

December 31, 2012

## MAULDIN & JENKINS – GOVERNMENTAL PRACTICE

### General Information:

- Founded in 1920.
- Large regional firm serving the Southeastern United States.
- Offices located in Macon, Atlanta, Albany, Bradenton, FL and Birmingham, AL with firm governmental leadership positioned in the Atlanta office.
- Approximately 240 personnel are employed at Mauldin & Jenkins.

### Governmental Sector:

- Largest specific industry niche served by Firm representing 27% of Firm practice.
- Serve more governmental entities in Georgia than any other certified public accounting firm requiring over 60,000 hours of service on an annual basis.
- Approximately 65 professional staff persons with current governmental experience.
- Current auditor for over 185 total governments in the Southeast, including approximately:
  - ✓ 50 cities;
  - ✓ 30 counties;
  - ✓ 35 school systems (8 of the 10 largest in Georgia and 10 of the 30 largest in Georgia and Florida combined);
  - ✓ 15 state entities; and,
  - ✓ 55 special purpose entities (stand-alone business type entities, libraries, etc).
- Serves 67 governments receiving the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- Auditor of a substantial part of the State of Georgia including: approximately 25% of the State's general fund; 13 of the State of Georgia's component units; and 2 State of Alabama entities.

### Engagement Team Leaders for Union County, Georgia Include:

- Adam Fraley – Engagement Lead Partner – 16 years experience, 100% governmental
- James Bence – Engagement Manager – 10 years experience, 100% governmental
- Quin Wright – Engagement Senior – 3 years experience, 100% governmental

# UNION COUNTY, GEORGIA

*Annual Audit Agenda*

December 31, 2012

## MAULDIN & JENKINS – ADDITIONAL INFORMATION

### Other Industries & Services by Mauldin & Jenkins:

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

**Industries Served:** Over the years our partners have developed expertise in certain industries representative of a cross section of the Georgia economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- SEC Registrants
- Wholesale Distribution
- Agri-Businesses
- Manufacturing
- Professional Services
- Employee Benefit Plans
- Financial Institutions (community banks, savings & loans, thrifts, credit unions, mortgage companies, and finance companies)
- Non-Profit Organizations
- Retail Businesses
- Long-term Healthcare
- Construction & Development
- Individuals, Estates and Trusts
- Real Estate Management

**Services Provided:** This diversity of practice enables our personnel to experience a wide variety of business, accounting and tax situations. We provide the traditional and not-so-traditional services such as:

- Financial Audit / Review / Compilation
- Compliance Audits & Single Audits
- Agreed-Upon Procedures
- Forensic Audits
- Bond Issuance Services
- Performance Audits
- State Sales Tax Matters
- International Tax Matters
- Business & Strategic Planning
- Profitability Consulting
- Budgeting
- Buy-Sell Agreements & Business Valuation Issues
- Income Tax Planning & Preparation
- Multi-State Income Tax Issues
- Information Systems Consulting
- Cost Accounting Analysis
- Healthcare Cost Reimbursement
- Outsourced Billing Services
- Fixed Asset Inventories
- Succession & Exit Strategy Consulting
- Estate Planning
- Management Information Systems
- Employee Benefit Plan Administration
- Merger / Acquisition & Expansion Financing

# UNION COUNTY, GEORGIA

*Annual Audit Agenda*

December 31, 2012

## AUDIT OPINION

### *Union County's Responsibility*

The financial statements are the responsibility of Union County's management and Commissioner.

### *Auditor's Responsibility*

Our responsibility, as external auditors, is to express an opinion on these financial statements. We did not audit the financial statements of the Union County Board of Health. We reviewed and relied on the report of other auditors for amounts included in the County's statements related to the Board of Health.

### *Auditing Standards*

We audited the County's financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.

### *Clean Opinion*

The financial statements of the County are considered to present fairly the financial position and results of operations as of, and for the year ended December 31, 2012.

# UNION COUNTY, GEORGIA

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## OVERVIEW OF FINANCIAL STATEMENTS

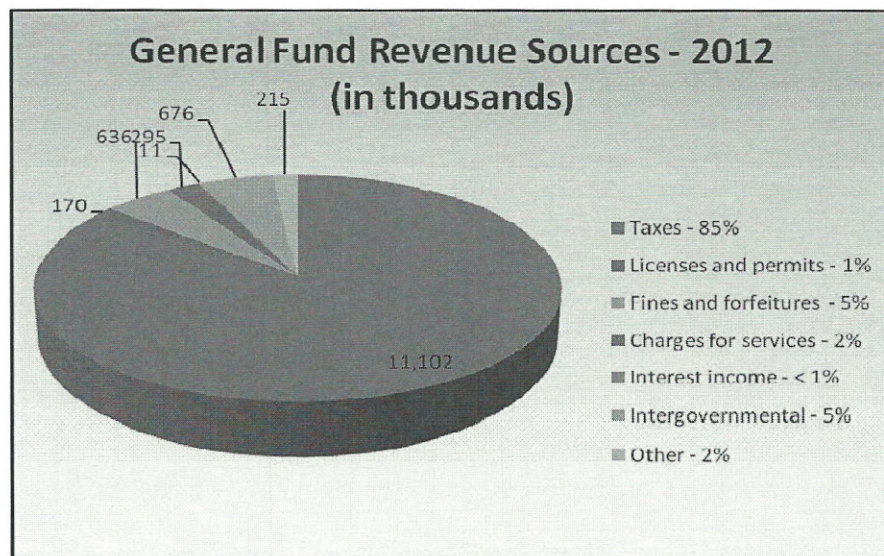
The County's basic financial statements include three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

The **government-wide financial statements** provide a broad overview of all of the County's funds, as well as its discretely presented component units—the Union County Department of Public Health and the Development Authority of Union County. The *Statement of Net Position* presents information on all assets and liabilities of the County, with the difference between the two reported as net position. The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. Revenues are categorized as program revenues or general revenues. Expenses are categorized by function.

The **fund financial statements** more closely resemble the financial statements as presented prior to the adoption of GASB Statement No. 34. The County reports governmental funds, proprietary funds, and fiduciary funds in the CAFR.

### General Fund

Of primary interest to the County is the **General Fund**, which accounts for the majority of revenues received and funds expended in the operations of the County, including general government activities, judicial, public safety, public works, health & welfare, culture & recreation, and housing and development. Additionally, the County reports capital outlays and debt service as separate line items in the financial statements. The following charts present the sources of revenues and the expenditures of the General Fund for the year ended December 31, 2012:



