HABERSHAM COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2009

This page intentionally left blank.

HABERSHAM COUNTY, GEORGIA
FINANCIAL REPORT
For the fiscal year ended June 30, 2009

TABLE OF CONTENTS

		Page(s)
INTRODUCTORY SECTION:		
	Table of Contents	i-vi
FINANCIAL SECTION:		
	Independent Auditor's Report	1-2
	Management's Discussion and Analysis	3-13
BASIC FINANCIAL STATEMENTS		
Exhibit		
	Government-wide Statements	
A-1	Statement of Net Assets	14-15
A-2	Statement of Activities	16
	Fund Financial Statements	
A-3	Balance Sheet – Governmental Funds	17
A-4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	18
A-5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	19
A-6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
A-7	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) to Actual – General Fund	21-22
A-8	Statement of Net Assets – Proprietary Funds	23
A-9	Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	24
A-10	Statement of Cash Flows – Proprietary Funds	25
A-11	Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	26

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Exhibit		Page(s)
A-12	Combining Statement of Net Assets – Component Units	**27**
A-13	Combining Statement of Activities – Component Units	**28**
A-14	**Notes to the Financial Statements**	**29-62**

Item #		Page #
1.	Description of Government Unit	**29**
2.	Summary of Significant Accounting Policies	**29-41**
3.	Deposit and Investment Risk	**41-42**
4.	Accounts Receivable	**43**
5.	Intergovernmental Receivables	**44**
6.	Property Taxes	**44**
7.	Interfund Receivables and Payables	**45**
8.	Interfund Transfers	**46**
9.	Capital Assets	**47-49**
10.	Capital and Operating Leases Agreements	**50**
11.	Long-Term Debt	**51-52**
12.	Landfill Post-Closure Care Costs	**53**
13.	Designated Equity Balances	**53**
14.	Reserved Equity Balances	**54**
15.	Changes in Beginning Balances	**54**
16.	Pension Plan	**55-58**
17.	Hotel/Motel Lodging Tax	**59**
18.	Joint Ventures	**59**
19.	Risk Financing Activities	**60**
20.	Commitments and Contingencies	**61**
21.	Excess of Expenditures over Appropriations in Individual Governmental Funds for which Budgets are Adopted	**62**

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Exhibit		Page (s)
B-1	Combining Balance Sheet – Nonmajor Governmental Funds	**63-64**
B-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	**65-66**
	GENERAL FUND	
C-1	Comparative Balance Sheets	**67**
C-2	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	**68**
C-3	Schedule of Revenues - Budget (GAAP Basis) and Actual	**69**
C-4	Schedule of Expenditures - Budget (GAAP Basis) and Actual	**70-76**
	SPECIAL REVENUE FUNDS	
D-1	Jail Special Revenue Fund Comparative Balance Sheets	**77**
D-2	Jail Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**78**
D-3	Emergency 911 Special Revenue Fund Comparative Balance Sheets	**79**
D-4	Emergency 911 Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**80**
D-5	Hotel/Motel Tax Special Revenue Fund Comparative Balance Sheets	**81**
D-6	Hotel/Motel Tax Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**82**
D-7	Law Library Special Revenue Fund Comparative Balance Sheets	**83**
D-8	Law Library Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**84**
D-9	Drug Abuse Treatment Special Revenue Fund Comparative Balance Sheets	**85**
D-10	Drug Abuse Treatment Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**86**

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page (s)
	SPECIAL REVENUE FUNDS (continued)	
D-11	Inmate Welfare Special Revenue Fund Comparative Balance Sheets	**87**
D-12	Inmate Welfare Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**88**
	CAPITAL PROJECTS FUND	
E-1	Special Purpose Local Option Sales Tax #2 Capital Projects Fund Comparative Balance Sheets	**89**
E-2	Special Purpose Local Option Sales Tax #2 Capital Projects Fund Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	**90**
E-3	Special Purpose Local Option Sales Tax #3 Capital Projects Fund Comparative Balance Sheets	**91**
E-4	Special Purpose Local Option Sales Tax #3 Capital Projects Fund Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	**92**
E-5	Special Purpose Local Option Sales Tax #4 Capital Projects Fund Comparative Balance Sheets	**93**
E-6	Special Purpose Local Option Sales Tax #4 Capital Projects Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	**94**
E-7	Special Purpose Local Option Sales Tax #5 Capital Projects Fund Comparative Balance Sheets	**95**
E-8	Special Purpose Local Option Sales Tax #5 Capital Projects Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	**96**
E-9	Capital Improvements Capital Projects Fund Comparative Balance Sheets	**97**
E-10	Capital Improvements Capital Projects Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	**98**

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page (s)
	ENTERPRISE FUNDS	
F-1	Water and Sewer Enterprise Fund Comparative Statements of Net Assets	**99**
F-2	Water and Sewer Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Assets	**100**
F-3	Water and Sewer Enterprise Fund Comparative Statements of Cash Flows	**101**
F-4	Landfill Enterprise Fund Comparative Statements of Net Assets	**102**
F-5	Landfill Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Assets	**103**
F-6	Landfill Enterprise Fund Comparative Statements of Cash Flows	**104-105**
F-7	Transit Enterprise Fund Comparative Statements of Net Assets	**106**
F-8	Transit Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Assets	**107**
F-9	Transit Enterprise Fund Comparative Statements of Cash Flows	**108**
	AGENCY FUNDS	
G-1	Combining Balance Sheet	**109-110**
G-2	Statement of Changes in Assets and Liabilities	**111**
	COMPONENT UNITS	
H-1	Northeast Georgia Drug Task Force Comparative Balance Sheets	**112**
H-2	Northeast Georgia Drug Task Force Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**113**
H-3	Habersham County Development Authority Comparative Balance Sheets	**114**
H-4	Habersham County Development Authority Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	**115**

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

OTHER REPORTING SECTION

Exhibit		Page (s)
	OTHER SUPPLEMENTARY INFORMATION	
I-1	Officials of Habersham County	**116**
I-2	Organizational Structure	**117**
I-3	Schedule of Salaries for Elected and Appointed County Officials	**118**
	OTHER REPORTING SECTION	
	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*	**119-125**
J-1	Schedule of Projects Financed with Special Purpose Local Option Sales Tax	**126-127**

Independent Auditor's Report

Honorable Chairman and Members
of the Board of Commissioners
Habersham County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Habersham County, Georgia, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Habersham County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Habersham County Health Department, a component unit of Habersham County, Georgia, which represent 7.5 percent, 9.9 percent, and 63.7 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions on the financial statements, insofar as they relate to the amounts included for the Habersham County Health Department, are based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

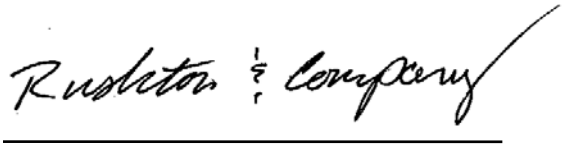
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Habersham County, Georgia, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2009, on our consideration of Habersham County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 13 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

This page intentionally left blank.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Habersham County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, other supplementary information, and the state reporting section with the special purpose local option sales tax report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, other supplementary information, and the state reporting section with the special purpose local option sales tax report have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.



Certified Public Accountants

Gainesville, Georgia
November 18, 2009

This page intentionally left blank.

HABERSHAM COUNTY

Office of County Commissioners ≈ Finance Department
555 Monroe Street, Unit 20, Clarkesville, GA 30523
706-754-6270 Fax: 706-754-1014
www.habershamga.com

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Habersham County, it is our pleasure to present this narrative discussion and analysis of Habersham County's financial performance, making available an overview of the activities for the fiscal year ended June 30, 2009. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Habersham County. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous fiscal year.

Financial Highlights

- Habersham County's assets exceeded its liabilities at June 30, 2009, by $67,919,421 (*net assets*). Of this amount, $3,547,213 (*unrestricted net assets*) may be used to meet the County's ongoing obligations. This is a decrease of approximately $564,657 or -0.8% over the previous fiscal year. Unrestricted net assets decreased by $2,825,786 or -44.3%.

- As of June 30, 2009, Habersham County's governmental funds reported combined ending fund balances of $15,832,093. Approximately 94% of this total amount or $14,868,626 is available for spending as unreserved, undesignated fund balance.

More detailed information regarding these activities and funds begins on page 14.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Habersham County's basic financial statements. Habersham County's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the County as a whole). The focus of the government-wide financial statements is on the overall financial position and activities of Habersham County and is designed to provide a broad overview of the County's financial activities in a manner similar to a private business enterprise.

The County's government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These two statements report information about Habersham County using the accrual basis of accounting, which is similar to the accounting used by non-public businesses. All of the current year's

revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the ***Statement of Net Assets*** (pages 14-15) is to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net assets*. While the purpose of County Government is not to accumulate net assets, as this amount increases it can indicate the strength of the County's financial position as a whole. When this amount decreases it can indicate a weakening of the County's financial position.

The ***Statement of Activities*** (page 16) presents the revenues and expenses of the County. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net assets*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the County and identifies the extent to which each function of the County draws from general revenues or is self-financing through user fees, special revenues, grants, or other sources.

In the Statement of Net Assets and the Statement of Activities, we divide Habersham County into three types of activities:

- ***Governmental activities*** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as: real property, sales, insurance premium and intangible finance most of these services.

- ***Business-type or Enterprise activities*** – The County charges fees to customers to assist in recovering the cost for providing certain services. The County's water services, solid waste tipping fees and transit system fees are reported in this category.

- ***Discretely Presented Component Units*** – A component unit is a legally separate organization for which the elected officials of the County can be financially accountable. The Northeast Georgia Drug Task Force, the Habersham County Development Authority, and the Habersham County Health Department, although legally separate, function for all practical purposes as departments of Habersham County and have been included as an integral part of the primary government.

The County's government-wide financial statements are presented on pages 14-16.

Fund Financial Statements (Reporting the County's Major Funds).
The focus of fund financial statements is directed at specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and

expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 63. The County's funds are divided into three broad categories: governmental; proprietary; and fiduciary. They use different prescribed accounting methodologies.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the short-term view of the County's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash.

  Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By so doing, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

  Habersham County maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, SPLOST #4 Capital Projects Fund and SPLOST #5 Capital Projects Fund, which are considered major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 63-66 of this report.

  Habersham County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been included for the General Fund to show the final result of actual revenues & expenditures as compared to the initial projections.

  The County's basic governmental fund financial statements are presented on pages 17-22 of this report.

- ***Proprietary Funds*** – When the County charges customers for the services it provides – whether to outside customers or internally to departments of the County – these services are generally reported in proprietary funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements.

Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. Habersham County uses enterprise funds to account for its Water, Solid Waste and Transit functions.

The County's proprietary fund financial statements are presented on pages 23-25.

- ***Fiduciary Funds –*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs and services. The accounting used for fiduciary funds is similar to that used for proprietary funds.

  Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements.

  The fiduciary fund financial statements are presented on page 26.

Notes to the financial statements.
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-62 of this report.

Other Supplementary Information.
Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 18 and 20) which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.

- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but as deferred revenue on the fund statements.

- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.

- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the County's Financial Position and Operations

The County's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 14-16):

Habersham County
Net Assets (Financial Position)
Fiscal Years 2009 and 2008

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current & other assets	$ 17,373,888	$ 16,900,644	$ 6,164,736	$ 8,713,853	$ 23,538,624	$ 25,614,497
Capital assets	35,550,176	36,692,337	15,296,553	13,335,252	50,846,729	50,027,589
Total assets	52,924,064	53,592,981	21,461,289	22,049,105	74,385,353	75,642,086
Current liabilities	2,189,556	2,324,796	801,620	1,110,181	2,991,176	3,434,977
Noncurrent liabilities	209,407	812,164	3,265,349	2,910,867	3,474,756	3,723,031
Total liabilities	2,398,963	3,136,960	4,066,969	4,021,048	6,465,932	7,158,008
Net assets:						
Invested in capital assets, net of related debt	34,794,134	35,131,642	14,887,424	13,079,870	49,681,558	48,211,512
Restricted	10,252,100	9,078,259	4,438,550	4,821,308	14,690,650	13,899,567
Unrestricted	5,478,867	6,246,120	(1,931,654)	126,879	3,547,213	6,372,999
Total net assets	$ 50,525,101	$ 50,456,021	$ 17,394,320	$ 18,028,057	$ 67,919,421	$ 68,484,078

Net assets may serve over time as a useful indicator of a government's financial position. Assets for Habersham County exceeded liabilities by $67,919,421 at the close of the fiscal year 2009.

Approximately 73% of Habersham County's net assets are reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This is up 3% from 70% at June 30, 2008. The County uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets comprise 22%. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used.

The remaining balance of unrestricted net assets 5% may be used to meet the County's ongoing obligations to citizens and creditors. This is down from 10% at June 30, 2008.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Habersham County's net assets changed during the fiscal year.

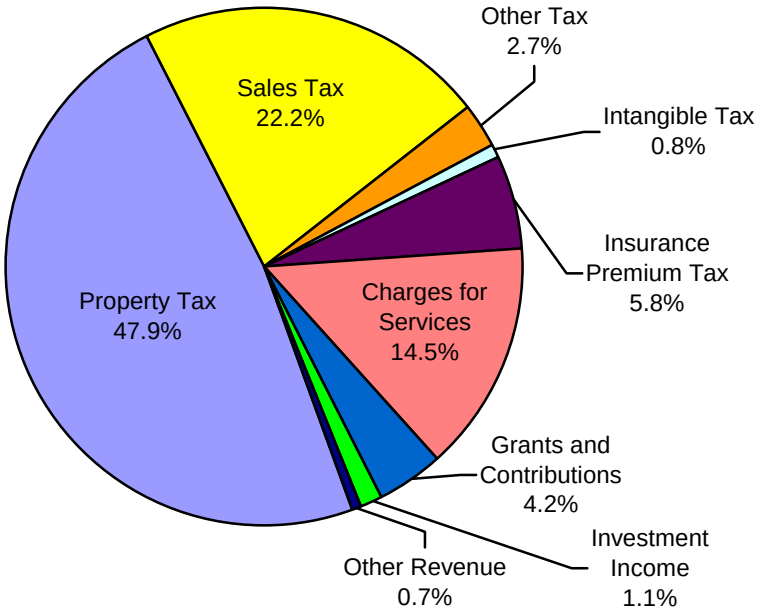
Habersham County
Changes in Net Assets
Fiscal Years 2009 and 2008

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	$ 3,279,384	$ 3,295,154	$ 1,458,030	$ 1,690,371	$ 4,737,414	$ 4,985,525
Operating grants and contributions	559,299	391,307	34,414	28,533	593,713	419,840
Capital grants and contributions	393,833	756,929	0	0	393,833	756,929
General revenues:						
Property taxes	10,833,579	11,284,823	0	0	10,833,579	11,284,823
Sales taxes	5,009,262	5,210,582	0	1,084,900	5,009,262	6,295,482
Intangible taxes	189,689	280,837	0	0	189,689	280,837
Insurance premium taxes	1,309,587	1,278,426	0	0	1,309,587	1,278,426
Other taxes	620,181	390,905	0	0	620,181	390,905
Interest & investment earnings	254,199	608,416	36,365	265,288	290,564	873,704
Gain on sale of assets	11,703	0	0	0	11,703	0
Other revenue	67,983	132,585	1,271	42,751	69,254	175,336
Total revenues	22,528,699	23,629,964	1,530,080	3,111,843	24,058,779	26,741,807
Expenses						
General government	4,239,489	3,201,298	0	0	4,239,489	3,201,298
Judicial	2,366,722	2,133,171	0	0	2,366,722	2,133,171
Public Safety	8,674,488	8,893,790	0	0	8,674,488	8,893,790
Public Works	4,088,504	4,862,922	0	0	4,088,504	4,862,922
Health and Welfare	499,814	497,478	0	0	499,814	497,478
Culture and Recreation	1,544,174	1,576,609	0	0	1,544,174	1,576,609
Housing and Development	1,119,318	985,908	0	0	1,119,318	985,908
Interest on long-term debt	48,144	79,556	0	0	48,144	79,556
Water and Sewer	0	0	509,088	395,019	509,088	395,019
Landfill	0	0	1,527,022	2,303,915	1,527,022	2,303,915
Transit	0	0	51,179	53,905	51,179	53,905
Total expenses	22,580,653	22,230,732	2,087,289	2,752,839	24,667,942	24,983,571
Increase (decrease) in net assets before transfers	(51,954)	1,399,232	(557,209)	359,004	(609,163)	1,758,236
Transfers	76,528	45,030	(76,528)	(45,030)	0	0
Increase (decrease) in net assets	24,574	1,444,262	(633,737)	313,974	(609,163)	1,758,236
Net assets - beginning (original)	50,456,021	49,011,759	18,028,057	17,714,083	68,484,078	66,725,842
Prior period adjustment	44,506	0	0	0	44,506	0
Net assets - beginning (restated)	50,500,527	49,011,759	18,028,057	17,714,083	68,528,584	66,725,842
Net assets - ending	$ 50,525,101	$ 50,456,021	$ 17,394,320	$ 18,028,057	$ 67,919,421	$ 68,484,078

Governmental Activities –

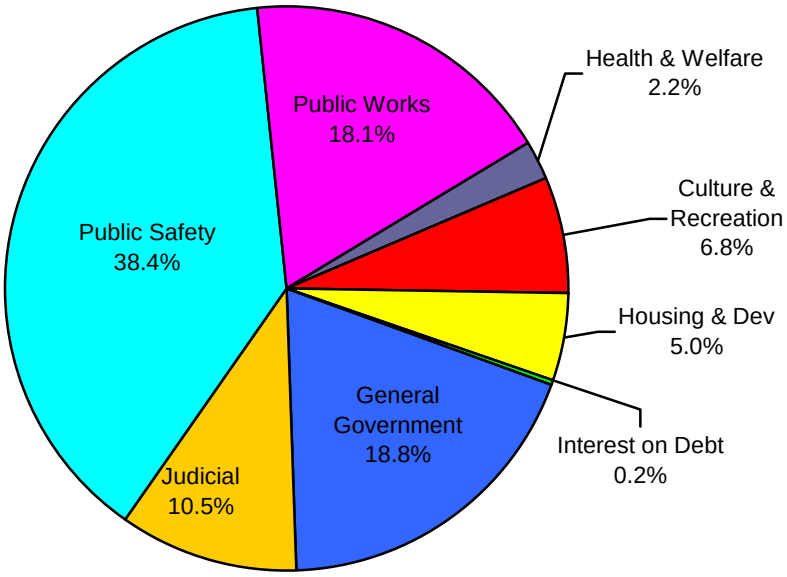
The following chart illustrates revenues of the governmental activities for the fiscal year:

Revenues by Source – Governmental Activities
Fiscal Year Ending June 30, 2009



The following chart illustrates the expenses of the governmental activities for the fiscal year:

Expenditures – Governmental Activities
Fiscal Year Ending June 30, 2009



Business-Type Activities –

Business-type activities decreased Habersham County's net assets.

