HOUSTON COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

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FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS
915 HILL PARK
MACON, GEORGIA 31201

December 5, 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
of Houston County
Warner Robins, 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 Houston County, Georgia ("the County") 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 the Houston County Department of Public Health, a component unit of Houston County, Georgia, which statements reflect total assets of $4,756,705 as of June 30, 2014 and total revenues of $15,741,869 for the year ended June 30, 2014. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Houston County Department of Public Health, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 entity'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 entity'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 reports 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Houston County, Georgia, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General 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, and the schedule of funding progress information on pages 3 through 11, and page 52, respectively, 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 Houston County, Georgia's basic financial statements. The combining and individual nonmajor fund statements and schedules, and the agency funds combining statement of changes in assets and liabilities and the state reporting section with the schedule of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund statements and schedules, and the agency funds combining statement of changes in assets and liabilities, and the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the 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 nonmajor fund financial statements, and the agency funds combining statement of changes in assets and liabilities and the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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



Macon, Georgia

HOUSTON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Houston County's financial performance provides an overview of the County's financial activities for the fiscal year ending June 30, 2014. Please read it in conjunction with the County's financial statements.

Using This Annual Report

This report consists of a series of financial statements. Houston County's basic financial statements are comprised of three components: (1) *government-wide financial statements*, (2) *fund financial statements*, and (3) *notes to the financial statements*. *Government-wide statements* provide information about the County as a whole and present an overall view of County finances. *Fund financial statements* provide information that is more detailed than what is reported in the government-wide financial statements. The remaining *notes to the financial statements* provide additional information concerning the County's finances that are not disclosed in the government-wide or the fund financial statements.

Government-wide Financial Statements

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

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement which presents information on all the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. Net position is reported in three categories: (1) invested in capital assets, (2) restricted, and (3) unrestricted.

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

To assist in understanding the County's operations, both government-wide statements divide County expenses into three kinds of activities: *governmental activities*, *business-type activities and component units*. Governmental activities include basic County services including public works, public safety, judicial, health and welfare and general administration. Property taxes, fees and court fines finance most of these activities. Business-type activities include the County's water system and solid waste operations which are financed in whole, or in part, by user charges including water fees, landfill tipping fees, and garbage collection fees. Component units include the Houston County Development Authority, the Houston County Department of Public Health and the Houston County Library System. Although legally separate, these component units are important because the County is financially accountable for them.

Separately issued financial statements for the Houston County Development Authority can be obtained at the Authority's administrative office in Warner Robins, Georgia. Separately issued financial statements for the Houston County Department of Public Health may be obtained at the Department's administrative office in Warner Robins, Georgia. Separately issued financial statements for the Houston County Public Library may be obtained at the Library's administrative office in Perry, Georgia.

The government-wide financial statements can be found on pages 12-15 of this report.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the County as a whole. Some funds are required to be established by State law. Other funds are established by the Board of Commissioners to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of Houston County's funds are divided into three categories - governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The governmental funds statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because the focus of governmental funds is narrower than that of the government-wide 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 doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and SPLOST fund. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-22 of this report.

Proprietary funds - Houston County maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water system and its solid waste operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Houston County uses internal service funds to account for its workers' compensation, health and property and liability insurance programs. Because all three of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary funds financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. For the proprietary funds, a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows are presented. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Specifically, the County's proprietary fund financial statements provide separate information for the water system and the solid waste operations, both of which are considered to be major funds. Conversely, all three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on page 62 of this report.

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary funds - Houston County is the trustee, or fiduciary, for numerous resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because these resources are not available to support Houston County's own programs. It is the County's responsibility to ensure that the resources reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is similar to that used for proprietary funds. A statement of fiduciary assets and liabilities is presented for the County's agency funds.

The fiduciary fund financial statements can be found on page 26 of this report.

Notes to the Financial Statements - In addition to the government-wide and fund financial statements, this report also provides supplementary information in the notes to the financial statements. The notes provide additional information essential to a full understanding of the basic financial statements. Other required supplementary information, including information about the accounting practices of the County, investments of the County, long-term debt, and the pension plan are some of the items included in the Notes.

The notes to the financial statements can be found on pages 27-51 of this report.