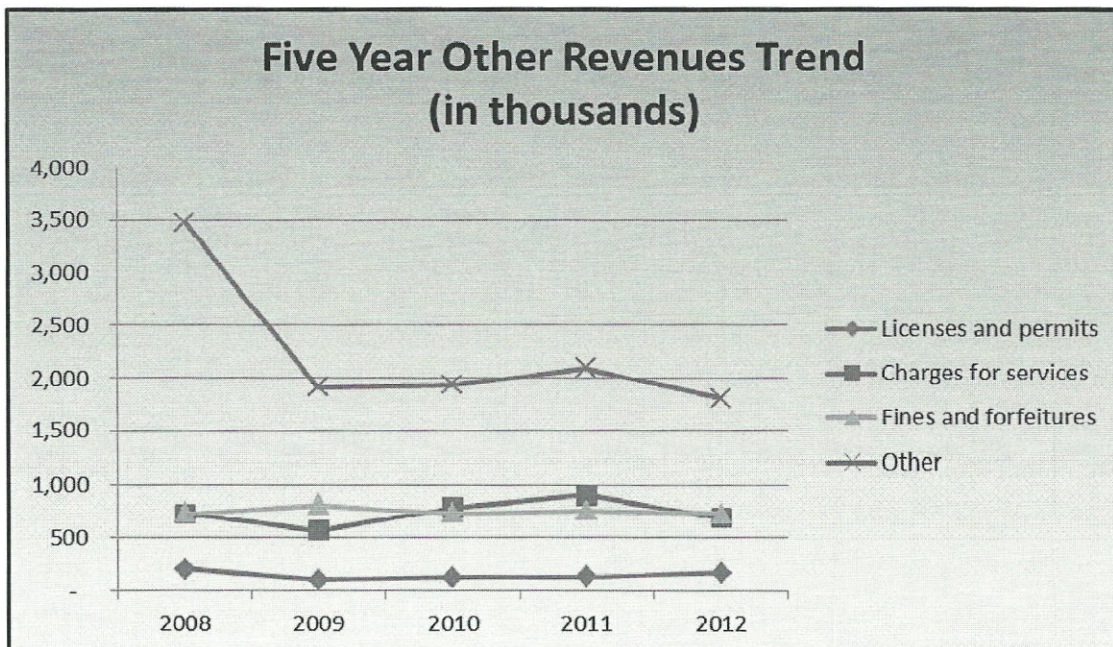
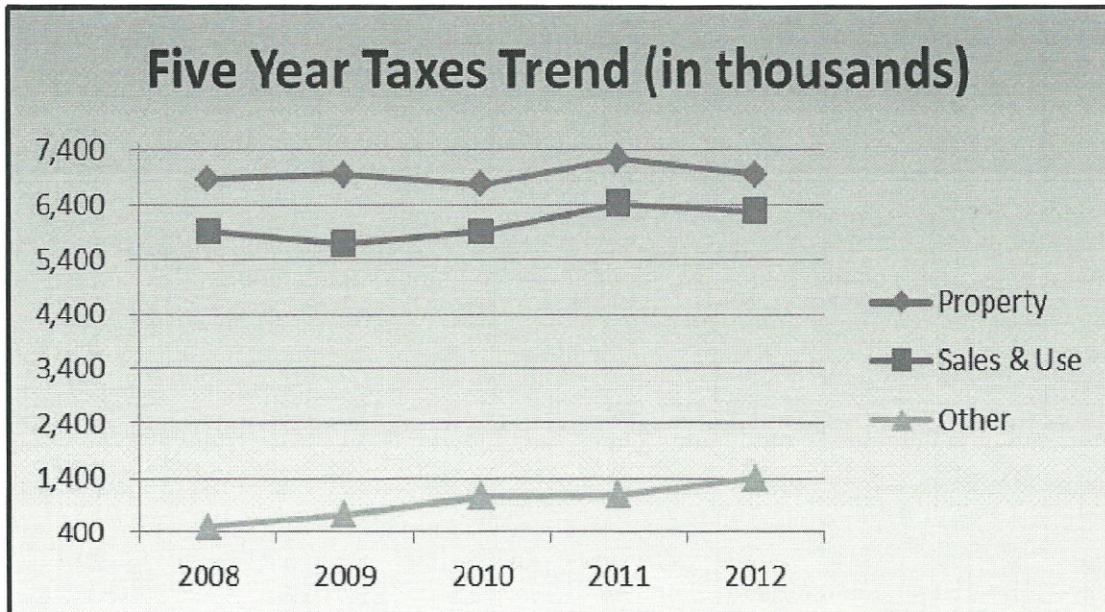
# UNION COUNTY, GEORGIA

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Total General Fund revenues for the year ended December 31, 2012 were \$13,105,453. Revenues of the prior year were \$13,691,593. The most significant variance was a decrease in charges for services revenues of approximately \$261,000.

For analysis purpose a five year history of the General Fund tax revenues and other revenues is provided below for your review.

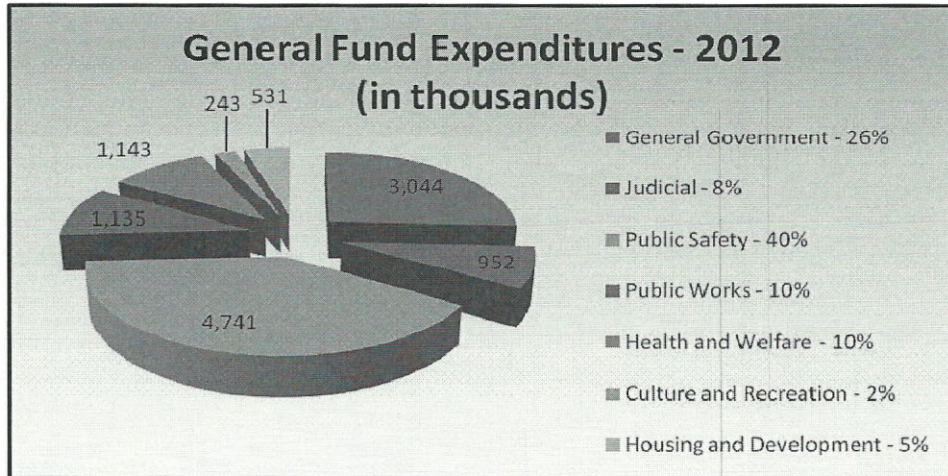




# UNION COUNTY, GEORGIA

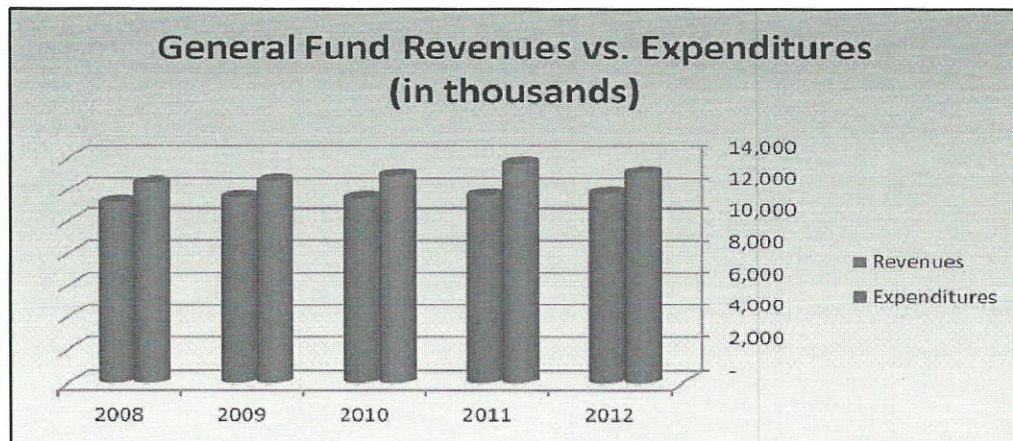
## Annual Audit Agenda

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Total expenditures during the year ended December 31, 2012 were \$11,789,416. Expenditures of the prior year were \$11,638,038. The most significant variances were increases in public works expenditures of approximately \$279,000 and decreases in debt service expenditures of approximately \$220,000.