Financial Analysis of the County's Funds

Habersham County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The main focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of unrestricted resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

1) As the County completed this year, its governmental funds reported a combined ending fund balance of $15,832,093. Of this amount, $14,868,626 (94%) constitutes unreserved, undesignated fund balance, which is available for appropriation for the general purposes of the funds. $4,932,820 of this unreserved fund balance belongs to the General Fund.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was $4,932,820 while total fund balance reached $5,586,412. As a measure of the General Fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 30.4% of total General Fund expenditures, while total fund balance represents approximately 34.5% of that same amount. The County ended the fiscal year by decreasing the overall Fund Balance by just over $558,000 or approximately (9.0%). The Habersham County Policy on fund balance calls for a minimum of 17% unreserved, undesignated fund balance to be retained.

General Fund Budget Highlights.

The original budget for the General Fund was amended several times reflecting grant awards, reimbursements, insurance claims, as well as unanticipated revenues and expenditures. The Board of Commissioners also approved interdepartmental transfers and transfers from the contingency/reserve for emergencies line item.

Overall the General Fund expenditures totaled approximately $6,575 under the final amended budget projections. However, expenditures exceeded revenues in the General Fund by $222,823 or 1.4% for the year.

It is anticipated that the General Fund budget for fiscal year 2010 may be increased more than the increase for fiscal year 2009. Another small portion of the General Fund Balance is budgeted for use in fiscal year 2010 (8.7%). Current General Fund revenues are meeting estimates for fiscal year 2010 and the

General Fund balance is expected to decline at a rate consistent with the increase in expenditures.

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

Unrestricted net assets of the County's three proprietary funds totaled as follows:

- Water and Sewer $ 72,474
- Solid Waste $ (2,029,563)
- Transit Fund $ 25,435

The Solid Waste Fund decreased unrestricted net assets by approximately $1,699,578. The decrease is a result of large scale capital improvements and expansion. Reduction in unrestricted net assets is also a result of changes in engineering estimates and the construction of Cells 4 and 7 have increased the closure & post closure liability to $2,983,296 as of the end of fiscal year 2009. This is an increase of $245,573 or 9%. The Water Fund has combined unrestricted & restricted net assets of approximately $4,511,024. $4,438,550 of this balance consists of proceeds from SPLOST #4 and SPLOST #5 and is restricted to capital improvements.

Capital Assets and Debt Administration

Capital Assets. Habersham County has invested $50,846,729 in capital assets (net of accumulated depreciation) compared to $50,027,589 in the previous fiscal year. This represents an increase of 1.6%. Approximately 70% of this investment is related to governmental activities and includes infrastructure, land, buildings, and machinery and equipment.

Capital assets held by the County at the end of the fiscal year are summarized as follows:

Habersham County
Capital Assets (net of accumulated depreciation)
Fiscal Years 2009 and 2008

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	$ 5,079,537	$ 3,662,952	$ 665,702	$ 665,702	$ 5,745,239	$ 4,328,654
Land improvements	2,632,866	2,573,468	5,348,705	5,348,705	7,981,571	7,922,173
Buildings	19,460,466	19,460,466	18,923	18,923	19,479,389	19,479,389
Machinery and equipment	1,891,912	1,847,912	1,634,080	1,590,006	3,525,992	3,437,918
Furniture and fixtures	1,955,288	1,616,548	0	0	1,955,288	1,616,548
Vehicles	6,915,013	6,893,519	137,010	137,010	7,052,023	7,030,529
Infrastructure	56,996,853	56,425,504	7,143,578	6,569,799	64,140,431	62,995,303
Construction in progress	549,467	873,877	5,547,779	3,667,721	6,097,246	4,541,598
Total	95,481,402	93,354,246	20,495,777	17,997,866	115,977,179	111,352,112
Accumulated Depreciation	(59,931,226)	(56,661,909)	(5,199,224)	(4,662,614)	(65,130,450)	(61,324,523)
Net Capital Assets	$ 35,550,176	$ 36,692,337	$ 15,296,553	$ 13,335,252	$ 50,846,729	$ 50,027,589

Major capital asset expenditures during the current fiscal year for governmental activities included the following:

- Purchase of vehicles and equipment for various departments
- Minor repairs to several facilities
- Road Construction, road improvements, culvert repairs and bridge repairs
- Improvements to the Airport including the completion of the Airport Master Plan and Renovation Plan
- Demolition of the former North Habersham Middle School to clear lot for the construction of a new County judicial facility

Major capital asset expenditures during the current fiscal year for business type activities included the following:

- Construction of one new county road
- Installation of a municipal solid waste and construction/demolition disposal cell at the County Solid Waste Management Facility
- Purchase of machinery and equipment through capital leases

Additional information on Habersham County's capital assets can be found in Note 9 on pages 47-49 of this report.

Debt/Capital Leases. On June 30, 2009, Habersham County had a total capital lease debt balance outstanding in the amount of $1,165,171 as compared to $1,816,077 the previous fiscal year. Habersham County's total debt decreased by approximately 35.8% during the course of the fiscal year.

Additional information on the County's long-term debt can be found in Note 11 on pages 51-52 of this report.

Economic Condition and Outlook

Habersham County continues to maintain adequate fund reserves and remains well positioned to continue to provide services to the citizenry. Moving forward the County will continue to face challenges as a result of a slow recovery from the recent economic downturn. Many key factors were considered in preparation of the budget for fiscal year 2010 that position Habersham County to meet those challenges:

- Continued, increased reliance on residential taxes as an overall part of the tax base
- State Legislatures imposing limits to home rule through property tax and property assessment reform
- Volatility in the cost of fuel & energy
- Habersham County's unemployment rate rising to near record levels as is the case in most of Georgia
- Over the last three fiscal years, Habersham County's continued reliance on strong undesignated reserves to maintain capital plan
- Continued housing market volatility
- Need for additional personnel, and funds for personnel development and training
- Rising cost of healthcare and other insurance benefits

Contacting the County

This financial report is designed to provide County citizens, taxpayers, customers, and creditors with a general overview of Habersham County's finances and to demonstrate the County's high level of accountability for the revenue it receives and the services it provides Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance
Habersham County
ATTN: Assistant County Manager / Finance Director
555 Monroe Street, Unit 20
Clarkesville, Georgia 30523
Email: jtinsley@habershamga.com

Administration
Habersham County
ATTN: County Manager
555 Monroe Street, Unit 20
Clarkesville, Georgia 30523
Email: jallison@habershamga.com

Website
http://www.habershamga.com/finance.cfm

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

HABERSHAM COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash	$ 12,930,898	$ 985,689	$ 13,916,587	$ 1,200,674
Certificates of deposit	6,115,347	0	6,115,347	0
Restricted assets				
Cash	39,230	1,805,383	1,844,613	0
Receivables (net)				
Accounts	101,352	203,952	305,304	16,723
Intergovernmental	112,181	20,658	132,839	60,461
Taxes	1,094,182	0	1,094,182	0
Prepaid expenses	129,752	0	129,752	0
Internal balances	(3,149,054)	3,149,054	0	0
Total current assets	17,373,888	6,164,736	23,538,624	1,277,858
Noncurrent assets				
Capital assets				
Non-depreciable	5,629,004	6,213,481	11,842,485	2,706,347
Depreciable (net)	29,921,172	9,083,072	39,004,244	1,704,293
Total noncurrent assets	35,550,176	15,296,553	50,846,729	4,410,640
Total assets	52,924,064	21,461,289	74,385,353	5,688,498
LIABILITIES				
Current liabilities				
Payables				
Accounts	428,056	43,668	471,724	1,270
Intergovernmental	200,253	0	200,253	0
Deposits	0	0	0	120,000
Retainages	0	95,938	95,938	0
Interest	7,553	8,805	16,358	4,368
Excess taxes	189,080	0	189,080	0
Accrued salaries and expenses	227,842	11,036	238,878	0
Compensated absences	526,809	33,485	560,294	60,000
Customer deposits	0	27,091	27,091	0
Due to others	60,510	0	60,510	85,762
Capital lease payable	546,635	127,076	673,711	0
Notes payable	0	0	0	682,998
Liabilities payable from restricted assets:				
Payables				
Accounts	0	428,642	428,642	0
Retainages	0	25,879	25,879	0
Total current liabilities	2,186,738	801,620	2,988,358	954,398
Noncurrent liabilities				
Compensated absences	0	0	0	6,435
Pension obligation	2,818	0	2,818	0
Capital lease payable	209,407	282,053	491,460	0
Notes payable	0	0	0	1,087,692
Post-closure care costs	0	2,983,296	2,983,296	0
Total noncurrent liabilities	212,225	3,265,349	3,477,574	1,094,127
Total liabilities	2,398,963	4,066,969	6,465,932	2,048,525

The accompanying notes are an integral part of these financial statements.

Exhibit A-1, continued

HABERSHAM COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
NET ASSETS				
Invested in capital assets, net of related debt	$ 34,794,134	$ 14,887,424	$ 49,681,558	$ 2,639,950
Restricted for:				
Judicial	609,530	0	609,530	0
Public safety	525,909	0	525,909	173,614
Health and welfare	0	0	0	347,771
Housing and development	0	0	0	478,638
Capital projects	9,116,661	4,438,550	13,555,211	0
Unrestricted	5,478,867	(1,931,654)	3,547,213	0
Total net assets	$ 50,525,101	$ 17,394,320	$ 67,919,421	$ 3,639,973

The accompanying notes are an integral part of these financial statements.

HABERSHAM COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2009

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 4,239,489	$ 529,317	$ 520	$ 0	$ (3,709,652)
Judicial	2,366,722	510,321	440,236	0	(1,416,165)
Public Safety	8,674,488	1,823,897	32,496	42,982	(6,775,113)
Public Works	4,088,504	0	2,500	350,851	(3,735,153)
Health and Welfare	499,814	0	3,000	0	(496,814)
Culture and Recreation	1,544,174	255,284	1,933	0	(1,286,957)
Housing and Development	1,119,318	160,565	78,614	0	(880,139)
Interest on long-term debt	48,144	0	0	0	(48,144)
Total governmental activities	22,580,653	3,279,384	559,299	393,833	(18,348,137)
Business-type activities					
Water and Sewer	509,088	243,036	0	0	(266,052)
Landfill	1,527,022	1,209,482	13,756	0	(303,784)
Transit	51,179	5,512	20,658	0	(25,009)
Total business-type activities	2,087,289	1,458,030	34,414	0	(594,845)
Total primary government	24,667,942	4,737,414	593,713	393,833	(18,942,982)
Component Units					
Northeast Georgia Drug Task Force					
Public Safety	223,867	45,311	103,306	0	(75,250)
Habersham County Development Authority					
Housing and Development	143,290	0	0	0	(143,290)
Habersham County Health Department					
Health and Welfare	1,023,469	451,421	310,110	0	(261,938)
Total component units	1,390,626	496,732	413,416	0	(480,478)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net assets				
Net (expense) revenue	$ (18,348,137)	$ (594,845)	$ (18,942,982)	$ (480,478)
General revenues				
Taxes				
Property	10,833,579	0	10,833,579	0
Sales	5,009,262	0	5,009,262	0
Intangible	189,689	0	189,689	0
Insurance premium	1,309,587	0	1,309,587	0
Other	620,181	0	620,181	0
Interest and investment earnings	254,199	36,365	290,564	2,385
Rental income	56,781	0	56,781	97,664
Payments from Habersham County	0	0	0	441,108
Gain (loss) on sale of assets	11,703	0	11,703	28,405
Miscellaneous	11,202	1,271	12,473	3,322
Transfers	76,528	(76,528)	0	0
Total general revenues, special items, and transfers	18,372,711	(38,892)	18,333,819	572,884
Change in net assets	24,574	(633,737)	(609,163)	92,406
Net assets - beginning (original)	50,456,021	18,028,057	68,484,078	3,547,567
Prior period adjustments	44,506	0	44,506	0
Net assets - beginning (restated)	50,500,527	18,028,057	68,528,584	3,547,567
Net assets - ending	$ 50,525,101	$ 17,394,320	$ 67,919,421	$ 3,639,973

The accompanying notes are an integral part of these financial statements.

HABERSHAM COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	General	SPLOST #4	SPLOST #5	Nonmajor Governmental Funds	Totals
ASSETS					
Cash	$ 2,816,422	$ 5,772,641	$ 3,341,154	$ 1,000,681	$ 12,930,898
Certificates of deposit	2,825,000	3,000,000	0	290,347	6,115,347
Receivables (net)					
Accounts	36,536	0	0	64,816	101,352
Intergovernmental	95,039	0	0	17,142	112,181
Taxes	557,451	0	536,731	0	1,094,182
Prepaid expenses	129,752	0	0	0	129,752
Due from other funds	375,164	0	0	123,062	498,226
Restricted Assets					
Cash	39,230	0	0	0	39,230
Total assets	$ 6,874,594	$ 8,772,641	$ 3,877,885	$ 1,496,048	$ 21,021,168
LIABILITIES AND FUND BALANCES					
Liabilities					
Payables					
Accounts	$ 237,719	$ 170,145	$ 0	$ 20,192	$ 428,056
Intergovernmental	47,973	0	152,280	0	200,253
Excess taxes	189,080	0	0	0	189,080
Accrued salaries and expenses	209,083	0	0	18,759	227,842
Deferred revenue	436,054	0	0	0	436,054
Due to other agencies	60,510	0	0	0	60,510
Due to other funds	107,763	3,004,026	389,529	145,962	3,647,280
Total liabilities	1,288,182	3,174,171	541,809	184,913	5,189,075
Fund balances					
Reserved for prepaids	129,752	0	0	0	129,752
Reserved for program expenditures	39,230	0	0	0	39,230
Unreserved, designated for budget	484,610	0	0	309,875	794,485
Unreserved, undesignated	4,932,820	5,598,470	3,336,076	0	13,867,366
Special Revenue Funds	0	0	0	819,145	819,145
Capital Projects Funds	0	0	0	182,115	182,115
Total fund balances	5,586,412	5,598,470	3,336,076	1,311,135	15,832,093
Total liabilities and fund balances	$ 6,874,594	$ 8,772,641	$ 3,877,885	$ 1,496,048	$ 21,021,168

The accompanying notes are an integral part of these financial statements.

HABERSHAM COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
June 30, 2009

Total fund balance - total governmental funds	$	15,832,093
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of $95,481,402, net of accumulated depreciation of ($59,931,226) are not financial resources and, therefore, are not reported in the funds.		35,550,176
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the fund. These are deferred property taxes.		436,054
Net pension obligation is not reported in the governmental funds. This amount represents annual pension costs in excess of accumulated plan contributions.		(2,818)
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are capital leases payable of ($756,042), interest payable of ($7,553) and compensated absences of ($526,809).		(1,290,404)
Net assets of governmental activities	$	50,525,101

The accompanying notes are an integral part of these financial statements.

HABERSHAM COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2009

	General	SPLOST #4	SPLOST #5	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 13,015,856	$ 0	$ 5,009,262	$ 30,930	$ 18,056,048
Licenses and permits	160,565	0	0	0	160,565
Fines, fees and forfeitures	1,154,405	0	0	158,146	1,312,551
Charges for services	958,991	0	0	840,699	1,799,690
Intergovernmental	501,620	393,833	0	52,979	948,432
Interest	113,748	100,927	17,437	22,089	254,201
Contributions	11,278	0	0	0	11,278
Other	67,821	0	0	158	67,979
Total revenues	15,984,284	494,760	5,026,699	1,105,001	22,610,744
EXPENDITURES					
Current					
General Government	3,179,529	0	0	0	3,179,529
Judicial	2,341,797	0	0	17,855	2,359,652
Public Safety	6,545,678	0	0	1,258,518	7,804,196
Public Works	1,679,451	0	0	0	1,679,451
Health and Welfare	439,296	0	0	0	439,296
Culture and Recreation	1,203,201	0	0	0	1,203,201
Housing and Development	818,155	0	0	12,372	830,527
Capital outlay	0	1,716,998	2,368,678	617,011	4,702,687
Total expenditures	16,207,107	1,716,998	2,368,678	1,905,756	22,198,539
Excess (deficiency) of revenues over (under) expenditures	(222,823)	(1,222,238)	2,658,021	(800,755)	412,205
Other financing sources (uses)					
Transfers in	170,169	156,247	0	806,766	1,133,182
Transfers out	(515,945)	(313,821)	0	(226,888)	(1,056,654)
Proceeds from sale of assets	35,507	0	0	0	35,507
Total other financing sources (uses)	(310,269)	(157,574)	0	579,878	112,035
Net change in fund balance	(533,092)	(1,379,812)	2,658,021	(220,877)	524,240
Fund balances, July 1 (original)	6,144,566	6,978,282	678,055	1,462,444	15,263,347
Prior period adjustment	(25,062)	0	0	69,568	44,506
Fund balances, July 1 (restated)	6,119,504	6,978,282	678,055	1,532,012	15,307,853
Fund balances, June 30	$ 5,586,412	$ 5,598,470	$ 3,336,076	$ 1,311,135	$ 15,832,093

The accompanying notes are an integral part of these financial statements.

Exhibit A-5

HABERSHAM COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2009

Net change in fund balances - total governmental funds	$	524,240
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of ($3,526,125) exceeded capital outlays of $2,530,493 in the current period.		(995,632)
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net assets differs from the change in fund balance by the cost of the assets sold of ($280,612), net of related accumulated depreciation of $256,808.		(23,804)
Distributions of capital assets from governmental activities decrease net assets in the statement of activities, but do not appear in the governmental funds' activities because they do not require the use of financial resources.		(122,725)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable deferred revenue.		(93,750)
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which debt repayments of $804,653 exceed proceeds of ($0).		804,653
Annual pension costs in excess of employer contributions to retirement plans are not reported in the governmental funds, but result in liabilities in the governmental activities.		(12,307)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net increase in compensated absences ($60,786) and the net decrease in interest payable $4,685.		(56,101)
Change in net assets of governmental activities	$	24,574

The accompanying notes are an integral part of these financial statements.

