HABERSHAM COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2014

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HABERSHAM COUNTY, GEORGIA
FINANCIAL REPORT
For the fiscal year ended June 30, 2014

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RUSHTON & COMPANY

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Habersham County, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Habersham County Health Department, a component unit of Habersham County, Georgia, which represent 9.6 percent, 11.6 percent, and 72.8 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Habersham County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Habersham County, Georgia, as of June 30, 2014, and the respective changes in the financial position and, where applicable, cash flows, and the budgetary comparison of the General Fund and Drug Task Force Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Habersham County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The combining and individual fund financial statements and schedules, the special purpose local option sales tax report, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the special purpose local option sales tax report, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Habersham County, Georgia's basic financial statements for the year ended June 30, 2013, which are not presented with the accompanying financial statements. In our report dated November 21, 2013, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Habersham County's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the 2013 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules related to the 2013 financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014, on our consideration of Habersham County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Habersham County, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 5, 2014

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Habersham County
Board of Commissioners
Finance Department
555 Monroe Street, Unit 20
Clarkesville, GA 30523
(706) 839-0200

Trey Wood
Finance Officer

Phillip Sutton
County Manager

MANAGEMENT'S DISCUSSION AND ANALYSIS

Habersham County management is proud 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, 2014. 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, 2014 by $60,308,523 (*net position*). Of this amount, $686,820 is reported as unrestricted net position. This is a decrease of $5,261,231 from the previous fiscal year for unrestricted. Total net position decreased by $129,023 from the previous fiscal year.

- As of June 30, 2014, Habersham County's governmental funds reported combined ending fund balances of $11,657,777. Approximately 35% of this total amount, or $4,067,767, is reported as unassigned and available for spending at the Board's discretion. Approximately 56%, or $6,527,813, is restricted for capital outlay. Information about Habersham County's Policy on Fund Balance can be found in Note 2P in the *Notes to the Financial Statements* beginning on page 30.

More detailed information regarding these activities and funds begins on page 15.

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 Position 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 Position*** (pages 15-16) 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 position*. While the purpose of County Government is not to accumulate net position, 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 17) 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 position*. 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 Position 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 Mountain Judicial Circuit NCIS Team, the Habersham County Development Authority, the Habersham County Airport 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 government.

The County's government-wide financial statements are presented on pages 15-17.

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 72. 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 eleven 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 governmental funds. Data from the other 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 72-75 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 and expenditures as compared to the initial projections.

  The County's basic governmental fund financial statements are presented on pages 18-23 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. The County maintains one type of proprietary funds: Enterprise Funds. These proprietary funds are prepared using the same accrual basis of accounting 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 and Sewer, Solid Waste, and Transit functions.

  The County's proprietary fund financial statements are presented on pages 24-26.

  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 27.

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 30-71 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 19 and 21) 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 statements but as deferred inflows of resources 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 15-17):

Habersham County
Net Position
Fiscal Years 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current assets	$ 13,169,036	$ 20,310,581	$ 1,441,706	$ 1,413,422	$ 14,610,742	$ 21,724,003
Capital assets	51,644,485	49,427,346	4,078,021	4,531,613	55,722,506	53,958,959
Other noncurrent assets	124,865	107,497	0	0	124,865	107,497
Total assets	64,938,386	69,845,424	5,519,727	5,945,035	70,458,113	75,790,459
Current liabilities	4,938,111	8,428,301	77,093	139,549	5,015,204	8,567,850
Noncurrent liabilities	2,017,809	3,745,070	3,116,577	3,039,993	5,134,386	6,785,063
Total liabilities	6,955,920	12,173,371	3,193,670	3,179,542	10,149,590	15,352,913
Net position:						
Net investment in capital assets	48,922,613	39,094,977	3,898,266	4,308,743	52,820,879	43,403,720
Restricted	6,800,824	11,085,775	0	0	6,800,824	11,085,775
Unrestricted	2,259,029	7,491,301	(1,572,209)	(1,543,250)	686,820	5,948,051
Total net position	$ 57,982,466	$ 57,672,053	$ 2,326,057	$ 2,765,493	$ 60,308,523	$ 60,437,546

Net position may serve over time as a useful indicator of a government's financial position. Assets for Habersham County exceeded liabilities by $60,308,523 at the close of fiscal year 2014. Approximately 88% of Habersham County's net position is 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 16% from 72% at June 30, 2013. 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 position comprises 11% of total net position. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used.

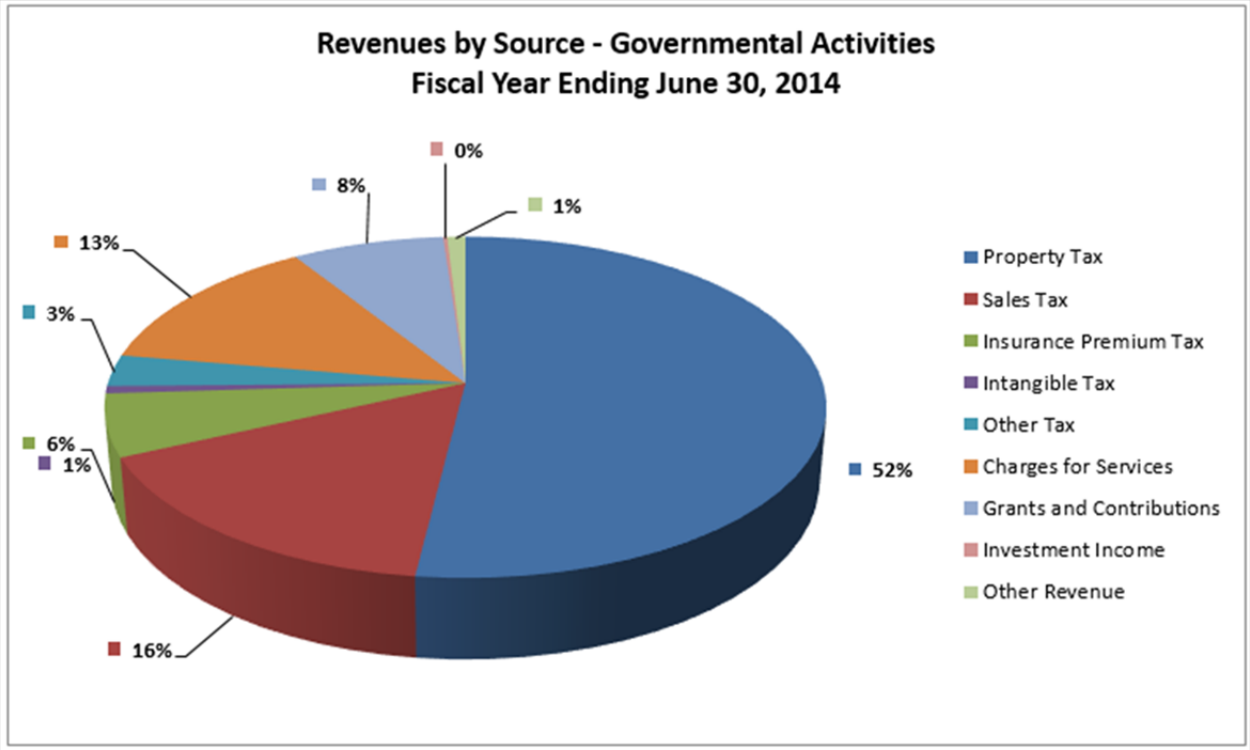
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Habersham County's net position changed during the fiscal year.

Habersham County
Changes in Net Position
Fiscal Years 2014 and 2013

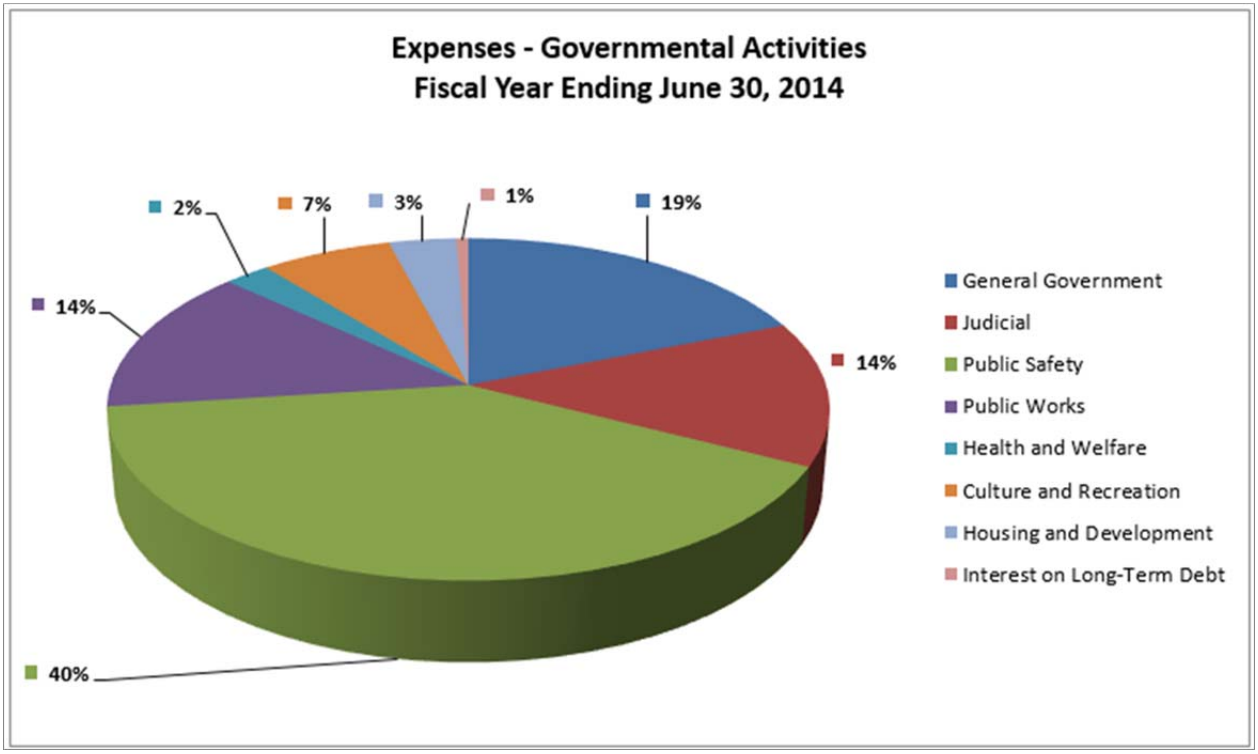
	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	$ 3,222,440	$ 2,855,528	$ 843,727	$ 1,068,077	$ 4,066,167	$ 3,923,605
Operating grants and contributions	1,126,778	975,514	26,079	27,143	1,152,857	1,002,657
Capital grants and contributions	763,585	659,584	0	0	763,585	659,584
General revenues:						
Property tax	12,554,652	11,467,009	0	0	12,554,652	11,467,009
Sales tax	3,910,736	5,367,362	0	0	3,910,736	5,367,362
Intangible tax	169,992	204,297	0	0	169,992	204,297
Insurance premium tax	1,428,089	1,374,035	0	0	1,428,089	1,374,035
Other taxes	722,711	651,874	0	0	722,711	651,874
Interest & investment earnings	49,292	24,445	1,641	2,118	50,933	26,563
Other revenue	181,157	142,585	25,117	51	206,274	142,636
Total revenues	24,129,432	23,722,233	896,564	1,097,389	25,025,996	24,819,622
Expenses						
General government	4,157,359	3,854,932	0	0	4,157,359	3,854,932
Judicial	3,001,149	2,802,084	0	0	3,001,149	2,802,084
Public Safety	8,894,294	8,541,344	0	0	8,894,294	8,541,344
Public Works	3,037,183	4,638,822	0	0	3,037,183	4,638,822
Health and Welfare	521,782	526,232	0	0	521,782	526,232
Culture and Recreation	1,481,311	1,497,756	0	0	1,481,311	1,497,756
Housing and Development	762,631	837,178	0	0	762,631	837,178
Interest on long-term debt	135,055	148,036	0	0	135,055	148,036
Water and Sewer	0	0	16,170	527,170	16,170	527,170
Landfill	0	0	1,205,526	1,261,303	1,205,526	1,261,303
Transit	0	0	69,508	72,218	69,508	72,218
Total expenses	21,990,764	22,846,384	1,291,204	1,860,691	23,281,968	24,707,075
Increase (decrease) in net position before special items and transfers	2,138,668	875,849	(394,640)	(763,302)	1,744,028	112,547
Special items	0	0	0	(8,413,285)	0	(8,413,285)
Transfers	44,796	80,170	(44,796)	(80,170)	0	0
Increase (decrease) in net position	2,183,464	956,019	(439,436)	(9,256,757)	1,744,028	(8,300,738)
Net position - beginning (original)	57,672,053	56,788,716	2,765,493	12,022,250	60,437,546	68,810,966
Prior period adjustments	(1,873,051)	(72,682)	0	0	(1,873,051)	(72,682)
Net position - beginning (restated)	55,799,002	56,716,034	2,765,493	12,022,250	58,564,495	68,738,284
Net position - ending	$ 57,982,466	$ 57,672,053	$ 2,326,057	$ 2,765,493	$ 60,308,523	$ 60,437,546

Governmental Activities –

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



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



Business-Type Activities –

Business-type activities decreased Habersham County's net position by $439,436, or 16%. This decrease is due in large part to an operating loss in the Landfill Enterprise Fund.

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, unassigned 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 fiscal year, its governmental funds reported a combined ending fund balance of $11,657,777. Of this amount, $4,067,767 (35%) constitutes unassigned fund balance, which is available for appropriation for the general purposes of the funds in accordance with the Habersham County Policy on Fund Balance.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,107,134, while total fund balance reached $4,704,844. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 87% of total fund balance in the General Fund. Unassigned fund balance represents 21% of total General Fund expenditures, while total fund balance represents approximately 24% of that same amount. The County ended the fiscal year realizing an increase in the overall fund balance in the General Fund by $454,962, or approximately 11%. The County increased unassigned fund balance in the General Fund by $740,267, or 22%. This increase was due in large part to not using the appropriated fund balance. The Habersham County Policy on fund balance calls for a minimum of 17% unassigned fund balance to be retained. Habersham County has maintained a percentage in excess of 17% for the last thirteen fiscal years.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. Budgeted revenues and expenditures in total increased from original to final budgets. As expected, the County experienced an increase in revenues from the prior fiscal year. However, the County ended the fiscal year with revenues up from original budgeted expectations. The County ended the fiscal year with growth in the fund balance. Overall, the County had revenues and other financing sources in excess of expenditures and other financing uses.

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 position of the County's three proprietary funds totaled as follows:

- Water and Sewer $ 0
- Landfill $ (1,561,626)
- Transit $ (10,583)

The Water and Sewer Fund has unrestricted net position of $0. The County transferred ownership of the Habersham County Water System to the City of Demorest during fiscal year 2014. The Landfill Fund increased unrestricted net position by approximately $37,568. The increase is due to a small increase in tip fee revenue and a decrease in personal services expenses. Post-closure care liability as of June 30, 2014 is $2,936,822 versus $2,817,123 as of the end of fiscal year 2013. This is an increase of $119,699, or 4%.

Capital Assets and Debt Administration

Capital Assets. Habersham County has invested $55,722,506 in capital assets (net of accumulated depreciation) compared to $53,958,959 in the previous fiscal year. This represents an increase of 3%. Approximately 93% of this investment is related to governmental activities and includes infrastructure, land, buildings, and machinery and equipment. Capital assets held by the County at fiscal year-end are summarized as follows:

Habersham County
Capital Assets (net of accumulated depreciation)
Fiscal Years 2014 and 2013

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	$ 5,337,697	$ 5,337,697	$ 665,702	$ 665,702	$ 6,003,399	$ 6,003,399
Construction in progress	2,578,225	16,395,632	0	0	2,578,225	16,395,632
Buildings	37,764,574	21,054,533	33,365	33,365	37,797,939	21,087,898
Land improvements	3,452,505	3,357,865	7,816,939	7,816,939	11,269,444	11,174,804
Machinery and equipment	2,901,122	2,653,866	1,815,665	1,815,665	4,716,787	4,469,531
Furniture and fixtures	2,603,120	2,538,120	0	0	2,603,120	2,538,120
Vehicles	8,067,524	8,197,412	110,877	143,542	8,178,401	8,340,954
Infrastructure	63,499,237	62,428,255	0	0	63,499,237	62,428,255
Total	126,204,004	121,963,380	10,442,548	10,475,213	136,646,552	132,438,593
Accumulated Depreciation	(74,559,519)	(72,536,034)	(6,364,527)	(5,943,600)	(80,924,046)	(78,479,634)
Net Capital Assets	$ 51,644,485	$ 49,427,346	$ 4,078,021	$ 4,531,613	$ 55,722,506	$ 53,958,959

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

- Completion of a new judicial facility
- Purchase of vehicles and heavy equipment for various departments
- Continuing emergency communications upgrades to the County E-911 radio communication system
- Continuing road construction, road improvements, culvert repairs and bridge repairs
- Continuing improvements to the Airport

Additional information on Habersham County's capital assets can be found in Note 9 on pages 53-55 of this report.

Debt/Capital Leases. On June 30, 2014, Habersham County had a total debt balance outstanding for governmental activities in the amount of $5,469,792, as compared to $9,386,666 the previous fiscal year. Habersham County's outstanding debt for governmental activities has decreased by $3,916,874 during the course of the fiscal year. In November 2010, the County issued $10 million general obligation bonds for the construction of a new judicial facility. Debt service on this five year bond is being repaid from SPLOST 5 proceeds.

Additional information on the County's long-term debt can be found in Note 11 on pages 57-59 of this report.