Financial Highlights:

HOUSTON COUNTY'S NET POSITION
FISCAL YEARS 2013 AND 2014

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Assets:						
Current assets	$ 92,486,591	$ 91,673,161	$ 29,833,200	$ 29,900,513	$ 122,319,791	$ 121,573,674
Net pension assets	4,177,342	4,363,495	-	-	4,177,342	4,363,495
Capital assets	201,827,962	196,287,751	47,137,898	$ 47,707,420	248,965,860	243,995,171
Total assets	$ 298,491,895	$ 292,324,407	$ 76,971,098	$ 77,607,933	$ 375,462,993	$ 369,932,340
Liabilities:						
Current liabilities	$ 5,536,992	$ 5,009,063	$ 974,537	$ 1,348,401	$ 6,511,529	$ 6,357,464
Long-term liabilities	4,349,083	4,078,562	7,240,709	7,684,448	11,589,792	11,763,010
Total liabilities	$ 9,886,075	$ 9,087,625	$ 8,215,246	$ 9,032,849	$ 18,101,321	$ 18,120,474
Net position:						
Investment in capital assets	$ 201,827,962	$ 196,287,751	$ 47,137,898	$ 47,707,420	$ 248,965,860	$ 243,995,171
Restricted	54,720,742	48,330,253	16,125,011	17,274,834	70,845,753	65,605,087
Unrestricted	32,057,116	38,618,778	5,492,943	3,592,830	37,550,059	42,211,608
Total net position	$ 288,605,820	$ 283,236,782	$ 68,755,852	$ 68,575,084	$ 357,361,672	$ 351,811,866

- Houston County's total assets exceeded total liabilities by $351.8 million (net position). Total net position for governmental activities was $283.2 million; total net position for business-type activities was $68.6 million.

- Total net position is comprised of the following:
    1. Capital assets of $244 million include property and equipment, net of accumulated depreciation related to the purchase or construction of capital assets.
    2. Net assets of $65.6 million are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws or regulations.
    3. Unrestricted net assets of $42.2 million represent the portion available to maintain the County's continuing obligations to citizens and creditors.

- As a whole, the County's financial position nearly maintained last year's levels showing only a slight decline. Total net position decreased by $5.5 million. Governmental activities experienced a $5.3 million decrease while business-type activities decreased only $0.18 million. A slow-down in capital spending funded by Special Purpose Local Option Sales Tax (SPLOST) accounts for most of the decline in governmental activities. Governmental net position decreased 1.9% in fiscal year 2014. Net position in the business-type activities decreased 0.3%.

HOUSTON COUNTY'S CHANGES IN NET POSITION
FISCAL YEARS 2013 AND 2014

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues:						
Program revenues:						
Charges for services	$ 14,558,050	$ 16,988,832	$ 13,434,939	$ 12,376,325	$ 27,992,989	$ 29,365,157
Operating grants	636,357	1,342,370	-	-	636,357	1,342,370
Capital grants	2,194,318	801,303	-	-	2,194,318	801,303
General revenues:						
Taxes	61,559,347	60,941,035	1,801,611	1,522,323	63,360,958	62,463,358
Other	782,898	489,153	177,447	98,956	960,345	588,109
Total revenues	$ 79,730,970	$ 80,562,693	$ 15,413,997	$ 13,997,604	$ 95,144,967	$ 94,560,297
Expenses:						
General government	$ 35,239,560	$ 29,486,001	$ -	$ -	$ 35,239,560	$ 29,486,001
Judicial	9,038,232	8,987,999	-	-	9,038,232	8,987,999
Public safety	28,657,893	29,178,721	-	-	28,657,893	29,178,721
Highways & streets	7,971,795	8,656,605	-	-	7,971,795	8,656,605
Health & welfare	673,478	599,712	-	-	673,478	599,712
Housing & development	1,305,652	7,335,187	-	-	1,305,652	7,335,187
Culture/recreation	1,926,430	2,239,812	-	-	1,926,430	2,239,812
Interest on long-term debt	2,580	-	-	-	2,580	-
Water	-	-	5,617,537	5,692,572	5,617,537	5,692,572
Landfill	-	-	7,610,984	7,933,494	7,610,984	7,933,494
Total expenses	$ 84,815,620	$ 86,484,037	$ 13,228,521	$ 13,626,066	$ 98,044,141	$ 100,110,103
Increase (decrease) in net position before transfers	(5,084,650)	(5,921,344)	2,185,476	371,538	(2,899,174)	(5,549,806)
Transfers	22,600	28,502	(22,600)	(28,502)	-	-
Indirect cost allocation	519,632	523,804	(519,632)	(523,804)	-	-
Increase (decrease) in net position	$ (4,542,418)	$ (5,369,038)	$ 1,643,244	$ (180,768)	$ (2,899,174)	$ (5,549,806)
Net Position - beginning	$ 293,148,238	$ 288,605,820	$ 67,112,608	$ 68,755,852	$ 360,260,846	$ 357,361,672
Net Position - ending	$ 288,605,820	$ 283,236,782	$ 68,755,852	$ 68,575,084	$ 357,361,672	$ 351,811,866

- For fiscal year 2014, Houston County's governmental funds reported combined fund balances totaling $79.8 million; a nominal decrease of $650,000 when compared to fiscal year 2013. Of the $79.8 million, $48.3 million or 60.6% is restricted due to external limitations on its use. These uses include construction of SPLOST capital projects of $46.4 million, E911 operations of $0.8 million, confiscated drug funds for law enforcement purposes of $194,925, law library surcharge funds for the operation of the County's public law library at $897,585, and Juvenile Court supervision fees of $17,706. Less than one percent of fund balance, $139,299, is considered non-spendable because it has been used for inventory.