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2009

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 13,327,615	$ 13,412,879	$ 13,015,856	$ (397,023)
Licenses and permits	278,000	158,000	160,565	2,565
Fines, fees and forfeitures	995,600	995,600	1,154,405	158,805
Charges for services	886,599	943,420	958,991	15,571
Intergovernmental	362,925	385,002	501,620	116,618
Interest	151,310	177,810	113,748	(64,062)
Contributions	4,000	11,900	11,278	(622)
Other	103,885	104,245	67,821	(36,424)
Total revenues	16,109,934	16,188,856	15,984,284	(204,572)
EXPENDITURES				
Current				
General Government				
County-Wide	581,500	537,600	489,677	47,923
Commissioners	184,871	486,104	497,338	(11,234)
County Manager	93,662	94,907	91,848	3,059
County Finance	235,326	229,031	229,183	(152)
County Human Resources	103,614	103,614	101,708	1,906
Tax Commissioner	325,295	308,982	301,928	7,054
Tax Assessor	537,265	488,235	474,855	13,380
Board of Equalization	3,980	5,680	5,672	8
County Clerk	61,818	52,818	51,848	970
Engineer	76,205	76,205	76,254	(49)
Registar	99,903	100,208	101,997	(1,789)
Buildings and Grounds	501,764	498,064	511,964	(13,900)
County Annex	98,092	99,192	99,121	71
Information Technology	150,314	150,314	144,475	5,839
Cannery	0	1,670	1,661	9
Judicial				
Drug Abuse Treatment	125,000	66,000	49,113	16,887
Probate Court	256,911	258,911	261,506	(2,595)
Magistrate Court	402,787	392,887	384,623	8,264
Clerk of Superior Court	551,989	551,389	546,430	4,959
Superior Court	168,542	158,542	126,752	31,790
District Attorney	92,998	110,251	110,586	(335)
Public Defender	366,565	381,526	382,869	(1,343)
State Court Judge	139,834	134,834	133,900	934
Juvenile Court	229,250	229,250	220,600	8,650
Juvenile Supervision	6,000	28,077	30,072	(1,995)
State Court Solicitor	93,031	94,729	95,346	(617)
Public Safety				
Sheriff	2,059,271	2,120,923	2,247,212	(126,289)
Jail	1,823,128	1,873,319	1,912,665	(39,346)
Animal Control	100,263	96,763	87,364	9,399
Coroner	24,543	24,543	23,944	599
Fire	1,126,771	1,126,771	1,109,104	17,667
Animal Shelter	93,416	159,866	138,030	21,836
Emergency Management Agency	114,267	117,267	122,975	(5,708)
Ambulance	822,330	822,330	820,108	2,222
Northeast Georgia Drug Task Force	84,276	84,276	84,276	0
Public Works				
Road Department	1,674,187	1,671,187	1,679,451	(8,264)

Exhibit A-7, continued

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2009

	Budget			Variance with
	Original	Final	Actual	Final Budget
Health and Welfare				
Georgia Mountains Community Mental Health	$ 26,300	$ 26,300	$ 26,300	$ 0
Senior Center	166,193	175,683	175,059	624
Habersham County Health Department	183,000	183,000	183,000	0
Child Welfare	58,000	58,000	54,937	3,063
Food Bank	2,500	2,500	0	2,500
Culture and Recreation				
Fairgrounds	17,600	17,600	11,176	6,424
Libraries	316,200	316,200	316,200	0
Recreation	858,907	858,907	875,825	(16,918)
Housing and Development				
Airport	14,410	18,223	18,223	0
Extension Service	80,254	60,254	58,489	1,765
Forestry	3,462	3,462	3,462	0
Development Authority	37,000	37,000	32,746	4,254
Economic Development	148,238	104,449	95,454	8,995
Building	257,175	228,174	224,064	4,110
Planning	241,566	281,873	288,316	(6,443)
Planning Commission	10,000	9,000	7,007	1,993
Code Enforcement	69,791	96,792	90,394	6,398
Total expenditures	15,899,564	16,213,682	16,207,107	6,575
Excess (deficiency) of revenues over (under) expenditures	210,370	(24,826)	(222,823)	(197,997)
Other financing sources (uses)				
Transfers in	239,588	239,588	170,169	(69,419)
Transfers out	(515,945)	(515,945)	(515,945)	0
Sale of capital assets	32,000	32,000	35,507	3,507
Contingency	(235,780)	(584)	0	584
Total other financing sources (uses)	(480,137)	(244,941)	(310,269)	(65,328)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(269,767)	(269,767)	(533,092)	(263,325)
Fund balances, July 1 (original)	269,767	269,767	6,144,566	5,874,799
Prior period adjustment	0	0	(25,062)	(25,062)
Fund balances, July 1 (restated)	269,767	269,767	6,119,504	5,849,737
Fund balances, June 30	$ 0	$ 0	$ 5,586,412	$ 5,586,412

The accompanying notes are an integral part of these financial statements.

Exhibit A-7, continued

HABERSHAM COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

	Business-Type Activities			
	Water and Sewer	Landfill	Transit	Totals
ASSETS				
Current assets				
Cash	$ 109,700	$ 875,989	$ 0	$ 985,689
Restricted assets				
Cash	1,805,383	0	0	1,805,383
Due from other funds	3,087,688	0	0	3,087,688
Receivables (net)				
Accounts	18,339	185,613	0	203,952
Intergovernmental	0	0	20,658	20,658
Due from other funds	0	125,218	5,445	130,663
Total current assets	5,021,110	1,186,820	26,103	6,234,033
Noncurrent assets				
Capital assets				
Non-depreciable	3,354,853	2,858,628	0	6,213,481
Depreciable (net)	5,925,683	3,153,777	3,612	9,083,072
Total noncurrent assets	9,280,536	6,012,405	3,612	15,296,553
Total assets	14,301,646	7,199,225	29,715	21,530,586
LIABILITIES				
Current liabilities				
Payables				
Accounts	9,477	34,191	0	43,668
Retainages	0	95,938	0	95,938
Interest	0	8,805		8,805
Accrued salaries	2,673	7,695	668	11,036
Compensated absences	2,226	31,259	0	33,485
Customer deposits	27,091	0	0	27,091
Due to other funds	14,098	55,199	0	69,297
Capital leases payable	0	127,076	0	127,076
Liabilities payable from restricted assets:				
Payables				
Accounts	428,642	0	0	428,642
Retainages	25,879	0	0	25,879
Total current liabilities	510,086	360,163	668	870,917
Noncurrent liabilities				
Capital leases payable	0	282,053	0	282,053
Postclosure care	0	2,983,296	0	2,983,296
Total noncurrent liabilities	0	3,265,349	0	3,265,349
Total liabilities	510,086	3,625,512	668	4,136,266
NET ASSETS				
Invested in capital assets, net of related debt	9,280,536	5,603,276	3,612	14,887,424
Restricted for restricted assets	4,438,550	0	0	4,438,550
Unrestricted	72,474	(2,029,563)	25,435	(1,931,654)
Total net assets	$ 13,791,560	$ 3,573,713	$ 29,047	$ 17,394,320

The accompanying notes are an integral part of these financial statements.

HABERSHAM COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2009

	Business-Type Activities			
	Water and Sewer	Landfill	Transit	Totals
OPERATING REVENUES				
Charges for sales and services	$ 243,036	$ 1,209,482	$ 5,512	$ 1,458,030
Miscellaneous revenues	0	1,271	0	1,271
Total operating revenues	243,036	1,210,753	5,512	1,459,301
OPERATING EXPENSES				
Costs of sales and services	231,004	604,822	10,129	845,955
Personal services	122,541	385,361	33,825	541,727
Depreciation	155,543	398,180	7,225	560,948
Total operating expenses	509,088	1,388,363	51,179	1,948,630
Operating income (loss)	(266,052)	(177,610)	(45,667)	(489,329)
Non-operating revenues (expenses)				
Interest revenue	18,435	17,930	0	36,365
Interest expense	0	(13,946)	0	(13,946)
Intergovernmental revenue	0	13,756	20,658	34,414
Gain (loss) on sale of assets	0	(124,713)	0	(124,713)
Total non-operating revenues (expenses)	18,435	(106,973)	20,658	(67,880)
Net income before transfers	(247,617)	(284,583)	(25,009)	(557,209)
Transfers				
Transfers in	0	0	23,000	23,000
Transfers out	(21,020)	(78,508)	0	(99,528)
Total transfers	(21,020)	(78,508)	23,000	(76,528)
Change in net assets	(268,637)	(363,091)	(2,009)	(633,737)
Net assets, July 1	14,060,197	3,936,804	31,056	18,028,057
Net assets, June 30	$ 13,791,560	$ 3,573,713	$ 29,047	$ 17,394,320

The accompanying notes are an integral part of these financial statements.

HABERSHAM COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2009

	Business-Type Activities			
	Water and Sewer	Landfill	Transit	Totals
Cash flows from operating activities:				
Receipts from customers	$ 242,741	$ 1,163,275	$ 5,512	$ 1,411,528
Payments to suppliers	(251,575)	(455,292)	(10,129)	(716,996)
Payments to employees	(120,518)	(380,143)	(33,707)	(534,368)
Other receipts	0	1,271	0	1,271
Net cash provided (used) by operating activities	(129,352)	329,111	(38,324)	161,435
Cash flows from non-capital financing activities:				
Receipts from other governments	0	13,756	20,769	34,525
Receipts from other funds	2,865	55,199	23,000	81,064
Payments to other funds	(21,020)	(197,502)	(5,445)	(223,967)
Net cash provided (used) by non-capital financing activities	(18,155)	(128,547)	38,324	(108,378)
Cash flows from capital and related financing activities:				
Receipts from other governments	0	0	0	0
Receipts from other funds	88,814	0	0	88,814
Interest paid	0	(9,891)	0	(9,891)
Issuance of capital leases	0	287,095	0	287,095
Principal payments - capital leases	0	(133,348)	0	(133,348)
Proceeds from sale of capital assets	0	94,320	0	94,320
Acquisition of capital assets	(686,004)	(2,305,557)	0	(2,991,561)
Net cash provided (used) by capital and related financing activities	(597,190)	(2,067,381)	0	(2,664,571)
Cash flows from investing activities:				
Interest received	18,435	17,930	0	36,365
Net cash provided (used) by investing activities	18,435	17,930	0	36,365
Net increase (decrease) in cash and cash equivalents	(726,262)	(1,848,887)	0	(2,575,149)
Cash and cash equivalents, July 1	2,641,345	2,724,876	0	5,366,221
Cash and cash equivalents, June 30	$ 1,915,083	$ 875,989	$ 0	$ 2,791,072
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (266,052)	$ (177,610)	$ (45,667)	$ (489,329)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	155,543	398,180	7,225	560,948
Closure/postclosure costs	0	245,573	0	245,573
(Increase) decrease in accounts receivable	(2,375)	(46,207)	0	(48,582)
Increase (decrease) in accounts payable	(1,311)	(66,422)	0	(67,733)
Increase (decrease) in intergovernmental payable	(19,260)	(29,621)	0	(48,881)
Increase (decrease) in deposits payable	2,080	0	0	2,080
Increase (decrease) in accrued payroll liabilities	2,023	5,218	118	7,359
Total adjustments	136,700	506,721	7,343	650,764
Net cash provided (used) by operating activities	$ (129,352)	$ 329,111	$ (38,324)	$ 161,435

The accompanying notes are an integral part of these financial statements.

Exhibit A-10

HABERSHAM COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	Agency Funds
ASSETS	
Cash	$ 644,308
Accounts receivable, net	1,586,168
Total assets	2,230,476
LIABILITIES	
Due to other agencies	$ 2,230,476

The accompanying notes are an integral part of these financial statements.

HABERSHAM COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2009

	Northeast Georgia Drug Task Force	Habersham County Development Authority	Habersham County Health Department	Totals
ASSETS				
Current assets				
Cash	$ 198,915	$ 603,006	$ 398,753	$ 1,200,674
Receivables (net)				
Accounts	0	0	16,723	16,723
Intergovernmental	60,461	0	0	60,461
Total current assets	259,376	603,006	415,476	1,277,858
Noncurrent assets				
Capital assets				
Non-depreciable	0	2,706,347	0	2,706,347
Depreciable (net)	42,415	1,648,896	12,982	1,704,293
Total noncurrent assets	42,415	4,355,243	12,982	4,410,640
Total assets	301,791	4,958,249	428,458	5,688,498
LIABILITIES				
Current liabilities				
Payables				
Accounts	0	0	1,270	1,270
Deposits	0	120,000	0	120,000
Interest	0	4,368	0	4,368
Compensated absences	0	0	60,000	60,000
Due to other agencies	85,762	0	0	85,762
Notes payable	0	682,998	0	682,998
Total current liabilities	85,762	807,366	61,270	954,398
Noncurrent liabilities				
Compensated absences	0	0	6,435	6,435
Notes payable	0	1,087,692	0	1,087,692
Total noncurrent liabilities	0	1,087,692	6,435	1,094,127
Total liabilities	85,762	1,895,058	67,705	2,048,525
NET ASSETS				
Invested in capital assets, net of related debt	42,415	2,584,553	12,982	2,639,950
Restricted for:				
Public Safety	173,614	0	0	173,614
Health and Welfare	0	0	347,771	347,771
Housing and Development	0	478,638	0	478,638
Total net assets	$ 216,029	$ 3,063,191	$ 360,753	$ 3,639,973

The accompanying notes are an integral part of these financial statements.

Exhibit A-12

HABERSHAM COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended June 30, 2009

	Northeast Georgia Drug Task Force	Habersham County Development Authority	Habersham County Health Department	Totals
Expenses				
Public Safety	$ 223,867	$ 0	$ 0	$ 223,867
Health and Welfare	0	0	1,023,469	1,023,469
Housing and Development	0	143,290	0	143,290
Total expenses	223,867	143,290	1,023,469	1,390,626
Program revenues				
Charges for services	45,311	0	451,421	496,732
Operating grants and contributions	103,306	0	310,110	413,416
Total program revenues	148,617	0	761,531	910,148
Net (expense) revenue	(75,250)	(143,290)	(261,938)	(480,478)
General revenues				
Interest	596	1,789	0	2,385
Gain (loss) on sale of assets	0	28,405	0	28,405
Rental income	0	97,664	0	97,664
Payments from Habersham County	84,276	173,832	183,000	441,108
Other	0	3,322	0	3,322
Total general revenues	84,872	305,012	183,000	572,884
Change in net assets	9,622	161,722	(78,938)	92,406
Net assets, July 1	206,407	2,901,469	439,691	3,547,567
Net assets, June 30	$ 216,029	$ 3,063,191	$ 360,753	$ 3,639,973

The accompanying notes are an integral part of these financial statements.

1. Description of Government Unit

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

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

The government is governed by an elected Chairperson and four Commissioners.

2. Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of Habersham County, Georgia, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the County are discussed below.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Habersham County (the primary government) and material component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationship with the County.

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the Government's operations.

Habersham County Airport Commission – The Airport Commission's Governing Board is appointed by the Habersham County Board of Commissioners. The County contracts with a private individual for the management of the airport facilities. The County owns and maintains all of the airport facilities. The Commission is blended with the General Fund. Separate financial statements are not issued for the Commission.

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

Northeast Georgia Drug Task Force – The Northeast Georgia Drug Task Force was created to promote a coordinated drug enforcement effort throughout the area and to encourage maximum cooperation among all enforcement and prosecuting agencies therein. The Task Force is a coordinated effort involving Habersham and Rabun Counties. Habersham County is the fiscal agent for the federal grant funds from the Criminal Justice Coordinating Council. There is no separately issued stand-alone financial report for the Task Force.

Habersham County Development Authority – The Authority exists to promote business development in Habersham County. The Habersham County Board of Commissioners appoints the majority of the governing board and the Development Authority receives the majority of its funding through payments from the County. There is no separately issued stand-alone financial report for the Authority.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Habersham County Health Department – The Habersham County Health Department was established as a legally separate entity and operates pursuant to the Georgia Health Code 88-2, Georgia Laws 1964. The District Health Director is the Executive Officer of the Habersham County Health Department and is responsible for the overall coordination of the local health activities. The Habersham County Health Department is funded by the State and County under the Grant-in-Aid provisions, and operated under the supervision of the local Board of Health. The Habersham County Health Department has a June 30 year-end. A copy of the Habersham County Health Department financial statements can be obtained from District 2, Public Health, 1280 Athens Street, Gainesville, GA 30507. This component unit has not been included as part of the notes to the financial statements.

C. Government-wide and Fund Financial Statements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34. This statement establishes new financial reporting requirements for state and local governments throughout the United States. Its implementation creates new information and restructures much of the information that governments have presented in the past. The GASB's intent is to make annual reports more comprehensive and easier to understand.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

2. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements, continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The County's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type activities for the County. Fiduciary activities of the County are not included in these statements.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Accordingly, all the County's assets and liabilities, including capital assets, as well as current year infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities that normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Governmental Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. The County considers property taxes as available in the period for which they were levied if they are collected within 60 days subsequent to year-end. A 60-day availability period is also used for revenue recognition for all other governmental fund revenue.

The County reports the following major governmental funds:

General Fund - The general operating fund of the County is used to account for all financial resources except those required to be accounted for in another fund.

Special Purpose Local Option Sales Tax #4 Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of capital facilities financed by special purpose local option sales taxes.

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

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The County reports the following major proprietary funds:

Water and Sewer Enterprise Fund – This fund is used to account for the activities connected with the development, operation, and maintenance of water and sewer services in Habersham County.

Landfill Enterprise Fund – This fund is used to account for activities connected with the disposal of residential and commercial solid waste at the County's landfill. The landfill provides services to all citizens of Habersham County.

Transit Enterprise Fund – This fund is used to account for activities of the County's on-call bus service, available to any County resident.

Additionally, the County reports the following fund types:

Governmental Fund Types

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

Capital Projects Funds – This fund type is used to account for financial resources to be use for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Fiduciary Fund Types

Agency Funds – Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held either for the County or for others.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Component Units

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

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

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

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

E. Budgets and Budgetary Accounting

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

Each year in April, a Budget Committee consisting of the Board of Commissioners, the County Manager, and the Financial Director prepare the proposed budget. Budget requests from the various County departments are presented to this committee for consideration. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Habersham County. These hearings are publicized in the local newspaper for at least one week before the hearings, and the budget document is made available for public inspection during this time.

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

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting, continued

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

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

F. Cash and Investments

Cash and equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents, and investments with an original maturity at three months or less. Investments are reported at fair market value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts.