Economic Condition and Outlook

Habersham County has struggled to maintain healthy fund reserves and will work to continue to provide services to the citizenry. Moving forward the County will continue to face challenges as a result of slow economic growth. Housing starts and retail sales related to residential and commercial construction continue to be a major concern of the County Commission. These and many key factors were considered in preparation of the budget for fiscal year 2015 that position Habersham County to meet those challenges:

- Continued increased reliance on residential taxes as an overall part of the tax base
- Flattening recovery in countywide retail sales
- Increased reliance on Special Purpose Local Option Sales Tax for facility and infrastructure improvements
- State Legislatures imposing limits to home rule through property tax and property assessment reform
- Continued volatility in the housing market and cost of fuel & energy
- Habersham County's unemployment rate remaining near record levels as is the case in most of Georgia
- 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: Finance Officer
555 Monroe Street, Unit 20
Clarkesville, Georgia 30523
Email: twood@habershamga.com

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

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

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BASIC FINANCIAL STATEMENTS

HABERSHAM COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 10,736,728	$ 1,167,275	$ 11,904,003	$ 723,051
Certificates of deposit	350,846	243,552	594,398	0
Investments	607,571	0	607,571	0
Restricted assets				
Cash and cash equivalents	38,374	0	38,374	288,361
Receivables (net)				
Accounts	150,356	131,230	281,586	56,815
Intergovernmental	312,189	7,702	319,891	42,522
Taxes	303,686	0	303,686	0
Interest	0	1,897	1,897	0
Prepaids	559,336	0	559,336	0
Internal balances	109,950	(109,950)	0	0
Total current assets	13,169,036	1,441,706	14,610,742	1,110,749
Noncurrent assets				
Capital assets				
Non-depreciable	7,915,922	665,702	8,581,624	2,419,069
Depreciable (net)	43,728,563	3,412,319	47,140,882	1,510,739
Other assets				
Pension asset	124,865	0	124,865	0
Total noncurrent assets	51,769,350	4,078,021	55,847,371	3,929,808
Total assets	64,938,386	5,519,727	70,458,113	5,040,557
LIABILITIES				
Current liabilities				
Payables				
Accounts	341,848	42,370	384,218	6,747
Intergovernmental	134,822	66	134,888	23,681
Interest	0	0	0	1,018
Excess taxes	189,080	0	189,080	0
Accrued salaries and expenses	310,145	9,018	319,163	10,155
Compensated absences	656,682	25,639	682,321	35,000
Unearned revenue	510,233	0	510,233	0
Due to other agencies	0	0	0	70,757
Guarantee obligation	274,961	0	274,961	0
Capital leases payable	15,340	0	15,340	0
Notes payable	0	0	0	78,036
Bonds payable	2,505,000	0	2,505,000	0
Total current liabilities	4,938,111	77,093	5,015,204	225,394

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

HABERSHAM COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Noncurrent liabilities				
Compensated absences	$ 0	$ 0	$ 0	$ 10,731
Capital leases payable	54,782	179,755	234,537	0
Contracts payable	1,963,027	0	1,963,027	0
Notes payable	0	0	0	1,062,225
Post-closure care costs	0	2,936,822	2,936,822	0
Total noncurrent liabilities	2,017,809	3,116,577	5,134,386	1,072,956
Total liabilities	6,955,920	3,193,670	10,149,590	1,298,350
NET POSITION				
Net investment in capital assets	48,922,613	3,898,266	52,820,879	2,789,547
Restricted for:				
Judicial	233,673	0	233,673	0
Public safety	39,338	0	39,338	104,697
Capital outlay	6,527,813	0	6,527,813	288,361
Unrestricted	2,259,029	(1,572,209)	686,820	559,602
Total net position	$ 57,982,466	$ 2,326,057	$ 60,308,523	$ 3,742,207

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

HABERSHAM COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2014

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	$ 4,157,359	$ 562,951	$ 0	$ 0	$ (3,594,408)
Judicial	3,001,149	656,285	676,420	13,588	(1,654,856)
Public Safety	8,894,294	1,548,183	322,764	97,846	(6,925,501)
Public Works	3,037,183	0	6,888	652,151	(2,378,144)
Health and Welfare	521,782	0	50,762	0	(471,020)
Culture and Recreation	1,481,311	388,051	6,849	0	(1,086,411)
Housing and Development	762,631	66,970	63,095	0	(632,566)
Interest on long-term debt	135,055	0	0	0	(135,055)
Total governmental activities	21,990,764	3,222,440	1,126,778	763,585	(16,877,961)
Business-type activities					
Water and Sewer	16,170	0	0	0	(16,170)
Landfill	1,205,526	838,906	0	0	(366,620)
Transit	69,508	4,821	26,079	0	(38,608)
Total business-type activities	1,291,204	843,727	26,079	0	(421,398)
Total primary government	23,281,968	4,066,167	1,152,857	763,585	(17,299,359)
Component Units					
Northeast Georgia Drug Task Force					
Public Safety	349,823	161,079	95,153	0	(93,591)
Habersham County Development Authority					
Housing and Development	122,000	0	0	0	(122,000)
Habersham County Airport Authority					
Public Works	18,582	0	0	0	(18,582)
Habersham County Health Department					
Health and Welfare	849,034	323,271	389,683	0	(136,080)
Total component units	1,339,439	484,350	484,836	0	(370,253)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (16,877,961)	$ (421,398)	$ (17,299,359)	$ (370,253)
General revenues				
Taxes				
Property	12,554,652	0	12,554,652	0
Sales	3,910,736	0	3,910,736	0
Intangible	169,992	0	169,992	0
Insurance premium	1,428,089	0	1,428,089	0
Other	722,711	0	722,711	0
Interest and investment earnings	49,292	1,641	50,933	45
Rental income	66,295	0	66,295	36,483
Payments from Habersham County	0	0	0	249,311
Gain on sale of assets	3,800	24,936	28,736	0
Miscellaneous	111,062	181	111,243	2,652
Transfers	44,796	(44,796)	0	0
Total general revenues and transfers	19,061,425	(18,038)	19,043,387	288,491
Change in net position	2,183,464	(439,436)	1,744,028	(81,762)
Net position - beginning (original)	57,672,053	2,765,493	60,437,546	3,823,969
Prior period adjustments	(1,873,051)	0	(1,873,051)	0
Net position - beginning (restated)	55,799,002	2,765,493	58,564,495	3,823,969
Net position - ending	$ 57,982,466	$ 2,326,057	$ 60,308,523	$ 3,742,207

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

HABERSHAM COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	General	SPLOST #4	SPLOST #5	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 4,035,568	$ 805,705	$ 5,522,663	$ 372,792	$ 10,736,728
Certificates of deposit	0	0	245,096	105,750	350,846
Investments	607,571	0	0	0	607,571
Restricted assets					
Cash and cash equivalents	38,374	0	0	0	38,374
Receivables (net)					
Accounts	16,662	2,446	0	131,248	150,356
Intergovernmental	206,756	78,653	0	26,780	312,189
Taxes	303,686	0	0	0	303,686
Prepaids	559,336	0	0	0	559,336
Due from other funds	288,100	0	0	0	288,100
Total assets	$ 6,056,053	$ 886,804	$ 5,767,759	$ 636,570	$ 13,347,186
LIABILITIES AND FUND BALANCES					
Liabilities					
Payables					
Accounts	$ 204,476	$ 1,800	$ 124,950	$ 10,622	$ 341,848
Intergovernmental	134,792	0	0	30	134,822
Excess taxes	189,080	0	0	0	189,080
Accrued salaries and expenses	287,497	0	0	22,648	310,145
Unearned revenue	510,233	0	0	0	510,233
Due to other funds	0	0	0	178,150	178,150
Total liabilities	1,326,078	1,800	124,950	211,450	1,664,278
Deferred Inflows of Resources					
Unavailable revenue - property taxes	25,131	0	0	0	25,131
Fund balances					
Nonspendable:					
Prepaids	559,336	0	0	0	559,336
Restricted for:					
Judicial	17,585	0	0	216,088	233,673
Public safety	20,789	0	0	18,549	39,338
Capital outlay	0	885,004	5,642,809	0	6,527,813
Assigned to:					
Public safety	0	0	0	190,103	190,103
Capital outlay	0	0	0	39,747	39,747
Unassigned	4,107,134	0	0	(39,367)	4,067,767
Total fund balances	4,704,844	885,004	5,642,809	425,120	11,657,777
Total liabilities, deferred inflows, and fund balances	$ 6,056,053	$ 886,804	$ 5,767,759	$ 636,570	$ 13,347,186

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 POSITION
June 30, 2014

Total fund balance - total governmental funds	$	11,657,777
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of $126,204,004, net of accumulated depreciation of ($74,559,519) are not financial resources and, therefore, are not reported in the funds.		51,644,485
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds. These are property taxes.		25,131
Net pension asset is not reported in the governmental funds. This amount represents annual plan contributions in excess of pension costs.		124,865
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are guarantee obligation of ($274,961), capital leases payable of ($70,122), contracts payable of ($1,963,027), bonds payable of ($2,505,000), and compensated absences of ($656,682).		(5,469,792)
Net position of governmental activities	$	57,982,466

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, 2014

	General	SPLOST #4	SPLOST #5	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 14,823,524	$ 0	$ 3,405,309	$ 551,049	$ 18,779,882
Licenses and permits	66,970	0	0	0	66,970
Fines, fees and forfeitures	1,048,630	0	0	105,520	1,154,150
Charges for services	1,165,821	0	0	835,499	2,001,320
Intergovernmental	1,371,497	447,072	0	25,353	1,843,922
Interest	45,735	5,079	13,588	3,556	67,958
Contributions	27,774	0	0	0	27,774
Other	176,844	0	0	511	177,355
Total revenues	18,726,795	452,151	3,418,897	1,521,488	24,119,331
EXPENDITURES					
Current					
General government	3,571,071	0	0	0	3,571,071
Judicial	3,017,834	0	0	13,635	3,031,469
Public safety	6,999,773	0	0	1,387,530	8,387,303
Public works	1,885,637	0	0	0	1,885,637
Health and welfare	2,415,173	0	0	0	2,415,173
Culture and recreation	1,124,604	0	0	0	1,124,604
Housing and development	541,158	0	0	18,249	559,407
Capital outlay	0	1,657,686	3,492,976	888,467	6,039,129
Intergovernmental	0	17,959	657,003	0	674,962
Debt service					
Principal	0	0	0	2,410,000	2,410,000
Interest	16,243	0	0	72,250	88,493
Total expenditures	19,571,493	1,675,645	4,149,979	4,790,131	30,187,248
Excess (deficiency) of revenues over (under) expenditures	(844,698)	(1,223,494)	(731,082)	(3,268,643)	(6,067,917)
Other financing sources (uses)					
Transfers in	637,298	0	229,789	1,281,258	2,148,345
Transfers out	(1,304,465)	(511,070)	0	(288,014)	(2,103,549)
Issuance of capital leases	0	0	0	81,192	81,192
Issuance of contracts payable	1,963,027	0	0	0	1,963,027
Proceeds from sale of assets	3,800	0	0	0	3,800
Total other financing sources (uses)	1,299,660	(511,070)	229,789	1,074,436	2,092,815
Net change in fund balance	454,962	(1,734,564)	(501,293)	(2,194,207)	(3,975,102)
Fund balances, July 1	4,249,882	2,619,568	6,144,102	2,619,327	15,632,879
Fund balances, June 30	$ 4,704,844	$ 885,004	$ 5,642,809	$ 425,120	$ 11,657,777

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

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, 2014

Net change in fund balances - total governmental funds	$	(3,975,102)
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 capital outlays of $4,432,106 exceeded depreciation of ($2,214,967) in the current period.		2,217,139
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 property taxes.		6,298
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which debt repayments of $6,040,506 exceeded proceeds of ($2,044,219).		3,996,287
Annual employer contributions to retirement plans in excess of pension costs are not reported in the governmental funds, but result in assets in the governmental activities.		17,368
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 ($79,413) and the net decrease in interest payable $887.		(78,526)
Change in net position of governmental activities	$	2,183,464

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 14,095,680	$ 14,866,507	$ 14,823,524	$ (42,983)
Licenses and permits	72,200	72,200	66,970	(5,230)
Fines, fees and forfeitures	1,016,900	1,111,949	1,048,630	(63,319)
Charges for services	976,776	1,235,385	1,165,821	(69,564)
Intergovernmental	1,323,685	1,562,324	1,371,497	(190,827)
Interest	5,100	45,603	45,735	132
Contributions	13,700	13,700	27,774	14,074
Other	146,215	265,287	176,844	(88,443)
Total revenues	17,650,256	19,172,955	18,726,795	(446,160)
EXPENDITURES				
Current				
General Government				
County-Wide	623,400	700,665	631,010	69,655
Commissioners	474,017	522,397	522,256	141
County Manager	104,787	170,602	161,999	8,603
County Finance	209,330	231,210	215,947	15,263
County Human Resources	74,757	81,530	79,624	1,906
Tax Commissioner	343,053	349,878	344,455	5,423
Tax Assessor	481,938	493,883	464,388	29,495
Board of Equalization	5,150	5,150	1,723	3,427
County Clerk	49,998	50,722	49,209	1,513
Engineer	117,936	158,149	151,849	6,300
Registar	126,386	134,306	130,963	3,343
Buildings and Grounds	499,623	499,623	482,906	16,717
County Annex	144,577	144,577	143,864	713
Information Technology	190,629	192,598	190,878	1,720
Judicial				
Judicial Facility	93,891	93,902	80,282	13,620
Accountability Court	239,540	250,483	242,914	7,569
Probate Court	178,055	199,372	199,024	348
Magistrate Court	405,994	414,870	411,556	3,314
Clerk of Superior Court	549,492	605,106	593,979	11,127
Superior Court	200,803	217,976	217,975	1
District Attorney	127,182	215,689	215,689	0
Public Defender	406,950	408,148	400,437	7,711
State Court Judge	256,312	256,312	243,143	13,169
Juvenile Court	241,372	272,395	264,790	7,605
Juvenile Supervision	8,000	8,000	3,714	4,286
State Court Solicitor	153,406	154,356	144,331	10,025
Public Safety				
Sheriff	2,485,793	2,789,264	2,784,814	4,450
Jail	1,867,492	2,169,232	2,169,233	(1)
Heat Unit	67,637	70,926	61,609	9,317
Animal Control	206,339	262,803	255,246	7,557
Coroner	24,388	25,922	19,576	6,346
Fire	1,093,604	1,129,213	1,083,397	45,816
Emergency Management Agency	50,927	89,949	87,243	2,706
Ambulance	579,808	579,808	510,594	69,214
Northeast Georgia Drug Task Force	34,303	28,061	28,061	0
Public Works				
Fleet	312,311	312,311	263,855	48,456
Road Department	1,435,513	1,721,642	1,618,568	103,074
Water and Sewer Authority	5,500	5,500	3,214	2,286

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
Health and Welfare				
Georgia Mountains Community				
Mental Health	$ 25,259	$ 25,259	$ 25,259	$ 0
Habersham County				
Hospital Authority	0	2,000,000	1,964,277	35,723
Senior Center	165,790	195,790	194,416	1,374
Habersham County				
Health Department	202,845	202,845	202,845	0
Child Welfare	40,000	40,000	28,376	11,624
Culture and Recreation				
Fairgrounds	11,488	11,488	7,667	3,821
Libraries	267,866	267,866	267,866	0
Recreation	762,111	849,586	849,071	515
Housing and Development				
Extension Service	89,673	99,766	98,603	1,163
Forestry	7,832	7,832	7,832	0
Economic Development	136,143	140,918	120,074	20,844
GIS	65,621	67,805	67,725	80
Building	92,736	97,878	93,915	3,963
Planning	79,220	82,026	82,025	1
Planning Commission	4,800	4,800	1,124	3,676
Code Enforcement	68,136	69,944	69,860	84
Total Current	16,489,713	20,180,333	19,555,250	625,083
Debt Service				
Health and Welfare				
Habersham County Hospital Authority				
Interest	0	0	16,243	(16,243)
Total expenditures	16,489,713	20,180,333	19,571,493	608,840
Excess (deficiency) of revenues over (under) expenditures	1,160,543	(1,007,378)	(844,698)	162,680
Other financing sources (uses)				
Transfers in	95,544	566,614	637,298	70,684
Transfers out	(1,346,207)	(1,515,904)	(1,304,465)	211,439
Issuance of contracts payable	0	2,000,000	1,963,027	(36,973)
Sale of capital assets	13,000	13,000	3,800	(9,200)
Contingency	(408,706)	(483,310)	0	483,310
Total other financing sources (uses)	(1,646,369)	580,400	1,299,660	719,260
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(485,826)	(426,978)	454,962	881,940
Fund balances, July 1	485,826	426,978	4,249,882	3,822,904
Fund balances, June 30	$ 0	$ 0	$ 4,704,844	$ 4,704,844

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

HABERSHAM COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Business-Type Activities			
	Water and Sewer	Landfill	Transit	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 57,575	$ 1,109,700	$ 0	$ 1,167,275
Certificates of deposit	0	243,552	0	243,552
Receivables (net)				
Accounts	0	131,173	57	131,230
Intergovernmental	0	0	7,702	7,702
Interest	0	1,897	0	1,897
Total current assets	57,575	1,486,322	7,759	1,551,656
Noncurrent assets				
Capital assets				
Non-depreciable	0	665,702	0	665,702
Depreciable (net)	0	3,399,812	12,507	3,412,319
Total noncurrent assets	0	4,065,514	12,507	4,078,021
Total assets	57,575	5,551,836	20,266	5,629,677
LIABILITIES				
Current liabilities				
Payables				
Accounts	0	41,900	470	42,370
Intergovernmental	0	66	0	66
Accrued salaries	0	8,049	969	9,018
Compensated absences	0	20,800	4,839	25,639
Due to other funds	57,575	40,311	12,064	109,950
Total current liabilities	57,575	111,126	18,342	187,043
Noncurrent liabilities				
Capital leases payable	0	179,755	0	179,755
Postclosure care	0	2,936,822	0	2,936,822
Total noncurrent liabilities	0	3,116,577	0	3,116,577
Total liabilities	57,575	3,227,703	18,342	3,303,620
NET POSITION				
Net investment in capital assets	0	3,885,759	12,507	3,898,266
Unrestricted	0	(1,561,626)	(10,583)	(1,572,209)
Total net position	$ 0	$ 2,324,133	$ 1,924	$ 2,326,057

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

HABERSHAM COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2014

	Business-Type Activities			
	Water and Sewer	**Landfill**	**Transit**	**Totals**
OPERATING REVENUES				
Charges for sales and services	$ 0	$ 838,906	$ 4,821	$ 843,727
Miscellaneous revenues	0	181	0	181
Total operating revenues	0	839,087	4,821	843,908
OPERATING EXPENSES				
Costs of sales and services	192	475,784	21,468	497,444
Personal services	314	278,275	39,000	317,589
Depreciation	0	444,552	9,040	453,592
Total operating expenses	506	1,198,611	69,508	1,268,625
Operating income (loss)	(506)	(359,524)	(64,687)	(424,717)
Non-operating revenues (expenses)				
Interest revenue	7	1,634	0	1,641
Interest expense	0	(6,915)	0	(6,915)
Intergovernmental revenue	0	0	26,079	26,079
Intergovernmental expense	(15,664)	0	0	(15,664)
Gain (loss) on sale of assets	24,000	936	0	24,936
Total non-operating revenues (expenses)	8,343	(4,345)	26,079	30,077
Net income (loss) before transfers	7,837	(363,869)	(38,608)	(394,640)
Transfers				
Transfers in	0	0	23,207	23,207
Transfers out	(68,003)	0	0	(68,003)
Total transfers	(68,003)	0	23,207	(44,796)
Change in net position	(60,166)	(363,869)	(15,401)	(439,436)
Net position, July 1	60,166	2,688,002	17,325	2,765,493
Net position, June 30	$ 0	$ 2,324,133	$ 1,924	$ 2,326,057

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, 2014

	Business-Type Activities			
	Water and Sewer	Landfill	Transit	Totals
Cash flows from operating activities:				
Receipts from customers	$ 14,743	$ 877,470	$ 5,581	$ 897,794
Payments to suppliers	(13,338)	(350,518)	(21,756)	(385,612)
Payments to employees	(7,627)	(290,440)	(38,251)	(336,318)
Other receipts	0	181	0	181
Net cash provided (used) by operating activities	(6,222)	236,693	(54,426)	176,045
Cash flows from non-capital financing activities:				
Receipts from other governments	0	0	23,508	23,508
Payments to other governments	(23,673)	0	0	(23,673)
Receipts from other funds	54,050	0	30,918	84,968
Payments to other funds	(68,003)	(15,561)	0	(83,564)
Net cash provided (used) by non-capital financing activities	(37,626)	(15,561)	54,426	1,239
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	24,000	936	0	24,936
Principal payments - capital leases	0	(43,115)	0	(43,115)
Interest paid	0	(6,915)	0	(6,915)
Net cash provided (used) by capital and related financing activities	24,000	(49,094)	0	(25,094)
Cash flows from investing activities:				
Interest received	7	1,634	0	1,641
Proceeds from maturity of certificates of deposit	0	345,232	0	345,232
Net cash provided (used) by investing activities	7	346,866	0	346,873
Net increase (decrease) in cash and cash equivalents	(19,841)	518,904	0	499,063
Cash and cash equivalents, July 1	77,416	590,796	0	668,212
Cash and cash equivalents, June 30	$ 57,575	$ 1,109,700	$ 0	$ 1,167,275
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (506)	$ (359,524)	$ (64,687)	$ (424,717)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	0	444,552	9,040	453,592
Closure/postclosure costs	0	119,699	0	119,699
(Increase) decrease in accounts receivable	42,594	38,564	760	81,918
Increase (decrease) in accounts payable	(13,146)	5,541	(288)	(7,893)
Increase (decrease) in intergovernmental payable	0	26	0	26
Increase (decrease) in deposits payable	(27,851)	0	0	(27,851)
Increase (decrease) in accrued payroll liabilities	(7,313)	(12,165)	749	(18,729)
Total adjustments	(5,716)	596,217	10,261	600,762
Net cash provided (used) by operating activities	$ (6,222)	$ 236,693	$ (54,426)	$ 176,045

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

HABERSHAM COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2014

	Agency Funds
ASSETS	
Cash	$ 1,176,282
LIABILITIES	
Due to other agencies	$ 1,176,282

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

HABERSHAM COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2014

	Mountain Judicial Circuit NCIS Team	Habersham County Development Authority	Habersham County Airport Authority	Habersham County Health Department	Totals
ASSETS					
Current assets					
Cash and cash equivalents	$ 156,462	$ 140,417	$ 5,476	$ 420,696	$ 723,051
Restricted assets					
Cash and cash equivalents	0	288,361	0	0	288,361
Receivables (net)					
Accounts	503	0	0	56,312	56,815
Intergovernmental	28,644	0	8,450	5,428	42,522
Total current assets	185,609	428,778	13,926	482,436	1,110,749
Noncurrent assets					
Capital assets					
Non-depreciable	0	2,419,069	0	0	2,419,069
Depreciable (net)	63,541	1,445,505	0	1,693	1,510,739
Total noncurrent assets	63,541	3,864,574	0	1,693	3,929,808
Total assets	249,150	4,293,352	13,926	484,129	5,040,557
LIABILITIES					
Current liabilities					
Payables					
Accounts	0	0	828	5,919	6,747
Intergovernmental	0	8,450	15,231	0	23,681
Interest	0	1,018	0	0	1,018
Accrued salaries and expenses	10,155	0	0	0	10,155
Compensated absences	0	0	0	35,000	35,000
Due to other agencies	70,757	0	0	0	70,757
Notes payable	0	78,036	0	0	78,036
Total current liabilities	80,912	87,504	16,059	40,919	225,394
Noncurrent liabilities					
Compensated absences	0	0	0	10,731	10,731
Notes payable	0	1,062,225	0	0	1,062,225
Total noncurrent liabilities	0	1,062,225	0	10,731	1,072,956
Total liabilities	80,912	1,149,729	16,059	51,650	1,298,350
NET POSITION					
Net investment in capital assets	63,541	2,724,313	0	1,693	2,789,547
Restricted for public safety	104,697	0	0	0	104,697
Restricted for capital outlay	0	288,361	0	0	288,361
Unrestricted	0	130,949	(2,133)	430,786	559,602
Total net position	$ 168,238	$ 3,143,623	$ (2,133)	$ 432,479	$ 3,742,207

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

HABERSHAM COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended June 30, 2014

	Mountain Judicial Circuit NCIS Team	Habersham County Development Authority	Habersham County Airport Authority	Habersham County Health Department	Totals
Expenses					
Public Safety	$ 349,823	$ 0	$ 0	$ 0	$ 349,823
Public Works	0	0	18,582	0	18,582
Health and Welfare	0	0	0	849,034	849,034
Housing and Development	0	122,000	0	0	122,000
Total expenses	349,823	122,000	18,582	849,034	1,339,439
Program revenues					
Charges for services	161,079	0	0	323,271	484,350
Operating grants and contributions	95,153	0	0	389,683	484,836
Total program revenues	256,232	0	0	712,954	969,186
Net (expense) revenue	(93,591)	(122,000)	(18,582)	(136,080)	(370,253)
General revenues					
Interest	0	45	0	0	45
Rental income	0	23,358	13,125	0	36,483
Payments from Habersham County	46,466	0	0	202,845	249,311
Miscellaneous	0	2,652	0	0	2,652
Total general revenues	46,466	26,055	13,125	202,845	288,491
Change in net position	(47,125)	(95,945)	(5,457)	66,765	(81,762)
Net position, July 1	215,363	3,239,568	3,324	365,714	3,823,969
Net position, June 30	$ 168,238	$ 3,143,623	$ (2,133)	$ 432,479	$ 3,742,207

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 services, including public safety, health and welfare services, recreational programs, public works, water distribution services and solid waste disposal services.