- A total of $4.7 million or 5.9% of fund balance is either committed or assigned, meaning there are limitations resulting from its intended use. Of these funds, $2,600,091 is committed for fire services, $408,020 for jail inmate services, $1,245,480 is committed to judicial projects and $439,342 is assigned to the County's emergency warning system known as Code Red. The remaining $26.6 million or 33.4% of fund balance is unassigned.

- Governmental activities in fiscal year 2014 experienced a decrease of $5.4 million in net position, while business-type activities decreased slightly by $0.2 million. In total, net position decreased by $5.5 million during the year to $351.8 million. Revenues for governmental activities increased from $79.7 to $80.6 million. While overall revenues increased in the both General and E911funds, and the Fire fund essentially maintained 2013 revenue levels; total revenues in the SPLOST fund declined significantly by over 10%. Sales tax collections under the current SPLOST have declined steadily over the 21 months since its inception in October 2012. As of June 30, 2014, SPLOST collections are a collective $5.25 million or 12.8% under projections, and can most likely be contributed to both the state of the economy in general and also to a change made by the state of Georgia in the motor vehicle tax. Non-major governmental expenditures increased $156,776 or 2.9% compared to last year's spending. General fund expenditures increased $2.2 million or 4.7% from $46.8 million to $49 million, and SPLOST Capital Projects Fund expenditures decreased 20.7% from $34.5 million to $27.3 million. Revenues for business-type activities decreased 9.2% from $15.4 million to $14 million. Both Landfill fees and Water sales experienced significant decreases during the year. Landfill fees fell from last year's level of $6.8 million to $6.2 million, while water sales fell from $6.6 million to $6.1 million as compared to last year. In the Landfill, fees continue to decline due to the multi-year building industry slump resulting in less C&D tonnage. In the Water fund, the FY2014 metered sales of $6.1 million versus FY2013 metered sales of $6.6 million accounts for the remainder of this dramatic decrease. Record levels of rainfall continued in Georgia which meant most homeowners did not irrigate their lawns as is normal therefore driving down the metered water sales for the year. Combined business activities therefore experienced a negative operating income, or loss, of $1,773,545. Expenditures for governmental activities increased to $86.5 from $84.8 million. Business-type expenses increased 3% from $13.7 million to $14.1 million.

Fund Financial Information

Major Governmental Funds

General Fund – The central operating fund for Houston County, the General Fund, is used to account for all governmental financial resources not restricted by state or federal laws, local ordinances or other externally imposed requirements. At the end of fiscal year 2014, total assets rose from $26.6 million to $30.7 million. Total liabilities decreased from $2.2 million to just over $2 million.

The General Fund's unassigned fund balance at year-end increased from $21.8 million to $26.6 million. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 54.8% of total general fund expenditures, while total fund balance, $27.2 million, represents 56% of the same amount. The General Fund reported a $4.3 million increase in fund balance.

Total revenues and other sources for fiscal year 2014 of $53.3 million exceeded total expenditures and other uses of $49 million. As a whole, County revenue collections were higher than originally estimated due to state mandated increases in various service charges, court fines and fees. Revenue estimates were also increased $1,349,468 during the fiscal year to reflect grant awards for Juvenile Justice Incentive Grant funds; LMIG funds for road resurfacing; insurance premium taxes to cover overages in the Storm Drainage department due to several washed out roads; and additional transfers in to the general fund. While property tax revenue increased slightly by 1.8%; revenues from licenses and permits maintained last year's levels reflecting a continuing positive growth trend in the local building industry, and charges for services grew 8.9% and investment income fell by 30%.