More detailed explanations of variances can be found in the Management's Discussion and Analysis section of the financial statements. An analysis of General Fund revenues and expenditures for each of the last five fiscal years is as follows. It should be noted that other financing sources, such as transfers in and proceeds of debt, are included with the revenues. Other financing uses, such as transfers out, are included with the expenditures.



# UNION COUNTY, GEORGIA

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Fund balance of the General Fund at December 31, 2012 was \$3,171,791, a decrease from the prior year of \$2,426,526. It is important to note that fund balance does not necessarily equate to funds on hand available to spend. Fund balance is the difference between assets and liabilities, only some of which is cash and investments. The County reports certain amounts of fund balance as nonspendable (24%) and committed (2%) leaving the remaining 74% of the County's fund balance at December 31, 2012 as unassigned and therefore available for spending.

### **Other Governmental Funds**

The County also maintains nine (9) *special revenue funds*. These funds account for revenues derived from specific sources which are legally restricted to finance particular functions or activities. *Debt service funds* are used to account for the accumulation of resources for payment of the County's long-term debt. The County maintains two (2) debt service funds. *Capital projects funds* are used to account for revenues and expenditures related to the renovation and/or construction of major capital assets. Four (4) capital projects funds are maintained by the County.

### **Proprietary Funds**

The County maintains two (2) *proprietary funds*, which are used to account for operations in a manner similar to private business enterprises. The proprietary funds maintained are the Golf Course Fund and the Meeks Park Fund.

### **Agency Funds**

The County maintains five (5) *agency funds* – the Tax Commissioner, the Sheriff, the Clerk of Courts, the Probate Court, and the Magistrate Court. These funds are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments, and ad valorem and property taxes.

# UNION COUNTY, GEORGIA

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## REVIEW OF FINANCIAL STATEMENTS AND FOOTNOTES

### Statement of Position

This statement attempts to provide a reader of the financial statements with a full accrual perspective and reflects separately the governmental activities from the business-type activities. Both such columns are on the full accrual basis of accounting.

The County's governmental activities net position increased from \$40,567,940 to \$41,520,352 and its business-type activities net position decreased from \$2,563,623 to \$2,378,961. These changes are reconciled on the County's "Statement of Activities."

In reference to the County's net position, it is important to note that \$34,016,430 and \$2,833,490 for governmental activities and business-type activities, respectively, of net position is invested in capital assets (net of any related debt). An additional \$3,768,547 of net position in governmental activities is restricted for various purposes. While the County is reflecting total net position of \$41,520,352 and \$2,378,961 for governmental activities and business-type activities, respectively, only \$3,735,375 for governmental activities is unrestricted and considered available for operations. Furthermore, as of December 31, 2012, the County's business-type activities reports a deficit in unrestricted net position of \$(454,529).

### Statement of Activities

This statement reflects the net costs of providing governmental and business-type activities on the full accrual basis of accounting and reconciles to the statement of net assets.

### Footnotes

#### **Note 1 – Accounting Policies**

This footnote discusses the overall organization of the County and the nature of its operations. This note also discloses pertinent information regarding the governing body of the County.

This footnote continues by sharing with a reader of the financial statements the significant accounting policies and principles utilized in the preparation of the financial statements.

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## Footnotes (continued)

### **Note 2 – Reconciliation of Government-wide Financial Statements and Fund Financial Statements**

This footnote provides additional detailed information that is not already shown within the financial statements themselves, on the differences between the County's fund level financial statements and its government-wide financial statements.

### **Note 3 – Legal Compliance - Budgets**

This footnote discloses the County's procedures in establishing its annual budget and discloses excesses of actual expenditures over appropriations for the year, if any.

### **Note 4 – Deposits and Investments**

This disclosure addresses common deposit and investment risks related to credit risk, custodial credit risk, and interest rate risk.

### **Note 5 – Receivables**

This footnote discloses the County's property tax calendar and detailed information on various receivable (and allowances for doubtful receivables) balances.

### **Note 6 – Capital Assets**

This footnote discloses the County's capital asset activity and its related accumulated depreciation for the year.

### **Note 7 – Interfund Receivables, Payables, and Transfers**

This footnote discloses detailed information on the County's interfund balances and transfers and the purpose of these balances and transactions.

### **Note 8 – Long-Term Debt**

This footnote discloses the County's long-term debt activity for the year, and other information and maturities for this long-term debt.

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## Footnotes (continued)

### **Notes 9 – Defined Contribution Plan**

These footnotes disclose the details of the County's Defined Contribution Plan.

### **Note 10 – Risk Management**

This footnote discloses the County's various risks of loss and the measures the County has taken to mitigate those potential losses.

### **Note 11 – Commitments and Contingencies**

This footnote discloses the contingencies from potential litigation, claims, and assessments filed against the County and significant contractual commitments.

### **Note 12 – Operating Leases**

This footnote discloses the contingencies from potential litigation, claims, and assessments filed against the County and significant contractual commitments.

### **Note 13 – Joint Venture**

This footnote discloses the County's relationship with the Georgia Mountain Regional Commission and the North Georgia Waste Management Authority.

### **Note 14 – Hotel/Motel Lodging Tax**

This footnote discloses the County's tax rate for hotel/motel taxes, along with the amounts and nature of these revenues and expenditures.

### **Note 15 – Changes in Reporting Entity**

This footnote discloses the restatements that were made to the beginning fund balance of the General Fund in order report the activity of the Debt Service Obligation Fund, which was reported as a debt service fund for the year ended December 31, 2011.

### **Note 16 – Restatements to Opening Equity**

This footnote discloses the restatement that was made to beginning fund balances of governmental funds and beginning net position of governmental activities.

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## COMPLIANCE REPORT

The financial report package contains two (2) compliance reports.

**Yellow Book Report** - The first compliance report is a report on our tests of the County's internal controls and compliance with laws, regulations, etc. The tests of internal controls were those we determined to be required as a basis for designing our financial statement auditing procedures. Such tests also considered the County's 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. In accordance with the respective standards, the report is not intended to provide an opinion, but to provide a form of negative assurance as to the County's internal controls and compliance with applicable rules and regulations.

**Single Audit Report** - The second compliance report is a report on our tests of the County's internal controls and compliance with laws, regulations, etc. relative to certain Federal grant programs and the respective expenditures. In accordance with the respective standards, we did provide an unqualified (or positive) opinion on the County's compliance based on our audit. However, we were not required to provide an opinion on the relevant internal controls, but to provide a form of negative assurance on such controls.

## REQUIRED COMMUNICATIONS

### The Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of the Union County, Georgia (the "County") for the year ended December 31, 2012 was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the County's internal control or compliance with laws and regulations.

# UNION COUNTY, GEORGIA

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## **Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the County. The County implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, as well as GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities* during the current year. Additionally, there are new accounting standards which will be required to be implemented in the coming years. These are discussed later in this document.

In considering the qualitative aspects of the County's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The County's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

## **Management Judgments and Accounting Estimates**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We considered this information and the qualitative aspects of management's calculations in evaluating the County's significant accounting estimates. Estimates significant to the financial statements include such items as the estimated incurred but not reported liability for insurance claims payable, and the estimated lives of capital assets.