The County Government is governed by a five member Board of Commissioners (the Board). Each Commissioner represents one of five districts and must reside in the district they represent. Board members are elected at-large for a four year term.

The Board selects a County Manager to run the "day-to-day" operations of the County. The County Manager serves at the will of the Board as a contractual employee. The County Manager is the Chief Administrative Officer and the Budget Officer for the County.

The Assistant County Manager/Finance Director serves as the Chief Financial Officer (CFO) for the County. The County CFO is responsible for all County financial activity including accounting, reporting and treasury management. The CFO is a career service County employee and works directly for the County Manager.

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2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

2. Summary of Significant Accounting Policies (continued)

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.

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.

Mountain Judicial Circuit NCIS Team – The Mountain Judicial Circuit NCIS Team 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 NCIS Team is a coordinated effort involving Habersham and Stephens Counties. Habersham County is the fiscal agent for the federal grant funds from the Criminal Justice Coordinating Council. Separate financial statements are not issued for the NCIS Team.

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. Separate financial statements are not issued for the Authority.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Habersham County Airport Authority – The Authority exists for the establishment, maintenance, and operation of a unified and coordinated airport system in Habersham County. The Airport Authority'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. Separate financial statements are not issued for the Authority.

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.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has three discretely presented component units. While they are not considered to be major component units, they are nevertheless aggregated and shown in a separate column in the government-wide financial statements.

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

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

Special Purpose Local Option Sales Tax #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.

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.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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).

Debt Service Funds – This fund type is used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

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. Basis of Presentation – Fund Financial Statements, continued

Component Units

The Mountain Judicial Circuit NCIS Team, the Habersham County Development Authority, the Habersham County Airport 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.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

G. 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)

G. 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.

H. Cash and Investments

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

I. Intergovernmental Receivables

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

J. Prepaids

Payments made to vendors for services that will benefit periods beyond June 30, 2014 are recorded as prepaids.

2. Summary of Significant Accounting Policies (continued)

K. Capital Assets

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

GASB Statement No. 34 required the County to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical costs nor related depreciation had historically been reported in the financial statements. The County has previously implemented the requirements for retroactive reporting of major general infrastructure assets acquired in 1981 forward.

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)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

2. Summary of Significant Accounting Policies (continued)

N. Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

O. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds

Habersham County implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at June 30, 2014 by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation.

Committed – includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Commissioners (the County's highest level of authority) has authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance requires the passage of a resolution. The passage of the resolution must take place prior to the end of the applicable fiscal year. If the actual amount of the commitment is not available by the end of the fiscal year, the resolution must state the process or formula to calculate the actual amount as soon as information is available. Commitments may be changed or lifted only by the Board taking the same formal action that imposed the constraint originally.

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds (continued)

Assigned – includes amounts that are intended to be used by the County for a specific purpose. Intent can only be expressed by the Board of Commissioners or their designee. An assignment of fund balance requires the majority vote of the Board. However, the Board has authorized the County Finance Director to automatically assign fund balance in the following situations:

- If upon passage of a budget resolution, any fund balance is used to balance a future budget, the amount used will be automatically recorded as Assigned Fund Balance.
- If any unspent funds for an ongoing capital project remain at fiscal year end, these funds will be automatically recorded as Assigned Fund Balance until the project is complete.
- If any residual fund balance exists in a special revenue fund, they will be automatically recorded as Assigned Fund Balance.

The County Manager has determined that all equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that should report this category of fund balance.

The County will make every effort to use unassigned funds for the following purposes (listed in order of priority):

- To maintain the County's Rainy Day Fund at the prescribed level.
- To address unexpected revenue short-falls or expenditures encountered in the current fiscal year.
- To fund non-recurring capital expenditures. Unassigned fund balance will not be used to fund recurring expenditures or to compensate for structural budget deficits.

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds (continued)

The unassigned fund balance of the General Fund at the end of each fiscal year shall not be less than 17% of the following fiscal year's projected budgeted expenditures. Any proposed appropriation that would result in the balance of the fund falling below the minimum fund balance ratio must be accompanied by a restoration plan that brings the fund back to the minimum within three years.

When multiple categories of fund balance are available for expenditure, the County will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Q. Compensation for Future Absences

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

R. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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.

2. Summary of Significant Accounting Policies (continued)

R. Long-Term Obligations (continued)

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

S. Capital Contributions

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

T. 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 2013 amounts have been reclassified to conform to the 2014 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 follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

3. Deposit and Investment Risk (continued)

Interest Rate Risk

To achieve adequate liquidity within the County's portfolio, the County attempts to match investment maturities with anticipated cash flow requirements. Unless matched to a specific cash flow, the maximum maturity of any investment in the portfolio may not exceed two years from the date of acquisition by the County. In order to preserve liquidity and lessen market risk, not more than 25% of the total portfolio may mature more than two years beyond the date of calculation. No more than 25% of the total portfolio may mature more than one year beyond date of calculation, not inclusive of the two year rule. The maturity of non-negotiable time deposits may not exceed one year.

Concentration of Credit Risk

The County investment policy states that no more than 33% of the total investment portfolio shall be placed with a single issuer. This limitation does not apply to the Local Government Investment Pool or direct obligations of the United States Government.

Foreign currency risk

The County has no investments denominated in a foreign currency.

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 investment policy does not 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 AAAf 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.

3. Deposit and Investment Risk (continued)

Credit Risk (continued)

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 the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at June 30, 2014 was 62 days. At June 30, 2014, the County's balance in Georgia Fund 1 was $3,003,809.

At June 30, 2014, the County's investments in securities had the following maturities and credit ratings:

Investment Type	Fair Value	Maturity (in months)	Credit Rating (1)
Government Mutual Funds			
Nuveen Georgia Muni Bd Fd	$ 607,571	Open End	Various

(1) - Standard and Poor's

4. Accounts Receivable

Net accounts receivable at June 30, 2014 consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 16,662
SPLOST #4 Capital Projects Fund		2,446
Enterprise Funds		
Landfill	$ 132,771	
Less: Allowance for Uncollectibles	(1,598)	
Transit	57	131,230
Nonmajor Funds		
Emergency 911 Special Revenue Fund		131,248
Total primary government		$ 281,586
Component Units:		
Mountain Judicial Circuit NCIS Team		$ 503
Habersham County Health Department		56,312
Total component units		$ 56,815

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2014 consist of the following:

Major Funds		
General Fund		
City of Alto, Georgia	$ 20	
City of Clarkesville, Georgia	6,502	
City of Demorest, Georgia	167	
City of Tallullah Falls, Georgia	65	
Rabun County, Georgia	11,241	
Stephens County, Georgia	20,346	
Habersham County Board of Health	342	
Habersham County Medical Center	2,055	
Habersham County Airport Authority	15,230	
Mountain Judicial Circuit NCIS	24,562	
Mountain Judicial Circuit District Attorney's Office	5,719	
Legacy Link	1,632	
Criminal Justice Coordinating Council	72,474	
Council of Juvenile Court Judges of Georgia	800	
Georgia Department of Revenue	9,547	
Georgia Emergency Management Agency	7,635	
Georgia Governor's Office of Highway Safety	28,419	$ 206,756
SPLOST #4 Capital Projects Fund		
Georgia Department of Transportation		78,653
Transit Enterprise Fund		
Georgia Department of Transportation		7,702
Nonmajor Funds		
Drug Abuse Treatment Special Revenue Fund		
City of Clarkesville, Georgia	922	
City of Demorest, Georgia	365	1,287
Emergency 911 Special Revenue Fund		
City of Baldwin, Georgia	7,628	
City of Clarkesville, Georgia	9,368	
City of Cornelia, Georgia	4,319	
City of Demorest, Georgia	1,954	
City of Mount Airy, Georgia	1,112	
City of Tallulah Falls, Georgia	1,112	25,493
Total primary government		$ 319,891
Component Units		
Mountain Judicial Circuit NCIS Team		
Criminal Justice Coordinating Council		$ 28,644
Habersham County Airport Authority		
Habersham County Development Authority		8,450
Habersham County Health Department		
Georgia Department of Public Health		5,428
Total component units		$ 42,522

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 2013, based upon the assessments of January 1, 2013, were levied on August 1, 2013, billed on August 20, 2013, and due on December 20, 2013. 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, 2014 is as follows:

	Payable Fund				
	Major Funds			Nonmajor Funds	
Receivable Fund:	Water and Sewer	Landfill	Transit	Governmental	Total
Major Funds					
General	$ 57,575	$ 40,311	$ 12,064	$ 178,150	$ 288,100

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, 2014 is as follows:

	Transfers out:				
	Major Funds			Nonmajor Funds	
	General	SPLOST #4	Water and Sewer	Governmental	Total
Transfers in:					
Major Funds					
General	$ 0	$ 511,070	$ 68,003	$ 58,225	$ 637,298
SPLOST #5	0	0	0	229,789	229,789
Transit	23,207	0	0	0	23,207
Nonmajor Funds					
Governmental	1,281,258	0	0	0	1,281,258
Total	$ 1,304,465	$ 511,070	$ 68,003	$ 288,014	$ 2,171,552

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.

The transfer out of the SPLOST #4 Capital Projects Fund to the General Fund was to reimburse the General Fund for capital lease payments made by the General Fund in advance of the receipt of SPLOST #4 taxes. The lease agreements were executed after the SPLOST #4 referendum was approved and were for capital equipment to accomplish legitimate SPLOST #4 projects.

9. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2014 was as follows:

	Balance 6/30/13	Increases	Decreases	Balance 6/30/14
Governmental activities				
Non-depreciable assets				
Land	$ 5,337,697	$ 0	$ 0	$ 5,337,697
Construction in progress	16,395,632	4,005,042	(17,822,449)	2,578,225
Total non-depreciable assets	21,733,329	4,005,042	(17,822,449)	7,915,922
Depreciable assets				
Buildings	21,054,533	16,710,041	0	37,764,574
Land improvements	3,357,865	94,640	0	3,452,505
Machinery and equipment	2,653,866	247,256	0	2,901,122
Furniture and fixtures	2,538,120	65,000	0	2,603,120
Vehicles	8,197,412	61,594	(191,482)	8,067,524
Infrastructure	62,428,255	1,070,982	0	63,499,237
Total depreciable assets	100,230,051	18,249,513	(191,482)	118,288,082
Less accumulated depreciation				
Buildings	(8,915,251)	(609,135)	0	(9,524,386)
Land improvements	(1,437,436)	(210,448)	0	(1,647,884)
Machinery and equipment	(1,644,128)	(198,056)	0	(1,842,184)
Furniture and fixtures	(1,783,651)	(200,105)	0	(1,983,756)
Vehicles	(6,674,055)	(416,883)	191,482	(6,899,456)
Infrastructure	(52,081,513)	(580,340)	0	(52,661,853)
Total accumulated depreciation	(72,536,034)	(2,214,967)	191,482	(74,559,519)
Total depreciable assets, net	27,694,017	16,034,546	0	43,728,563
Governmental activities capital assets, net	$ 49,427,346	$ 20,039,588	$ (17,822,449)	$ 51,644,485
Business-type activities				
Non-depreciable assets				
Land	$ 665,702	$ 0	$ 0	$ 665,702
Total non-depreciable assets	665,702	0	0	665,702
Depreciable assets				
Buildings	33,365	0	0	33,365
Land improvements	7,816,939	0	0	7,816,939
Machinery and equipment	1,815,665	0	0	1,815,665
Vehicles	143,542	0	(32,665)	110,877
Total depreciable assets	9,809,511	0	(32,665)	9,776,846
Less accumulated depreciation				
Buildings	(9,350)	(1,001)	0	(10,351)
Land improvements	(4,585,753)	(301,113)	0	(4,886,866)
Machinery and equipment	(1,227,728)	(141,214)	0	(1,368,942)
Vehicles	(120,769)	(10,264)	32,665	(98,368)
Total accumulated depreciation	(5,943,600)	(453,592)	32,665	(6,364,527)
Total depreciable assets, net	3,865,911	(453,592)	0	3,412,319
Business-type activities capital assets, net	$ 4,531,613	$ (453,592)	$ 0	$ 4,078,021

9. Capital Assets (continued)

Capital asset activity for the discretely presented component units for the year ended June 30, 2014 was as follows:

	Balance 6/30/13	Increases	Decreases	Balance 6/30/14
Mountain Judicial Circuit NCIS Team				
Depreciable assets				
Vehicles	$ 83,009	$ 15,060	$ 0	$ 98,069
Equipment	7,345	0	0	7,345
Total depreciable assets	90,354	15,060	0	105,414
Less accumulated depreciation				
Vehicles	(20,800)	(15,535)	0	(36,335)
Equipment	(4,069)	(1,469)	0	(5,538)
Total accumulated depreciation	(24,869)	(17,004)	0	(41,873)
Mountain Judicial Circuit NCIS Team capital assets, net	$ 65,485	$ (1,944)	$ 0	$ 63,541
Habersham County Development Authority				
Non-depreciable assets				
Land	$ 2,451,034	$ 0	(31,965)	$ 2,419,069
Total non-depreciable assets	2,451,034	0	(31,965)	2,419,069
Depreciable assets				
Buildings	1,301,068	0	0	1,301,068
Land improvements	467,092	0	0	467,092
Machinery and equipment	20,000	0	0	20,000
Vehicles	24,036	0	0	24,036
Total depreciable assets	1,812,196	0	0	1,812,196
Less accumulated depreciation				
Buildings	(198,788)	(32,527)	0	(231,315)
Land improvements	(112,995)	(15,570)	0	(128,565)
Machinery and equipment	(395)	(1,333)	0	(1,728)
Vehicles	(276)	(4,807)	0	(5,083)
Total accumulated depreciation	(312,454)	(54,237)	0	(366,691)
Total depreciable assets, net	1,499,742	(54,237)	0	1,445,505
Habersham County Development Authority capital assets, net	$ 3,950,776	$ (54,237)	$ (31,965)	$ 3,864,574
Habersham County Health Department				
Depreciable assets				
Equipment	$ 22,578	$ 0	$ 0	$ 22,578
Total depreciable assets	22,578	0	0	22,578
Less accumulated depreciation				
Equipment	(18,627)	(2,258)	0	(20,885)
Total accumulated depreciation	(18,627)	(2,258)	0	(20,885)
Habersham County Health Department capital assets, net	$ 3,951	$ (2,258)	$ 0	$ 1,693

9. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 209,395
Judicial	12,224
Public Safety	626,406
Public Works	666,858
Health and Welfare	70,886
Culture and Recreation	353,404
Housing and Development	275,794
Total for governmental activities	$ 2,214,967
Business-type activities	
Landfill	$ 444,552
Transit	9,040
Total for business-type activities	$ 453,592
Discretely presented component units	
Mountain Judicial Circuit NCIS Team	$ 17,004
Habersham County Development Authority	54,237
Habersham County Health Department	2,258
Total for discretely presented component units	$ 73,499

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, 2014 are $70,122 and $179,755 for governmental and business-type activities, respectively. Total assets leased under capital leases are $81,192 and $310,346 for governmental and business-type activities, respectively, consisting of machinery and equipment.

Amortization of leased equipment under capital leases is included with depreciation expense.

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, 2014:

Year Ending June 30,	Governmental activities	Business-type activities
2015	$ 18,123	$ 0
2016	18,123	186,030
2017	18,123	0
2018	18,123	0
2019	4,532	0
Total minimum lease payments	77,024	186,030
Less amounts representing interest	(6,902)	(6,275)
Present value of minimum lease payments	$ 70,122	$ 179,755

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

Contracts Payable

Hospital Authority of Habersham County Taxable Revenue Anticipation Bond, Series 2013

The County entered into an intergovernmental contract dated December 1, 2013 with the Hospital Authority of Habersham County (Authority) to pay to the Authority amounts sufficient to enable the Authority to pay the debt service on the Series 2013 Bond. The bond provides for advances to the County through January 1, 2016. The proceeds are used by the County to (a) pay debt service on the Authority's outstanding Revenue Anticipation Certificates, Series 2005 and Series 2007 and/or the costs of operating the Habersham Medical Center and (b) pay all or a portion of the costs of issuing the bond. The bond calls for quarterly interest only payments commencing April 1, 2014 through January 1, 2016. Beginning April 1, 2016, equal quarterly payments are required in an amount that would amortize the principal and interest over five years. The interest rate on the bond is 2.45%. At June 30, 2014, the balance of this contract payable is $1,963,027.

Based on total advances to date at June 30, 2014, annual debt service requirements for contracts payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	$ 0	$ 36,807	$ 36,807
2016	92,551	48,192	140,743
2017	375,919	42,478	418,397
2018	385,234	33,163	418,397
2019	1,109,323	18,621	1,127,944
	$ 1,963,027	$ 179,261	$ 2,142,288

Notes Payable

Habersham County Development Authority Component Unit

The Authority entered into a lending agreement with a bank for the construction of a building in the industrial park in the original amount of $1,201,644. At June 30, 2014, the balance of this note is $899,399. The note requires monthly payments of $7,490 with all unpaid principal and interest due on August 20, 2018; interest at 3.25%.

11. Long-Term Debt (continued)

Notes Payable (continued)

The Authority entered into a lending agreement with a bank for the purchase of land in the original amount of $656,823. At June 30, 2014, the balance of this note is $240,862. The note requires monthly payments of $2,005 with all unpaid principal and interest due on August 20, 2018; interest at 3.25%.