G. Intergovernmental Receivables

Receivables from state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items.

2. Summary of Significant Accounting Policies (continued)

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

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

	Useful Life in Years	Capitalization Threshold
Land	N/A	$ 1
Buildings and improvements	7-40	$ 5,000
Land Improvements	15	$ 5,000
Machinery and Equipment	7-10	$ 5,000
Furniture and Fixtures	7	$ 5,000
Vehicles	5-10	$ 5,000
Computer Equipment and Software	3-5	$ 5,000
Distribution System	50	$ 5,000
Infrastructure	15-50	$ 50,000 - $150,000

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

2. Summary of Significant Accounting Policies (continued)

J. Compensation for Future Absences

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

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

2. Summary of Significant Accounting Policies (continued)

L. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

M. Reservations and Designations of Fund Balances

Reservations represent the portions of fund balances, which are not appropriable for expenditure or have been segregated for specific future uses by legal mandate. Designations represent the portions of fund balance for which the government has made tentative plans.

N. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the County's financial position and operations. Certain 2008 amounts have been reclassified to conform to the 2009 presentation.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned. The County has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

3. Deposit and Investment Risk (continued)

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The County has no investment policy that would further limit its investment choices.

The County participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Georgia Fund 1 is managed by the Georgia Office of Treasury and Financial Services. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AAAm by Standard & Poor's. The weighted average maturity at June 30, 2009 was 41 days. At June 30, 2009, the County's balance in Georgia Fund 1 was $3,341,155.

Concentration of Credit Risk

The County has no formal policy on the amount the County may invest in any one issuer.

Foreign currency risk

The County has no investments denominated in a foreign currency.

4. Accounts Receivable

Net accounts receivable at June 30, 2009 consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 36,536
Enterprise Funds		
Water and Sewer	$ 18,339	
Landfill	236,212	
Less: Allowance for Uncollectibles	(50,599)	203,952
Nonmajor Funds		
Emergency 911 Special Revenue Fund		64,816
Total primary government		$ 305,304
Fiduciary Funds		
Agency Funds		
Clerk of Court	$ 2,897,969	
Less: Allowance for Uncollectibles	(1,385,987)	
Magistrate Court	85,065	
Less: Allowance for Uncollectibles	(10,879)	$ 1,586,168

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2009 consist of the following:

Major Funds		
General Fund		
Northeast Georgia Drug Task Force	$ 659	
Georgia Mountains Regional Commission	32,277	
Georgia Public Defender Standards Council	60	
State of Georgia Office of Planning & Budgeting	23,601	
State of Georgia Council of Juvenile Court Judges	458	
Legacy Link	262	
Habersham County Senior Center	7	
Habersham County Medical Center	149	
Habersham County Board of Education	2,500	
Habersham County Board of Health	86	
City of Clarkesville, Georgia	3,630	
City of Tallulah Falls, Georgia	30	
Rabun County, Georgia	13,507	
Stephens County, Georgia	16,743	
White County, Georgia	1,070	$ 95,039
Transit Enterprise Fund		
Georgia Department of Transportation		20,658
Nonmajor Funds		
Drug Abuse Treatment Special Revenue Fund		
Judicial Council of Georgia	$ 16,854	
City of Clarkesville, Georgia	159	
Rabun County, Georgia	49	
Stephens County, Georgia	80	17,142
Total primary government		$ 132,839
Component Units		
Northeast Georgia Drug Task Force		
Habersham County, Georgia		$ 60,461

6. Property Taxes

Property tax rates are set by the Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2008, based upon the assessments of January 1, 2008, were levied on September 22, 2008, billed on October 1, 2008, and due on December 20, 2008. Tax liens may be issued 90 days after the due date.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of June 30, 2009 is as follows:

Due to/Due from other funds:

Receivable Fund	Payable Fund	Amount
General	SPLOST #4	$ 305,867
	Water and Sewer	14,098
	Landfill	55,199
Water and Sewer	SPLOST #4	2,698,159
	SPLOST #5	389,529
Landfill	Nonmajor Governmental	125,218
Transit	General	5,445
Nonmajor Governmental	General	102,318
	Nonmajor Governmental	20,744
Total		$ 3,716,577

The balances reported as Due to/Due from represent loans between the borrower funds and the lender funds. These balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

8. Interfund Transfers

A summary of interfund transfers as of June 30, 2009 is as follows:

	Transfers out:					
	Major Funds				Nonmajor Funds	
	General	SPLOST 4	Water and Sewer	Landfill	Governmental	Total
Transfers in:						
Major Funds						
General	$ 0	$ 0	$ 21,020	$ 78,508	$ 70,641	$ 170,169
SPLOST 4	0	0	0	0	156,247	156,247
Enterprise Funds						
Transit	23,000	0	0	0	0	23,000
Nonmajor Funds						
Governmental	492,945	313,821	0	0	0	806,766
Total	$ 515,945	$ 313,821	$ 21,020	$ 78,508	$ 226,888	$ 1,156,182

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

9. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2009 was as follows:

	Balance 6/30/08	Increases	Decreases	Balance 6/30/09
Governmental activities				
Non-depreciable assets				
Land	$ 3,662,952	$ 1,416,585	$ 0	$ 5,079,537
Construction in progress	873,877	732,812	(1,057,222)	549,467
Total non-depreciable assets	4,536,829	2,149,397	(1,057,222)	5,629,004
Depreciable assets				
Buildings	19,460,466	0	0	19,460,466
Land improvements	2,573,468	59,398	0	2,632,866
Machinery and equipment	1,847,912	44,000	0	1,891,912
Furniture and fixtures	1,616,548	338,740	0	1,955,288
Vehicles	6,893,519	302,106	(280,612)	6,915,013
Infrastructure	56,425,504	571,349	0	56,996,853
Total depreciable assets	88,817,417	1,315,593	(280,612)	89,852,398
Less accumulated depreciation				
Buildings	(6,250,462)	(543,162)	0	(6,793,624)
Land improvements	(571,028)	(131,165)	0	(702,193)
Machinery and equipment	(1,018,895)	(138,891)	0	(1,157,786)
Furniture and fixtures	(622,991)	(201,141)	0	(824,132)
Vehicles	(5,081,149)	(656,547)	256,808	(5,480,888)
Infrastructure	(43,117,384)	(1,855,219)	0	(44,972,603)
Total accumulated depreciation	(56,661,909)	(3,526,125)	256,808	(59,931,226)
Total depreciable assets, net	32,155,508	(2,210,532)	(23,804)	29,921,172
Governmental activities capital assets, ne	$ 36,692,337	$ (61,135)	$ (1,081,026)	$ 35,550,176
Business-type activities				
Non-depreciable assets				
Land	$ 665,702	$ 0	$ 0	$ 665,702
Construction in progress	3,667,721	2,365,025	(484,967)	5,547,779
Total non-depreciable assets	4,333,423	2,365,025	(484,967)	6,213,481
Depreciable assets				
Buildings	18,923	0	0	18,923
Distribution system	6,569,799	573,779	0	7,143,578
Land improvements	5,348,705	0	0	5,348,705
Machinery and equipment	1,590,006	287,445	(243,371)	1,634,080
Vehicles	137,010	0	0	137,010
Total depreciable assets	13,664,443	861,224	(243,371)	14,282,296
Less accumulated depreciation				
Buildings	(5,740)	(521)	0	(6,261)
Distribution system	(1,091,749)	(149,010)	0	(1,240,759)
Land improvements	(2,873,947)	(261,287)	0	(3,135,234)
Machinery and equipment	(603,773)	(134,744)	24,338	(714,179)
Vehicles	(87,405)	(15,386)	0	(102,791)
Total accumulated depreciation	(4,662,614)	(560,948)	24,338	(5,199,224)
Total depreciable assets, net	9,001,829	300,276	(219,033)	9,083,072
Business-type activities capital assets, ne	$ 13,335,252	$ 2,665,301	$ (704,000)	$ 15,296,553

9. Capital Assets (continued)

Capital asset activity for the discretely presented component units for the year ended June 30, 2009 was as follows:

	Balance 6/30/08	Increases	Decreases	Balance 6/30/09
Northeast Georgia Drug Task Force				
Depreciable assets				
Vehicles	$ 92,490	$ 0	$ 0	$ 92,490
Less accumulated depreciation				
Vehicles	(31,577)	(18,498)	0	(50,075)
Northeast Georgia Drug Task Force capital assets, net	$ 60,913	$ (18,498)	$ 0	$ 42,415
Habersham County Development Authority				
Non-depreciable assets				
Land	$ 3,132,452	$ 0	$ (426,105)	$ 2,706,347
Construction in progress	0	122,725	(122,725)	0
Total non-depreciable assets	3,132,452	122,725	(548,830)	2,706,347
Depreciable assets				
Buildings	1,301,068	0	0	1,301,068
Land improvements	321,656	145,436	0	467,092
Total depreciable assets	1,622,724	145,436	0	1,768,160
Less accumulated depreciation				
Buildings	(36,064)	(32,527)	0	(68,591)
Land improvements	(37,527)	(13,146)	0	(50,673)
Total accumulated depreciation	(73,591)	(45,673)	0	(119,264)
Total depreciable assets, net	1,549,133	99,763	0	1,648,896
Habersham County Development Authority capital assets, net	$ 4,681,585	$ 222,488	$ (548,830)	$ 4,355,243

9. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities	
General Government	$ 200,491
Judicial	1,827
Public Safety	795,846
Public Works	1,915,466
Health and Welfare	60,518
Culture and Recreation	318,387
Housing and Development	233,590
Total depreciation expense for governmental activities	$ 3,526,125
Business-type activities	
Water and Sewer	$ 155,543
Landfill	398,180
Transit	7,225
Total depreciation expense for busines-type activities	$ 560,948
Discretely presented component units	
Northeast Georgia Drug Task Force	$ 18,498
Habersham County Development Authority	45,673
	$ 64,171

10. Capital and Operating Lease Agreements

The County has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at June 30, 2009 are $756,042 and $409,129 for governmental and business-type activities, respectively. Total assets leased under capital leases are $2,260,436 and $706,020 for governmental and business-type activities, respectively, consisting of:

	Governmental Activities	Business-type Activities
Machinery and equipment	$ 1,008,527	$ 706,020
Vehicles	1,251,909	0
Total assets under capital leases	$ 2,260,436	$ 706,020

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2009:

Year Ending June 30,	Governmental activities	Business-type activities
2010	$ 569,706	$ 143,239
2011	216,619	141,858
2012	0	50,225
2013	0	110,000
Total minimum lease payments	786,325	445,322
Less amounts representing interest	(30,283)	(36,193)
Present value of minimum lease payments	$ 756,042	$ 409,129

The County's lease agreements, other than such agreements described above, are relatively minor commitments and are in compliance with state law.

11. Long-Term Debt

Long - Term Debt

The County has entered into capital lease agreements for the purchase of police, fire, and extension service vehicles, and public works and landfill equipment. The capital lease obligations have been recorded in long-term debt.

Notes Payable

Habersham County Development Authority Component Unit

The Authority entered into an owner-financed lending agreement for the purchase of real property in the original amount of $121,245. This note was paid in full during the fiscal year ending June 30, 2009.

The Authority entered into a lending agreement with Community Bank and Trust for the construction of a building in the industrial park in the original amount of $1,201,644. At June 30, 2009, the balance of this note is $1,137,366. The note requires monthly payments of $7,204 with all unpaid principal and interest due on August 4, 2009; interest at 3.75%. On September 1, 2009, the Authority refinanced this note; therefore the note is reported as long-term debt.

The Authority entered into a lending agreement with Community Bank and Trust for the purchase of land in the original amount of $656,823. At June 30, 2009, the balance of this note is $633,324. The note requires monthly payments of $6,182 with all unpaid principal and interest due on January 1, 2010; interest at 2.44%.

Annual debt service requirements for notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	$ 682,998	$ 38,375	$ 721,373
2011	1,087,692	6,604	1,094,296
Totals	$ 1,770,690	$ 44,979	$ 1,815,669

11. Long-Term Debt (continued)

The following is a summary of changes in long-term debt of the County for the fiscal year ending June 30, 2009:

	Balance 6/30/2008	Additions	Deductions	Balance 6/30/2009	Due Within One Year
Governmental activities					
Capital lease obligations	$ 1,560,695	$ 0	$ 804,653	$ 756,042	$ 546,635
Compensated absences	466,023	526,809	466,023	526,809	526,809
Total governmental activities	$ 2,026,718	$ 526,809	$ 1,270,676	$ 1,282,851	$ 1,073,444
Business-type activities					
Capital lease obligations	$ 255,382	$ 287,095	$ 133,348	$ 409,129	$ 127,076
Landfill post-closure care costs	2,737,723	245,573	0	2,983,296	0
Compensated absences	27,416	33,485	27,416	33,485	33,485
	$ 3,020,521	$ 566,153	$ 160,764	$ 3,425,910	$ 160,561
Habersham County Development Authority Component Unit					
Notes payable	$ 1,842,964	$ 0	$ 72,274	$ 1,770,690	$ 682,998

In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General and Emergency 911 Special Revenue Funds. The landfill post-closure care costs are paid for by the Landfill Fund.

12. Landfill Post-Closure Care Costs

In 1994, the County opened a solid waste landfill. State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs has a balance of $2,983,296 as of June 30, 2009, which is based on 46.40% usage (filled) of the landfill. It is estimated that an additional $3,441,892 will be recognized as closure and post-closure care expense between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2028).

The estimated total current cost of the landfill closure and post-closure care ($245,572) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2009. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

13. Designated Equity Balances

A. General Fund

An amount of $484,610 has been designated for the fiscal year 2010 budget.

B. Special Revenue Funds

An amount of $270,000 has been designated in the Emergency 911 Fund for the fiscal year 2010 budget.

An amount of $39,875 has been designated in the Drug Abuse Treatment Fund for the fiscal year 2010 budget.

14. Reserved Equity Balances

A. General Fund

Reserved for prepaid items - An amount of $129,752 has been reserved for prepaid items since this amount is not legally available for appropriation.

Reserved for program expenditures – The total of $39,230 has been reserved to reflect amounts that are restricted by revenue source, but are accounted for in the General Fund.

15. Changes in Beginning Balances

Governmental Activities

General Fund - A prior period adjustment has been made to record an intergovernmental payable that was not recorded in the prior period. This adjustment decreased beginning fund balance by $25,062.

Special Purpose Local Option Sales Tax #2 Capital Projects Fund - A prior period adjustment has been made to remove accounts payable incorrectly recorded in the prior period. This adjustment increased beginning fund balance by $69,568.

16. Pension Plan

Plan Description and Contribution Information

Description

Habersham County contributes to the Association of County Commissioners of Georgia ("ACCG") Defined Benefit Plan ("Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The County elected to participate in the Plan as of the result of Board of Commissioner vote and a contract between the County and the ACCG. The county has been participating in the Plan since they moved the plan from Principal Financial Group on July 1, 2006.

The Plan's assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan. See Note 2 – Summary of Significant Accounting Policies for reporting of investments. The ACCG issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Pension Service Company, 1100 Circle 75 Parkway, Suite 320, Atlanta, GA 30339.

All full-time County employees are eligible to participate in the Plan after completing one year of service and having reached their 21st birthday. Benefits vest evenly over five years of service. Participants become eligible to retire with unreduced benefits at age 65 with 5 years of plan participation. The amount of monthly retirement benefits to be provided for each participant at their normal retirement date is equal to one percent of the participant's average monthly compensation multiplied by the participant's total number of years of service. County Commissioners receive a benefit equal to $30 per month multiplied by years of service. The Plan also provides benefits in the event of death or disability. These benefit provisions and powers to amend the plan were established by a resolution executed by the County Board of Commissioners.

16. Pension Plan (continued)

Plan Description and Contribution Information, continued

Current membership and current year payrolls are as follows:

Retirees and beneficiaries currently receiving benefits	13
Terminated vested participants entitled to but not yet receiving benefits	87
Active participants	182
Disabled participants currently receiving benefits	1
Total number of participants	283

Funding Policy

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, based on an actuarially determined rate. The current rate is 5.3% of annual covered payroll. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

Annual Pension Cost and Net Pension Obligation

The net pension obligation was computed as part of an actuarial valuation performed as of January 1, 2008. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	8.0%
Projected salary increases due to:	
Inflation	3.0%
Merit	2.0%
Post-retirement benefit increases	none
Life expectancy before and after retirement (Group Annuity Mortality table)	1983

16. Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation, continued

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate funds so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the projected unit credit actuarial funding method. The actuarial value of Habersham County's assets was determined using market value. The unfunded actuarially accrued liability is being amortized as a level dollar of projected payroll on a closed basis over a thirty-year period. The remaining amortization period at January 1, 2008 was 10 years.

The County's annual pension cost and net pension obligations for the current year were as follows:

Annual required contribution (ARC)	$	306,615
Interest on net pension obligation		(1,850)
Adjustment to ARC		1,952
Annual pension cost		306,717
Contributions made		280,777
Increase (decrease) in net pension obligation		25,940
Net pension obligation - beginning of year		(23,122)
Net pension obligation - end of year	$	2,818

16. Pension Plan (continued)

Historical Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information for the pension plan is presented below.

Schedule of Employer Contributions

Plan Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2004	$ 306,214	100%	$ 0
6/30/2005	374,995	100%	0
6/30/2006	422,923	0%	422,923
12/31/2006	126,205	0%	558,617
12/31/2007	249,581	105%	(23,122)
12/31/2008	306,717	92%	2,818

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2003	$1,791,687	$2,142,042	$ 350,355	83.6%	$4,046,214	8.7%
7/1/2004	2,164,816	2,471,867	307,051	87.6%	4,644,084	6.6%
7/1/2005	2,553,484	3,036,500	483,016	84.1%	5,406,876	8.9%
7/1/2006	2,822,398	3,219,177	396,779	87.7%	5,406,876	7.3%
1/1/2007	3,145,265	3,519,184	373,919	89.4%	5,388,060	6.9%
1/1/2008	3,214,496	4,164,160	949,664	77.2%	5,749,435	16.5%

17. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the year ending June 30, 2009 follows:

Lodging tax receipts	$	30,930	
Disbursements for tourism and trade	$	12,372	40%

18. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Development Center (GMRDC) and is required to pay annual dues thereto. During the year ended June 30, 2009, the County paid $33,407 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. A copy of the GMRDC financial statements can be obtained from GMRDC, 1310 West Ridge Road, Gainesville, Georgia 30501.