## **Financial Statement Disclosures**

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements and the accounting policies described above are included in those disclosures. The overall neutrality, consistency, and clarity of the disclosures was considered as part our audit and in forming our opinion on the financial statements.

## **Significant Difficulties Encountered in Performing the Audit**

We encountered no difficulties in dealing with management relating to the performance of the audit.

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### **Audit Adjustments**

During our audit of the County's basic financial statements as of and for the year ended December 31, 2012, we recorded some audit adjustments. The details of all audit adjustments for each fund are included with our Audit Agenda package for your review and discussion. All adjustments have been discussed with management and management has represented to us that these adjustments have been posted to the County's general ledger.

### **Uncorrected Misstatements**

During our audit of the County's basic financial statements as of and for the year ended December 31, 2012, there were several proposed and passed or uncorrected adjustments to the funds of the County. The details of all uncorrected misstatements are included with our Audit Agenda package of information for your review and discussion. All adjustments have been discussed with management.

### **Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

### **Representation from Management**

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without a problem.

### **Management's Consultations with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### **Significant Issues Discussed With Management**

There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.



# UNION COUNTY, GEORGIA

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### Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the County.

### Independence

We are independent of the County, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

## ACCOUNTING RECOMMENDATIONS AND RELATED MATTERS

### Recommendations for Improvement

During our audit of the financial statements as of and for the year ended December 31, 2012, we noted some areas within the accounting and internal control systems that we believe can be improved. Additionally, we noted certain items management should consider as part of its decision making process. Further, we noted other matters which we wish to communicate to you in an effort to keep the County abreast of accounting matters that could present challenges in financial reporting in future periods. Our recommendations and proactive thoughts and communications are presented in the following paragraphs.

### Material Weaknesses

- 1) Internal controls were not sufficient to detect misstatements in the County's financial statements as of December 31, 2012. During our audit for the year ended December 31, 2012, several material misstatements were identified for which the County was incorrectly reporting activity of the County. The nature of these adjustments is as follows:
  - In the Jail Operations Fund, charges for services revenues were improperly omitted by the previous Sheriff from recording in the County general ledger. Audit adjustments totaling approximately \$36,000 were required to properly report commissions from the jail inmates on commissary sales, which should be reported as charges for service revenues. Included in the aforementioned adjustment was an adjustment of approximately \$26,000 to report the opening fund balance effect by not previously reporting the activity in the special revenue fund.
  - For the year ended December 31, 2011, the Urban Redevelopment Agency (URA) was improperly reported as a discretely presented component unit. It was determined by County management in the current year that the URA should be reported as a blended component unit. The addition of the URA's balance sheet accounts and current year activity under the modified accrual basis of accounting required adjustments totaling approximately \$5,216,000. Included in the

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aforementioned adjustments were adjustments of \$326,000 to correct beginning fund balance and \$152,000 to correct beginning net position of Governmental Activities.

- The County's retirement plan qualifies as a defined contribution plan for which the County has no fiduciary responsibility and therefore, should not be reported in the County's basic financial statements as a fiduciary fund of the County. Since the Pension Trust Fund was not required to be reported an audit adjustment totaling approximately \$1,089,000 was required to remove the pension fund's assets and activity from the County's general ledger, including \$866,000 to beginning net position.

Audit adjustments totaling approximately \$6,341,000, including approximately \$1,370,000 to opening equities, were required to include the URA as a blended component unit (\$5,216,000), remove the Pension Trust Fund (\$1,089,000) and add additional charges for services to the Jail Fund (\$36,000) to current and prior year balances. We recommend the County carefully review the financial statements and their applicable reporting requirements under generally accepted accounting principles to ensure that all information and financial data is being properly reported.

- 2) Internal controls were not sufficient to detect misstatements in the reporting of the County's revenues and related balance sheet accounts. During our testing, certain audit adjustments were required to correct current year revenues and related assets and liabilities. The nature of these adjustments is as follows:

- In the General Fund, unavailable miscellaneous revenues were improperly recognized as revenue in a prior year. The revenues are related to reinsurance claims for outstanding claims payable, for which the reimbursement has not been collected as of December 31, 2012. An audit adjustment totaling approximately \$383,000 was required to correct beginning fund balance.
- In the General Fund, unavailable property taxes and related penalties and interest revenues were improperly recognized as revenue. Audit adjustments totaling approximately \$1,175,000 were required to properly report property tax revenues and their related liabilities (\$372,000) and interest and penalties and their related liabilities (\$405,000). As part of the adjustments, approximately \$398,000 of adjustments were posted to decrease opening fund balance.
- In the General Fund, sales tax revenues pertaining to subsequent periods were improperly accrued. An audit adjustment totaling approximately \$385,000 was required to properly report sales tax revenues and receivables. An adjustment of approximately \$171,000 was required to remove current year overstatement of accrued revenues, and approximately \$214,000 to correct the prior year accrual.
- In the Multiple Grant Fund, intergovernmental funds received in a prior year that had met all eligibility requirements were not reported as revenue. An audit adjustment of approximately \$50,000 was required to report revenues in the prior year to correct beginning fund balance.

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- In the Multiple Grant Fund, audit adjustments of approximately \$73,000 were required to properly report intergovernmental revenues and deferred revenues for amounts not considered available in accordance with the County's revenue recognition policy.
- In the Capital Projects Funds, intergovernmental funds received in a prior year that had met all eligibility requirements were improperly reported as unearned revenue. An audit adjustment of approximately \$14,000 was required to correct beginning fund balance.
- In the SPLOST III Fund, sales tax revenues pertaining to the subsequent period were accrued. Audit adjustments totaling approximately \$481,000 were required to properly report sales tax revenues and receivables. An adjustment of approximately \$213,000 was required to adjust current year accrued revenues, and approximately \$268,000 to correct prior year's over accrual of revenues.
- In the SPLOST III Fund, an audit adjustment totaling approximately \$466,000 was required to properly report intergovernmental revenues which were improperly reported as unearned revenues. Governmental Accounting Standards Board Statement Number 33 states a purpose restriction is not an appropriate reason for deferral of the recognition of grant revenues; therefore this amount should be reported as revenue in the 2012 year.
- During the conversion from modified accrual basis of accounting to a full accrual basis of accounting, we noted the 2011 taxes which were levied in 2011 for the operation of the County's 2012 year were not recognized as unearned tax revenues in the governmental activities. An adjustment and restatement to the beginning net position for governmental activities of approximately \$6,290,000 was required to correct for unearned tax revenues, which were recognized in the governmental activities as revenue at December 31, 2011. The County levies the tax for the following fiscal year's operations and as such, the full levy from 2011 should have been reported as unearned revenues on the Statement of Net Assets.
- In the Meeks Park Fund, approximately \$145,000 was reclassified as transfers in from the General Fund, as it was determined these funds were improperly reported as interfund payables.

Audit adjustments and restatements to the full accrual conversion process totaling approximately \$9,462,000, including \$7,617,000 to beginning equities, were needed to correctly report revenues and related balance sheet accounts in the current and prior periods. We recommend the County carefully review all revenues and related balance sheet accounts to ensure they are reported in the proper reporting period, and in accordance with generally accepted accounting principles.