Annual debt service requirements for notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	$ 78,036	$ 35,903	$ 113,939
2016	80,610	33,329	113,939
2017	83,270	30,669	113,939
2018	86,016	27,923	113,939
2019	812,329	4,380	816,709
	$ 1,140,261	$ 132,204	$ 1,272,465

General Obligation Bonds

General obligation bonds have been issued for governmental activities and are comprised of the following individual issue at June 30, 2014:

- $10,000,000 General Obligation Bonds, Series 2010 - bonds due in annual principal payments on July 1 with semi-annual interest payments (1.47%) due on January 1 and July 1. The bonds are used for the construction of the Habersham County Judicial Center.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	$ 2,505,000	$ 36,823	$ 2,541,823

11. Long-Term Debt (continued)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the County for the fiscal year ending June 30, 2014:

	Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014	Due Within One Year
Governmental activities					
Guarantee obligation	$ 1,873,051	$ 0	$ 1,598,090	$ 274,961	$ 274,961
Capital leases payable	2,021,346	81,192	2,032,416	70,122	15,340
Contracts payable	0	1,963,027	0	1,963,027	0
Bonds payable	4,915,000	0	2,410,000	2,505,000	2,505,000
Compensated absences	577,269	656,682	577,269	656,682	656,682
Total governmental activities	$ 9,386,666	$ 2,700,901	$ 6,617,775	$ 5,469,792	$ 3,451,983
Business-type activities					
Capital leases payable	$ 222,870	$ 0	$ 43,115	$ 179,755	$ 0
Landfill post-closure care costs	2,817,123	119,699	0	2,936,822	0
Compensated absences	36,223	25,639	36,223	25,639	25,639
	$ 3,076,216	$ 145,338	$ 79,338	$ 3,142,216	$ 25,639
Habersham County Development Authority Component Unit					
Notes payable	$ 1,203,305	$ 0	$ 63,044	$ 1,140,261	$ 78,036
Habersham County Health Department Component Unit					
Compensated absences	$ 47,555	$ 33,806	$ 35,630	$ 45,731	$ 35,000

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. The total interest incurred and charged to expense for the fiscal year ended June 30, 2014 was $135,055 for governmental activities, $6,915 for business-type activities, and $43,280 for the Habersham County Development Authority Component Unit.

Beginning balances have been restated to increase the guarantee obligation in the governmental activities. See Note 18 for restatement. See note 21 for more detail on the guarantee obligation.

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 $2,936,822 as of June 30, 2014, which is based on 42.4% usage (filled) of the landfill. It is estimated that an additional $3,991,488 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 (2072).

The estimated total current cost of the landfill closure and post-closure care ($119,699) 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, 2014. 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. 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 annual compensation multiplied by the participant's total number of years of service. County Commissioners receive a benefit equal to $30 per month multiplied by years of service. The Plan also provides benefits in the event of death or disability. These benefit provisions and powers to amend the plan were established by a resolution executed by the County Board of Commissioners.

13. Pension Plan (continued)

Plan Description and Contribution Information, continued

Current membership and current year payrolls are as follows:

Retirees and beneficiaries currently receiving benefits	30
Terminated vested participants entitled to but not yet receiving benefits	164
Active participants	201
Disabled participants currently receiving benefits	2
Total number of participants	397

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 6.0% 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, 2013. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	7.75%
Projected salary increases due to:	
Inflation	3.0%
Merit	1.0% - 3.5%
Post-retirement benefit increases	none
Life expectancy before and after retirement (Group Annuity Mortality table)	1983

13. 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, 2013 varies for the bases.

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

Annual required contribution (ARC)	$ 419,997
Interest on net pension obligation	(8,331)
Adjustment to ARC	8,914
Annual pension cost	420,580
Contributions made	437,948
Increase (decrease) in net pension obligation	(17,368)
Net pension obligation (asset) - beginning of year	(107,497)
Net pension obligation (asset) - end of year	$ (124,865)

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
12/31/2008	$ 306,717	92%	$ 2,818
12/31/2009	344,267	110%	(32,574)
12/31/2010	313,965	108%	(58,950)
12/31/2011	387,956	107%	(86,065)
12/31/2012	395,755	105%	(107,497)
12/31/2013	420,580	104%	(124,865)

13. Pension Plan (continued)

Historical Trend Information (continued)

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)
1/1/2008	$ 3,214,496	$ 4,164,160	$ 949,664	77.2%	$ 5,749,435	16.5%
1/1/2009	3,679,149	4,799,409	1,120,260	76.7%	6,179,412	18.1%
1/1/2010	4,050,012	5,059,493	1,009,481	80.0%	5,245,355	19.2%
1/1/2011	4,452,155	5,626,567	1,174,412	79.1%	6,639,375	17.7%
1/1/2012	4,930,759	6,008,101	1,077,342	82.1%	6,823,151	15.8%
1/1/2013	5,701,973	6,479,481	777,508	88.0%	6,985,026	11.1%

14. Deferred Compensation Plans

The County has established a Defined Contribution Plan for the County Manager. The Plan was created under Internal Revenue Code Sections 457 and 401(a), and is administered by the Government Employees Benefits Corporation (GEBCorp) of Georgia, an independent third party. Under the terms of the Plan, the County Manager may defer a maximum of 25% of his/her salary through voluntary contributions to the Plan, up to the maximum allowed by federal law.

The County will contribute 200% of the County Manager's contributions per year with a maximum annual matching contribution of 10% of his/her salary. County contributions are paid into the Plans at the end of each payroll period. During the fiscal year ended June 30, 2014, the County contributed $9,209 to the Plans. The County Manager made voluntary contributions of $4,575.

The County provides retirement benefits for its other employees through a deferred compensation, defined contribution plan. The Plan was created under Internal Revenue Code Sections 457 and 401(a), and is administered by the Government Employees Benefits Corporation (GEBCorp) of Georgia, an independent third party. Under the terms of the Plan, employees may defer a maximum of 25% of their salary through voluntary contributions to the Plan, up to the maximum allowed by federal law.

14. Deferred Compensation Plans (continued)

The County will contribute 50% of the employee's contributions per year with a maximum annual matching contribution of 1% of the employee's salary. County contributions are paid into the Plan at the end of each payroll period. During the fiscal year ended June 30, 2014, the County contributed $47,701 to the Plan. Plan members made voluntary contributions of $103,178.

Funds are vested 100% at the time of contribution. Amounts held in the Plans are not available to the employees until termination, retirement, death, or unforeseeable emergency. The County has no fiduciary relationship with the Plans, and Plan assets are not available to the County or its general creditors. The Plan assets are held in trust by the administrators for the exclusive benefit of the participants of the Plans. The County may change the contribution requirements by resolution.

15. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the fiscal year ending June 30, 2014 follows:

Lodging tax receipts	$	45,622	
Disbursements for tourism and trade	$	18,249	40%

16. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the year ended June 30, 2014, the County paid $34,013 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, Georgia 30501.

17. Restricted, Committed, and Assigned Fund Balances

The following is a summary of restricted, committed, and assigned fund balances of the governmental funds for the fiscal year ended June 30, 2014:

	General	SPLOST #4	SPLOST #5	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:					
Judicial					
Juvenile supervision	$ 7,426	$ 0	$ 0	$ 0	$ 7,426
Indigent defense	10,159	0	0	0	10,159
Law library operations	0	0	0	175,487	175,487
Drug programs	0	0	0	40,601	40,601
Public Safety					
Sheriff facilities and equipment	20,789	0	0	18,549	39,338
Capital projects	0	885,004	5,642,809	0	6,527,813
	$ 38,374	$ 885,004	$ 5,642,809	$ 234,637	$ 6,800,824
Assigned to:					
Public Safety					
Emergency 911 operations	$ 0	$ 0	$ 0	$ 190,103	$ 190,103
Capital projects	0	0	0	39,747	39,747
	$ 0	$ 0	$ 0	$ 229,850	$ 229,850

At June 30, 2014, the Mountain Judicial Circuit NCIS Team Component Unit fund balance consists of $104,697 restricted for drug task force facilities, equipment, and operations. At June 30, 2014, the Habersham County Development Authority fund balance consists of $288,361 restricted for capital projects, $28,405 assigned to development authority operations, and $103,562 assigned to the subsequent year's budget.

18. Changes in Beginning Balances

Governmental Activities

Beginning balances have been restated for 2013 to record a guarantee obligation. This adjustment was required with the implementation of GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* See Note 21 for additional details regarding the nonexchange financial guarantee. This adjustment decreased beginning net position of the governmental activities by $1,873,051.

19. Deficit Equity Balances

At June 30, 2014, the Jail Special Revenue Fund has a deficit fund balance of $39,367. This is due to the payment of services in anticipation of future fines, fees, and forfeitures. The County plans to liquidate this deficit fund balance through future revenue recognition.

At June 30, 2014, the Habersham County Airport Authority Enterprise Fund has a deficit net position of $2,133. This is due to the payment of services in anticipation of future revenues. The County plans to liquidate this deficit net position through future revenue recognition.

20. Risk Financing Activities

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

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

20. Risk Financing Activities (continued)

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, 2014, the County has no losses that are probable or estimable and accordingly has not recognized any liability.

21. Nonexchange Financial Guarantee

The County entered into a contract with the Hospital Authority of Habersham County dated December 1, 1978 and last amended on June 1, 2007. The June 1, 2007 amendment stated if the Authority is unable to pay the principal and interest on its Series 2005 and Series 2007 Certificates, the County will pay to the Authority the amount of such insufficiency. The contract also provides that additional payments will be made to the Authority by the County as may be necessary from time to time to assure the continued operation, maintenance, and repair of the Hospital during the term of the contract. The certificates mature annually through December 1, 2027, with semiannual interest payments. As of June 30, 2014, the total outstanding principal balance of the certificates is $35,210,311. The contract will remain in effect until such time as all certificates have been paid, but in no event will the term of the contract exceed 40 years.

Due to economic conditions, it is unlikely that the Authority will be able to make the required payments on the certificates. As a result, in fiscal year 2014, the County began making a portion of the required certificate payments. The certificates were refinanced in July 2014 and the County entered into a new contract with the Hospital Authority. See Note 23 for additional information regarding the subsequent refinancing. At June 30, 2013, the County recognized a liability and expense in the amount of $1,873,051 for an amount that is the County's best estimate of the discounted present value of the future outflows the County expects to incur as a result of the guarantee.

During fiscal year 2014, the County paid $1,598,090 in principal and interest on the guarantee obligation. The following is a summary of changes in the liability recognized for the nonexchange financial guarantee for the fiscal year ending June 30, 2014:

Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014	Due Within One Year
$ 1,873,051	$ 0	$ 1,598,090	$ 274,961	$ 274,961

The County does not expect to recover any payments it makes on the Authority's guaranteed debt.

22. 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 is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The County's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

Commitments

The County has active construction projects as of June 30, 2014. At fiscal year end, the County's commitments with contractors are as follows:

Project	Amount Spent to Date	Remaining Commitment
Relocation of Runway Drive	$ 334,726	$ 16,106

23. Subsequent Events

The County entered into an Installment Sale Agreement, dated as of July 1, 2014 (the "Contract"), with the Hospital Authority of Habersham County. Under the Contract, the Authority has agreed to, among other things, (a) issue the Series 2014 Bonds, (b) refund the Refunded Bonds and prepay the outstanding principal balance of the Series 2013 Bond, (c) sell the real property (the "Real Property") relating to the Medical Center to the County and (d) operate the Medical Center and provide emergency indigent care to the residents of the County, and the County has agreed to, among other things, (a) acquire the Real Property from the Authority, (b) pay the Authority amounts sufficient to pay the debt service on the Series 2014 Bonds (the "Contract Payments") and certain other amounts and (c) to the extent necessary, levy an ad valorem property tax, within the seven mill limitation prescribed by O.C.G.A. Section 31-7-84, as amended (the "Tax Act") (or such greater millage as may hereafter be prescribed by applicable law), on all property in the County subject to taxation for such purposes in order to make the Contract Payments. The proceeds from the sale of the Series 2014A Bonds will be used for the purpose of (a) refunding a portion of the Authority's Revenue Anticipation Certificates, Series 2007 (the "Series 2007 Bonds") and (b) paying the costs of issuing the Series 2014A Bonds. The proceeds from the sale of the Series 2014B Bonds will be used for the purpose of (a) refunding a portion of the Series 2007 Bonds and (b) paying the costs of issuing the Series 2014B Bonds. The proceeds from the sale of the Series 2014C Bonds will be used for the purpose of (a) refunding the Authority's Revenue Anticipation Certificates, Series 2005 (the "Series 2005 Bonds" and together with the Series 2007 Bonds, the "Refunded Bonds"), (b) prepaying the outstanding principal balance of the Authority's Taxable Revenue Anticipation Certificate, Series 2013 (the "Series 2013 Bond") and (c) paying the costs of issuing the Series 2014C Bonds. These bonds were issued on July 17, 2014.

With the issuance of the above bonds and the intergovernmental contract with the County, the guarantee liability disclosed in note 21 was relieved and the debt became a direct obligation of the County as a contracts payable in July 2014.

COMBINING STATEMENTS

Nonmajor Governmental Funds

HABERSHAM COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	Special Revenue			
	Jail	**Emergency 911**	**Hotel/Motel Tax**	**Law Library**
ASSETS				
Cash and cash equivalents	$ 3,809	$ 201,636	$ 0	$ 69,737
Certificates of deposit	0	0	0	105,750
Receivables				
Accounts (net)	0	131,248	0	0
Intergovernmental	0	25,493	0	0
Total assets	$ 3,809	$ 358,377	$ 0	$ 175,487
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 0	$ 10,622	$ 0	$ 0
Intergovernmental payable	0	30	0	0
Accrued salaries and expenses	0	22,648	0	0
Due to other funds	43,176	134,974	0	0
Total liabilities	43,176	168,274	0	0
Fund balances				
Restricted for:				
Judicial	0	0	0	175,487
Public safety	0	0	0	0
Assigned to:				
Public safety	0	190,103	0	0
Capital outlay	0	0	0	0
Unassigned	(39,367)	0	0	0
Total fund balances	(39,367)	190,103	0	175,487
Total liabilities and fund balances	$ 3,809	$ 358,377	$ 0	$ 175,487

Special Revenue		Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Drug Abuse Treatment	Inmate Welfare	SPLOST Debt Service Fund	Capital Improvements	
$ 39,314	$ 18,549	$ 0	$ 39,747	$ 372,792
0	0	0	0	105,750
0	0	0	0	131,248
1,287	0	0	0	26,780
$ 40,601	$ 18,549	$ 0	$ 39,747	$ 636,570
$ 0	$ 0	$ 0	$ 0	$ 10,622
0	0	0	0	30
0	0	0	0	22,648
0	0	0	0	178,150
0	0	0	0	211,450
40,601	0	0	0	216,088
0	18,549	0	0	18,549
0	0	0	0	190,103
0	0	0	39,747	39,747
0	0	0	0	(39,367)
40,601	18,549	0	39,747	425,120
$ 40,601	$ 18,549	$ 0	$ 39,747	$ 636,570

HABERSHAM COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2014

	Special Revenue			
	Jail	**Emergency 911**	**Hotel/Motel Tax**	**Law Library**
REVENUES				
Taxes	$ 0	$ 0	$ 45,622	$ 0
Fines, fees, and forfeitures	48,585	0	0	23,114
Charges for services	0	742,796	0	0
Intergovernmental	0	25,353	0	0
Interest	0	35	0	3,481
Other	0	511	0	0
Total revenues	48,585	768,695	45,622	26,595
EXPENDITURES				
Current				
Judicial	0	0	0	13,635
Public safety	0	1,307,580	0	0
Housing and development	0	0	18,249	0
Capital outlay	0	0	0	0
Debt service				
Principal	0	0	0	0
Interest	0	0	0	0
Total expenditures	0	1,307,580	18,249	13,635
Excess (deficiency) of revenues over (under) expenditures	48,585	(538,885)	27,373	12,960
Other financing sources (uses)				
Transfers in	0	539,517	0	0
Transfers out	0	0	(27,373)	(229,789)
Issuance of capital leases	0	81,192	0	0
Total other financing sources (uses)	0	620,709	(27,373)	(229,789)
Net change in fund balance	48,585	81,824	0	(216,829)
Fund balances, July 1	(87,952)	108,279	0	392,316
Fund balances, June 30	$ (39,367)	$ 190,103	$ 0	$ 175,487

Special Revenue		Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Drug Abuse Treatment	Inmate Welfare	SPLOST Debt Service Fund	Capital Improvements	
$ 0	$ 0	$ 505,427	$ 0	$ 551,049
33,821	0	0	0	105,520
0	92,703	0	0	835,499
0	0	0	0	25,353
0	0	0	40	3,556
0	0	0	0	511
33,821	92,703	505,427	40	1,521,488
0	0	0	0	13,635
0	79,950	0	0	1,387,530
0	0	0	0	18,249
0	0	0	888,467	888,467
0	0	2,410,000	0	2,410,000
0	0	72,250	0	72,250
0	79,950	2,482,250	888,467	4,790,131
33,821	12,753	(1,976,823)	(888,427)	(3,268,643)
0	0	0	741,741	1,281,258
(30,852)	0	0	0	(288,014)
0	0	0	0	81,192
(30,852)	0	0	741,741	1,074,436
2,969	12,753	(1,976,823)	(146,686)	(2,194,207)
37,632	5,796	1,976,823	186,433	2,619,327
$ 40,601	$ 18,549	$ 0	$ 39,747	$ 425,120

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GENERAL FUND

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

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 4,035,568	$ 4,107,279
Investments	607,571	578,571
Receivables (net)		
Accounts	16,662	10,551
Intergovernmental	206,756	191,489
Taxes	303,686	273,998
Prepaids	559,336	375,540
Due from other funds	288,100	353,348
Restricted Assets		
Cash and cash equivalents	38,374	21,649
Total assets	$ 6,056,053	$ 5,912,425
LIABILITIES AND FUND BALANCES		
Liabilities		
Payables		
Accounts	$ 204,476	$ 743,270
Intergovernmental	134,792	107,910
Excess taxes	189,080	189,080
Accrued salaries and expenses	287,497	272,356
Unearned revenue	510,233	200,000
Due to other funds	0	131,094
Total liabilities	1,326,078	1,643,710
Deferred Inflows of Resources		
Unavailable revenue - property taxes	25,131	18,833
Fund balances		
Nonspendable:		
Prepaids	559,336	375,540
Restricted for judicial	17,585	15,307
Restricted for public safety	20,789	6,342
Assigned to subsequent year's budget	0	485,826
Unassigned	4,107,134	3,366,867
Total fund balances	4,704,844	4,249,882
Total liabilities, deferred inflows, and fund balances	$ 6,056,053	$ 5,912,425

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2014 and 2013

	2014	2013
REVENUES		
Taxes	$ 14,823,524	$ 13,752,392
Licenses and permits	66,970	62,878
Fines, fees and forfeitures	1,048,630	1,001,656
Charges for services	1,165,821	912,233
Intergovernmental	1,371,497	1,090,943
Interest	45,735	18,772
Contributions	27,774	17,621
Other	176,844	122,678
Total revenues	18,726,795	16,979,173
EXPENDITURES		
Current		
General Government	3,571,071	3,599,922
Judicial	3,017,834	2,783,979
Public Safety	6,999,773	6,610,453
Public Works	1,885,637	1,695,450
Health and Welfare	2,415,173	457,260
Culture and Recreation	1,124,604	1,058,099
Housing and Development	541,158	543,628
Debt Service		
Health and Welfare	16,243	0
Total expenditures	19,571,493	16,748,791
Excess (deficiency) of revenues over (under) expenditures	(844,698)	230,382
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Tax Fund	27,373	24,704
Landfill Fund	0	84,550
E911 Fund	(539,517)	(722,529)
Drug Abuse Treatment Fund	30,852	89,623
SPLOST 4 Fund	511,070	(131,094)
Capital Improvements Fund	(741,741)	(708,190)
Water and Sewer Fund	68,003	22,635
Transit Fund	(23,207)	(17,900)
Issuance of contracts payable	1,963,027	0
Proceeds from the sale of assets	3,800	9,100
Total other financing sources (uses)	1,299,660	(1,349,101)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	454,962	(1,118,719)
Fund balances, July 1	4,249,882	5,368,601
Fund balances, June 30	$ 4,704,844	$ 4,249,882

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current and prior year levies	$ 10,978,239	$ 10,978,239	$ 0	$ 10,311,043
Motor vehicle tax	1,329,651	1,329,651	0	1,035,568
Mobile home tax	126,196	126,196	0	105,496
Timber tax	9,800	576	(9,224)	505
Cost, penalties, and interest	113,692	113,692	0	110,747
Total general property taxes	12,557,578	12,548,354	(9,224)	11,563,359
Intangibles tax	200,269	169,992	(30,277)	204,297
Real estate transfer tax	32,604	33,928	1,324	33,613
Franchise tax	103,266	103,265	(1)	81,442
Insurance premium tax	1,428,089	1,428,089	0	1,374,035
Alcohol excise tax	421,707	410,926	(10,781)	374,343
Occupational tax	114,020	119,996	5,976	113,041
Other	8,974	8,974	0	8,262
Total taxes	14,866,507	14,823,524	(42,983)	13,752,392
Licenses and permits				
Building permits	70,000	59,540	(10,460)	60,369
Other permits	2,200	7,430	5,230	2,509
Total licenses and permits	72,200	66,970	(5,230)	62,878
Fines, fees and forfeitures	1,111,949	1,048,630	(63,319)	1,001,656
Charges for Services				
Sheriff services	66,000	36,588	(29,412)	60,833
Prisoner board	40,964	40,964	0	31,726
Recreation fees	366,319	387,941	21,622	266,079
Collection commissions	598,000	539,933	(58,067)	477,064
Other charges for services	164,102	160,395	(3,707)	76,531
Total charges for services	1,235,385	1,165,821	(69,564)	912,233
Intergovernmental	1,562,324	1,371,497	(190,827)	1,090,943
Interest	45,603	45,735	132	18,772
Contributions	13,700	27,774	14,074	17,621
Other				
Rental Income	72,765	66,295	(6,470)	44,140
Miscellaneous	192,522	110,549	(81,973)	78,538
Total other	265,287	176,844	(88,443)	122,678
Total revenues	$ 19,172,955	$ 18,726,795	$ (446,160)	$ 16,979,173