19. Risk Financing Activities

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

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agent and attorneys to represent the County in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

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

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2009, the County has no losses that are probable or estimable and accordingly has not recognized any liability.

20. Commitments and Contingencies

Contingencies

Habersham County participates in a number of Revenue Sharing Grants. Expenditures financed by Revenue Sharing Grants are subject to a compliance audit by the grantor or its representative. If expenditures are disallowed due to noncompliance with program regulations, the County may be required to reimburse the grantor government. The County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the County.

The County's legal counsel has stated that there are presently no determinable lawsuits.

Commitments

The County has active construction projects as of June 30, 2009. At fiscal year end, the County's commitments with contractors are as follows:

Project	Amount Spent to Date	Remaining Commitment
Improvements to the water and sewer distribution system	$ 3,342,220	$ 163,177
Improvements to the airport	311,682	27,494
Expansion of the landfill	2,105,505	110,446
Total	$ 5,759,407	$ 301,117

21. Excess of Expenditures over Appropriations in Individual Governmental Funds for which Budgets are Adopted

During the fiscal year, the County incurred material expenditures in the General Fund which were in excess of the amounts appropriated:

Department	Budget	Actual	Variance
Juvenile Supervision	$ 28,077	$ 30,072	$ (1,995)
Sheriff	2,120,923	2,247,212	(126,289)
Emergency Management Agency	117,267	122,975	(5,708)

Also during the fiscal year, the Drug Abuse Treatment Special Revenue Fund had appropriations of $6,000 and expenditures of $12,799.

Habersham County Management concurs with this finding. The County Manager continuously reviews the comparative financial statements to budget and recommends any necessary budget revisions to the Board of Commissioners. This action was taken immediately upon receipt of the comment from our auditors.

COMBINING STATEMENTS

Nonmajor Governmental Funds

HABERSHAM COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

	Special Revenue			
	Jail	**Emergency 911**	**Hotel/Motel Tax**	**Law Library**
ASSETS				
Cash	$ 74,661	$ 454,075	$ 0	$ 17,082
Certificates of deposit	0	0	0	290,347
Receivables (net)				
Accounts	0	64,816	0	0
Intergovernmental	0	0	0	0
Taxes	0	0	0	0
Due from other funds	0	74,141	0	0
Total assets	$ 74,661	$ 593,032	$ 0	$ 307,429
LIABILITIES AND FUND BALANCES				
Liabilities				
Payables				
Accounts	$ 0	$ 15,221	$ 0	$ 0
Intergovernmental	0	0	0	0
Accrued salaries and expenses	0	18,759	0	0
Due to other funds	0	107,745	0	0
Total liabilities	0	141,725	0	0
Fund balances				
Unreserved, designated for budget	0	270,000	0	0
Unreserved, undesignated	74,661	181,307	0	307,429
Total fund balances	74,661	451,307	0	307,429
Total liabilities and fund balances	$ 74,661	$ 593,032	$ 0	$ 307,429

Special Revenue		Capital Projects			Total Nonmajor Governmental Funds
Drug Abuse Treatment	Inmate Welfare	SPLOST #2	SPLOST #3	Capital Improvements	
$ 264,675	$ 13,806	$ 114,729	$ 0	$ 61,653	$ 1,000,681
0	0	0	0	0	290,347
0	0	0	0	0	64,816
17,142	0	0	0	0	17,142
0	0	0	0	0	0
0	0	0	0	48,921	123,062
$ 281,817	$ 13,806	$ 114,729	$ 0	$ 110,574	$ 1,496,048
$ 0	$ 0	$ 4,971	$ 0	$ 0	$ 20,192
0	0	0	0	0	0
0	0	0	0	0	18,759
0	0	0	0	38,217	145,962
0	0	4,971	0	38,217	184,913
39,875	0	0	0	0	309,875
241,942	13,806	109,758	0	72,357	1,001,260
281,817	13,806	109,758	0	72,357	1,311,135
$ 281,817	$ 13,806	$ 114,729	$ 0	$ 110,574	$ 1,496,048

HABERSHAM COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2009

	Special Revenue			
	Jail	**Emergency 911**	**Hotel/Motel Tax**	**Law Library**
REVENUES				
Taxes	$ 0	$ 0	$ 30,930	$ 0
Fines, fees, and forfeitures	74,436	0	0	35,861
Charges for services	0	732,539	0	0
Intergovernmental	0	0	0	0
Interest	525	3,235	0	10,064
Other	0	158	0	0
Total revenues	74,961	735,932	30,930	45,925
EXPENDITURES				
Current				
Judicial	0	0	0	5,056
Public safety	101,541	1,059,413	0	0
Housing and development	0	0	12,372	0
Capital outlay	0	0	0	0
Total expenditures	101,541	1,059,413	12,372	5,056
Excess (deficiency) of revenues over (under) expenditures	(26,580)	(323,481)	18,558	40,869
Other financing sources (uses)				
Transfers in	0	394,194	0	0
Transfers out	0	0	(18,558)	0
Total other financing sources (uses)	0	394,194	(18,558)	0
Net change in fund balance	(26,580)	70,713	0	40,869
Fund balances, July 1 (original)	101,241	380,594	0	266,560
Prior period adjustment	0	0	0	0
Fund balances, July 1 (original)	101,241	380,594	0	266,560
Fund balances, June 30	$ 74,661	$ 451,307	$ 0	$ 307,429

Special Revenue		Capital Projects			Total Nonmajor Governmental Funds
Drug Abuse Treatment	Inmate Welfare	SPLOST #2	SPLOST #3	Capital Improvements	
$ 0	$ 0	$ 0	$ 0	$ 0	$ 30,930
47,849	0	0	0	0	158,146
0	108,160	0	0	0	840,699
52,979	0	0	0	0	52,979
2,100	0	3,689	21	2,455	22,089
0	0	0	0	0	158
102,928	108,160	3,689	21	2,455	1,105,001
12,799	0	0	0	0	17,855
0	97,564	0	0	0	1,258,518
0	0	0	0	0	12,372
0	0	85,845	8,165	523,001	617,011
12,799	97,564	85,845	8,165	523,001	1,905,756
90,129	10,596	(82,156)	(8,144)	(520,546)	(800,755)
0	0	0	0	412,572	806,766
(52,083)	0	0	(156,247)	0	(226,888)
(52,083)	0	0	(156,247)	412,572	579,878
38,046	10,596	(82,156)	(164,391)	(107,974)	(220,877)
243,771	3,210	122,346	164,391	180,331	1,462,444
0	0	69,568	0	0	69,568
243,771	3,210	191,914	164,391	180,331	1,532,012
$ 281,817	$ 13,806	$ 109,758	$ 0	$ 72,357	$ 1,311,135

This page intentionally left blank.

GENERAL FUND

The general operating fund of the County is used to account for all financial resources except those required to be accounted for in another fund.

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 2,816,422	$ 6,029,264
Certificates of deposit	2,825,000	0
Receivables (net)		
Accounts	36,536	37,460
Intergovernmental	95,039	13,574
Taxes	557,451	619,236
Prepaid expenses	129,752	98,291
Due from other funds	375,164	435,154
Restricted Assets		
Cash	39,230	69,168
Total assets	$ 6,874,594	$ 7,302,147
LIABILITIES AND FUND BALANCES		
Liabilities		
Payables		
Accounts	$ 237,719	$ 300,097
Intergovernmental	47,973	67,918
Excess taxes	189,080	0
Accrued salaries and expenses	209,083	194,925
Deferred revenue	436,054	529,804
Due to other agencies	60,510	41,765
Due to other funds	107,763	48,134
Total liabilities	1,288,182	1,182,643
Fund balances		
Reserved for prepaids	129,752	98,291
Reserved for program expenditures	39,230	69,168
Unreserved, designated for budget	484,610	269,767
Unreserved, undesignated	4,932,820	5,682,278
Total fund balances	5,586,412	6,119,504
Total liabilities and fund balances	$ 6,874,594	$ 7,302,147

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2009 and 2008

	2009	2008
REVENUES		
Taxes	$ 13,015,856	$ 13,276,224
Licenses and permits	160,565	272,256
Fines, fees and forfeitures	1,154,405	1,191,813
Charges for services	958,991	919,851
Intergovernmental	501,620	959,155
Interest	113,748	265,209
Contributions	11,278	5,470
Other	67,821	132,459
Total revenues	15,984,284	17,022,437
EXPENDITURES		
Current		
General Government	3,179,529	3,071,528
Judicial	2,341,797	2,104,266
Public Safety	6,545,678	6,568,804
Public Works	1,679,451	1,728,820
Health and Welfare	439,296	435,453
Culture and Recreation	1,203,201	1,171,594
Housing and Development	818,155	744,511
Total expenditures	16,207,107	15,824,976
Excess (deficiency) of revenues over (under) expenditures	(222,823)	1,197,461
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Tax Fund	18,558	15,642
Landfill Fund	78,508	61,971
E911 Fund	(394,194)	(412,820)
Drug Abuse Treatment Fund	52,083	62,500
Capital Improvements Fund	(98,751)	(190,650)
Water and Sewer Fund	21,020	18,310
Transit Fund	(23,000)	(35,251)
Proceeds from the sale of assets	35,507	29,519
Total other financing sources (uses)	(310,269)	(450,779)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(533,092)	746,682
Fund balances, July 1 (restated)	6,119,504	5,372,822
Fund balances, June 30	$ 5,586,412	$ 6,119,504

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current and prior year levies	$ 10,042,247	$ 9,806,065	$ (236,182)	$ 9,815,138
Motor vehicle tax	880,800	823,391	(57,409)	864,393
Mobile home tax	187,500	139,373	(48,127)	220,305
Timber tax	900	487	(413)	865
Cost, penalties, and interest	210,000	158,013	(51,987)	173,639
Total general property taxes	11,321,447	10,927,329	(394,118)	11,074,340
Intangibles tax	130,000	189,689	59,689	280,837
Real estate transfer tax	38,000	39,063	1,063	74,136
Franchise tax	80,100	75,046	(5,054)	74,600
Insurance premium tax	1,341,055	1,309,587	(31,468)	1,278,426
Alcohol excise tax	317,087	320,640	3,553	318,788
Occupational tax	173,000	147,324	(25,676)	167,687
Other	12,190	7,178	(5,012)	7,410
Total taxes	13,412,879	13,015,856	(397,023)	13,276,224
Licenses and permits				
Building permits	130,000	133,238	3,238	246,370
Other permits	28,000	27,327	(673)	25,886
Total licenses and permits	158,000	160,565	2,565	272,256
Fines, fees and forfeitures	995,600	1,154,405	158,805	1,191,813
Charges for Services				
Sheriff services	39,646	42,232	2,586	16,235
Prisoner board	107,000	64,192	(42,808)	78,189
Recreation fees	269,099	255,284	(13,815)	232,145
Collection commissions	495,000	527,507	32,507	517,331
Other charges for services	32,675	69,776	37,101	75,951
Total charges for services	943,420	958,991	15,571	919,851
Intergovernmental	385,002	501,620	116,618	959,155
Interest	177,810	113,748	(64,062)	265,209
Contributions	11,900	11,278	(622)	5,470
Other				
Rental Income	86,935	56,781	(30,154)	80,234
Miscellaneous	17,310	11,040	(6,270)	52,225
Total other	104,245	67,821	(36,424)	132,459
Total revenues	$ 16,188,856	$ 15,984,284	$ (204,572)	$ 17,022,437

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
County-Wide				
Personal services	$ 29,000	$ 18,497	$ 10,503	$ 28,556
Contract services	508,100	470,809	37,291	462,471
Materials and supplies	500	371	129	(1,034)
Total County-Wide	537,600	489,677	47,923	489,993
Commissioners				
Personal services	110,771	106,636	4,135	110,622
Contract services	61,900	74,578	(12,678)	68,805
Materials and supplies	12,200	11,516	684	14,163
Payments to other agencies	301,233	304,608	(3,375)	302,848
Total Commissioners	486,104	497,338	(11,234)	496,438
County Manager				
Personal services	86,607	84,949	1,658	90,311
Contract services	5,750	5,794	(44)	7,887
Materials and supplies	2,550	1,105	1,445	1,592
Total County Manager	94,907	91,848	3,059	99,790
County Finance				
Personal services	211,306	214,880	(3,574)	181,543
Contract services	12,725	9,961	2,764	13,156
Materials and supplies	5,000	4,342	658	5,033
Total County Finance	229,031	229,183	(152)	199,732
County Human Resources				
Personal services	96,564	95,894	670	77,861
Contract services	5,906	4,690	1,216	5,110
Materials and supplies	1,144	1,124	20	2,421
Total County Human Resources	103,614	101,708	1,906	85,392
Tax Commissioner				
Personal services	244,732	241,820	2,912	241,636
Contract services	59,750	53,938	5,812	55,809
Materials and supplies	4,500	6,170	(1,670)	3,885
Total Tax Commissioner	308,982	301,928	7,054	301,330
Tax Assessor				
Personal services	418,320	403,533	14,787	387,575
Contract services	61,325	62,876	(1,551)	49,229
Materials and supplies	8,590	8,446	144	9,585
Total Tax Assessor	488,235	474,855	13,380	446,389
Board of Equalization				
Contract services	5,680	5,672	8	3,832
Total Board of Equalization	5,680	5,672	8	3,832

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
General Government (continued)				
County Clerk				
Personal services	$ 48,568	$ 48,657	$ (89)	$ 42,500
Contract services	3,450	2,744	706	2,814
Materials and supplies	800	447	353	682
Total County Clerk	52,818	51,848	970	45,996
Engineer				
Personal services	74,005	74,646	(641)	73,797
Contract services	2,200	1,539	661	1,773
Materials and supplies	0	69	(69)	174
Total Engineer	76,205	76,254	(49)	75,744
Registrar				
Personal services	86,888	86,693	195	82,687
Contract services	12,520	14,420	(1,900)	12,310
Materials and supplies	800	884	(84)	2,524
Total Registrar	100,208	101,997	(1,789)	97,521
Buildings and Grounds				
Personal services	215,844	216,031	(187)	234,528
Contract services	164,680	184,852	(20,172)	125,566
Materials and supplies	117,540	111,081	6,459	102,340
Capital outlay	0	0	0	21,877
Total Buildings and Grounds	498,064	511,964	(13,900)	484,311
County Annex				
Contract services	77,352	74,258	3,094	68,269
Materials and supplies	21,840	24,863	(3,023)	20,051
Total County Annex	99,192	99,121	71	88,320
Information Technology				
Personal services	99,764	100,401	(637)	96,996
Contract services	49,750	43,277	6,473	53,691
Materials and supplies	800	797	3	5,620
Total Information Technology	150,314	144,475	5,839	156,307
Cannery				
Personal services	0	(36)	36	0
Materials and supplies	1,670	1,697	(27)	433
Total Cannery	1,670	1,661	9	433
Total General Government	3,232,624	3,179,529	53,095	3,071,528
Judicial				
Drug Abuse Treatment				
Contract services	58,500	48,994	9,506	67,658
Materials and supplies	7,500	119	7,381	7,441
Total Drug Abuse Treatment	66,000	49,113	16,887	75,099

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
Judicial (continued)				
Probate Court				
Personal services	$ 198,311	$ 167,587	$ 30,724	$ 151,769
Contract services	52,600	87,750	(35,150)	28,496
Materials and supplies	8,000	6,169	1,831	25,970
Total Probate Court	258,911	261,506	(2,595)	206,235
Magistrate Court				
Personal services	325,487	333,222	(7,735)	322,230
Contract services	45,800	38,636	7,164	39,365
Materials and supplies	21,600	12,765	8,835	19,498
Total Magistrate Court	392,887	384,623	8,264	381,093
Clerk of Superior Court				
Personal services	441,489	449,443	(7,954)	430,390
Contract services	81,400	72,795	8,605	73,875
Materials and supplies	28,500	24,192	4,308	26,756
Total Clerk of Superior Court	551,389	546,430	4,959	531,021
Superior Court				
Personal services	72,718	70,173	2,545	77,783
Contract services	81,930	54,600	27,330	65,785
Materials and supplies	3,894	1,979	1,915	3,365
Total Superior Court	158,542	126,752	31,790	146,933
District Attorney				
Personal services	10,023	10,583	(560)	3,740
Contract services	28,827	28,749	78	13,669
Materials and supplies	5,900	4,019	1,881	3,721
Payments to other agencies	65,501	67,235	(1,734)	37,942
Total District Attorney	110,251	110,586	(335)	59,072
Public Defender				
Personal services	48,412	48,602	(190)	42,801
Contract services	319,614	322,175	(2,561)	197,899
Materials and supplies	13,500	12,092	1,408	14,332
Total Public Defender	381,526	382,869	(1,343)	255,032
State Court Judge				
Personal services	84,484	80,366	4,118	82,039
Contract services	40,750	43,934	(3,184)	37,411
Materials and supplies	9,600	9,600	0	9,600
Total State Court Judge	134,834	133,900	934	129,050
Juvenile Court				
Personnel services	167,950	163,073	4,877	164,333
Contract services	55,900	53,893	2,007	55,924
Materials and supplies	5,400	3,634	1,766	6,494
Total Juvenile Court	229,250	220,600	8,650	226,751

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
Judicial (continued)				
Juvenile Supervision				
Contract services	$ 28,077	$ 30,072	$ (1,995)	$ 5,307
State Court Solicitor				
Personal services	82,650	82,877	(227)	79,043
Contract services	2,579	2,869	(290)	30
Materials and supplies	9,500	9,600	(100)	9,600
Total State Court Solicitor	94,729	95,346	(617)	88,673
Total Judicial	2,406,396	2,341,797	64,599	2,104,266
Public Safety				
Sheriff				
Personal services	1,694,480	1,756,566	(62,086)	1,652,513
Contract services	188,443	214,134	(25,691)	212,602
Materials and supplies	238,000	276,512	(38,512)	320,374
Capital outlay	0	0	0	3,726
Total Sheriff	2,120,923	2,247,212	(126,289)	2,189,215
Jail				
Personal services	1,285,628	1,329,602	(43,974)	1,193,836
Contract services	460,191	458,602	1,589	386,937
Materials and supplies	127,500	124,461	3,039	137,319
Total Jail	1,873,319	1,912,665	(39,346)	1,718,092
Animal Control				
Personal services	70,639	69,971	668	58,352
Contract services	13,424	9,802	3,622	6,107
Materials and supplies	12,700	7,591	5,109	13,293
Total Animal Control	96,763	87,364	9,399	77,752
Coroner				
Personal services	17,718	14,661	3,057	16,469
Contract services	5,475	7,452	(1,977)	6,647
Materials and supplies	1,350	1,831	(481)	1,515
Total Coroner	24,543	23,944	599	24,631
Fire				
Personal services	924,671	919,168	5,503	895,922
Contract services	74,600	73,099	1,501	61,423
Materials and supplies	127,500	116,837	10,663	594,340
Capital outlay	0	0	0	30,000
Total Fire	1,126,771	1,109,104	17,667	1,581,685
Animal Shelter				
Personal services	55,695	63,679	(7,984)	0
Contract services	79,751	46,977	32,774	75,678
Materials and supplies	24,420	27,374	(2,954)	11,146
Total Animal Shelter	159,866	138,030	21,836	86,824