# UNION COUNTY, GEORGIA

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3) Material misstatements were detected in the reporting of the County's expenditures and related liabilities. During our testing of expenditures and related liabilities certain audit adjustments were required to correct the recognition and reporting of expenditures and the related liabilities. The nature of those entries is described below:

- In the General Fund, health claims expenditures and related liabilities were understated. Adjustments totaling approximately \$454,000, including \$153,000 to beginning fund balance, were required to properly accrue health claims expenditures and related liabilities.
- In the SPLOST III Fund, intergovernmental expenditures and related liabilities were accrued, but not incurred as of December 31, 2011. Audit adjustments totaling approximately \$17,000 were required to correct beginning fund balance.

Audit adjustments totaling approximately \$471,000, including approximately \$170,000 to beginning fund balances, were needed to correctly report expenditures and the related liabilities in the current and prior years. We recommend the County carefully review all expenditures and related accrued liabilities to ensure all necessary transactions are reported in the proper period.

4) Expenditures of federal funds were not included in the reporting of the County's schedule of expenditures of federal awards (SEFA) for the County's year ending December 31, 2012. During our testing of the SEFA, it was noted that the total federal expenditures were understated for the year ending December 31, 2012. Adjustments totaling approximately \$353,000 were required to properly report the County's federally funded expenditures for the year ended December 31, 2012. Adjustments totaling approximately \$353,000 were needed to correctly report the County federal expenditures on the SEFA. The total adjusted SEFA balance, after adjustments, was approximately \$663,000. We recommend the County carefully review all intergovernmental revenues as well as grant agreements and related expenditures to ensure amounts are correctly reported on the SEFA.

5) The limited number of employees involved in the various offices and the resulting overlapping of duties causes segregation of duties to be difficult. Below are instances of deficiencies in internal controls that were noted during interviews regarding internal control procedures:

- The Clerk of Courts' daily cash receipts reconciliations and month end bank reconciliations are not reviewed and approved by someone independent of the preparer. In order to reduce the County's exposure to intentional or unintentional misappropriation of assets in the Clerk of Courts cash, policies and procedures should be established to implement and document formal review processes.
- The Magistrate Court's daily cash receipts reconciliations and month end bank reconciliations are not reviewed and approved by someone other than the preparer. In order to reduce the County's exposure to intentional or unintentional

# UNION COUNTY, GEORGIA

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misappropriation of assets in the Magistrate Court cash, policies and procedures should be established to implement and document formal review processes.

- The Sheriff's Office's month end bank reconciliations are not reviewed and approved by someone other than the preparer. In order to reduce the County's exposure to intentional or unintentional misappropriation of assets in the Sheriff's Office cash, policies and procedures should be established to implement and document a formal review process.

Without some segregation of duties within these functions, there is increased exposure that someone could intentionally or unintentionally misappropriate assets of the County. We recommend the County review its processes and determine where it can effectively segregate duties and implement the other internal control items noted to alleviate the segregation of duties issues as described above.

- 6) Material misstatements were detected in the reporting of the County's Development Authority. During our testing, certain audit adjustments were required to correct Development Authority account balances. The nature of these adjustments is as follows:
- Audit adjustments of approximately \$2,000 were required to properly record prior year audit adjustments and properly report beginning net position.
  - An audit adjustment of approximately \$152,000 was required to properly report intergovernmental revenues and related receivables to offset eligible expenditures which were incurred prior to December 31, 2012.
  - Audit adjustments totaling approximately \$173,000 were required to properly report capital assets and accounts payable for goods and services which were received or provided to the Authority prior to December 31, 2012.
  - An audit adjustment of approximately \$9,000 was required to properly report expenditures incurred prior to December 31, 2011 as an adjustment to reduce opening fund balance.

Audit adjustments totaling approximately \$336,000 were needed to correct Development Authority account balances. We recommend that the County carefully review all transactions of the Development Authority to ensure that transactions are recorded in accordance with generally accepted accounting principles.

### **Significant Deficiency**

- 7) Internal controls were not sufficient to track and timely remit cash collections by the Tax Commissioner, Clerk of Courts, and Probate Court of the County; thus they were unable to identify the proper parties to whom liabilities were owed as of December 31, 2012. During our audit inquiries and testing, it was noted the Tax Commissioner, Clerk of Courts, and Probate Court lacked detailed subsidiary listings of parties to whom funds were owed. As a result, each of the offices had cash on hand for which they could not identify the person(s) or purpose they were holding funds for. The unidentified funds stemmed from a lack of

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subsidiary ledger maintenance which resulted in approximately \$9,000, \$8,000, and \$8,000 in unidentified funds in the Tax Commissioner Fund, Clerk of Courts Fund, and Probate Court Fund, respectively. We recommend that the Tax Commissioner, Clerk of Courts, and Probate Court continue to reconcile its cash accounts to the subsidiary listings to ensure that they are paying out all cash subsequent to collection. The offices should make every effort to determine who the proper payee(s) are for these funds and disburse the moneys as necessary. If the payee cannot be determined, consultation with the County Attorney is recommended to determine the proper avenue to disburse these funds in accordance with applicable laws.

### **A-133 Internal Control Significant Deficiency and Noncompliance**

- 8) The County is required to have the vendors specifically confirm their exclusion from the database for contracts funded by federal programs and the County may elect to check the *Excluded Parties List System (EPLS)*. We tested the one contract (one vendor) which was procured in the 2012 year and noted the vendor file did not have documentation to confirm the contractor was not suspended or debarred from working with federally funded projects. The vendor which was tested accounted for approximately 34% of the total federal expenditures. During our testing of the County's compliance with the procurement requirements, we noted that while the County was familiar with the requirement and how to use the *EPLS*, they did not have the appropriate documentation to support or validate their testing of the selected vendor. The County was not requiring the contractor to sign certification Form AD-1048, nor did the County maintain results of their performing a search of the *EPLS*. A contract could have been awarded to a suspended or debarred party; however during our testing the County stated that a review of all contractors was performed and we noted that the vendor selected by the County was not included on the *EPLS*. We recommend the County include specific language relative to the suspension and debarment requirements within the contract through the use of Form AD-1048 and document a search for the vendor on the *EPLS* (and maintain documentation of the search), for all federally funded contracts to ensure that contracts are not awarded to suspended or debarred parties.

### **Management Points**

We have discussed various matters with management pertaining to operations and controls including, but not limited to:

- 1) During our internal control documentation procedures for the Probate Court cash receipts process, it was noted that the court does not maintain copies of system generated reports to corroborate voided cash receipts transactions. The Court's cash receipts system has the capability to generate a "Voided Transactions by User" report to serve as supporting documentation for any voided transactions. We recommend the Court maintain a copy of the "Voided Transactions by User" system generated report in the cash receipts supporting files to serve as corroboration for any voided cash receipts.