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
County-Wide				
Personal services	$ 110,000	$ 62,081	$ 47,919	$ 71,647
Contract services	590,165	558,280	31,885	682,488
Materials and supplies	500	10,649	(10,149)	4,054
Total County-Wide	700,665	631,010	69,655	758,189
Commissioners				
Personal services	104,717	104,595	122	102,932
Contract services	68,182	75,539	(7,357)	76,084
Materials and supplies	22,000	14,625	7,375	11,621
Payments to other agencies	327,498	327,497	1	300,478
Total Commissioners	522,397	522,256	141	491,115
County Manager				
Personal services	161,152	155,250	5,902	99,262
Contract services	7,450	4,711	2,739	6,417
Materials and supplies	2,000	2,038	(38)	1,698
Total County Manager	170,602	161,999	8,603	107,377
County Finance				
Personal services	226,910	212,805	14,105	201,069
Contract services	4,300	3,142	1,158	4,621
Materials and supplies	0	0	0	3,116
Total County Finance	231,210	215,947	15,263	208,806
County Human Resources				
Personal services	77,605	75,646	1,959	76,338
Contract services	3,625	3,197	428	2,013
Materials and supplies	300	781	(481)	248
Total County Human Resources	81,530	79,624	1,906	78,599
Tax Commissioner				
Personal services	291,535	286,660	4,875	273,313
Contract services	54,543	53,994	549	52,160
Materials and supplies	3,800	3,801	(1)	5,220
Total Tax Commissioner	349,878	344,455	5,423	330,693
Tax Assessor				
Personal services	401,687	372,192	29,495	392,694
Contract services	86,246	87,931	(1,685)	96,491
Materials and supplies	5,950	4,265	1,685	5,636
Total Tax Assessor	493,883	464,388	29,495	494,821
Board of Equalization				
Contract services	4,850	1,430	3,420	2,229
Materials and supplies	300	293	7	35
Total Board of Equalization	5,150	1,723	3,427	2,264

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
General Government (continued)				
County Clerk				
Personal services	$ 47,397	$ 47,398	$ (1)	$ 49,994
Contract services	2,825	1,732	1,093	2,427
Materials and supplies	500	79	421	366
Total County Clerk	50,722	49,209	1,513	52,787
Engineer				
Personal services	155,449	150,039	5,410	135,753
Contract services	2,300	1,680	620	1,331
Materials and supplies	400	130	270	102
Total Engineer	158,149	151,849	6,300	137,186
Registrar				
Personal services	97,080	93,736	3,344	81,565
Contract services	25,226	24,562	664	34,838
Materials and supplies	12,000	12,665	(665)	23,480
Total Registrar	134,306	130,963	3,343	139,883
Buildings and Grounds				
Personal services	273,187	260,922	12,265	235,153
Contract services	121,710	130,653	(8,943)	122,357
Materials and supplies	104,726	91,331	13,395	100,095
Total Buildings and Grounds	499,623	482,906	16,717	457,605
County Annex				
Contract services	100,717	102,661	(1,944)	95,279
Materials and supplies	43,860	41,203	2,657	41,317
Total County Annex	144,577	143,864	713	136,596
Information Technology				
Personal services	117,559	117,558	1	116,055
Contract services	55,039	55,019	20	64,266
Materials and supplies	20,000	18,301	1,699	23,680
Total Information Technology	192,598	190,878	1,720	204,001
Total General Government	3,735,290	3,571,071	164,219	3,599,922
Judicial				
Judicial Facility				
Personal services	11	11	0	0
Contract services	23,813	9,912	13,901	0
Materials and supplies	70,078	70,359	(281)	0
Total Judicial Facility	93,902	80,282	13,620	0

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
Judicial (continued)				
Accountability Court				
Personal services	$ 74,394	$ 68,693	$ 5,701	$ 40,528
Contract services	155,535	153,386	2,149	99,276
Materials and supplies	20,554	14,308	6,246	15,972
Payments to other agencies	0	6,527	(6,527)	12,714
Total Accountability Court	250,483	242,914	7,569	168,490
Probate Court				
Personal services	154,034	153,090	944	131,142
Contract services	32,588	33,473	(885)	27,662
Materials and supplies	12,750	12,461	289	15,386
Total Probate Court	199,372	199,024	348	174,190
Magistrate Court				
Personal services	367,930	364,618	3,312	361,462
Contract services	33,840	34,622	(782)	32,568
Materials and supplies	13,100	12,316	784	17,512
Total Magistrate Court	414,870	411,556	3,314	411,542
Clerk of Superior Court				
Personal services	467,006	456,271	10,735	450,246
Contract services	70,248	70,394	(146)	84,268
Materials and supplies	17,852	17,314	538	27,972
Capital outlay	50,000	50,000	0	0
Total Clerk of Superior Court	605,106	593,979	11,127	562,486
Superior Court				
Personal services	145,137	145,136	1	141,403
Contract services	69,839	70,341	(502)	67,099
Materials and supplies	3,000	2,498	502	2,718
Total Superior Court	217,976	217,975	1	211,220
District Attorney				
Personal services	36,725	36,724	1	38,699
Contract services	100,344	102,657	(2,313)	71,226
Materials and supplies	10,600	8,288	2,312	11,148
Payments to other agencies	68,020	68,020	0	66,793
Total District Attorney	215,689	215,689	0	187,866
Public Defender				
Personal services	49,539	49,538	1	48,314
Contract services	345,565	337,768	7,797	348,295
Materials and supplies	13,044	13,131	(87)	12,745
Total Public Defender	408,148	400,437	7,711	409,354
State Court Judge				
Personal services	157,992	154,663	3,329	162,127
Contract services	88,920	78,480	10,440	84,790
Materials and supplies	9,400	10,000	(600)	10,350
Total State Court Judge	256,312	243,143	13,169	257,267

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
Judicial (continued)				
Juvenile Court				
Personnel services	$ 192,415	$ 184,942	$ 7,473	$ 171,125
Contract services	76,976	76,844	132	76,475
Materials and supplies	3,004	3,004	0	1,536
Total Juvenile Court	272,395	264,790	7,605	249,136
Juvenile Supervision				
Contract services	8,000	3,714	4,286	2,395
State Court Solicitor				
Personal services	144,856	134,831	10,025	140,533
Materials and supplies	9,500	9,500	0	9,500
Total State Court Solicitor	154,356	144,331	10,025	150,033
Total Judicial	3,096,609	3,017,834	78,775	2,783,979
Public Safety				
Sheriff				
Personal services	2,201,437	2,196,986	4,451	1,942,661
Contract services	199,826	201,339	(1,513)	216,386
Materials and supplies	388,001	386,489	1,512	334,073
Capital Outlay	0	0	0	57,530
Total Sheriff	2,789,264	2,784,814	4,450	2,550,650
Jail				
Personal services	1,397,643	1,397,642	1	1,407,391
Contract services	647,950	635,338	12,612	460,440
Materials and supplies	123,639	136,253	(12,614)	134,185
Total Jail	2,169,232	2,169,233	(1)	2,002,016
Heat Unit				
Personal services	45,666	45,659	7	50,460
Contract services	4,300	40	4,260	1,010
Materials and supplies	20,960	15,910	5,050	14,988
Capital Outlay	0	0	0	74,652
Total Heat Unit	70,926	61,609	9,317	141,110
Animal Control				
Personal services	154,508	146,950	7,558	149,134
Contract services	71,002	63,991	7,011	54,633
Materials and supplies	37,293	44,305	(7,012)	39,442
Total Animal Control	262,803	255,246	7,557	243,209
Coroner				
Personal services	12,047	10,117	1,930	10,824
Contract services	11,625	7,297	4,328	12,300
Materials and supplies	2,250	2,162	88	1,196
Total Coroner	25,922	19,576	6,346	24,320

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
Public Safety (continued)				
Fire				
Personal services	$ 931,435	$ 887,978	$ 43,457	$ 915,361
Contract services	53,278	64,251	(10,973)	88,361
Materials and supplies	144,500	131,168	13,332	129,882
Total Fire	1,129,213	1,083,397	45,816	1,133,604
Emergency Management Agency				
Personal services	37,462	36,115	1,347	37,577
Contract services	42,987	40,794	2,193	57,840
Materials and supplies	9,500	10,334	(834)	18,480
Total Emergency Management Agency	89,949	87,243	2,706	113,897
Ambulance				
Contract services	53,728	38,245	15,483	43,161
Materials and supplies	125,680	130,479	(4,799)	143,368
Payments to other agencies	400,400	341,870	58,530	195,094
Total Ambulance	579,808	510,594	69,214	381,623
Northeast Georgia Drug Task Force				
Payments to other agencies	28,061	28,061	0	20,024
Total Public Safety	7,145,178	6,999,773	145,405	6,610,453
Public Works				
Fleet				
Personal services	248,171	228,055	20,116	0
Contract services	16,340	2,964	13,376	0
Materials and supplies	47,800	32,836	14,964	0
Total Fleet	312,311	263,855	48,456	0
Road Department				
Personal services	1,072,403	976,216	96,187	1,245,865
Contract services	151,573	123,594	27,979	118,074
Materials and supplies	297,666	317,700	(20,034)	331,511
Capital outlay	200,000	201,058	(1,058)	0
Total Road Department	1,721,642	1,618,568	103,074	1,695,450
Water and Sewer Authority				
Contract services	5,400	3,214	2,186	0
Materials and supplies	100	0	100	0
Total Water and Sewer Authority	5,500	3,214	2,286	0
Total Public Works	2,039,453	1,885,637	153,816	1,695,450
Health and Welfare				
Georgia Mountains Community Mental Health				
Payments to other agencies	25,259	25,259	0	25,259

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
Health and Welfare (continued)				
Habersham County Hospital Authority				
Payments to other agencies	$ 2,000,000	$ 1,964,277	$ 35,723	$ 0
Senior Center				
Contract services	1,340	2,870	(1,530)	2,594
Materials and supplies	18,000	15,096	2,904	31,527
Capital Outlay	0	0	0	38,494
Payments to other agencies	176,450	176,450	0	143,472
Total Senior Center	195,790	194,416	1,374	216,087
Habersham County Health Department				
Payments to other agencies	202,845	202,845	0	202,845
Child Welfare				
Contract services	0	0	0	3,500
Payments to other agencies	40,000	28,376	11,624	9,569
Total Child Welfare	40,000	28,376	11,624	13,069
Total Health and Welfare	2,463,894	2,415,173	48,721	457,260
Culture and Recreation				
Fairgrounds				
Personal services	3,788	2,507	1,281	97
Contract services	4,200	1,295	2,905	1,897
Materials and supplies	3,500	3,865	(365)	2,562
Total Fairgrounds	11,488	7,667	3,821	4,556
Libraries				
Payments to other agencies	267,866	267,866	0	275,207
Recreation				
Personal services	435,607	435,090	517	379,571
Contract services	128,525	140,140	(11,615)	99,361
Materials and supplies	282,454	272,678	9,776	297,125
Payments to other agencies	3,000	1,163	1,837	2,279
Total Recreation	849,586	849,071	515	778,336
Total Culture and Recreation	1,128,940	1,124,604	4,336	1,058,099
Housing and Development				
Airport				
Payments to other agencies	0	0	0	3,284
Extension Service				
Personal services	15,139	14,142	997	16,749
Contract services	67,777	67,743	34	60,491
Materials and supplies	14,350	14,218	132	13,313
Payments to other agencies	2,500	2,500	0	2,542
Total Extension Service	99,766	98,603	1,163	93,095
Forestry				
Payments to other agencies	7,832	7,832	0	8,400

HABERSHAM COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
Housing and Development (continued)				
Economic Development				
Personal services	$ 98,291	$ 87,188	$ 11,103	$ 85,700
Contract services	37,480	28,832	8,648	30,926
Materials and supplies	5,147	4,054	1,093	2,587
Total Economic Development	140,918	120,074	20,844	119,213
GIS				
Personal services	50,628	50,628	0	51,531
Contract services	15,900	15,914	(14)	8,900
Materials and supplies	1,277	1,183	94	4,757
Total GIS	67,805	67,725	80	65,188
Building				
Personal services	84,601	80,637	3,964	81,178
Contract services	10,227	9,551	676	11,934
Materials and supplies	3,050	3,727	(677)	3,866
Total Building	97,878	93,915	3,963	96,978
Planning				
Personal services	76,968	76,968	0	73,700
Contract services	3,350	3,640	(290)	5,290
Materials and supplies	1,708	1,417	291	1,281
Total Planning	82,026	82,025	1	80,271
Planning Commission				
Contract services	4,800	1,124	3,676	5,284
Materials and supplies	0	0	0	100
Total Planning	4,800	1,124	3,676	5,384
Code Enforcement				
Personal services	58,721	58,637	84	58,959
Contract services	6,423	6,667	(244)	8,424
Materials and supplies	4,800	4,556	244	4,432
Total Code Enforcement	69,944	69,860	84	71,815
Total Housing and Development	570,969	541,158	29,811	543,628
Total Current	20,180,333	19,555,250	625,083	16,748,791
Debt Service				
Health and Welfare				
Habersham County Hospital Authority				
Interest	0	16,243	(16,243)	0
Total Expenditures	$ 20,180,333	$ 19,571,493	$ 608,840	$ 16,748,791

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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, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 3,809	$ 2,735
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	$ 43,176	$ 90,687
Fund balances		
Unassigned	(39,367)	(87,952)
Total liabilities and fund balances	$ 3,809	$ 2,735

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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 46,500	$ 48,585	$ 2,085	$ 39,776
Total revenues	46,500	48,585	2,085	39,776
EXPENDITURES				
Current				
Public Safety				
Contract services	0	0	0	44,905
Total expenditures	0	0	0	44,905
Excess (deficiency) of revenues over (under) expenditures	46,500	48,585	2,085	(5,129)
Other financing sources (uses)				
Contingency	(46,500)	0	46,500	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	48,585	48,585	(5,129)
Fund balances, July 1	0	(87,952)	(87,952)	(82,823)
Fund balances, June 30	$ 0	$ (39,367)	$ (39,367)	$ (87,952)

HABERSHAM COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 201,636	$ 198,911
Restricted cash and cash equivalents	0	70,186
Accounts receivable (net)	131,248	140,821
Intergovernmental receivable	25,493	10,563
Total assets	$ 358,377	$ 420,481
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 10,622	$ 89,443
Intergovernmental payable	30	0
Accrued salaries and expenses	22,648	23,848
Due to other funds	134,974	198,911
Total liabilities	168,274	312,202
Fund balances		
Restricted for capital outlay	0	70,186
Assigned to public safety	190,103	38,093
Total fund balances	190,103	108,279
Total liabilities and fund balances	$ 358,377	$ 420,481

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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 742,973	$ 742,796	$ (177)	$ 710,020
Intergovernmental	25,353	25,353	0	0
Interest	90	35	(55)	102
Other	511	511	0	10,807
Total revenues	768,927	768,695	(232)	720,929
EXPENDITURES				
Current				
Public Safety				
Personal Services	823,974	765,252	58,722	803,487
Contract services	300,969	252,761	48,208	277,937
Materials and supplies	24,200	21,520	2,680	30,616
Capital outlay	90,977	90,977	0	486,566
Debt service	195,543	177,070	18,473	195,542
Total expenditures	1,435,663	1,307,580	128,083	1,794,148
Excess (deficiency) of revenues over (under) expenditures	(666,736)	(538,885)	127,851	(1,073,219)
Other financing sources (uses)				
Transfers in (out)				
General Fund	585,544	539,517	(46,027)	722,529
Issuance of capital leases	81,192	81,192	0	0
Total other financing sources (uses)	666,736	620,709	(46,027)	722,529
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	81,824	81,824	(350,690)
Fund balances, July 1	0	108,279	108,279	458,969
Fund balances, June 30	$ 0	$ 190,103	$ 190,103	$ 108,279

HABERSHAM COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

	2014	2013
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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	$ 45,622	$ 45,622	$ 0	$ 41,173
Total revenues	45,622	45,622	0	41,173
EXPENDITURES				
Current				
Housing and Development				
Payments to other agencies	18,249	18,249	0	16,469
Total expenditures	18,249	18,249	0	16,469
Excess (deficiency) of revenues over (under) expenditures	27,373	27,373	0	24,704
Other financing sources (uses)				
Transfers in (out)				
General Fund	(27,373)	(27,373)	0	(24,704)
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, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 69,737	$ 83,538
Certificates of deposit	105,750	308,778
Total assets	$ 175,487	$ 392,316
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for judicial	$ 175,487	$ 392,316

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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 23,114	$ 23,114	$ 0	$ 22,652
Interest	3,482	3,481	(1)	4,917
Total revenues	26,596	26,595	(1)	27,569
EXPENDITURES				
Current				
Judicial				
Personal services	2,400	2,400	0	2,400
Materials and supplies	11,815	9,454	2,361	2,359
Payments to other agencies	1,781	1,781	0	0
Total expenditures	15,996	13,635	2,361	4,759
Excess (deficiency) of revenues over (under) expenditures	10,600	12,960	2,360	22,810
Other financing sources (uses)				
Transfers in (out)				
SPLOST #5 Fund	(240,600)	(229,789)	10,811	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(230,000)	(216,829)	13,171	22,810
Fund balances, July 1	230,000	392,316	162,316	369,506
Fund balances, June 30	$ 0	$ 175,487	$ 175,487	$ 392,316

HABERSHAM COUNTY, GEORGIA
DRUG ABUSE TREATMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 39,314	$ 37,066
Intergovernmental receivable	1,287	566
Total assets	$ 40,601	$ 37,632
LIABILITIES AND FUND BALANCES		
Liabilities		
Fund balances		
Restricted for judicial	$ 40,601	$ 37,632

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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 0	$ 33,821	$ 33,821	$ 21,198
Total revenues	0	33,821	33,821	21,198
EXPENDITURES				
Total expenditures	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	33,821	33,821	21,198
Other financing sources (uses)				
Transfers in (out)				
General Fund	(30,852)	(30,852)	0	(89,623)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and and other financing uses	(30,852)	2,969	33,821	(68,425)
Fund balances, July 1	30,852	37,632	6,780	106,057
Fund balances, June 30	$ 0	$ 40,601	$ 40,601	$ 37,632

HABERSHAM COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 18,549	$ 5,796
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for public safety	$ 18,549	$ 5,796

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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 145,000	$ 92,703	$ (52,297)	$ 84,061
Total revenues	145,000	92,703	(52,297)	84,061
EXPENDITURES				
Current				
Public safety				
Materials and supplies	145,000	79,950	65,050	76,090
Capital outlay	0	0	0	12,665
Total expenditures	145,000	79,950	65,050	88,755
Excess (deficiency) of revenues over (under) expenditures	0	12,753	12,753	(4,694)
Fund balances, July 1	0	5,796	5,796	10,490
Fund balances, June 30	$ 0	$ 18,549	$ 18,549	$ 5,796

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DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

SPLOST Debt Service Fund – This fund is used to account for the accumulation of resources and payment of general government long-term debt principal and interest financed by special purpose local option sales taxes.

HABERSHAM COUNTY, GEORGIA
SPLOST DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 0	$ 1,976,823
LIABILITIES AND FUND BALANCES		
Liabilities		
Fund balances		
Restricted for debt service	$ 0	$ 1,976,823
Total liabilities and fund balances	$ 0	$ 1,976,823

HABERSHAM COUNTY, GEORGIA
SPLOST DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	$ 2,482,251	$ 505,427	$ (1,976,824)	$ 2,421,281
Total revenues	2,482,251	505,427	(1,976,824)	2,421,281
EXPENDITURES				
Debt Service				
Principal	2,410,000	2,410,000	0	2,315,000
Interest	72,251	72,250	1	106,281
Total expenditures	2,482,251	2,482,250	1	2,421,281
Excess (deficiency) of revenues over (under) expenditures	0	(1,976,823)	(1,976,823)	0
Fund balances, July 1	0	1,976,823	1,976,823	1,976,823
Fund balances, June 30	$ 0	$ 0	$ 0	$ 1,976,823

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CAPITAL PROJECTS FUNDS

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

Special Purpose Local Option Sales Tax #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.