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
Public Safety (continued)				
Emergency Management Agency				
Personal services	$ 81,542	$ 85,886	$ (4,344)	$ 90,773
Contract services	20,675	19,001	1,674	18,955
Materials and supplies	15,050	18,088	(3,038)	9,403
Total Emergency Management Agency	117,267	122,975	(5,708)	119,131
Ambulance				
Contract services	48,930	49,697	(767)	57,575
Materials and supplies	67,400	80,411	(13,011)	74,780
Capital outlay	16,000	0	16,000	0
Payments to other agencies	690,000	690,000	0	554,000
Total Ambulance	822,330	820,108	2,222	686,355
Northeast Georgia Drug Task Force				
Payments to other agencies	84,276	84,276	0	85,119
Total Public Safety	6,426,058	6,545,678	(119,620)	6,568,804
Public Works				
Road Department				
Personal services	1,274,337	1,251,080	23,257	1,268,648
Contract services	120,350	96,614	23,736	134,876
Materials and supplies	264,400	318,672	(54,272)	325,296
Capital outlay	12,100	13,085	(985)	0
Total Public Works	1,671,187	1,679,451	(8,264)	1,728,820
Health and Welfare				
Georgia Mountains Community Mental Health				
Payments to other agencies	26,300	26,300	0	25,900
Senior Center				
Contract services	4,300	3,182	1,118	5,054
Materials and supplies	13,100	13,594	(494)	11,158
Payments to other agencies	158,283	158,283	0	148,022
Total Senior Center	175,683	175,059	624	164,234
Habersham County Health Department				
Payments to other agencies	183,000	183,000	0	180,000
Child Welfare				
Payments to other agencies	58,000	54,937	3,063	53,719
Food Bank				
Payments to other agencies	2,500	0	2,500	2,500

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
Health and Welfare (continued)				
US Dept. Int. Geo Survey				
Contract services	$ 0	$ 0	$ 0	$ 9,100
Total Health and Welfare	445,483	439,296	6,187	435,453
Culture and Recreation				
Fairgrounds				
Personal services	0	1,389	(1,389)	0
Contract services	9,100	7,886	1,214	17,397
Materials and supplies	8,500	1,901	6,599	1,742
Total Fairgrounds	17,600	11,176	6,424	19,139
Libraries				
Payments to other agencies	316,200	316,200	0	310,000
Recreation				
Personal services	473,474	476,489	(3,015)	436,551
Contract services	92,475	89,326	3,149	25,430
Materials and supplies	287,408	305,008	(17,600)	266,759
Payments to other agencies	5,550	5,002	548	113,715
Total Recreation	858,907	875,825	(16,918)	842,455
Total Culture and Recreation	1,192,707	1,203,201	(10,494)	1,171,594
Housing and Development				
Airport				
Contract services	10,400	12,115	(1,715)	8,758
Materials and supplies	7,823	6,108	1,715	4,484
Total Airport	18,223	18,223	0	13,242
Extension Service				
Contract services	49,480	42,637	6,843	49,477
Materials and supplies	8,274	13,293	(5,019)	11,938
Payments to other agencies	2,500	2,559	(59)	2,489
Total Extension Service	60,254	58,489	1,765	63,904
Forestry				
Payments to other agencies	3,462	3,462	0	3,462
Development Authority				
Payments to other agencies	37,000	32,746	4,254	37,000
Economic Development				
Personal services	84,524	86,260	(1,736)	2,178
Contract services	13,294	6,009	7,285	2,783
Materials and supplies	6,631	3,185	3,446	0
Total Economic Development	104,449	95,454	8,995	4,961

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
Housing and Development (continued)				
Building				
Personal services	$ 201,604	$ 202,816	$ (1,212)	$ 242,428
Contract services	12,470	11,131	1,339	12,883
Materials and supplies	14,100	10,117	3,983	17,625
Total Building	228,174	224,064	4,110	272,936
Planning				
Personal services	216,049	220,729	(4,680)	221,690
Contract services	52,724	58,425	(5,701)	44,386
Materials and supplies	13,100	9,162	3,938	13,197
Total Planning	281,873	288,316	(6,443)	279,273
Planning Commission				
Contract services	9,000	7,007	1,993	9,229
Code Enforcement				
Personal services	81,642	78,629	3,013	50,168
Contract services	9,115	7,355	1,760	6,184
Materials and supplies	6,035	4,410	1,625	4,152
Total Code Enforcement	96,792	90,394	6,398	60,504
Total Housing and Development	839,227	818,155	21,072	744,511
	$ 16,213,682	$ 16,207,107	$ 6,575	$ 15,824,976

This page intentionally left blank.

SPECIAL REVENUE FUNDS

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

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

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

Hotel/Motel Tax Fund – This fund is used to account for Hotel/Motel tax collections which are used to support tourism in Habersham County.

Law Library Fund – This fund is used to account for the funds court office fines and fees legally restricted for operation of the Habersham County Law Library.

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

Inmate Welfare Fund – This fund is used to account for monies legally restricted for the benefit of detainees in the County jail.

HABERSHAM COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 74,661	$ 101,241
LIABILITIES AND FUND BALANCES		
Liabilities		
Fund balances		
Unreserved	$ 74,661	$ 101,241
Total liabilities and fund balances	$ 74,661	$ 101,241

HABERSHAM COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 68,766	$ 74,436	$ 5,670	$ 99,151
Interest	220	525	305	474
Total revenues	68,986	74,961	5,975	99,625
EXPENDITURES				
Current				
Public Safety				
Contract services	65,220	27,043	38,177	69,807
Materials and supplies	0	14,004	(14,004)	0
Capital outlay	36,142	60,494	(24,352)	0
Total expenditures	101,362	101,541	(179)	69,807
Excess (deficiency) of revenues over (under) expenditures	(32,376)	(26,580)	5,796	29,818
Fund balances, July 1	32,376	101,241	68,865	71,423
Fund balances, June 30	$ 0	$ 74,661	$ 74,661	$ 101,241

HABERSHAM COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 454,075	$ 389,165
Accounts receivable	64,816	77,048
Due from other funds	74,141	19,957
Total assets	$ 593,032	$ 486,170
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 15,221	$ 18,173
Accrued salaries and expenses	18,759	15,266
Due to other funds	107,745	72,137
Total liabilities	141,725	105,576
Fund balances		
Unreserved, designated for budget	270,000	336,060
Unreserved, undesignated	181,307	44,534
Total fund balances	451,307	380,594
Total liabilities and fund balances	$ 593,032	$ 486,170

HABERSHAM COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 602,840	$ 732,539	$ 129,699	$ 644,785
Interest	11,000	3,235	(7,765)	13,460
Other	100	158	58	126
Total revenues	613,940	735,932	121,992	658,371
EXPENDITURES				
Current				
Public Safety				
Personal Services	795,534	759,259	36,275	718,409
Contract services	183,600	179,457	4,143	170,771
Materials and supplies	29,000	24,374	4,626	21,963
Capital outlay	269,980	0	269,980	203,535
Debt service	66,080	96,323	(30,243)	127,853
Total expenditures	1,344,194	1,059,413	284,781	1,242,531
Excess (deficiency) of revenues over (under) expenditures	(730,254)	(323,481)	406,773	(584,160)
Other financing sources (uses)				
Transfers in (out)				
General Fund	394,194	394,194	0	412,820
Issuance of capital leases	0	0	0	17,500
Total other financing sources (uses)	394,194	394,194	0	430,320
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(336,060)	70,713	406,773	(153,840)
Fund balances, July 1	336,060	380,594	44,534	534,434
Fund balances, June 30	$ 0	$ 451,307	$ 451,307	$ 380,594

HABERSHAM COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	2009	2008
ASSETS	$ 0	$ 0
LIABILITIES AND FUND BALANCES	$ 0	$ 0

HABERSHAM COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	$ 30,930	$ 30,930	$ 0	$ 26,070
Total revenues	30,930	30,930	0	26,070
EXPENDITURES				
Current				
Housing and Development				
Tourism				
Habersham County Chamber of Commerce	12,372	12,372	0	10,428
Total expenditures	12,372	12,372	0	10,428
Excess (deficiency) of revenues over (under) expenditures	18,558	18,558	0	15,642
Other financing sources (uses)				
Transfers in (out)				
General Fund	(18,558)	(18,558)	0	(15,642)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balances, July 1	0	0	0	0
Fund balances, June 30	$ 0	$ 0	$ 0	$ 0

HABERSHAM COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 17,082	$ 7,639
Certificates of deposit	290,347	258,921
Total assets	$ 307,429	$ 266,560
LIABILITIES AND FUND BALANCES		
Fund balances		
Unreserved	$ 307,429	$ 266,560

HABERSHAM COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 20,000	$ 35,861	$ 15,861	$ 39,134
Interest	400	10,064	9,664	17,849
Total revenues	20,400	45,925	25,525	56,983
EXPENDITURES				
Current				
Judicial				
Personal services	0	4,400	(4,400)	5,200
Materials and supplies	10,000	656	9,344	8,489
Total expenditures	10,000	5,056	4,944	13,689
Excess (deficiency) of revenues over (under) expenditures	10,400	40,869	30,469	43,294
Fund balances, July 1	(10,400)	266,560	276,960	223,266
Fund balances, June 30	$ 0	$ 307,429	$ 307,429	$ 266,560

HABERSHAM COUNTY, GEORGIA
DRUG ABUSE TREATMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 264,675	$ 243,415
Intergovernmental receivable	17,142	356
Total assets	$ 281,817	$ 243,771
LIABILITIES AND FUND BALANCES		
Liabilities		
Fund balances		
Unreserved, designated for budget	$ 39,875	$ 34,450
Unreserved, undesignated	241,942	209,321
Total fund balances	281,817	243,771
Total liabilities and fund balances	$ 281,817	$ 243,771

HABERSHAM COUNTY, GEORGIA
DRUG ABUSE TREATMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 28,750	$ 47,849	$ 19,099	$ 36,500
Intergovernmental	65,000	52,979	(12,021)	31,177
Interest	2,800	2,100	(700)	3,564
Total revenues	96,550	102,928	6,378	71,241
EXPENDITURES				
Current				
Judicial				
Contract services	6,000	12,799	(6,799)	5,332
Total expenditures	6,000	12,799	(6,799)	5,332
Excess (deficiency) of revenues over (under) expenditures	90,550	90,129	(421)	65,909
Other financing sources (uses)				
Transfers in (out)				
General Fund	(125,000)	(52,083)	72,917	(62,500)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and and other financing uses	(34,450)	38,046	72,496	3,409
Fund balances, July 1	34,450	243,771	209,321	240,362
Fund balances, June 30	$ 0	$ 281,817	$ 281,817	$ 243,771

HABERSHAM COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 13,806	$ 3,210
LIABILITIES AND FUND BALANCES		
Fund balances		
Unreserved	$ 13,806	$ 3,210

HABERSHAM COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 152,135	$ 108,160	$ (43,975)	$ 86,197
Total revenues	152,135	108,160	(43,975)	86,197
EXPENDITURES				
Current				
Public safety				
Materials and supplies	152,135	97,564	54,571	84,248
Total expenditures	152,135	97,564	54,571	84,248
Excess (deficiency) of revenues over (under) expenditures	0	10,596	10,596	1,949
Fund balances, July 1	0	3,210	3,210	1,261
Fund balances, June 30	$ 0	$ 13,806	$ 13,806	$ 3,210

This page intentionally left blank.

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Special Purpose Local Option Sales Tax #2 Fund – This fund is used to account for long-term projects financed by the 1993 passage of a special purpose local option sales tax.

Special Purpose Local Option Sales Tax #3 Fund – This fund is used to account for long-term projects financed by the 1998 passage of a special purpose local option sales tax.

Special Purpose Local Option Sales Tax #4 Fund – This fund is used to account for long-term projects financed by the 2003 passage of a special purpose local option sales tax.

Special Purpose Local Option Sales Tax #5 Fund – This fund is used to account for long-term projects financed by the 2008 passage of a special purpose local option sales tax.

Capital Improvements Fund – This fund is used to account for general purpose long-term capital projects financed from various revenue sources.

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #2
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 114,729	$ 195,079
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 4,971	$ 3,165
Fund balances		
Unreserved	109,758	191,914
Total liabilities and fund balances	$ 114,729	$ 195,079

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #2
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2009 and 2008

REVENUES	**2009**	**2008**
Interest	$ 3,689	$ 8,015
Total revenues	3,689	8,015
EXPENDITURES		
Capital outlay		
Culture and Recreation		
Recreation	77,245	96,490
Intergovernmental allocations to other agencies	8,600	0
Total expenditures	85,845	96,490
Excess (deficiency) of revenues over (under) expenditures	(82,156)	(88,475)
Fund balances, July 1 (restated)	191,914	280,389
Fund balances, June 30	$ 109,758	$ 191,914

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #3
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 0	$ 8,143
Due from other funds	0	462,115
Total assets	$ 0	$ 470,258
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	$ 0	$ 305,867
Fund balances		
Unreserved	0	164,391
Total liabilities and fund balances	$ 0	$ 470,258

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #3
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2009 and 2008

REVENUES	**2009**	**2008**
Interest	$ 21	$ 671
Total revenues	21	671
EXPENDITURES		
Capital outlay		
General Government		
Tax Assessor	0	2,976
Economic Development	3,677	5,155
County Buildings and Grounds	0	5,584
Information Technology	4,488	1,067
Judicial		
Probate Court	0	2,824
Total expenditures	8,165	17,606
Excess (deficiency) of revenues over (under) expenditures	(8,144)	(16,935)
Other financing sources (uses)		
Transfers in (out)		
SPLOST 4 Fund	(156,247)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(164,391)	(16,935)
Fund balances, July 1	164,391	181,326
Fund balances, June 30	$ 0	$ 164,391

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #4
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 5,772,641	$ 10,333,203
Certificates of deposit	3,000,000	0
Due from other funds	0	189,264
Total assets	$ 8,772,641	$ 10,522,467
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 170,145	$ 240,406
Due to other funds	3,004,026	3,303,779
Total liabilities	3,174,171	3,544,185
Fund balances		
Unreserved	5,598,470	6,978,282
Total liabilities and fund balances	$ 8,772,641	$ 10,522,467

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #4
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2009 and 2008

REVENUES	**2009**	**2008**
Taxes	$ 0	$ 4,089,825
Intergovernmental	393,833	157,900
Interest	100,927	280,062
Total revenues	494,760	4,527,787
EXPENDITURES		
Capital outlay		
Public Safety		
Sheriff	138,844	38,035
Marshal	18,269	0
Coroner	0	5,450
Fire	148,043	115,729
EMA	0	5,880
Ambulance	123,391	266,752
Public Works		
Roads and Bridges	516,381	1,089,593
Housing and Development		
Airport	200,973	492,867
Intergovernmental allocations to other agencies	571,097	1,375,629
Total expenditures	1,716,998	3,389,935
Excess (deficiency) of revenues over (under) expenditures	(1,222,238)	1,137,852
Other financing sources (uses)		
Transfers in (out)		
SPLOST 3 Fund	156,247	0
Capital Improvements Fund	(313,821)	0
Total other financing sources (uses)	(157,574)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,379,812)	1,137,852
Fund balances, July 1	6,978,282	5,840,430
Fund balances, June 30	$ 5,598,470	$ 6,978,282

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 3,341,154	$ 406,117
Taxes receivable	536,731	758,790
Total assets	$ 3,877,885	$ 1,164,907
LIABILITIES AND FUND BALANCES		
Liabilities		
Intergovernmental payable	$ 152,280	$ 171,783
Due to other funds	389,529	315,069
Total liabilities	541,809	486,852
Fund balances		
Unreserved	3,336,076	678,055
Total liabilities and fund balances	$ 3,877,885	$ 1,164,907

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2009 and 2008

REVENUES	**2009**	**2008**
Taxes	$ 5,009,262	$ 1,120,757
Interest	17,437	290
Total revenues	5,026,699	1,121,047
EXPENDITURES		
Capital outlay		
General Government		
Information Technology	171,567	113,550
Judicial	1,340,871	75,714
Intergovernmental allocations to other agencies	856,240	253,728
Total expenditures	2,368,678	442,992
Excess (deficiency) of revenues over (under) expenditures	2,658,021	678,055
Fund balances, July 1	678,055	0
Fund balances, June 30	$ 3,336,076	$ 678,055

HABERSHAM COUNTY, GEORGIA
CAPITAL IMPROVEMENTS
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 61,653	$ 52,659
Due from other funds	48,921	46,692
Restricted assets		
Cash	0	96,944
Total assets	$ 110,574	$ 196,295
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	$ 38,217	$ 15,964
Fund balances		
Reserved for equipment purchases	0	96,944
Unreserved	72,357	83,387
Total fund balances	72,357	180,331
Total liabilities and fund balances	$ 110,574	$ 196,295

HABERSHAM COUNTY, GEORGIA
CAPITAL IMPROVEMENTS
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2009 and 2008

REVENUES	**2009**	**2008**
Interest	$ 2,455	$ 18,822
Total revenues	2,455	18,822
EXPENDITURES		
Capital outlay		
General Government		
County-Wide	1,740	14,194
County Manager	7,732	19,972
Tax Assessor	68,017	73,845
Economic Development	0	50,000
County Buildings & Grounds	10,630	5,395
Public Safety		
Sheriff	200,940	636,200
Animal Control	0	9,053
Public Works		
Roads and Bridges	192,108	256,841
Health and Welfare		
Senior Center	23,472	51,281
Housing and Development		
Building	18,362	10,018
Total expenditures	523,001	1,126,799
Excess (deficiency) of revenues over (under) expenditures	(520,546)	(1,107,977)
Other financing sources (uses)		
Transfers in (out)		
General Fund	98,751	190,650
SPLOST 5 Fund	313,821	0
Issuance of capital leases	0	607,500
Total other financing sources (uses)	412,572	798,150
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(107,974)	(309,827)
Fund balances, July 1	180,331	490,158
Fund balances, June 30	$ 72,357	$ 180,331

This page intentionally left blank.