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- 2) During our testing of the Clerk of Courts cash balances, two additional bank accounts that were previously unreported by the County were identified. Audit journal entries totaling \$8,373 were required to properly record the two accounts in the Clerk of Courts Fund. We recommend the County carefully review all potential bank accounts in the County's tax identification number to ensure all accounts and related activity are properly reported.
- 3) During our testing of Magistrate Court cash balances, it was noted that the December 2012 month end bank reconciliation was not properly prepared in an accurate manner. The December 2012 bank reconciliation improperly included checks cut and dated in January 2013 as outstanding reconciling items. Audit journal entries totaling \$3,121 were required to properly report Magistrate Court cash balances. We recommend the County ensure that all monthly bank reconciliations are prepared in an accurate and timely manner.
- 4) During our testing of SPLOST III Fund expenditures, we noted twenty disbursements that did not include approval from a department head or project manager on the face of the invoice or other available supporting documentation. In order to ensure that SPLOST disbursements are for services actually received and are in compliance with the voter approved SPLOST referendum, all expenditures should include documentation of proper approval. We recommend the County implement policies and procedures requiring a department head, project manager or other designated employee to sign or initial each invoice paid with SPLOST funds.
- 5) During our testing of capital assets, we noted that the Golf Course Fund, Meeks Park Fund and Development Authority capital asset subsidiary ledgers are maintained in Excel. The use of Excel to track capital assets and calculate depreciation expense will often lead to inaccuracies in the reporting of capital asset subsidiary ledgers. We recommend each of the aforementioned entities to utilize a capital asset module or formalized system to track capital asset subsidiary ledger information and to calculate depreciation expense.
- 6) During our testing of accrued payroll liabilities, we noted the County was not properly allocating the accrual for earned wages across the funds responsible for the employees' wages and benefits. The total accrued wages at December 31, 2012 was approximately \$103,000. An adjustment was needed to remove approximately \$15,000 of expenditures from the General Fund and allocate to the Emergency 911 Fund (\$5,000), Golf Course Fund (\$4,000), and Meeks Park Fund (\$6,000). We recommend the County carefully review accrued liability calculations during year end close out to ensure all expenditures are appropriately reported in the correct fund.
- 7) During our search for unrecorded liabilities, we noted \$20,860 in expenditures and related liabilities were improperly omitted from the SPLOST III Fund. Audit adjustments were required to properly report expenditures and related liabilities. We recommend the

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County carefully review all invoices and other supporting documentation for checks cut after year end for potential accrual back to the previous year in accordance with generally accepted accounting principles.

- 8) During our testing of compensated absences liabilities, it was noted that the County was not properly reporting the fund level liability for the Golf Course Fund and Meeks Park Fund. Compensated absences liabilities pertaining to the Golf Course Fund and Meeks Park Fund employees were improperly included in the Governmental Activities compensated absences liability at December 31, 2012. Audit adjustments for \$4,114 and \$2,201 were required to correctly report the compensated absences liability in the Golf Course and Meeks Park Fund, respectively. Additionally, in Governmental Activities the compensated absences liability included several employees whose accrued leave hours on the compensated absences report exceeded the allowable hours available to carry forward to the next year. Therefore, audit adjustments totaling \$24,139 were required to remove the excess portion over the County payroll policy. We recommend the County carefully review compensated absences reports at year end to ensure that the liabilities are reported properly and that the liabilities are recorded in accordance with the County payroll policies.
- 9) During the testing of the activity at each of the respective elected official offices, as well as the balances on the County's general ledger for amounts due from the various offices, we noted a lack of oversight of the finances by the County's finance department over each of the elected official's offices. Since the County's finance office has ultimate responsibility for the financial reporting of the County's operations, the elected officials' financial records, including monthly trial balances, bank reconciliations, and subsidiary liabilities listings, should be provided to the County's finance office for review, approval, and inclusion in the County's annual financial report.
- 10) During our testing of the Golf Course Fund we noted the three leases which the County was entered into for various green and fairway equipment were each behind in their lease payments as compared to the payment schedule. The leases were one and two months behind on their payments. We recommend the County maintain a current status for payments of all long-term liabilities.
- 11) During our testing of the cash balances at the County, we received a confirmation from United Community Bank which listed the authorized signors. We noted there were approximately seven (7) of the twenty-eight (28) listed accounts which included authorized signors who were no longer employed by the County. We recommend the County ensure all employees are removed from signature cards upon termination and the lists are periodically reviewed for appropriateness.
- 12) During our testing of revenues in the General Fund, we noted the County recorded a fund level revenue for the forgiveness of a long-term liability. As the General Fund is intended to be reported using the economic resources measurement focus, the fund should only report activity which provides or consumes the current financial resources of



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the fund. Forgiveness of a long-term asset should only be reported in the governmental activities. As such, an entry was required to remove the \$100,000 of revenue and expenditures in the General Fund.

- 13) During our audit procedures, we noted that the County has not adopted a written accounting policy related to Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This new standard was effective for the County for the years ended December 31, 2011 and December 31, 2012. We recommend the County to adopt a written accounting policy related to GASB Statement No. 54.
- 14) In our discussions with County management and review of the County's schedule of expenditures of special purpose local option sales tax, we noted there were several projects for which the budgets have been significantly reduced. If the County does not plan to complete the projects identified in the SPLOST referendum approved by the citizens, we recommend the County consult with the County's attorney to determine the appropriate actions and guidance to ensure the County performs all projects as listed in the referendum or takes the necessary actions to modify or abandon a project. Although the County is still collecting proceeds from the sales tax revenue, we want to ensure the County proactively evaluates the options and requirements specified in State of Georgia law.

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### Other Matters for Communication to the Commissioner and Management

During our audit of the financial statements as of and for the year ended December 31, 2012, we noted other matters which we wish to communicate to you in an effort to keep the County abreast of accounting matters that could present challenges in financial reporting in future periods.

#### 1) New Governmental Accounting Standards Board (GASB) Standards

As has been the case for the past 10 years, GASB has issued several other new pronouncements which will be effective in future years. The following is a brief summary of the new standards:

- a) **Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in AICPA Statements on Auditing Standards*** which is currently effective and attempts to incorporate into GASB's literature certain accounting and financial reporting guidance that is currently included in the AICPA's Statements on Auditing Standards. Subjects include: related party transactions; subsequent events; and going concern considerations. The County was not significantly affected by the implementation of this statement.
- b) **Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*** is effective the year ending December 31, 2012. The County was not significantly affected by the implementation of this statement.
- c) **Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies***. This statement is currently effective and addresses financial reporting issues for governmental entities who have declared bankruptcy. The County was not significantly affected by the implementation of this statement.
- d) **Statement No. 59, *Financial Instruments Omnibus*** is currently effective and deals with certain financial instruments and external investment pools. The County was not significantly affected by the implementation of this statement.
- e) **Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*** is currently effective for the County and addresses arrangements where a transferor conveys to an operator the right, and related obligation, to provide public services through the use and operation of a capital asset in exchange for significant consideration. Should the County enter into any of these type agreements in the future, the County should: apply certain due diligence to addressing the potential for restatements relative to the pronouncements; review various agreements previously entered into by the County; and, determine the potential effects from adopting the requirements of this pronouncement. The provisions of this pronouncement generally are required to be applied retroactively for all periods presented.

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- f) **Statement No. 61, *The Financial Reporting Entity: Omnibus (An Amendment to GASB No.'s 14 and 34)*** will be effective for fiscal years beginning after June 15, 2012 resulting in the County's fiscal year ending December 31, 2013. This standard addresses the concept and definition of a component unit. This new statement raises the bar for an entity to be included in another primary government's financial statements. Additionally, the criteria determining whether a component unit should be blended or discretely presented has changed significantly, most notably that if it is expected that the primary government will repay substantially all of the component unit's debt, then the component unit should be blended. This statement also addresses the recognition of joint venture arrangements with other Governmental units. The County should apply certain due diligence to addressing the potential effects from adopting the requirements of this pronouncement.
- g) **Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*** is currently effective for the County and was implemented for the year ending December 31, 2012.