Judicial Center Construction Fund – This fund is used to account for financial resources to be used for the acquisition or construction of a judicial center.

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #4
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 805,705	$ 2,516,808
Accounts receivable	2,446	0
Intergovernmental receivable	78,653	0
Due from other funds	0	131,094
Total assets	$ 886,804	$ 2,647,902
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 1,800	$ 6,764
Intergovernmental payable	0	21,570
Total liabilities	1,800	28,334
Fund balances		
Restricted for capital outlay	885,004	2,619,568
Total liabilities and fund balances	$ 886,804	$ 2,647,902

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, 2014 and 2013

REVENUES	**2014**	**2013**
Intergovernmental	$ 447,072	$ 38,359
Interest	5,079	7,682
Total revenues	452,151	46,041
EXPENDITURES		
Capital outlay		
General Government		
Buildings and Grounds	22,579	0
Judicial		
Magistrate Court	24,604	0
Public Safety		
Sheriff	246,715	20,528
Jail	160,555	39,326
Fire	263,744	0
Emergency Management Agency	28,119	0
Ambulance	205,141	0
Emergency 911	271,168	238,976
Public Works		
Roads and Bridges	0	71,261
Health and Welfare		
Welfare	0	131,094
Culture and Recreation		
Libraries	44,212	0
Recreation	35,005	0
Housing and Development		
Airport	295,871	177,674
Economic Development	24,604	0
Planning	35,369	0
Intergovernmental	17,959	321,570
Total expenditures	1,675,645	1,000,429
Excess (deficiency) of revenues over (under) expenditures	(1,223,494)	(954,388)
Other financing sources (uses)		
Transfers in (out)		
General Fund	(511,070)	131,094
Water and Sewer Fund	0	(9,115)
Total other financing sources (uses)	(511,070)	121,979
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,734,564)	(832,409)
Fund balances, July 1	2,619,568	3,451,977
Fund balances, June 30	$ 885,004	$ 2,619,568

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 5,522,663	$ 5,956,280
Certificates of deposit	245,096	2,472,893
Receivables		
Taxes	0	466,090
Interest	0	4,780
Prepaids	0	237,636
Total assets	$ 5,767,759	$ 9,137,679
LIABILITIES AND FUND BALANCES		
Liabilities		
Payables		
Accounts	$ 124,950	$ 2,062,980
Intergovernmental	0	152,275
Retainages	0	778,322
Total liabilities	124,950	2,993,577
Fund balances		
Nonspendable:		
Prepaids	0	237,636
Restricted for capital outlay	5,642,809	5,906,466
Total fund balances	5,642,809	6,144,102
Total liabilities and fund balances	$ 5,767,759	$ 9,137,679

HABERSHAM COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2014 and 2013

REVENUES	**2014**	**2013**
Taxes	$ 3,405,309	$ 2,946,081
Intergovernmental	0	452,125
Interest	13,588	29,422
Total revenues	3,418,897	3,427,628
EXPENDITURES		
Capital outlay		
General Government		
Information Technology	7,519	0
Judicial		
Judicial Facility	2,807,740	3,047,309
Public Works		
Roads and Bridges	662,717	2,173,209
Culture and Recreation		
Recreation	15,000	16,592
Housing and Development		
Economic Development	0	10,585
Intergovernmental	657,003	921,715
Total expenditures	4,149,979	6,169,410
Excess (deficiency) of revenues over (under) expenditures	(731,082)	(2,741,782)
Other financing sources (uses)		
Transfers in (out)		
Law Library Fund	229,789	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(501,293)	(2,741,782)
Fund balances, July 1	6,144,102	8,885,884
Fund balances, June 30	$ 5,642,809	$ 6,144,102

HABERSHAM COUNTY, GEORGIA
CAPITAL IMPROVEMENTS
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 39,747	$ 0
Restricted cash and cash equivalents	0	197,484
Total assets	$ 39,747	$ 197,484
LIABILITIES AND FUND BALANCES		
Liabilities		
Liabilities payable from restricted assets		
Accounts payable	$ 0	$ 11,051
Total liabilities	0	11,051
Fund balances		
Restricted for capital outlay	0	186,433
Assigned to capital outlay	39,747	0
Total fund balances	39,747	186,433
Total liabilities and fund balances	$ 39,747	$ 197,484

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, 2014 and 2013

REVENUES	**2014**	**2013**
Interest	$ 40	$ 127
Total revenues	40	127
EXPENDITURES		
Capital outlay		
General Government		
County-Wide	76,064	42,343
County Buildings & Grounds	5,475	7,300
Judicial		
Magistrate	0	25,323
Public Safety		
Sheriff	159,057	191,489
Jail	96,792	115,777
Fire	240,344	593,591
Ambulance	77,444	378,857
Public Works		
Road Department	9,250	0
Health and Welfare		
Mental Health	86,899	27,050
Child Welfare	37,789	0
Health Services	0	40,150
Culture and Recreation		
Recreation	21,103	103,492
Library	68,739	7,965
Housing and Development		
Planning	9,511	49,222
Intergovernmental	0	24,036
Total expenditures	888,467	1,606,595
Excess (deficiency) of revenues over (under) expenditures	(888,427)	(1,606,468)
Other financing sources (uses)		
Transfers in (out)		
General Fund	741,741	708,190
Issuance of capital leases	0	620,000
Total other financing sources (uses)	741,741	1,328,190
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(146,686)	(278,278)
Fund balances, July 1	186,433	464,711
Fund balances, June 30	$ 39,747	$ 186,433

HABERSHAM COUNTY, GEORGIA
JUDICIAL CENTER CONSTRUCTION
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

	2014	2013
ASSETS	$ 0	$ 0
LIABILITIES AND FUND BALANCES	$ 0	$ 0

HABERSHAM COUNTY, GEORGIA
JUDICIAL CENTER CONSTRUCTION
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2014 and 2013

REVENUES	**2014**	**2013**
Interest	$ 0	$ 527
Total revenues	0	527
EXPENDITURES		
Capital outlay		
Judicial	0	8,726,332
Total expenditures	0	8,726,332
Excess (deficiency) of revenues over (under) expenditures	0	(8,725,805)
Fund balances, July 1	0	8,725,805
Fund balances, June 30	$ 0	$ 0

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ENTERPRISE FUNDS

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

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 POSITION
June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 57,575	$ 49,565
Accounts receivable	0	42,594
Restricted assets		
Cash and cash equivalents	0	27,851
Total current assets	57,575	120,010
Capital assets		
Vehicles	0	32,665
Accumulated depreciation	0	(32,665)
Total capital assets (net of accumulated depreciation)	0	0
Total assets	57,575	120,010
LIABILITIES		
Current liabilities		
Payables		
Accounts	0	13,146
Intergovernmental	0	8,009
Accrued salaries	0	1,292
Compensated absences	0	6,021
Due to other funds	57,575	3,525
Liabilities payable from restricted assets		
Customer deposits	0	27,851
Total liabilities	57,575	59,844
NET POSITION		
Unrestricted	0	60,166
Total net position	$ 0	$ 60,166

HABERSHAM COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2014 and 2013

OPERATING REVENUES	**2014**	**2013**
Charges for sales and services	$ 0	$ 247,306
Total operating revenues	0	247,306
OPERATING EXPENSES		
Costs of sales and services	192	160,623
Personal services	314	44,918
Depreciation	0	260,944
Total operating expenses	506	466,485
Operating income (loss)	(506)	(219,179)
Non-operating revenues (expenses)		
Interest revenue	7	7
Intergovernmental expense	(15,664)	0
Gain (loss) on sale of assets	24,000	(60,685)
Total non-operating revenues (expenses)	8,343	(60,678)
Net income (loss) before special items and transfers	7,837	(279,857)
Special items		
Transfer of water system to City of Demorest	0	(8,413,285)
Net income (loss) before transfers	7,837	(8,693,142)
Transfers in (out)		
General Fund	(68,003)	(22,635)
SPLOST 4 Fund	0	9,115
Total transfers in (out)	(68,003)	(13,520)
Change in net position	(60,166)	(8,706,662)
Net position, July 1	60,166	8,766,828
Net position, June 30	$ 0	$ 60,166

HABERSHAM COUNTY, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 14,743	$ 223,674
Payments to suppliers	(13,338)	(154,479)
Payments to employees	(7,627)	(44,500)
Net cash provided (used) by operating activities	(6,222)	24,695
Cash flows from non-capital financing activities:		
Payments to other governments	(23,673)	0
Receipts from other funds	54,050	0
Payments to other funds	(68,003)	(28,035)
Net cash provided (used) by non-capital financing activities	(37,626)	(28,035)
Cash flows from capital and related financing activities:		
Receipts from other funds	0	9,115
Acquisition of capital assets	0	(3,399)
Payment of capital related accounts payable	0	(13,600)
Proceeds from sale of capital assets	24,000	9,798
Net cash provided (used) by capital and related financing activities	24,000	1,914
Cash flows from investing activities:		
Interest received	7	7
Net increase (decrease) in cash and cash equivalents	(19,841)	(1,419)
Cash and cash equivalents, July 1	77,416	78,835
Cash and cash equivalents, June 30	$ 57,575	$ 77,416
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (506)	$ (219,179)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	0	260,944
(Increase) decrease in accounts receivable	42,594	(24,757)
Increase (decrease) in accounts payable	(13,146)	5,061
Increase (decrease) in intergovernmental payable	0	1,083
Increase (decrease) in deposits payable	(27,851)	1,125
Increase (decrease) in accrued payroll liabilities	(7,313)	418
Total adjustments	(5,716)	243,874
Net cash provided (used) by operating activities	$ (6,222)	$ 24,695

Noncash capital and related financing activities:

Distributions of capital assets to other governments totaled $0 and $8,413,285 for the fiscal years ended June 30, 2014 and June 30, 2013, respectively.

HABERSHAM COUNTY, GEORGIA
LANDFILL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,109,700	$ 590,796
Certificates of deposit	243,552	588,784
Accounts receivable (net)	131,173	169,737
Interest receivable	1,897	1,897
Total current assets	1,486,322	1,351,214
Capital assets		
Land	665,702	665,702
Land improvements	7,816,939	7,816,939
Buildings	33,365	33,365
Machinery and equipment	1,815,665	1,815,665
Vehicles	65,677	65,677
Accumulated depreciation	(6,331,834)	(5,887,282)
Total capital assets (net of accumulated depreciation)	4,065,514	4,510,066
Total assets	5,551,836	5,861,280
LIABILITIES		
Current liabilities		
Payables		
Accounts	41,900	36,359
Intergovernmental	66	40
Accrued salaries	8,049	14,901
Compensated absences	20,800	26,113
Due to other funds	40,311	55,872
Total current liabilities	111,126	133,285
Long-term liabilities		
Capital leases payable	179,755	222,870
Post-closure care	2,936,822	2,817,123
Total long-term liabilities	3,116,577	3,039,993
Total liabilities	3,227,703	3,173,278
NET POSITION		
Net investment in capital assets	3,885,759	4,287,196
Unrestricted	(1,561,626)	(1,599,194)
Total net position	$ 2,324,133	$ 2,688,002

HABERSHAM COUNTY, GEORGIA
LANDFILL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2014 and 2013

OPERATING REVENUES	**2014**	**2013**
Charges for sales and services	$ 838,906	$ 813,854
Miscellaneous revenues	181	51
Total operating revenues	839,087	813,905
OPERATING EXPENSES		
Costs of sales and services	475,784	391,472
Personal services	278,275	370,466
Depreciation	444,552	490,548
Total operating expenses	1,198,611	1,252,486
Operating income (loss)	(359,524)	(438,581)
Non-operating revenues (expenses)		
Interest revenue	1,634	2,111
Interest expense	(6,915)	(8,817)
Gain (loss) on sale of assets	936	0
Total non-operating revenues (expenses)	(4,345)	(6,706)
Net income (loss) before transfers	(363,869)	(445,287)
Transfer in (out)		
General Fund	0	(84,550)
Change in net position	(363,869)	(529,837)
Net position, July 1	2,688,002	3,217,839
Net position, June 30	$ 2,324,133	$ 2,688,002

HABERSHAM COUNTY, GEORGIA
LANDFILL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 877,470	$ 867,280
Payments to suppliers	(350,518)	(331,859)
Payments to employees	(290,440)	(364,971)
Other receipts	181	51
Net cash provided (used) by operating activities	236,693	170,501
Cash flows from non-capital financing activities:		
Payments to other funds	(15,561)	(137,270)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	0	(181,118)
Payment of capital related accounts payable	0	(14,020)
Proceeds from sale of capital assets	936	0
Principal payments - capital leases	(43,115)	(41,214)
Interest paid	(6,915)	(8,817)
Net cash provided (used) by capital and related financing activities	(49,094)	(245,169)
Cash flows from investing activities:		
Interest received	1,634	2,303
Proceeds from maturity of certificates of deposit	345,232	0
Net cash provided (used) by investing activities	346,866	2,303
Net increase (decrease) in cash and cash equivalents	518,904	(209,635)
Cash and cash equivalents, July 1	590,796	800,431
Cash and cash equivalents, June 30	$ 1,109,700	$ 590,796
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (359,524)	$ (438,581)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	444,552	490,548
Closure/postclosure costs	119,699	68,298
(Increase) decrease in accounts receivable	38,564	53,426
Increase (decrease) in accounts payable	5,541	(5,907)
Increase (decrease) in intergovernmental payable	26	(2,778)
Increase (decrease) in accrued payroll liabilities	(12,165)	5,495
Total adjustments	596,217	609,082
Net cash provided (used) by operating activities	$ 236,693	$ 170,501

HABERSHAM COUNTY, GEORGIA
TRANSIT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

	2013	2012
ASSETS		
Current assets		
Accounts receivable	$ 57	$ 817
Intergovernmental receivable	7,702	5,131
Total current assets	7,759	5,948
Capital assets		
Vehicles	45,200	45,200
Accumulated depreciation	(32,693)	(23,653)
Total capital assets (net of accumulated depreciation)	12,507	21,547
Total assets	20,266	27,495
LIABILITIES		
Current liabilities		
Accounts payable	470	758
Accrued salaries	969	970
Compensated absences	4,839	4,089
Due to other funds	12,064	4,353
Total liabilities	18,342	10,170
NET POSITION		
Investment in capital assets	12,507	21,547
Unrestricted	(10,583)	(4,222)
Total net position	$ 1,924	$ 17,325

HABERSHAM COUNTY, GEORGIA
TRANSIT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2014 and 2013

OPERATING REVENUES	**2014**	**2013**
Charges for sales and services	$ 4,821	$ 6,917
Total operating revenues	4,821	6,917
OPERATING EXPENSES		
Costs of sales and services	21,468	20,192
Personal services	39,000	42,986
Depreciation	9,040	9,040
Total operating expenses	69,508	72,218
Operating income (loss)	(64,687)	(65,301)
Non-operating revenues (expenses)		
Intergovernmental revenue	26,079	27,143
Net income (loss) before tranfers	(38,608)	(38,158)
Transfers in (out)		
General Fund	23,207	17,900
Change in net position	(15,401)	(20,258)
Net position, July 1	17,325	37,583
Net position, June 30	$ 1,924	$ 17,325

HABERSHAM COUNTY, GEORGIA
TRANSIT ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 5,581	$ 6,273
Payments to suppliers	(21,756)	(19,463)
Payments to employees	(38,251)	(43,051)
Net cash provided (used) by operating activities	(54,426)	(56,241)
Cash flows from non-capital financing activities:		
Receipts from other governments	23,508	51,958
Receipts from other funds	30,918	33,449
Payments to other funds	0	(29,166)
Net cash provided (used) by non-capital financing activities	54,426	56,241
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)	$ (64,687)	$ (65,301)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	9,040	9,040
(Increase) decrease in accounts receivable	760	(644)
Increase (decrease) in accounts payable	(288)	729
Increase (decrease) in accrued payroll liabilities	749	(65)
Total adjustments	10,261	9,060
Net cash provided (used) by operating activities	$ (54,426)	$ (56,241)

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, 2014

	Tax Commissioner	Magistrate Court
ASSETS		
Cash	$ 534,905	$ 19,289
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other agencies	$ 534,905	$ 19,289

Probate Court	Juvenile Court	Clerk of Court	Sheriff Department	Totals
$ 207	$ 63	$ 519,409	$ 102,409	$ 1,176,282
$ 207	$ 63	$ 519,409	$ 102,409	$ 1,176,282

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HABERSHAM COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2014

	Balance July 1	Additions	Deletions	Balance June 30
TAX COMMISSIONER				
ASSETS				
Cash	$ 516,833	$ 34,077,498	$ 34,059,426	$ 534,905
LIABILITIES				
Due to other agencies	$ 516,833	$ 34,077,498	$ 34,059,426	$ 534,905
MAGISTRATE COURT				
ASSETS				
Cash	$ 15,201	$ 409,161	$ 405,073	$ 19,289
LIABILITIES				
Due to other agencies	$ 15,201	$ 409,161	$ 405,073	$ 19,289
PROBATE COURT				
ASSETS				
Cash	$ 994	$ 225,576	$ 226,363	$ 207
LIABILITIES				
Due to other agencies	$ 994	$ 225,576	$ 226,363	$ 207
JUVENILE COURT				
ASSETS				
Cash	$ 213	$ 3,029	$ 3,179	$ 63
LIABILITIES				
Due to other agencies	$ 213	$ 3,029	$ 3,179	$ 63
CLERK OF COURT				
ASSETS				
Cash	$ 443,229	$ 1,881,204	$ 1,805,024	$ 519,409
LIABILITIES				
Due to other agencies	$ 443,229	$ 1,881,204	$ 1,805,024	$ 519,409
SHERIFF DEPARTMENT				
ASSETS				
Cash	$ 92,040	$ 254,400	$ 244,031	$ 102,409
LIABILITIES				
Due to other agencies	$ 92,040	$ 254,400	$ 244,031	$ 102,409
TOTALS				
ASSETS				
Cash	$ 1,068,510	$ 36,850,868	$ 36,743,096	$ 1,176,282
LIABILITIES				
Due to other agencies	$ 1,068,510	$ 36,850,868	$ 36,743,096	$ 1,176,282

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COMPONENT UNITS

Mountain Judicial Circuit NCIS Team – This component unit is used to account for the activities of the Mountain Judicial Circuit NCIS Team, 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 NCIS Team is a coordinated effort involving Habersham, Stephens 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 Airport Authority – This component unit is used to account for the activities of the Habersham County Airport Authority, which exists for the establishment, maintenance, and operation of a unified and coordinated airport system in Habersham County.

HABERSHAM COUNTY, GEORGIA
MOUNTAIN JUDICIAL CIRCUIT NCIS TEAM (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 156,462	$ 203,245
Receivables		
Accounts	503	1,614
Intergovernmental	28,644	71,104
Total assets	$ 185,609	$ 275,963
LIABILITIES AND FUND BALANCES		
Liabilities		
Accrued salaries and expenses	$ 10,155	$ 0
Unearned revenue	0	44,951
Due to other agencies	70,757	81,134
Total liabilities	80,912	126,085
Fund balances		
Restricted for public safety	104,697	149,878
Total liabilities and fund balances	$ 185,609	$ 275,963

HABERSHAM COUNTY, GEORGIA
MOUNTAIN JUDICIAL CIRCUIT NCIS TEAM (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 142,277	$ 141,619	$ (658)	$ 166,507
Forfeitures	64,703	161,079	96,376	75,574
Total revenues	206,980	302,698	95,718	242,081
EXPENDITURES				
Current				
Public Safety				
Personal services	146,580	131,886	14,694	146,999
Contract services	19,100	18,090	1,010	5,351
Supplies and materials	41,300	53,798	(12,498)	33,285
Capital outlay	0	15,060	(15,060)	68,325
Payments to other agencies	0	129,045	(129,045)	25,554
Total expenditures	206,980	347,879	(140,899)	279,514
Excess (deficiency) of revenues over (under) expenditures	0	(45,181)	(45,181)	(37,433)
Other financing sources (uses)				
Proceeds from sale of assets	0	0	0	1,575
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(45,181)	(45,181)	(35,858)
Fund balances, July 1	0	149,878	149,878	185,736
Fund balances, June 30	$ 0	$ 104,697	$ 104,697	$ 149,878

HABERSHAM COUNTY, GEORGIA
DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 140,417	$ 203,975
Restricted cash and cash equivalents	288,361	300,001
Total assets	$ 428,778	$ 503,976
LIABILITIES AND FUND BALANCES		
Current liabilities		
Intergovernmental payable	$ 8,450	$ 8,450
Fund balances		
Restricted for capital outlay	288,361	300,001
Assigned to housing and development	28,405	98,170
Assigned to subsequent year's budget	103,562	97,355
Total fund balances	420,328	495,526
Total liabilities and fund balances	$ 428,778	$ 503,976

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, 2014 and 2013

REVENUES	**2014**	**2013**
Intergovernmental	$ 0	$ 344,036
Interest	45	25
Rents	23,358	15,321
Micellaneous	2,652	7,833
Total revenues	26,055	367,215
EXPENDITURES		
Current		
Housing and Development		
Contract services	21,750	32,059
Materials and supplies	2,733	3,041
Capital outlay	0	44,036
Debt service	108,735	99,438
Total expenditures	133,218	178,574
Excess (deficiency) of revenues over (under) expenditures	(107,163)	188,641
Other financing sources (uses)		
Proceeds from sale of assets	31,965	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(75,198)	188,641
Fund balances, July 1	495,526	306,885
Fund balances, June 30	$ 420,328	$ 495,526

HABERSHAM COUNTY, GEORGIA
AIRPORT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 5,476	$ 490
Intergovernmental receivable	8,450	8,450
	$ 13,926	$ 8,940
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable	$ 828	$ 747
Intergovernmental payable	15,231	4,869
Total liabilities	16,059	5,616
Fund balances		
Assigned to subsequent year's budget	0	3,324
Unassigned	(2,133)	0
Total fund balances	(2,133)	3,324
Total liabilities and fund balances	$ 13,926	$ 8,940

HABERSHAM COUNTY, GEORGIA
AIRPORT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2014 and 2013

REVENUES	**2014**	**2013**
Rents	$ 13,125	$ 8,100
Intergovernmental	0	3,284
Total revenues	13,125	11,384
EXPENDITURES		
Current		
Housing and Development		
Contract services	12,904	5,736
Materials and supplies	5,678	4,551
Total expenditures	18,582	10,287
Excess (deficiency) of revenues over (under) expenditures	(5,457)	1,097
Fund balances, July 1	3,324	2,227
Fund balances, June 30	$ (2,133)	$ 3,324

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OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)

This section contains various supplemental information provided by Habersham County.