ENTERPRISE FUNDS

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

Water and Sewer Fund - Used to account for activities connected with the development, operation and maintenance of water and sewer services in Habersham County.

Landfill Fund – This fund is used to account for activities connected with the disposal of residential and commercial solid waste at the County's solid waste transfer station.

Transit Fund – This fund is used to account for activities of the County's on-call bus service, available to any County resident.

HABERSHAM COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

	2009	2008
ASSETS		
Current assets		
Cash	$ 109,700	$ 226,124
Accounts receivable	18,339	15,964
Restricted assets		
Cash	1,805,383	2,415,221
Taxes receivable	0	263,725
Due from other funds	3,087,688	2,912,777
Total current assets	5,021,110	5,833,811
Capital assets		
Construction in progress	3,354,853	3,294,797
Distribution system	7,143,577	6,569,798
Vehicles	44,386	44,386
Accumulated depreciation	(1,262,280)	(1,106,737)
Total capital assets (net of accumulated depreciation)	9,280,536	8,802,244
Total assets	14,301,646	14,636,055
LIABILITIES		
Current liabilities		
Payables		
Accounts	9,477	10,788
Intergovernmental	0	19,260
Accrued salaries	2,673	2,321
Compensated absences	2,226	555
Due to other funds	14,098	11,233
Customer deposits	27,091	25,011
Liabilities payable from restricted assets:		
Payables		
Accounts	428,642	112,442
Intergovernmental	0	264,850
Retainages	25,879	129,398
Total liabilities	510,086	575,858
NET ASSETS		
Invested in capital assets	9,280,536	8,802,244
Restricted for restricted assets	4,438,550	5,085,033
Unrestricted	72,474	172,920
Total net assets	$ 13,791,560	$ 14,060,197

HABERSHAM COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2009 and 2008

OPERATING REVENUES	**2009**	**2008**
Charges for sales and services	$ 243,036	$ 257,441
Total operating revenues	243,036	257,441
OPERATING EXPENSES		
Costs of sales and services	231,004	218,882
Personal services	122,541	41,506
Depreciation	155,543	134,631
Total operating expenses	509,088	395,019
Operating income (loss)	(266,052)	(137,578)
Non-operating revenues (expenses)		
Interest revenue	18,435	150,726
Net income (loss) before capital contributions and transfers	(247,617)	13,148
Capital contributions		
Special purpose local option sales tax	0	1,084,900
Net income (loss) before transfers	(247,617)	1,098,048
Transfers in (out)		
General Fund	(21,020)	(18,310)
Change in net assets	(268,637)	1,079,738
Net assets, July 1	14,060,197	12,980,459
Net assets, June 30	$ 13,791,560	$ 14,060,197

HABERSHAM COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Receipts from customers	$ 242,741	$ 267,597
Payments to suppliers	(251,575)	(230,832)
Payments to employees	(120,518)	(42,124)
Net cash provided (used) by operating activities	(129,352)	(5,359)
Cash flows from non-capital financing activities:		
Receipts from other funds	2,865	0
Payments to other funds	(21,020)	(39,354)
Net cash provided (used) by non-capital financing activities	(18,155)	(39,354)
Cash flows from capital and related financing activities:		
Receipts from other funds	88,814	4,434,356
Receipts from other governments	0	628,533
Acquisition of capital assets	(686,004)	(2,645,772)
Net cash provided (used) by capital and related financing activities	(597,190)	2,417,117
Cash flows from investing activities:		
Interest received	18,435	150,726
Net increase (decrease) in cash and cash equivalents	(726,262)	2,523,130
Cash and cash equivalents, July 1	2,641,345	118,215
Cash and cash equivalents, June 30	$ 1,915,083	$ 2,641,345
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (266,052)	$ (137,578)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	155,543	134,631
(Increase) decrease in accounts receivable	(2,375)	7,991
Increase (decrease) in accounts payable	(1,311)	(31,210)
Increase (decrease) in intergovernmental payable	(19,260)	19,260
Increase (decrease) in deposits payable	2,080	2,165
Increase (decrease) in accrued payroll liabilities	2,023	(618)
Total adjustments	136,700	132,219
Net cash provided (used) by operating activities	$ (129,352)	$ (5,359)

HABERSHAM COUNTY, GEORGIA
LANDFILL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

	2009	2008
ASSETS		
Current assets		
Cash	$ 875,989	$ 2,724,876
Accounts receivable (net)	185,613	139,406
Due from other funds	125,218	69,586
Total current assets	1,186,820	2,933,868
Capital assets		
Land	665,702	665,702
Construction in progress	2,192,926	372,924
Land improvements	5,348,705	5,348,705
Buildings	18,923	18,923
Machinery and equipment	1,634,080	1,590,006
Vehicles	56,500	56,500
Accumulated depreciation	(3,904,431)	(3,530,589)
Total capital assets (net of accumulated depreciation)	6,012,405	4,522,171
Total assets	7,199,225	7,456,039
LIABILITIES		
Current liabilities		
Payables		
Accounts	34,191	367,583
Intergovernmental	0	29,621
Retainages	95,938	27,078
Interest	8,805	4,750
Accrued salaries	7,695	6,875
Compensated absences	31,259	26,861
Due to other funds	55,199	63,362
Capital leases payable	127,076	82,238
Total current liabilities	360,163	608,368
Long-term liabilities		
Capital leases payable	282,053	173,144
Post-closure care	2,983,296	2,737,723
Total long-term liabilities	3,265,349	2,910,867
Total liabilities	3,625,512	3,519,235
NET ASSETS		
Invested in capital assets, net of related debt	5,603,276	4,266,789
Unrestricted	(2,029,563)	(329,985)
Total net assets	$ 3,573,713	$ 3,936,804

HABERSHAM COUNTY, GEORGIA
LANDFILL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2009 and 2008

OPERATING REVENUES	**2009**	**2008**
Charges for sales and services	$ 1,209,482	$ 1,429,630
Miscellaneous revenues	1,271	0
Total operating revenues	1,210,753	1,429,630
OPERATING EXPENSES		
Costs of sales and services	604,822	1,530,869
Personal services	385,361	376,115
Depreciation	398,180	377,130
Total operating expenses	1,388,363	2,284,114
Operating income (loss)	(177,610)	(854,484)
Non-operating revenues (expenses)		
Interest revenue	17,930	114,562
Interest expense	(13,946)	(19,801)
Intergovernmental revenue	13,756	0
Gain (loss) on sale of assets	(124,713)	42,751
Total non-operating revenues (expenses)	(106,973)	137,512
Net income (loss) before transfers	(284,583)	(716,972)
Transfer in (out)		
General Fund	(78,508)	(61,971)
Change in net assets	(363,091)	(778,943)
Net assets, July 1	3,936,804	4,715,747
Net assets, June 30	$ 3,573,713	$ 3,936,804

HABERSHAM COUNTY, GEORGIA
LANDFILL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Receipts from customers	$ 1,163,275	$ 1,381,707
Payments to suppliers	(455,292)	(442,533)
Payments to employees	(380,143)	(387,857)
Other receipts	1,271	0
Net cash provided (used) by operating activities	329,111	551,317
Cash flows from non-capital financing activities:		
Receipts from other governments	13,756	0
Receipts from other funds	55,199	63,362
Payments to other funds	(197,502)	(179,299)
Net cash provided (used) by non-capital financing activities	(128,547)	(115,937)
Cash flows from capital and related financing activities:		
Interest paid	(9,891)	(21,430)
Issuance of capital leases	287,095	0
Principal payments - capital leases	(133,348)	(413,714)
Proceeds from sale of capital assets	94,320	53,000
Acquisition of capital assets	(2,305,557)	(592,796)
Net cash provided (used) by capital and related financing activities	(2,067,381)	(974,940)
Cash flows from investing activities:		
Interest received	17,930	114,562
Net increase (decrease) in cash and cash equivalents	(1,848,887)	(424,998)
Cash and cash equivalents, July 1	2,724,876	3,149,874
Cash and cash equivalents, June 30	$ 875,989	$ 2,724,876

HABERSHAM COUNTY, GEORGIA
LANDFILL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2009 and 2008

	2009	2008
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (177,610)	$ (854,484)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	398,180	377,130
Closure/postclosure costs	245,573	1,121,509
(Increase) decrease in accounts receivable	(46,207)	(47,923)
Increase (decrease) in accounts payable	(66,422)	(38,701)
Increase (decrease) in intergovernmental payable	(29,621)	5,528
Increase (decrease) in accrued payroll liabilities	5,218	(11,742)
Total adjustments	506,721	1,405,801
Net cash provided (used) by operating activities	$ 329,111	$ 551,317

HABERSHAM COUNTY, GEORGIA
TRANSIT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

	2009	2008
ASSETS		
Current assets		
Intergovernmental receivable	$ 20,658	$ 20,769
Due from other funds	5,445	0
Total current assets	26,103	20,769
Capital assets		
Vehicles	36,124	36,124
Accumulated depreciation	(32,512)	(25,287)
Total capital assets (net of accumulated depreciation)	3,612	10,837
Total assets	29,715	31,606
LIABILITIES		
Current liabilities		
Accrued salaries	668	550
Total liabilities	668	550
NET ASSETS		
Invested in capital assets	3,612	10,837
Unrestricted	25,435	20,219
Total net assets	$ 29,047	$ 31,056

HABERSHAM COUNTY, GEORGIA
TRANSIT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2009 and 2008

OPERATING REVENUES	**2009**	**2008**
Charges for sales and services	$ 5,512	$ 3,300
Total operating revenues	5,512	3,300
OPERATING EXPENSES		
Costs of sales and services	10,129	13,962
Personal services	33,825	32,718
Depreciation	7,225	7,225
Total operating expenses	51,179	53,905
Operating income (loss)	(45,667)	(50,605)
Non-operating revenues (expenses)		
Intergovernmental revenue	20,658	28,533
Net income (loss) before tranfers	(25,009)	(22,072)
Transfers in (out)		
General Fund	23,000	35,251
Change in net assets	(2,009)	13,179
Net Assets, July 1	31,056	17,877
Net Assets, June 30	$ 29,047	$ 31,056

HABERSHAM COUNTY, GEORGIA
TRANSIT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Receipts from customers	$ 5,512	$ 3,301
Payments to suppliers	(10,129)	(13,962)
Payments to employees	(33,707)	(34,167)
Net cash provided (used) by operating activities	(38,324)	(44,828)
Cash flows from non-capital financing activities:		
Receipts from other governments	20,769	7,764
Receipts from other funds	23,000	37,064
Payments to other funds	(5,445)	0
Net cash provided (used) by non-capital financing activities	38,324	44,828
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, July 1	0	0
Cash and cash equivalents, June 30	$ 0	$ 0
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (45,667)	$ (50,605)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	7,225	7,225
Increase (decrease) in accrued payroll liabilities	118	(1,449)
Total adjustments	7,343	5,776
Net cash provided (used) by operating activities	$ (38,324)	$ (44,829)

This page intentionally left blank.

AGENCY FUNDS

These funds are used to account for assets held by the County as an agent to be expended in accordance with the conditions of its agency capacity.

Tax Commissioner - This fund accounts for assets and related liabilities for the collection of taxes and tag and title fees.

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

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

HABERSHAM COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2009

	Tax Commissioner	Magistrate Court
ASSETS		
Cash	$ 208,784	$ 12,712
Accounts receivable, net	0	74,186
Total assets	$ 208,784	$ 86,898
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other agencies	$ 208,784	$ 86,898

Probate Court	Juvenile Court	Clerk of Court	Sheriff Department	Totals
$ 11,862	$ 119	$ 337,160	$ 73,671	$ 644,308
0	0	1,511,982	0	1,586,168
$ 11,862	$ 119	$ 1,849,142	$ 73,671	$ 2,230,476
$ 11,862	$ 119	$ 1,849,142	$ 73,671	$ 2,230,476

This page intentionally left blank.

HABERSHAM COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2009

	Balance July 1	Additions	Deletions	Balance June 30
TAX COMMISSIONER				
ASSETS				
Cash	$ 484,022	$ 29,998,298	$ 30,273,536	$ 208,784
LIABILITIES				
Due to other agencies	$ 484,022	$ 29,998,298	$ 30,273,536	$ 208,784
MAGISTRATE COURT				
ASSETS				
Cash	$ 23,955	$ 354,088	$ 365,331	$ 12,712
Accounts receivable, net	76,227	0	2,041	74,186
Total	$ 100,182	$ 354,088	$ 367,372	$ 86,898
LIABILITIES				
Due to other agencies	$ 100,182	$ 354,088	$ 367,372	$ 86,898
PROBATE COURT				
ASSETS				
Cash	$ 56	$ 129,553	$ 117,747	$ 11,862
LIABILITIES				
Due to other agencies	$ 56	$ 129,553	$ 117,747	$ 11,862
JUVENILE COURT				
ASSETS				
Cash	$ 1,771	$ 4,852	$ 6,504	$ 119
LIABILITIES				
Due to other agencies	$ 1,771	$ 4,852	$ 6,504	$ 119
CLERK OF COURT				
ASSETS				
Cash	$ 374,038	$ 2,300,528	$ 2,337,406	$ 337,160
Accounts receivable, net	1,459,223	52,759	0	1,511,982
Total	$ 1,833,261	$ 2,353,287	$ 2,337,406	$ 1,849,142
LIABILITIES				
Due to other agencies	$ 1,833,261	$ 2,353,287	$ 2,337,406	$ 1,849,142
SHERIFF DEPARTMENT				
ASSETS				
Cash	$ 70,289	$ 314,345	$ 310,963	$ 73,671
LIABILITIES				
Due to other agencies	$ 70,289	$ 314,345	$ 310,963	$ 73,671
TOTALS				
ASSETS				
Cash	$ 954,131	$ 33,101,664	$ 33,411,487	$ 644,308
Accounts receivable, net	1,535,450	52,759	2,041	1,586,168
Total	$ 2,489,581	$ 33,154,423	$ 33,413,528	$ 2,230,476
LIABILITIES				
Due to other agencies	$ 2,489,581	$ 33,154,423	$ 33,413,528	$ 2,230,476

This page intentionally left blank.

COMPONENT UNITS

Northeast Georgia Drug Task Force – This component unit is used to account for the activities of the Northeast Georgia Drug Task Force, which exists to promote a coordinated drug enforcement effort throughout the area and to encourage maximum cooperation among all enforcement and prosecuting agencies therein. The Task Force is a coordinated effort involving Habersham and Rabun Counties.

Habersham County Development Authority – This component unit is used to account for the activities of the Habersham County Development Authority, which exists to promote business development in the County.

HABERSHAM COUNTY, GEORGIA
NORTHEAST GEORGIA DRUG TASK FORCE (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 198,915	$ 199,571
Intergovernmental receivable	60,461	52,675
Total assets	$ 259,376	$ 252,246
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other agencies	$ 85,762	$ 106,752
Fund balances		
Unreserved	173,614	145,494
Total liabilities and fund balances	$ 259,376	$ 252,246

HABERSHAM COUNTY, GEORGIA
NORTHEAST GEORGIA DRUG TASK FORCE (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2009
(With comparative actual amounts for the fiscal year ended June 30, 2008)

	2009			2008
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 215,185	$ 187,582	$ (27,603)	$ 201,021
Forfeitures	0	45,311	45,311	42,038
Interest	0	596	596	640
Total revenues	215,185	233,489	18,304	243,699
EXPENDITURES				
Current				
Public Safety				
Personal services	175,095	148,940	26,155	170,781
Contract services	3,256	6,431	(3,175)	15,322
Supplies and materials	36,834	38,937	(2,103)	29,904
Capital outlay	0	0	0	24,034
Payments to other agencies	0	11,061	(11,061)	10,719
Total expenditures	215,185	205,369	9,816	250,760
Excess (deficiency) of revenues over (under) expenditures	0	28,120	28,120	(7,061)
Other financing sources (uses)				
Sale of capital assets	0	0	0	17,500
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	28,120	28,120	10,439
Fund balances, July 1	0	145,494	145,494	135,055
Fund balances, June 30	$ 0	$ 173,614	$ 173,614	$ 145,494

HABERSHAM COUNTY, GEORGIA
DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

ASSETS	**2009**	**2008**
Cash	$ 603,006	$ 201,063
LIABILITIES AND FUND BALANCES		
Current liabilities		
Payables		
Deposits	$ 120,000	$ 120,000
Fund balances		
Unreserved	483,006	81,063
Total liabilities and fund balances	$ 603,006	$ 201,063

HABERSHAM COUNTY, GEORGIA
DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2009 and 2008

REVENUES	**2009**	**2008**
Intergovernmental	$ 51,107	$ 37,000
Interest	1,789	2,471
Rents	97,664	93,817
Other	3,322	0
Total revenues	153,882	133,288
EXPENDITURES		
Current		
Economic Development		
Contract services	1,748	2,412
Capital outlay	22,711	663,493
Debt service	154,990	133,919
Payments to other agencies	27,000	27,000
Total expenditures	206,449	826,824
Excess (deficiency) of revenues over (under) expenditures	(52,567)	(693,536)
Other financing sources (uses)		
Sale of capital assets	454,510	0
Issuance of promissory notes	0	1,001,616
Total other financing sources (uses)	454,510	1,001,616
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	401,943	308,080
Fund balances, July 1	81,063	(227,017)
Fund balances, June 30	$ 483,006	$ 81,063

This page intentionally left blank.

OTHER SUPPLEMENTARY INFORMATION

This section contains various supplemental information provided by Habersham County.