FASB has adopted a new codification and its original pronouncements are considered to be non-authoritative. This standard identifies those provisions in FASB Statements & Interpretations, APB Opinions, ARB's, and AICPA Accounting Interpretations issued before November 30, 1989 that are applicable to state and local Governmental entities and incorporated into the GASB's literature. GASB Statement No. 20 is superseded by this statement. Matters of significance to the County that are specifically addressed in this new standard include:

- Capitalization of interest costs
- Statement of net asset's classifications
- Special and extraordinary items
- Comparative financial statements
- Related party activities, transactions and relationships
- Prior period adjustments and restatements
- Accounting changes and error corrections
- Contingencies
- Extinguishment of debt
- Troubled debt restructuring
- Inventory
- Leases (capital, operating, etc.)
- Sales of real estate
- Real estate projects
- Research and development arrangements
- Broadcasters
- Cable television systems
- Insurance enterprises
- Lending activities

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- Mortgage banking activities
- Regulated operations

- h) **Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*** is currently effective for the County and was implemented for the year ended December 31, 2012.

This statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements or "equity"). This statement of net position replaces what was previously presented as the statement of net assets and requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities.

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period. An example of a deferred outflow of resources is a hedging interest rate swap agreement in which the fair value becomes negative. If the hedge is determined to be effectively offsetting the changes in fair value of the debt, the decrease in the fair value of the derivative instrument would be reported as a liability with a corresponding deferred outflow of resources to reflect the fact that this decrease is not expected to be recognized in investment income in future periods.

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. An example of a deferred inflow of resources is a service concession arrangement that involves a public toll road. If the government receives an up-front payment from an operator, the revenue associated with that payment will be recognized in future years because the arrangement that generated the up-front payment relates to those periods.

Statement No. 63 also amends certain provisions of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets and to include deferred amounts in the major fund calculation with assets or liabilities, as applicable.

A further breakdown of the change in the balance sheet presentation to the new statement of net position is on the following page:

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### Assets:

#### Current:

Cash	\$ xxx
Accounts Receivable	xxx
Inventory	xxx
Prepays	xxx
	\$ xxx

#### Non-current:

Fixed Assets	\$ xxx
Accumulated Depreciation	xxx
	\$ xxx

Total Assets \$ xxx

### Deferred Outflows:

Grants Paid in Advance of Timing Requirements	\$ xxx
Total Deferred Outflows	\$ xxx

### Liabilities:

#### Current:

Accounts Payable	\$ xxx
Accrued Expenses	xxx
Bonds Payable	xxx
Notes Payable	xxx
	\$ xxx

#### Non-current:

Bonds Payable	\$ xxx
Notes Payable	xxx
	\$ xxx

Total Liabilities \$ xxx

### Deferred Inflows:

Grants Received in Advance of Timing Requirements	\$ xxx
Taxes Received in Advance	xxx
Total Deferred Inflows	\$ xxx

### Net Position:

Net Investment in Capital Assets	\$ xxx
Restricted	xxx
Unrestricted	xxx
Net Position	\$ xxx

- i) **Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions (An Amendment of GASB Statement No. 53)*** is effective for fiscal years beginning after June 15, 2011 which resulted in being effective with the close of fiscal year December 31, 2012. This statement is intended to improve financial reporting by state and local governments by clarifying the circumstances in which hedge accounting continues to be applied when a swap **counterparty, or a swap counterparty's credit support provider, is replaced**. This statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Hedge accounting entails reporting fair value changes of a hedging derivative as either deferred outflows of resources or deferred inflows of resources, rather than recognizing those changes in investment income. When a hedging derivative is terminated, Statement 53 requires that hedge accounting cease and all accumulated deferred amounts be reported in investment income.

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As Statement 53 was being implemented, questions had arisen regarding situations in which a government has entered into a hedging interest rate swap or a hedging commodity swap and the swap counterparty (or the swap counterparty's credit support provider) commits or experiences an act of default or a termination event under the swap agreement through no fault of the government. When a swap counterparty (or a swap counterparty's credit support provider) is replaced through an assignment or an in-substance assignment, the GASB concluded that the government's financial position remains unchanged. The County was not significantly impacted by the implementation of this Statement.

- j) **Statement No. 65, *Items Previously Reported as Assets and Liabilities*** was early implemented by the County during the year ended December 31, 2012. Although the implementation as required by the GASB is a year later, this standard goes along with the previously discussed Statement 63 and thus early implementation was encouraged. GASB Concepts Statement No. 4, *Elements of Financial Statements*, and Statement 63 specify that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in Concepts Statement 4. Based on those definitions, Statement 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, this Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources (expense) and inflows of resources (revenue).

Examples of these changes are as follows:

Reclassifying certain assets to be deferred outflows of resources:

- Grants paid in advance of meeting time requirements;
- Deferred amounts from refunding of debt (debits);
- Costs to acquire rights to future revenues;
- Deferred losses from sale-leasebacks;

Reclassifying certain liabilities to be deferred inflows of resources:

- Grants received in advance of meeting time requirements;
- Taxes received in advance;
- Deferred amounts from refunding of debt (credits);
- Proceeds from sales of future revenues;
- Deferred gains from sale-leasebacks;
- "Unavailable" revenue in Governmental funds.

Recognizing certain assets as outflows (expenses):

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- Debt issuance Costs (other than bond insurance);
- Initial costs incurred by lessor in an operating lease;
- Loan origination costs (by entities in the lending business);
- Costs to acquire loans.

Recognizing certain assets as inflows (revenues):

- Loan origination fees, excluding points (by entities in the lending business);
- Commitment fees (after exercise or expiration);
- Fees received for sales of loans.

- k) **Statement No. 66, *Technical Corrections – 2012*** will be effective for fiscal years beginning after December 15, 2012 resulting in the County's fiscal year ending December 31, 2013. This pronouncement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. As a result, governments would base their decisions about Governmental fund type usage for risk financing activities on the definitions in Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

This Statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (1) operating lease payments that vary from a straight-line basis; (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and, (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.

- l) **Statement No. 67, *Financial Reporting for Pension Plans*** will be effective for fiscal years beginning after June 15, 2013 resulting in the County's fiscal year ending December 31, 2014. This pronouncement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria.

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Statement No. 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement No. 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

The changes noted above by Statement No. 67 are significant to pension plans, and we strongly encourage County officials to review the actual pronouncement and consider the potential effects on the financial reporting of the County.

- m) **Statement No. 68, *Accounting and Reporting for Pensions*** will be effective for fiscal years beginning after June 15, 2014 resulting in the County's fiscal year ending December 31, 2015. This pronouncement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria, including agent and cost-sharing multiple employer plans.

Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

**Defined Benefit Pension Plans.** Statement No. 68 requires governments that participate in defined benefit pension plans to report in their statement of net position a net pension liability. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries.