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HABERSHAM COUNTY, GEORGIA
INTRODUCTION TO THE OTHER SUPPLEMENTARY INFORMATION
(UNAUDITED)

This part of Habersham County's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information reveals about the County's overall financial health.

	Exhibit	Page(s)
Officials of Habersham County	*J-1*	*127*
Organizational Structure	*J-2*	*128*
Financial Trends		
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.		
Net Position by Component	*J-3*	*129-130*
Changes in Net Position	*J-4*	*131-134*
Governmental Activities Tax Revenues by Source	*J-5*	*135*
Fund Balances of Governmental Funds	*J-6*	*136-137*
Changes in Fund Balances of Governmental Funds	*J-7*	*138-139*
Revenue Capacity		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax and another significant local revenue source, sales tax.		
Assessed Value and Estimated Actual Value of Taxable Property	*J-8*	*140-141*
Property Tax Rates (Direct and Overlapping Governments)	*J-9*	*142-143*
Principal Taxpayers	*J-10*	*144*
Debt Capacity		
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future		
Legal Debt Margin Information	*J-11*	*145-146*
Demographic and Economic Information		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place		
Demographic and Economic Statistics	*J-12*	*147*
Principal Employers	*J-13*	*148*

Habersham County Board of Commissioners, Elected Officials and Administration.



Chairman Chad Henderson
District 3



Vice Chairman Andrea Harper
District 2



Sonny James
District 1



Natalie Crawford
District 4



Ed Nichols
District 5

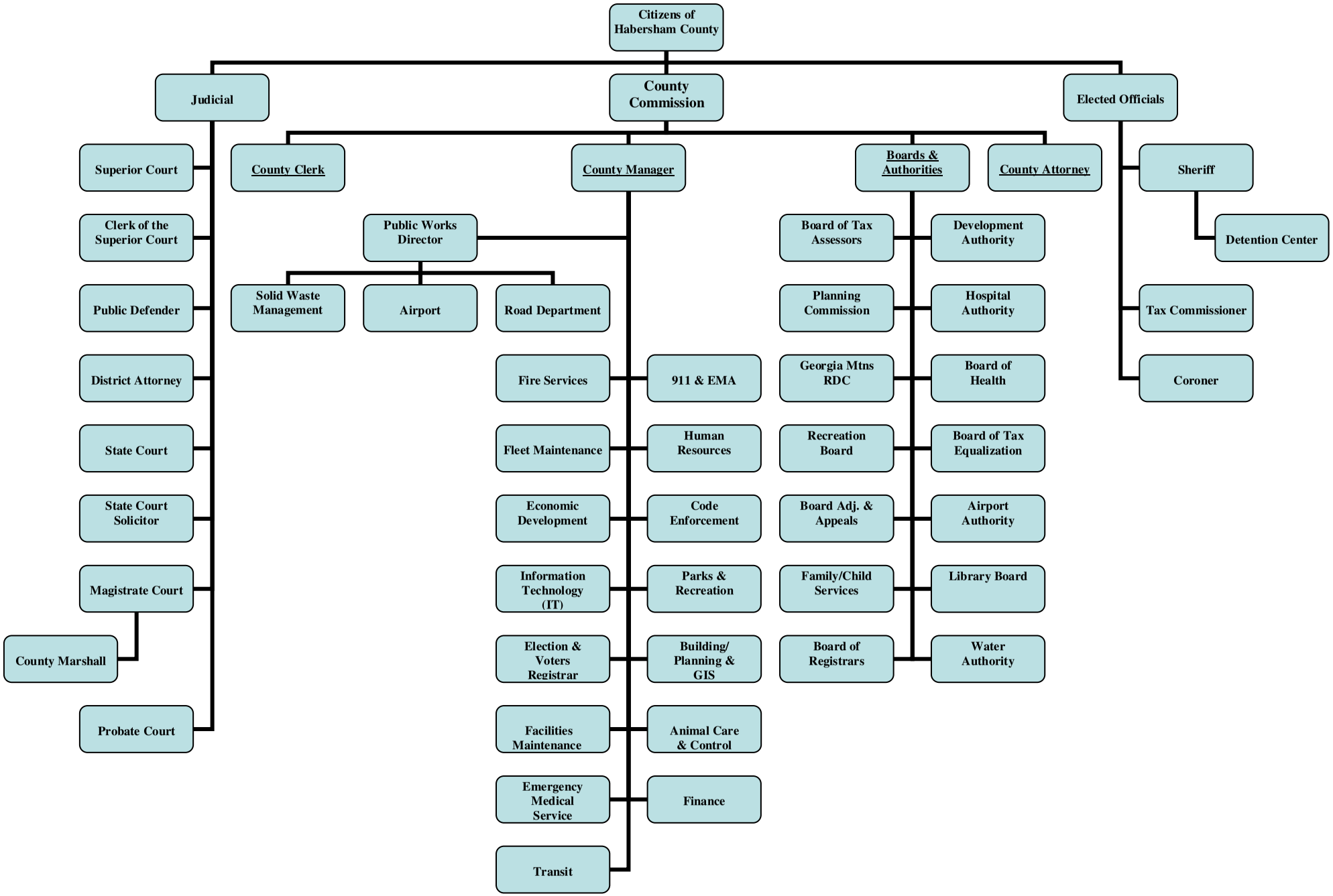
Elected Officials

Chan Caudell	Chief Judge, Superior Court
Russell W. Smith	Judge, Superior Court
June Black	Tax Commissioner
William R. Oliver	Solicitor General
Brian M. Rickman	District Attorney
James Butterworth Sr.	Chief Magistrate
David C. Wall	Clerk of Superior Court
Kasey C. McEntire	Coroner
Joey Terrell	Sheriff
Pamela F. Wooley	Probate Judge
M. Steven Campbell	Chief Judge, State Court

Appointed Officials

Phillip Sutton	County Manager
Donald Hunt	Attorney
Crystal Ward	Clerk of Commission
Lynn Merritt	Director of Human Resources
Trey Wood	Director of Finance
Joan Church	Chief Appraiser
Laurel Ellison	Election Supervisor
Jeff Cain	Fire Chief
Jackie Roberts	Accountability Court Coordinator
Robert D. Cullifer	Judge, Juvenile Court
Derick Canupp	Public Works Director
Fenton Morris	Director of Parks & Recreation
Steve Seabolt	Director of Fleet Services
Sam Irvin	Code Enforcement
Mike Bramlett	Faculties Maintenance Superintendent
Madi Hawkins	Director of Animal Care & Control
Steven Patrick	Extension Service
Lynn Smith	Director of Emergency Management
Tom Braswell	Director of Planning, Building & GIS
Jonathan Taylor	Director of Information Technology
JR Charles	Executive Director of Economic Development

Habersham County Organizational Chart



HABERSHAM COUNTY, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(amounts expressed in thousands)

	Fiscal Year			
	2005	**2006**	**2007**	**2008**
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	$ 39,439	$ 37,608	$ 35,889	$ 35,132
Restricted	6,837	6,714	7,567	9,078
Unrestricted	5,204	5,560	5,555	6,246
Total governmental activities net position	$ 51,480	$ 49,882	$ 49,012	$ 50,456
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 9,505	$ 9,145	$ 9,145	$ 13,080
Restricted	409	4,793	6,717	4,821
Unrestricted	2,911	1,261	1,852	127
Total business-type activities net position	$ 12,825	$ 15,198	$ 17,714	$ 18,028
PRIMARY GOVERNMENT				
Net investment in capital assets	$ 48,944	$ 46,753	$ 45,034	$ 48,212
Restricted	7,246	11,507	14,284	13,900
Unrestricted	8,115	6,821	7,407	6,373
Total primary government net position	$ 64,305	$ 65,081	$ 66,726	$ 68,484

Fiscal Year						
2009	2010	2011	2012	2013	2014
$ 34,794	$ 33,665	$ 32,226	$ 33,648	$ 39,095	$ 48,923
10,252	14,514	24,062	22,153	11,086	6,801
5,479	5,008	(1,254)	988	7,491	2,259
$ 50,525	$ 53,187	$ 55,033	$ 56,789	$ 57,672	$ 57,982
$ 14,887	$ 14,501	$ 13,993	$ 13,300	$ 4,309	$ 3,898
4,439	1,128	1,035	0	0	0
(1,932)	(1,818)	(1,211)	(1,277)	(1,543)	(1,572)
$ 17,394	$ 13,811	$ 13,817	$ 12,022	$ 2,765	$ 2,326
$ 49,682	$ 48,166	$ 46,219	$ 46,948	$ 43,404	$ 52,821
14,691	15,642	25,096	22,153	11,086	6,801
3,547	3,190	(2,466)	(289)	5,948	687
$ 67,919	$ 66,998	$ 68,850	$ 68,811	$ 60,438	$ 60,309

HABERSHAM COUNTY, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(amounts expressed in thousands)

	Fiscal Year			
Expenses	**2005**	**2006**	**2007**	**2008**
Governmental activities:				
General Government	$ 3,571	$ 2,999	$ 2,959	$ 3,201
Judicial	1,683	1,955	2,030	2,133
Public Safety	6,307	7,808	8,009	8,894
Public Works	3,718	4,876	4,896	4,863
Health and Welfare	636	464	487	497
Culture and Recreation	1,141	1,384	1,616	1,577
Housing and Development	1,181	895	2,559	986
Nondepartmental	685	0	0	0
Interest on long-term debt	67	55	69	80
Total governmental activities expenses	18,989	20,435	22,625	22,231
Business-type activities:				
Water and Sewer	437	626	696	395
Landfill	1,342	1,166	1,227	2,304
Transit	0	49	51	54
Total business-type activities expenses	1,780	1,842	1,974	2,753
Total primary government expenses	$ 20,768	$ 22,276	$ 24,599	$ 24,984
Program revenues				
Governmental activities:				
Charges for services:				
General Government	$ 465	$ 543	$ 469	$ 519
Judicial	797	740	800	474
Public Safety	1,005	1,231	1,321	1,798
Culture and Recreation	166	212	225	232
Housing and Development	489	447	422	272
Operating grants and contributions	369	254	180	391
Capital grants and contributions	1,760	491	390	757
Total governmental activities program revenues	5,050	3,917	3,808	4,443
Business-type activities:				
Charges for services:				
Water and Sewer	178	227	288	257
Landfill	950	1,293	1,432	1,430
Transit	0	6	9	3
Operating grants and contributions	0	11	121	29
Capital grants and contributions	0	0	0	0
Total business-type activities program revenues	1,129	1,537	1,851	1,719
Total primary government program revenues	$ 6,179	$ 5,454	$ 5,658	$ 6,162

Fiscal Year					
2009	2010	2011	2012	2013	2014
$ 4,239	$ 4,487	$ 4,767	$ 4,698	$ 3,855	$ 4,157
2,367	2,278	2,444	2,620	2,802	3,001
8,674	8,097	8,272	8,417	8,541	8,894
4,089	5,219	3,951	4,390	4,639	3,037
500	482	468	465	526	522
1,544	1,513	1,356	1,442	1,498	1,481
1,119	864	851	718	837	763
0	0	0	0	0	0
48	33	126	184	148	135
22,581	22,973	22,235	22,934	22,846	21,991
509	584	533	599	527	16
1,527	1,484	1,353	1,370	1,261	1,206
51	53	55	72	72	70
2,087	2,120	1,941	2,041	1,861	1,291
$ 24,668	$ 25,093	$ 24,176	$ 24,975	$ 24,707	$ 23,282
$ 529	$ 567	$ 561	$ 545	$ 490	$ 563
510	522	565	520	595	656
1,824	1,835	1,677	1,475	1,441	1,548
255	198	227	273	266	388
161	101	91	62	63	67
559	607	660	891	976	1,127
394	333	877	583	660	764
4,233	4,163	4,657	4,349	4,491	5,113
243	247	241	238	247	0
1,209	1,377	1,033	1,021	814	839
6	6	7	8	7	5
34	26	53	30	27	26
0	0	45	0	0	0
1,492	1,655	1,379	1,297	1,095	870
$ 5,725	$ 5,818	$ 6,036	$ 5,646	$ 5,586	$ 5,983

HABERSHAM COUNTY, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(amounts expressed in thousands)

	Fiscal Year			
	2005	**2006**	**2007 (1)**	**2008**
Net (expense)/revenue				
Governmental activities	$ (13,939)	$ (16,518)	$ (18,817)	$ (17,787)
Business-type activities	(651)	(305)	(123)	(1,034)
Total primary government net expense	(14,589)	(16,822)	(18,940)	(18,821)
General revenues and other changes in net position				
Governmental activities:				
Property taxes	$ 10,218	$ 10,030	$ 11,189	$ 11,285
Sales taxes	3,299	3,728	3,771	5,211
Intangible taxes	310	312	303	281
Insurance premium taxes	1,086	1,160	1,216	1,278
Other taxes	290	399	404	391
Investment earnings	165	404	720	608
Rental income	108	70	69	80
Gain on sale of capital assets	65	0	0	0
Miscellaneous	75	33	60	52
Special items	(1,880)	(1,347)	0	0
Transfers	(163)	(93)	(26)	45
Total governmental activities	13,572	14,696	17,706	19,232
Business-type activities:				
Taxes				
Sales	2,156	2,469	2,465	1,085
Investment earnings	41	85	148	265
Other revenue	0	0	0	0
Gain on sale of capital assets	20	30	0	43
Miscellaneous	7	1	0	0
Special items	0	0	0	0
Transfers	163	93	26	(45)
Total business-type activites	2,387	2,678	2,639	1,348
Total primary government	15,959	17,375	20,345	20,580
Change in net position				
Governmental activities	(366)	(1,821)	(1,111)	1,444
Business-type activities	1,736	2,374	2,516	314
Total primary government	$ 1,370	$ 552	$ 1,405	$ 1,758

Fiscal Year					
2009	2010	2011	2012	2013	2014
$ (18,348)	$ (18,810)	$ (17,578)	$ (18,585)	$ (18,356)	$ (16,878)
(595)	(465)	(562)	(745)	(765)	(421)
(18,943)	(19,276)	(18,140)	(19,330)	(19,121)	(17,299)
$ 10,834	$ 10,722	$ 11,628	$ 11,276	$ 11,467	$ 12,555
5,009	5,320	5,208	5,741	5,367	3,911
190	134	141	159	204	170
1,310	1,291	1,255	1,286	1,374	1,428
620	547	621	654	652	723
254	162	59	60	24	49
57	51	60	29	44	66
12	29	6	9	9	4
11	51	76	119	89	111
0	0	0	0	0	0
77	3,167	55	1,007	80	45
18,373	21,473	19,109	20,340	19,312	19,061
0	0	0	0	0	0
36	6	12	21	2	2
0	0	0	0	0	0
0	0	0	(66)	0	25
1	43	14	2	0	0
0	0	0	0	(8413)	0
(77)	(3167)	(55)	(1007)	(80)	(45)
(39)	(3,118)	(29)	(1,050)	(8,491)	(18)
18,334	18,354	19,080	19,291	10,820	19,043
25	2,662	1,531	1,756	956	2,183
(634)	(3,584)	(591)	(1,795)	(9,257)	(439)
$ (609)	$ (921)	$ 940	$ (39)	$ (8,301)	$ 1,744

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HABERSHAM COUNTY, GEORGIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(amounts expressed in thousands)

Fiscal Year	Property Taxes	Sales Tax	Intangible Tax	Insurance Premium Tax	Other Taxes	Total
2005	$ 10,218	$ 3,299	$ 310	$ 1,086	$ 290	$ 15,203
2006	10,030	3,728	312	1,160	399	15,629
2007	11,189	3,771	303	1,216	404	16,882
2008	11,285	5,211	281	1,278	391	18,446
2009	10,834	5,009	190	1,310	620	17,962
2010	10,722	5,320	134	1,291	547	18,013
2011	11,628	5,208	141	1,255	621	18,854
2012	11,276	5,741	159	1,286	654	19,115
2013	11,467	5,367	204	1,374	652	19,065
2014	12,555	3,911	170	1,428	723	18,786

HABERSHAM COUNTY, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(amounts expressed in thousands)

	Fiscal Year		
	2005	**2006**	**2007**
General fund			
Reserved	$ 406	203	$ 227
Unreserved	5,017	5,483	5,146
Nonspendable	0	0	0
Restricted	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
Total general fund	5,423	5,685	5,373
All other governmental funds:			
Reserved	0	350	322
Unreserved	3,194	4,421	5,840
Special revenue funds	1,683	756	919
Capital projects funds	2,145	1,624	782
Nonspendable	0	0	0
Restricted	0	0	0
Assigned	0	0	0
Unassigned	0	0	0
Total all other governmental funds	7,023	7,150	7,863
Total governmental funds	$ 12,445	$ 12,835	$ 13,236

Note (1): The County adopted GASB 54 in fiscal year 2011.