Officials of Habersham County

Board of County Commissioners

District 1 – Sonny James
District 2 – Charlie Miller, Vice Chairman
District 3 – Gerald Dunham, Chairman
District 4 – Lee Mulkey
District 5 – Doug Vermilya

Administration

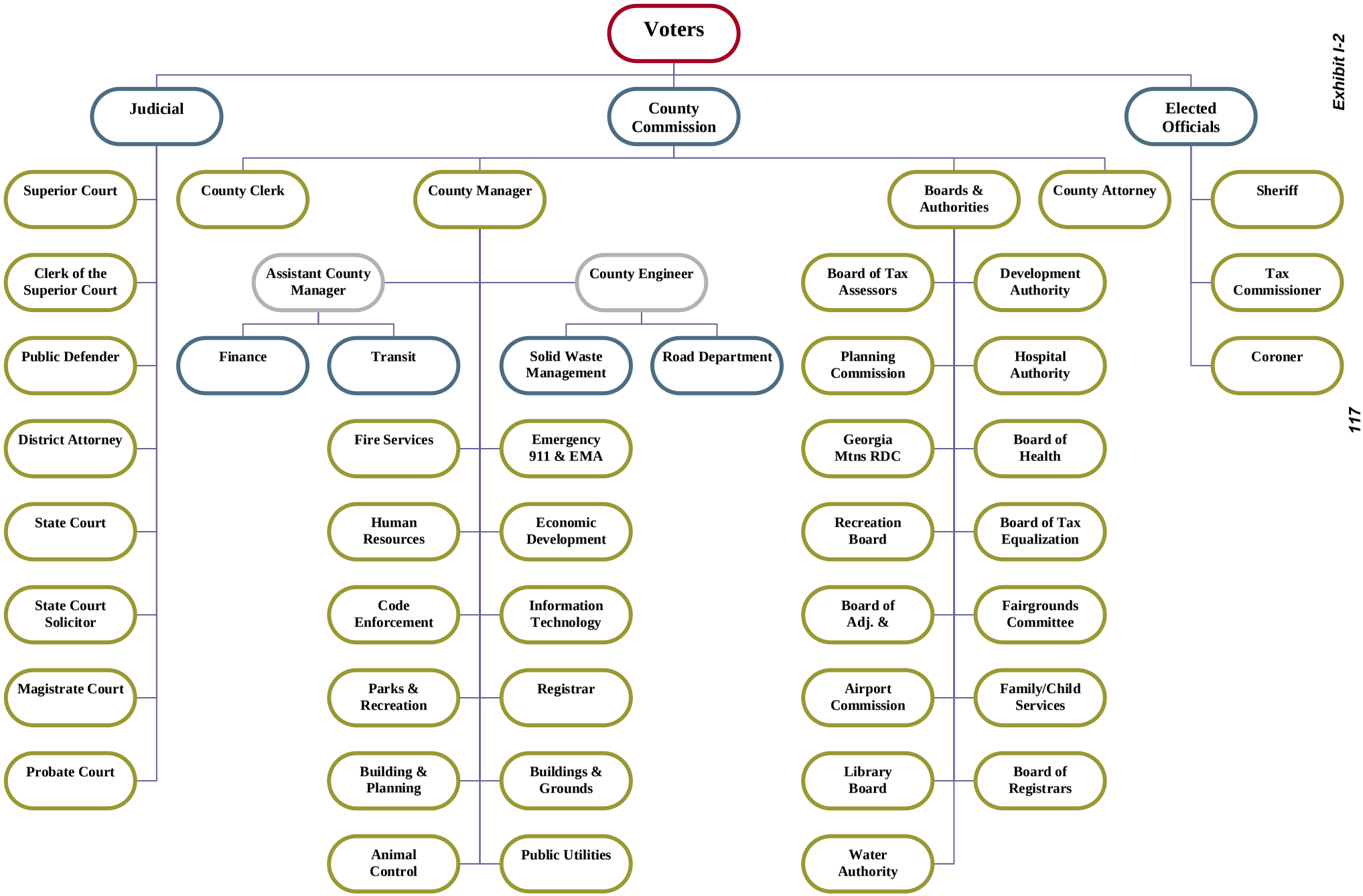
County Manager - Janeann Allison

Asst. County Manager - W. Jason Tinsley

Elected Officials

Sheriff - Joey Terrell
Chief Magistrate - James Butterworth
Tax Commissioner - June Black
Clerk of the Court - David Wall
Coroner - Kasey C. McEntire
State Court Solicitor - M. Steve Campbell
State Court Judge - Linton K. Crawford Jr.
Probate Judge - Sue Bottoms

HABERSHAM COUNTY, GEORGIA
ORGANIZATIONAL CHART
For the fiscal year ended June 30, 2009



HABERSHAM COUNTY, GEORGIA
SCHEDULE OF SALARIES FOR ELECTED & APPOINTED
COUNTY OFFICIALS
For the fiscal year ended June 30, 2009

County Commission Positions	**Annual Salary/Hourly Rate**
County Manager	$75,774
County Engineer	$35.98 per hour
Assistant County Manager/Finance Director	$66,372
County Clerk	$39,395
Human Resources Director	$57,678
E-911/Emergency Management Director	$59,114
Fire Chief	$49,920
Recreation Director	$57,668
Superintendant of Roads	$54,122
Solid Waste Management Director	$45,365
Information Technology Director	$46,508
Building & Planning Director	$56,867
Registrar	$36,712
Public Utilities Director	$66,893
Animal Control Supervisor	$14.83 per hour
Code Enforcement Official	$21.48 per hour

Elected Positions (County Paid Only)	**Annual Salary/Hourly Rate**
County Commissioner	$10,173
Sheriff	$78,540
Probate Judge	$63,836
Chief Magistrate	$73,411
Tax Commissioner	$67,377
Clerk of the Court	$71,348
Coroner	$7,000
State Court Judge	$45,000
State Court Solicitor	$40,000

Other County Supported Positions	**Annual Salary/Hourly Rate**
Economic Development Director *(Development Authority)*	$80,000
Chief Appraiser *(Board of Tax Assessors)*	$59,738
Emergency Medical Services Director *(Hospital Authority)*	$60,569

OTHER REPORTING SECTION

This page intentionally left blank.

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

Honorable Chairman and Members
of the Board of Commissioners
Habersham County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Habersham County, Georgia, as of and for the year ended June 30, 2009, which collectively comprise Habersham County, Georgia's basic financial statements and have issued our report thereon dated November 18, 2009. We did not audit the financial statements of the Habersham County Health Department, a component unit of Habersham County, Georgia. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Habersham County Health Department, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Habersham County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Habersham County Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Habersham County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Habersham County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Habersham County's financial statements that is more than inconsequential will not be prevented or detected by Habersham County's internal control. We noted the following significant deficiencies in the internal control over financial reporting:

Comment 09-1

Condition: County personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the County relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for governments of similar size and structure to the County. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, future changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the Finance Director is not trained to perform the daily accounting functions, but that the County has elected as a cost benefit to outsource this expertise to their auditors.

This page intentionally left blank.

Comment 09-1, continued

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

Effect: Failure to understand the financial statements may lead to material misstatements.

Recommendation: County personnel should continue to receive training in the identification and application of generally accepted accounting principles and the preparation of the County's financial statements.

Management Response: Habersham County Management agrees with this finding and understands the requirement of SAS 112 to issue this statement as a Significant Deficiency. All employees of the Board of Commissioners Finance Office will continue to seek training in the application of generally accepted accounting principles and in the preparation of the County's financial statements. Until such time it is financially feasible for the County finance staff to prepare the County's financial statements, the Finance Office will continue to rely on an independent auditor to prepare them.

Comment 09-2

Condition: While performing audit procedures at the Development Authority, we noted that the current activity for a prior-year loan had not been recorded by the Development Authority. The loan is for a construction contract and the contractor was paid directly from the loan with no activity flowing through the cash account. The activity was not recorded in the Development Authority's records. This is a repeat comment from the prior year.

Criteria: Generally accepted accounting principles require that liabilities of the County be recorded in a timely manner.

Effect: Failure to record liabilities in a timely manner may lead to material misstatement of the financial statements and management decisions based on incorrect information.

Recommendation: All transactions should be recorded on the books at the time of the transaction.

Management Response: Habersham County Management agrees with this finding. The County Finance Director has been working with the members of the Development Authority to devise a system in which all transactions (including disbursements made from debt proceeds and indirect debt payments) are recorded.

Comment 09-3

Condition: While performing audit procedures at the Recreation Department, we noted instances where deposits were not made timely. Receipts were held for seven or more days before depositing in 8 of 60 total receipts tested. This is a repeat comment from the prior year.

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

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

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

Management Response: Management concurs with this finding. Management developed and implemented a "Cash Handling & Deposit Policy" and has instructed Department Heads to implement this policy. County Finance will offer assistance, if needed, to insure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

This page intentionally left blank.

Comment 09-4

Condition: While performing audit procedures at the Recreation Department, we noted that only one employee is counting and signing off on concession receipts at the ball fields.

Criteria: Proper internal controls require adequate segregation of duties in control over cash receipts.

Effect: Failure to maintain adequate separation of duties subjects the assets of the County to greater risk of misappropriation.

Recommendation: Either two employees should be counting and signing off on the monies or a detailed inventory should be maintained and counted nightly.

Management Response: Management concurs with this finding. Management will advise the Department Head to implement the recommendation and will offer assistance, if needed, from our Financial Department to insure that adequate segregation of duties exists. This action was taken immediately upon receipt of the comment from our auditors.

Comment 09-5

Condition: While performing audit procedures at the Landfill, we noted that voided transactions are not being approved by management.

Criteria: Proper internal controls require adequate segregation of duties in control over voided transactions.

Effect: Since the same employee is receipting and voiding transactions, failure by management to approve voided transactions exposes the County to a greater risk of loss due to fraud.

Recommendation: Management at the Landfill should review and approve all voided transactions.

Management Response: Management concurs with this finding. Management will advise the Department Head to implement the recommendation and will offer assistance, if needed, from our Financial Department to insure that adequate segregation of duties exists. This action was taken immediately upon receipt of the comment from our auditors.

Comment 09-6

Condition: While performing audit procedures at the Juvenile Court, we noted that 9 out of 26 receipts tested were held for more than 7 days.

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

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

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

Management Response: Management concurs with this finding. Management will advise the appropriate Judicial Officials to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

Comment 09-7

Condition: While performing audit procedures on occupational tax at the Board of Commissioners, we noted that 9 out of 25 receipts tested were held for more than 7 days and 1 of these 9 was held for 31 days.

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

This page intentionally left blank.

Comment 09-7, continued

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

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

Management Response: Management concurs with this finding. Management developed and implemented a "Cash Handling & Deposit Policy" and has instructed Department Heads to implement this policy. County Finance will offer assistance, if needed, to insure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

Comment 09-8

Condition: While performing audit procedures on occupational tax at the Board of Commissioners, we were unable to trace 4 out of 25 receipts tested to a specific deposit on the bank statement.

Criteria: Proper internal controls require that all receipts be properly supported by appropriate documentation.

Effect: Failure to maintain proper supporting documentation for receipts subjects the assets of the County to greater risk of misappropriation.

Recommendation: Adequate detail of supporting documentation should be maintained for all transactions to provide an audit trail to the deposit.

Management Response: Management concurs with this finding. The County Clerk will ensure adequate detail of supporting documentation is maintained for all receipts. This action was implemented immediately upon receipt of the comment from our auditors.

Comment 09-9

Condition: While performing audit procedures at the Sheriff's Department, we noted that 16 out of 20 receipts tested were held for more than 7 days before being deposited. This is a repeat comment from the prior year.

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

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

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

Management Response: Management concurs with this finding. Management will advise the appropriate Elected Official to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

Comment 09-10

Condition: Currently, the Probate Judge manually maintains all financial records and there are no controls to prevent errors in monthly disbursements. This is a repeat comment from the prior year.

Criteria: Proper internal controls require all transactions be correctly identified and recorded in the accounting records.

Effect: Failure to properly identify and record transactions may lead to material misstatements.

Recommendation: The Court should purchase a software package to maintain the financial records. If the Court retains the manual system, the form used to record receipts and calculate payouts should be reorganized to simplify the monthly payout process.

This page intentionally left blank.

Comment 09-10, continued

Management Response: Management concurs with this finding. Management will advise the appropriate Judicial Officials to implement the recommendation and will offer the assistance of our Technology Department to assist if needed. This action was taken immediately upon receipt of the comment from our auditors.

Comment 09-11

Condition: While performing audit procedures on bank reconciliations at the Probate Court, we noted that bank reconciliations are not performed on a monthly basis. This is a repeat comment from the prior year.

Criteria: Proper internal controls require that cash accounts be reconciled to the general ledger in a timely manner, usually monthly.

Effect: Failure to reconcile cash accounts exposes the County to greater risk of loss and may lead to management decisions based on incorrect information.

Recommendation: The Court should reconcile the bank statements to their records on a monthly basis.

Management Response: Management concurs with this finding. Management will advise the appropriate Judicial Officials to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

Comment 09-12

Condition: While performing audit procedures at the Probate Court, we noted multiple instances where deposits were not made timely. Deposits were held for more than four weeks and up to two months in 26 of 40 total receipts tested. This is a repeat comment from the prior year.

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

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

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

Management Response: Management concurs with this finding. Management will advise the appropriate Judicial Officials to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

Comment 09-13

Condition: While performing audit procedures at the Probate Court, we noted that the client was unable to provide adequate supporting documentation for 15 of the 40 receipts tested. Therefore, we were unable to determine if these receipts were ever deposited into the bank account.

Criteria: Proper internal controls require that all receipts be properly supported by appropriate documentation.

Effect: Failure to maintain proper supporting documentation for receipts subjects the assets of the County to greater risk of misappropriation.

Recommendation: Adequate supporting documentation should be maintained for all transactions to provide an audit trail to the deposit and bank statement.

This page intentionally left blank.

Comment 09-13, continued

Management Response: Management concurs with this finding. Management will advise the appropriate Judicial Officials to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Habersham County, Georgia's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 09-10, 09-11, 09-12, and 09-13 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Habersham County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*:

Comment 09-14

Condition: Although the General Fund was under budget as a whole, three General Fund departments experienced a material excess of expenditures over appropriations. Also during the fiscal year, the Drug Abuse Treatment Special Revenue Fund experienced a material excess of expenditures over appropriations.

Criteria: State law requires that the budget at the legal level of control not be over expended.

Effect: Failure to maintain expenditures within the balanced budget for these funds will place the County in violation of state law.

Recommendation: Budgets should be reviewed regularly for compliance. This will assist management with budgetary decisions throughout the fiscal year.

Management Response: Habersham County Management concurs with this finding. The County Manager continuously reviews the comparative financial statements to budget and recommends any necessary budget revisions to the Board of Commissioners. This action was taken immediately upon receipt of the comment from our auditors.

Comment 09-15

Condition: While performing audit procedures at the Probate Court, we noted that the Court is not making payouts in a timely manner. We noted that payouts were three months behind. This is a repeat comment from the prior year.

Criteria: State of Georgia Code requires that all courts pay-out monies due to others in a timely manner.

Effect: Failure to make required pay-outs of monies being held by the Court will place the County in violation of state law.

Recommendation: As required by the State of Georgia, payouts to agencies should be made on a monthly basis.

This page intentionally left blank.

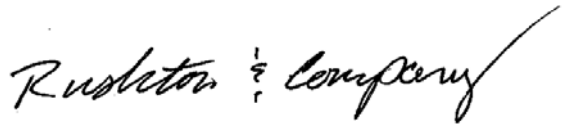
Comment 09-15, continued

Management Response: Management concurs with this finding. Management will advise the appropriate Judicial Officials to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

We noted certain matters involving the internal control over financial reporting that we have reported to management of Habersham County, Georgia in a separate letter dated November 18, 2009.

Habersham County, Georgia's responses to the findings identified in our audit are described above. We did not audit Habersham County, Georgia's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

Gainesville, Georgia
November 18, 2009

This page intentionally left blank.

HABERSHAM COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2009

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST #2					
Recreation	$ 1,500,000	$ 1,500,000	$ 5,336,786	$ 85,845	$ 5,422,631
Landfill	1,600,000	1,600,000	1,641,330	0	1,641,330
Roads and Bridges	2,400,000	2,400,000	4,116,193	0	4,116,193
Habersham County Jail	2,500,000	2,500,000	3,681,065	0	3,681,065
Public Buildings	1,000,000	1,000,000	2,151,127	0	2,151,127
Fire Protection	2,000,000	2,000,000	2,017,463	0	2,017,463
	$ 11,000,000	$ 11,000,000	$ 18,943,964	$ 85,845	$ 19,029,809
SPLOST #3					
Recreation	$ 3,500,000	$ 3,500,000	$ 5,429,029	$ 0	$ 5,429,029
Water and Sewer	5,000,000	5,000,000	5,309,866	0	5,309,866
Fire and Emergency Services	1,500,000	1,500,000	1,524,960	0	1,524,960
Farmers Market and Industrial Development	1,000,000	1,000,000	814,263	3,677	817,940
Roads and Bridges	4,000,000	4,000,000	4,082,132	0	4,082,132
	$ 15,000,000	$ 15,000,000	$ 17,160,250	$ 3,677	$ 17,163,927
SPLOST #4					
Water, Public Safety, and Transportation Facilities and Equipment	$ 24,000,000	$ 24,000,000			
Airport Facilities and Equipment			$ 2,360,150	$ 200,973	$ 2,561,123
Police Facilities and Equipment			2,322,675	250,858	2,573,533
Fire Facilities and Equipment			1,704,689	52,766	1,757,455
EMS Facilities and Equipment			647,695	123,391	771,086
Recreation Facilities and Equipment			937,573	0	937,573
Water System and Equipment			3,281,011	323,646	3,604,657
Roads and Bridges	10,000,000	10,000,000	5,407,068	617,204	6,024,272
	$ 34,000,000	$ 34,000,000	$ 16,660,861	$ 1,568,838	$ 18,229,699

HABERSHAM COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2009

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST #5					
Judicial	$ 17,965,000	$ 17,965,000	$ 75,714	$ 1,340,871	$ 1,416,585
Water	14,900,000	14,900,000	0	0	0
Roads, Streets, and Bridges	10,000,000	10,000,000	0	0	0
Economic Development	2,000,000	2,000,000	0	14,684	14,684
Public Safety	1,500,000	1,500,000	0	0	0
Recreation	1,200,000	1,200,000	0	0	0
Information Technology	500,000	500,000	113,550	171,567	285,117
City of Alto	454,362	454,362	12,483	41,405	53,888
City of Baldwin	2,010,460	2,010,460	55,237	183,207	238,444
City of Clarkesville	1,309,523	1,309,523	35,979	119,333	155,312
City of Cornelia	3,281,196	3,281,196	90,150	299,005	389,155
City of Demorest	1,545,939	1,545,939	42,474	140,876	183,350
City of Mount Airy	578,511	578,511	15,883	52,681	68,564
City of Tallulah Falls	55,410	55,410	1,522	5,049	6,571
	$ 57,300,401	$ 57,300,401	$ 442,992	$ 2,368,678	$ 2,811,670

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.