Statement No. 68 calls for immediate recognition of more pension expense than is currently required. This includes immediate recognition of annual service cost and interest on the pension liability and immediate recognition of the effect on the net pension liability of changes in benefit terms. Other components of pension expense will be recognized over a closed period that is determined by the average remaining service period of the plan members (both current and former employees, including retirees). These other components include the effects on the net pension liability of: (1) changes in economic and demographic assumptions used to project benefits; and, (2) differences between those assumptions and actual experience. Lastly, the effects on the net pension liability of differences between expected and actual investment returns will be recognized in pension expense over a closed five-year period.



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Statement No. 68 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. The Statement also will improve the comparability and consistency of how governments calculate the pension liabilities and expense. These changes include:

- **Projections of Benefit Payments.** Projections of benefit payments to employees will be based on the then-existing benefit terms and incorporate projected salary changes and projected service credits (if they are factors in the pension formula), as well as projected automatic postemployment benefit changes (those written into the benefit terms), including automatic cost-of-living-adjustments (COLAs). For the first time, projections also will include ad hoc postemployment benefit changes (those not written into the benefit terms), including ad hoc COLAs, if they are considered to be substantively automatic.
- **Discount Rate.** The rate used to discount projected benefit payments to their present value will be based on a single rate that reflects (a) the long-term expected rate of return on plan investments as long as the plan net position is projected under specific conditions to be sufficient to pay pensions of current employees and retirees and the pension plan assets are expected to be invested using a strategy to achieve that return; and (b) a yield or index rate on tax-exempt 20-year, AA-or-higher rated municipal bonds to the extent that the conditions for use of the long-term expected rate of return are not met.
- **Attribution Method.** Governments will use a single actuarial cost allocation method – “entry age,” with each period’s service cost determined as a level percentage of pay.

**Note Disclosures and Required Supplementary Information.** Statement No. 68 also requires employers to present more extensive note disclosures and RSI, including disclosing descriptive information about the types of benefits provided, how contributions to the pension plan are determined, and assumptions and methods used to calculate the pension liability. Single and agent employers will disclose additional information, such as the composition of the employees covered by the benefit terms and the sources of changes in the components of the net pension liability for the current year. A single or agent employer will also will present RSI schedules covering the past 10 years regarding:

- Sources of changes in the components of the net pension liability
- Ratios that assist in assessing the magnitude of the net pension liability
- Comparisons of actual employer contributions to the pension plan with actuarially determined contribution requirements, if an employer has actuarially determined contributions.

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Cost-sharing employers also will present the RSI schedule of net pension liability, information about contractually required contributions, and related ratios.

**Defined Contribution Pensions.** The existing standards for governments that provide defined contribution pensions are largely carried forward in this new statement. These governments will recognize pension expenses equal to the amount of contributions or credits to employees' accounts, absent forfeited amounts. A pension liability will be recognized for the difference between amounts recognized as expense and actual contributions made to a defined contribution pension plan.

**Special Funding Situations.** Certain governments are legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another government. For example, a state is legally required to contribute to a pension plan that covers local school districts' teachers. In specific circumstances called special funding situations, the Statement requires governments that are non-employer contributing entities to recognize in their own financial statements their proportionate share of the other Governmental employers' net pension liability and pension expense.

The changes noted above by Statement No. 68 are significant to governments who sponsor retirement plans, and we strongly encourage government officials to review the actual pronouncement and consider the potential effects on the financial reporting of the County.

- n) **Statement No. 69, *Government Combinations and Disposals of Government Operations*** will be effective for fiscal years beginning after December 15, 2013 resulting in the County's fiscal year ending December 31, 2014. This standard provides accounting guidance for governments involved in a variety of transaction such as mergers, acquisitions, and transfers of operations.
- o) **Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*** will be effective for fiscal years beginning after June 15, 2013 resulting in the County's fiscal year ending December 31, 2014. This standard provides accounting guidance for governments involved in providing and receiving financial guarantees

Some governments extend financial guarantees for the obligations of another government, a not-for-profit organization, a private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity or individual that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

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This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees.

## **2) Government Accountability Office (GAO) Yellow Book Standards**

While GASB has been issuing new financial reporting pronouncements affecting governmental units, the Government Accountability Office (GAO) has been issuing revised standards relative to the audits of state and local governments. An exposure draft was issued in August 2010 by the GAO amending and revising *Government Auditing Standards* (the Yellow Book). Finally, it has now been finalized. The more significant items addressed by the GAO in this revision of auditing standards include:

- a) Actions required if an impairment to auditor independence is identified;
- b) Definition of those charged with governance consistent with other AICPA audit guidelines;
- c) Definition of internal control deficiencies to be consistent with other AICPA audit guidelines;
- d) Promoting modernization of auditing standards consistent with technologies of today;
- e) Added requirements for reporting restatements of previously issued financial statements;
- f) Addressed standards related to 1) performance audits, and 2) internal audits; and,
- g) Changed and emphasized continuing education requirements of auditors in the governmental sector to obtain a minimum of 80 hours of continuing education every two

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(2) years. The GAO emphasized a significant component of these hours must be directly relevant to governmental auditing. Further, audit team specialist (actuaries, engineers, etc.) have specific guidelines as well.

## **Summations of Thoughts Noted Above**

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures.

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## FREE QUARTERLY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

**Free Continuing Education.** We provide free quarterly continuing education for all of our governmental clients. Each quarter we pick a couple of significant topics tailored to be of interest to governmental entities. In an effort to accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100 people per quarter. We obtain the input and services of experienced outside speakers along with providing the instruction utilizing our in-house professionals. We hope County staff and officials have been able to participate in this opportunity, and that it has been beneficial to you. Examples of subjects addressed in the past few quarters include:

1. American Recovery & Reinvestment Act (ARRA) information and issues;
2. GASB updates (several sessions);
3. Internal Controls Over Revenue and Cash Receipting;
4. Collateralization of Deposits and Investments;
5. SPLOST Accounting, Reporting and Compliance;
6. Internal Controls Over Accounts Payable, Payroll and Cash Disbursements;
7. Capital Asset Accounting Processes and Controls;
8. Grant Accounting Processes and Controls;
9. American Recovery & Reinvestment Act (ARRA) Updates;
10. Policies and Procedures Manuals;
11. Segregation of Duties;
12. GASB No. 51 – Intangible Assets;
13. Single Audits for Auditees;
14. GASB No. 54 – Governmental Fund Balance (subject addressed twice);
15. Best Budgeting Practices, Policies and Processes;
16. Internal Revenue Service (IRS) Compliance Issues, Primarily Payroll Matters;
17. CAFR Preparation (several times including a two (2) day hands-on course).
18. GASB No. 60, Service Concession Arrangements.

**Communication.** In an effort to better communicate our free continuing education plans and newsletters, please email Lauren Payne at [LPayne@mjcpa.com](mailto:LPayne@mjcpa.com) (send corresponding copy to [AFraley@mjcpa.com](mailto:AFraley@mjcpa.com)), and provide to her individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database of client representatives and interested parties. We hope our additional services have been beneficial and a valuable use of your time.

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## CLOSING

If you have any questions regarding any comments, suggestions or recommendations set forth in this memorandum, we will be pleased to discuss it with you at your convenience. This information is intended solely for the use of the Union County Commissioner, management of the County, and others within the County's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve Union County, Georgia and look forward to serving the County in the future. Thank you.