Fiscal Year						
2008	2009	2010	2011 (1)	2012	2013	2014
$ 167	$ 169	$ 43	$ 0	$ 0	$ 0	$ 0
5,977	5417	5,232	0	0	0	0
0	0	0	420	230	376	559
0	0	0	20	36	22	38
0	0	0	425	428	486	0
0	0	0	4,790	4,674	3,367	4,107
6,145	5,586	5,276	5,655	5,368	4,250	4,705
97	0	0	0	0	0	0
7,349	9,244	13,430	0	0	0	0
625	819	750	0	0	0	0
1,048	182	345	0	0	0	0
0	0	0	421	202	238	0
0	0	0	26,018	24,094	11,195	6,762
0	0	0	243	154	38	230
0	0	0	0	(82)	(88)	(39)
9,119	10,246	14,525	26,682	24,368	11,383	6,953
$ 15,263	$ 15,832	$ 19,800	$ 32,337	$ 29,736	$ 15,633	$ 11,658

HABERSHAM COUNTY, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(amounts expressed in thousands)

	Fiscal Year		
	2005	**2006**	**2007**
Revenues			
Taxes	$ 15,420	$ 15,797	$ 16,645
Licenses and permits	529	447	422
Fines, fees and forfeitures	1,172	1,067	1,209
Charges for services	1,060	1,511	1,481
Intergovernmental	2,026	891	695
Interest	165	404	720
Contributions	292	2	1
Other	154	104	130
Total revenues	20,818	20,221	21,303
Expenditures			
General government	3,357	2,718	2,710
Judicial	1,673	1,941	2,014
Public safety	5,311	6,790	6,677
Public works	1,469	1,546	1,531
Health and welfare	619	404	426
Culture and recreation	889	1,037	1,150
Housing and development	746	678	2,321
Nondepartmental	685	0	0
Capital outlay	4,648	4,245	4,603
Intergovernmental	0	0	0
Debt service:			
Principal	0	0	0
Interest	0	0	0
Total expenditures	19,398	19,358	21,432
Excess (deficiency) of revenues over (under) expenditures	1,420	863	(129)
Other financing sources (uses)			
Transfers in	757	945	706
Transfers out	(920)	(1,005)	(732)
Issuance of capital leases	489	781	550
Issuance of bonds	0	0	0
Issuance of contracts payable	0	0	0
Gain on sale of assets	65	26	6
Total other financing sources (uses)	391	747	530
Special Item			
Payment to Habersham County Hospital Authority	(1,880)	(1,347)	0
Net change in fund balance	(69)	262	400
Fund balances, July 1 (original)	13,481	12,445	12,835
Prior period adjustments	(967)	128	0
Fund balances, June 30	$ 12,445	$ 12,835	$ 13,236
Debt service as a percentage of non-capital expenditures	0%	0%	0%

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
$ 18,235	$ 18,056	$ 18,220	$ 18,963	$ 19,120	$ 19,161	$ 18,780
272	161	101	91	62	63	67
1,367	1,313	1,284	1,186	1,071	1,085	1,154
1,651	1,800	1,824	1,833	1,736	1,706	2,001
1,148	948	942	1,433	992	1,581	1,844
608	254	162	134	110	62	68
5	11	11	20	15	18	28
133	68	103	135	148	133	177
23,419	22,611	22,647	23,795	23,254	23,809	24,119
2,774	3,180	3,349	3,391	3,489	3,600	3,571
2,123	2,360	2,292	2,436	2,575	2,789	3,031
7,965	7,804	7,458	7,848	8,590	8,538	8,387
1,729	1,679	1,637	1,719	1,669	1,695	1,886
435	439	423	409	406	457	2,415
1,172	1,203	1,141	1,025	1,098	1,058	1,125
750	831	668	668	508	560	559
0	0	0	0	0	0	0
5,143	4,703	3,458	4,253	5,857	16,235	6,039
0	0	2,069	875	1,151	1,267	675
0	0	0	545	2,225	2,315	2,410
0	0	0	89	139	106	88
22,092	22,199	22,494	23,257	27,706	38,622	30,187
1,328	412	152	538	(4,453)	(14,812)	(6,068)
762	1,133	4,082	954	2,076	1,783	2,148
(717)	(1,057)	(916)	(899)	(1,069)	(1,703)	(2,104)
625	0	620	1,600	829	620	81
0	0	0	10,000	0	0	0
0	0	0	0	0	0	1,963
30	36	29	29	15	9	4
700	112	3,816	11,684	1,851	709	2,093
0	0	0	0	0	0	0
2,027	524	3,969	12,222	(2,601)	(14,103)	(3,975)
13,236	15,263	15,832	19,800	32,337	29,736	15,633
0	44	0	315	0	0	0
$ 15,263	$ 15,832	$ 19,800	$ 32,337	$ 29,736	$ 15,633	$ 11,658
0%	0%	0%	3%	11%	11%	10%

HABERSHAM COUNTY, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Calendar Year Ended December 31	Gross Digest Assessed Value	Residential Property	Commercial Property	Industrial Property
2005	$ 1,296,646	$ 734,340	$ 150,155	$ 60,733
2006	1,348,950	773,025	153,300	65,395
2007	1,422,526	833,444	155,015	67,932
2008	1,622,208	957,865	167,012	65,117
2009	1,630,836	958,263	168,017	60,625
2010	1,611,371	954,594	163,198	58,981
2011	1,485,186	861,843	151,764	59,840
2012	1,375,791	772,676	151,287	62,221
2013	1,326,305	734,826	151,675	59,053
2014	1,315,053	728,355	155,477	65,387

Source: Habersham County Tax Commissioner

Notes: (1) The direct tax rate is applied against the total net taxable assessed value to levy property taxes. (2) Under Georgia law, property is assessed for taxes at 40% of fair market value.

All Other	Less Exempt Property	Total Net Assessed Value	Total Direct Tax Rate	Total Net Fair Market Value	Percentage Assessed Value To Fair Market Value
$ 351,418	$ (171,472)	$ 1,125,174	8.55	$ 2,812,935	40 %
357,231	(177,503)	1,171,448	8.55	2,928,620	40
366,135	(188,284)	1,234,242	8.43	3,085,605	40
432,213	(266,425)	1,355,783	7.76	3,389,458	40
443,931	(273,305)	1,357,531	7.76	3,393,828	40
434,598	(278,830)	1,332,540	8.40	3,331,351	40
411,740	(248,484)	1,236,703	8.97	3,091,757	40
389,606	(224,169)	1,151,622	9.64	2,879,054	40
380,752	(199,927)	1,126,378	10.75	2,815,945	40
365,834	(204,107)	1,110,947	10.75	2,777,367	40

HABERSHAM COUNTY, GEORGIA
PROPERTY TAX RATES (MILLS)
DIRECT AND OVERLAPPING GOVERNMENTS
(Per $1000 of Assessed Value)
LAST TEN FISCAL YEARS

Fiscal Year	**2006**	**2007**	**2008**
Tax Year	**2005**	**2006**	**2007**
Habersham County Rates:			
County Operations	8.55	8.55	8.43
Board of Education	14.00	13.80	13.60
Hospital Indigent Care	4.389	4.640	4.630
State of Georgia:	0.250	0.250	0.250

Source: Georgia Department of Revenue

2009 2008	2010 2009	2011 2010	2012 2011	2013 2012	2014 2013	2015 2014
7.76	7.76	8.40	8.97	9.64	10.75	10.75
13.35	13.35	13.35	13.35	14.41	14.75	14.77
4.500	4.500	4.900	4.900	5.200	6.450	6.739
0.250	0.250	0.250	0.250	0.250	0.200	0.150

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HABERSHAM COUNTY, GEORGIA
PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS PRIOR

	2014			2005		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Georgia Power	$ 23,331,622	1	2.10%	$ 17,964,616	1	2.19%
Ethicon Inc.	21,622,361	2	1.95%	15,793,048	2	1.92%
Habersham EMC	15,213,113	3	1.37%	12,831,445	3	1.56%
Nicoln	10,125,463	4	0.91%	11,928,800	4	1.45%
Windstream Standard	8,469,870	5	0.76%			
Fieldale Corp.	6,435,226	6	0.58%	6,505,159	8	0.79%
D. Aubry Higgins	5,685,448	7	0.51%	5,633,096	10	0.69%
Silverleaf Resorts	5,115,928	8	0.46%			
Norflok Sourthern Corp.	4,871,776	9	0.44%			
Lowe's Home Centers Inc	4,546,405	10	0.41%	5,763,985	9	0.70%
Mrs. Morri Mitchell				10,896,502	5	1.33%
Scoville Mfg.				10,695,986	6	1.30%
Standard Telephone				9,511,522	7	1.16%
	$ 105,417,212		**9.49%**	**$ 107,524,159**		**13.10%**

Source: Habersham County Tax Commissioner

HABERSHAM COUNTY, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Fiscal Year			
	2005	**2006**	**2007**	**2008**
Taxable assessed value of property	$ 1,296,646	$ 1,348,950	$ 1,422,526	$ 1,622,208
Add back: exemptions	171,472	177,503	188,284	266,425
Total assessed value	1,468,119	1,526,453	1,610,810	1,888,632
Debt limit (10% total assessed value)	146,812	152,645	161,081	188,863
Amount of debt applicable to limit	0	0	0	0
Legal debt margin	$ 146,812	$ 152,645	$ 161,081	$ 188,863
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Note (1): Under state finance law, Habersham County's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Fiscal Year					
2009	2010	2011	2012	2013	2014
$ 1,630,836	$ 1,611,371	$ 1,485,186	$ 1,375,791	$ 1,326,305	$ 1,315,053
273,305	278,830	248,484	224,169	199,927	204,107
1,904,141	1,890,201	1,733,670	1,599,959	1,526,233	1,519,160
190,414	189,020	173,367	159,996	152,623	151,916
0	0	9,455	7,230	4,915	2,505
$ 190,414	$ 189,020	$ 163,912	$ 152,766	$ 147,708	$ 149,411
0.00%	0.00%	5.45%	4.52%	3.22%	1.65%

HABERSHAM COUNTY, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	(1) Personal Income (in thousands)	(1) Per Capita Personal Income	Unemployment Rate (2)
2004	38,491	$ 977,007	$ 25,383	3.80%
2005	39,155	1,018,917	26,023	4.30%
2006	40,616	1,045,268	25,735	4.20%
2007	41,865	1,147,631	27,413	4.10%
2008	42,550	1,206,029	28,344	5.70%
2009	42,947	1,167,714	27,190	9.80%
2010	43,102	1,151,519	26,716	9.80%
2011	43,081	1,202,508	27,913	9.60%
2012	43,475	1,216,705	27,986	8.80%
2013	43,300	1,266,863	29,258	7.10%

Sources: (1) US Department of Commerce, Bureau of Economic Analysis
(CA1-3 Personal Income Summary)
(2) - Annual Average. US Department of Labor, Bureau of Labor Statistics

* Information after 2013 was unavailable

HABERSHAM COUNTY, GEORGIA
PRINCIPAL EMPLOYERS

	2014			2007		
Employer	Number of Employees	Rank	Percentage of Labor Force	Number of Employees	Rank	Percentage of Labor Force
Fieldale Farms	1,854	1	9.40%	2,000	1	9.98%
Habersham County BOE	993	2	5.04%	800	2	3.99%
Mt. Vernon Mills	751	3	3.81%	600	3	2.99%
Piedmont College	649	4	3.29%			
Habersham County Medical Center	627	5	3.18%	600	4	2.99%
Ethicon	559	6	2.84%	500	5	2.50%
Habersham County BOC	403	7	2.04%			
Wal-Mart	325	8	1.65%	200	10	1.00%
Windstream Communications	240	9	1.22%			
Tencate	210	10	1.07%			
Lee Arrendale Correctional Institute				500	6	2.50%
Scovill Mfg.				300	7	1.50%
TC Baycor				275	8	1.37%
Regency Thermographers				265	9	1.32%
	6,611		33.53%	6,040		30.15%
Total County Labor Force	19,716			20,035		

Source: Habersham County Tax Commissioner

Note: Comparative information prior to 2007 is not available.

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SINGLE AUDIT SECTION

This section contains reports required by OMB A-133 and grantor agencies.

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RUSHTON & COMPANY

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Habersham County, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Habersham County, Georgia's basic financial statements and have issued our report thereon dated December 5, 2014. Our report includes a reference to other auditors who audited the financial statements of the Habersham County Health Department, as described in our report on Habersham County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Habersham County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Habersham County's internal control. Accordingly, we do not express an opinion on the effectiveness of Habersham County's internal control over financial reporting.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as comments 14-1 through 14-3 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as comment 14-4 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Habersham County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Habersham County, Georgia's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 5, 2014

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited Habersham County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Habersham County, Georgia's major federal programs for the year ended June 30, 2014. Habersham County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Habersham County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Habersham County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Habersham County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Habersham County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Habersham County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Habersham County's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 5, 2014

HABERSHAM COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
Department of Agriculture			
Passed through the Georgia Office of the State Treasury			
Schools and Roads - Grants to States	10.665	FY2014	$ 36,219
Department of the Interior			
Payments in Lieu of Taxes	15.226	N/A	62,667
U.S. Department of Justice			
Passed through the Criminal Justice Coordinating Council:			
Victims of Crime Act Assistance Grant Program	16.575	C12-8-069	17,392
		C13-8-048	58,671
			76,063
Violence Against Women Formula Grants	16.588	W13-8-034	29,137
Edward Byrne Memorial Justice Assistance Grant Program	16.738	B12-8-017	51,198
		B13-8-006	43,955
			95,153
Total U.S. Department of Justice			200,353
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation			
Airport Improvement Program	20.106	AP013-9017-15(137)	444,701
Formula Grants for Other Than Urbanized Areas	20.509	GA-18-X028	26,079
Passed through the Georgia Office of Highway Safety			
State and Community Highway Safety	20.600	GA-2013-0-00391	23,104
		GA-2014-0-00282	41,527
		GA-2014-0-00436	8,000
			72,631
Total U.S. Department of Transportation			543,411

HABERSHAM COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2014

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
U.S. Department of Homeland Security			
Passed through the Georgia Emergency Management Agency			
Emergency Management Performance Grants	97.042	PPA	$ 23,601
		PPA - OEM13	500
			24,101
Homeland Security Grant Program	97.067	EMW-2010-SS-0034	2,204
Total U.S. Department of Homeland Security			26,305
Total Federal Awards			$ 868,955

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Habersham County, Georgia, under programs for the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

HABERSHAM COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant Deficiencie(s) identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant Deficiencie(s) identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	None reported
Identification of major programs:	
20.106 Airport Improvement Program	
Dollar threshold used to distinguish Between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings

A. Current Year Audit Findings

Comment 14-1

Condition: There is a lack of sufficient internal controls in the Probate Court, which is due to inadequate segregation of duties. The result is that the Probate Judge maintains the checkbook, prepares and makes deposits, writes and signs all checks, and prepares all bank reconciliations. Failing to have an effective system of controls could lead to the misstatement of the financial statements.

Criteria: Proper internal controls require adequate segregation of duties in control over adjustments to the general ledger.

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

Recommendation: To ensure that sufficient internal controls are in place, the Court should properly segregate duties.

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

Comment 14-2

Condition: While performing audit procedures at the Sheriff's Department, we noted that bank reconciliations were not completed for the six bank accounts.

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: Bank reconciliations should be completed for all bank accounts on a monthly basis.

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

Comment 14-3

Condition: While performing audit procedures at the Sheriff's Department, we noted that receipts are not being deposited in a timely manner. The Sheriff's Department makes a deposit once or twice per month on average.

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.

2. Financial Statement Findings (continued)

A. Current Year Audit Findings, continued

Comment 14-3, continued

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

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

Comment 14-4

Condition: While performing audit procedures at the Tax Commissioner's Office, we noted that tag and title back-outs do not have the original supporting documentation retained to explain the reason for the adjustment and to show proper review and authorization. The Office has established procedures for review and authorization. However, supporting documentation is not retained to document the process was followed. We noted that 3 out of 20 (15%) transactions tested lacked original supporting documentation.

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

Effect: Failure to maintain proper supporting documentation for tag and title back-outs subjects the assets of the County to greater risk of misappropriation.

Recommendation: Original supporting documentation should be retained for all back-outs documenting the reason for the adjustment.

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

B. Prior Year Audit Findings Follow-Ups

Comment 13-1

Condition: There is a lack of sufficient internal controls in the Probate Court, which is due to inadequate segregation of duties. The result is that the Probate Judge maintains the checkbook, prepares and makes deposits, writes and signs all checks, and prepares all bank reconciliations. Failing to have an effective system of controls could lead to the misstatement of the financial statements.

The Probate Court has not adequately segregated duties during fiscal year 2014.

Comment 13-2

Condition: While performing audit procedures at the Tax Commissioner's Office, we noted that due to incorrect software entries, the subsequent payouts of the current period's receipts exceeded the ending reconciled cash balances.

Corrected

2. Financial Statement Findings (continued)

B. Prior Year Audit Findings Follow-Ups, continued

Comment 13-3

Condition: While performing audit procedures at the Sheriff's Department, we noted that bank reconciliations were not completed for the five bank accounts.

Sheriff's Department personnel did not perform bank reconciliations on a monthly basis during fiscal year 2014.

Comment 13-4

Condition: While performing audit procedures at the Sheriff's Department, we noted that receipts are not being deposited in a timely manner. The Sheriff's Department makes a deposit once or twice per month on average.

Sheriff's Department personnel did not make timely deposits during fiscal year 2014.

Comment 13-5

Condition: While reviewing policies and procedures for Transit, we noted that receipts are not being deposited in a timely manner. Deposits are being made once per month on average.

Corrected

Comment 13-6

Condition: While performing audit procedures on occupational tax, we noted instances where deposits were not made timely. Receipts were held for seven or more days before depositing in 9 of 25 (36%) receipts tested.

Corrected

Comment 13-7

Condition: While performing audit procedures on capital assets, we noted that capital asset additions and dispositions were not reconciled from the capital asset listing to the general ledger.

Corrected

2. Financial Statement Findings (continued)

B. Prior Year Audit Findings Follow-Ups, continued

Comment 13-8

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. As required, we have indicated this as a significant deficiency in our letter on Internal Control and Compliance.

Corrected

Comment 13-9

Condition: While performing audit procedures on building permits, we noted that 3 out of 25 (12%) receipts tested involved permit fees that were incorrectly calculated. We also noted that the permit files did not have supporting documentation for the calculation of the permit fees. 10 out of the 25 (40%) permits recalculated required inquiry of permit office staff to determine how the fees were calculated.

Corrected

Comment 13-10

Condition: While performing audit procedures at the Tax Commissioner's Office, we noted that tag and title back-outs do not have the original supporting documentation retained to explain the reason for the adjustment and to show proper review and authorization. The Office has established procedures for review and authorization. However, supporting documentation is not retained to document the process was followed. We noted that 5 out of 20 (25%) transactions tested lacked original supporting documentation.

Tag and title back-outs did not have original supporting documentation retained during fiscal year 2014.

Comment 13-11

Condition: The County experienced a material excess of expenditures over appropriations in the General Fund, Jail Special Revenue Fund, Emergency 911 Special Revenue Fund, Hotel/Motel Tax Special Revenue Fund, and SPLOST Debt Service Fund.

Corrected

2. Financial Statement Findings (continued)

B. Prior Year Audit Findings Follow-Ups, continued

Comment 13-12

Condition: The County used SPLOST proceeds for a project that was not specified in the SPLOST #4 referendum as an approved purpose.

Corrected

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Section 510(a) of OMB A-133.

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STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

HABERSHAM COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2014

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST #4					
Water, Public Safety, and Transportation Facilities and Equipment	$ 24,000,000	$ 24,000,000			
Buildings and Grounds Facilities and Equipment			$ 0	$ 22,579	$ 22,579
Magistrate Court Facilities and Equipment			0	34,115	34,115
Police Facilities and Equipment			2,736,840	740,748	3,477,588
Fire Facilities and Equipment			1,952,945	274,841	2,227,786
EMA Facilities and Equipment			0	37,631	37,631
EMS Facilities and Equipment			771,086	251,112	1,022,198
Emergency 911 Facilities and Equipment			274,067	271,168	545,235
Water System and Equipment			9,060,124	12,753	9,072,877
Libraries Facilities and Equipment			0	60,064	60,064
Recreation Facilities and Equipment			937,573	98,464	1,036,037
Airport Facilities and Equipment			3,569,323	0	3,569,323
Economic Development Facilities and Equipment			0	34,115	34,115
Planning Facilities and Equipment			0	48,051	48,051
Roads and Bridges	10,000,000	10,000,000	9,709,531	5,203	9,714,734
	$ 34,000,000	$ 34,000,000	$ 29,011,489	$ 1,890,844	$ 30,902,333

Total expenditures and transfers out of the SPLOST #4 Capital Projects Fund	$ 2,186,715
Expenditures financed through intergovernmental revenues	(295,871)
	$ 1,890,844

Note: The prior years expenditures for SPLOST #4 for Airport Facilities and Equipment has been restated by $151,201 for expenditures financed by other revenue sources.

HABERSHAM COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2014

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST #5					
Judicial	$ 17,965,000	$ 17,965,000	$ 9,627,930	$ 5,289,990	$ 14,917,920
Water	14,900,000	14,900,000	0	0	0
Roads, Streets, and Bridges	10,000,000	10,000,000	4,010,560	662,717	4,673,277
Economic Development	2,000,000	2,000,000	1,244,101	0	1,244,101
Public Safety	1,500,000	1,500,000	0	0	0
Recreation	1,200,000	1,200,000	602,609	15,000	617,609
Information Technology	500,000	500,000	459,551	7,519	467,070
City of Alto	454,362	454,362	232,716	32,325	265,041
City of Baldwin	2,010,460	2,010,460	1,029,728	143,030	1,172,758
City of Clarkesville	1,309,523	1,309,523	670,718	93,163	763,881
City of Cornelia	3,281,196	3,281,196	1,680,580	233,433	1,914,013
City of Demorest	1,545,939	1,545,939	791,806	109,982	901,788
City of Mount Airy	578,511	578,511	296,099	41,128	337,227
City of Tallulah Falls	55,410	55,410	28,378	3,942	32,320
	$ 57,300,401	$ 57,300,401	$ 20,674,776	$ 6,632,229	$ 27,307,005

Total expenditures of the SPLOST #5 Capital Projects Fund	$ 4,149,979
Total expenditures of the SPLOST Debt Service Fund	2,482,250
	$ 6,632,229

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

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