Expenditures for most functional areas were $3.6 million less than budget due to vacancies in positions, staff turnover and savings managed by departments within their operating budgets. However, there were several areas where costs were somewhat higher than originally projected. First, in general government, the Public Buildings budget was increased $84,300 to cover overages on building utilities. Second, judicial costs in the Clerk of the Superior Court and the Magistrate Court departmental budgets were increased $11,300 and $17,400 respectively because of costs incurred due to increased caseloads. The Juvenile Court budget was increased $187,500 to reflect the expenditures related to the Juvenile Justice Incentive Grant. The District Attorney departmental budget was increased by $39,281 to acquire upgrades to courtroom and office computer technology. Third, under public safety activities, the Coroner's budget was adjusted $6,720 to cover an unexpected number of autopsies. The emergency management agency's budget was adjusted to cover $63,120 in fuel for the ambulance service. Fourth, in public works, the Highways and Streets-State budget was increased $605,155 to reflect Georgia Department of Transportation (GDOT) resurfacing grants awarded during the year. The Storm Drainage budget was increased $236,583 due to several roads being washed out during a heavy July storm. Fifth, in Health and Welfare, pauper's funerals exceeded the budgeted number by $1,600. The DFACS budget was increased $5,280 to cover unexpected building repairs. Finally, under economic development activities, the Planning and Zoning budget was increased $4,000 due to an increased amount of special applications for home occupations. Most other departmental expenditures were consistent with fiscal year 2013.

E911 Fund - The E911 Fund accounts for the cost of operating and maintaining Houston County's Centralized Emergency Communications System. Financing is provided by a $1.50 charge to each telephone subscriber (wireless and land) whose exchange access lines are in the areas served by the Houston County 911 service; by contributions from the cities of Centerville, Perry and Warner Robins; by a $0.75 charge on every prepaid wireless retail transaction occurring within the County's jurisdiction; and by transfers from Houston County's General Fund and Fire Protection Fund. At the end of fiscal year 2014, total assets decreased from $933,911 to $865,850, and total liabilities increased from $48,522 to $64,274. Restricted fund balance decreased by $83,813 during the year from $885,389 to $801,576. The ending fund balance represents 20.9% of the expenditures for the year.

Total E911 revenues and other sources for fiscal year 2014 of $3.76 million fell short of total expenditures and other uses by $83,813. Overall, E911 revenues increased by 6% when compared to fiscal year 2013. Most of the revenue came from 911 fees totaling $2.6 million. Intergovernmental contributions were consistent with fiscal year 2013 numbers while lease payments decreased from $38,304 to $30,930. The County has opened a dialogue with all three municipalities concerning the trend in revenue shortfall. Talks have centered upon a possible change to the intergovernmental contributions formula that would increase each entities share. These talks will continue during fiscal year 2015 with possible changes becoming effective for fiscal year 2016. Total E911 expenditures for fiscal year 2014 increased by 4.2% to $3.8 million, 98.6% of the final amended budget.

Fire Protection Fund - The Fire Protection Fund accounts for the cost of operating and maintaining Houston County's fire protection services. This department consists of a combination of volunteer and full-time firefighters. Financing is provided by levying a special fire tax on property in unincorporated Houston County. At the end of fiscal year 2014, total assets increased 8.3% to $2,615,859. Total liabilities decreased to $15,768 from $16,475. The increase in assets is primarily due to the investment of idle cash. Committed fund balance increased $201,055 to $2.6 million. The fund balance is earmarked only for fire protection uses and currently represents 156% of the expenditures and transfers for the year.

At $1.87 million, total fire revenues maintained fiscal year 2013 levels. The fire tax levy for 2013 remained at 1.18 mills. At $1.67 million, expenditures were up as compared to $1.6 million last year and represents 89.4% of the final amended budget.

SPLOST Capital Projects – Houston County has three Special Purpose Local Option Sales Tax (SPLOST) programs currently underway. In June of 2001, voters passed an $85 million SPLOST for the construction of roads, an 800 MHz communication system, a city hall, water and sewer improvements and recreation enhancements. While sales tax collections on the 2001 SPLOST ended in August 2006, several of the projects are still underway.

In March of 2006, voters approved a six year $130 million SPLOST for the construction of roads, several public safety buildings, library improvements, water and sewer improvements and the write-off of outstanding debt. Collections for the 2006 SPLOST began in October 2006 and ended September 2012. In March of 2012, voters passed a $155 million SPLOST for the construction of road, bridge and sidewalk projects, water and sewer system improvements, public safety and recreation facilities and equipment, an E911 system and facilities upgrade, property acquisition for Robins Air Force Base encroachment and industrial sites, and debt payoff. Sales tax collections on this 2012 SPLOST began October 2012 and, through the end of the fiscal year June 30, 2014, have consistently fallen short of projections. Projections for this twenty-one month period were $42.35 million, while actual collections were $37.1 million, or 12.4% short.

At the end of fiscal year 2014, total assets in the SPLOST fund were $48.3 million, and total liabilities were $1.9 million. The restricted fund balance decreased $6.3 million from $52.7 million to $46.4 million largely due to the second installment payout of $5.4 million to the Georgia Department of Transportation concerning the Highway 96 (Phase II) widening project. This was the second and final installment due of the $19.5 million the County committed to the project under the 2006 SPLOST. The County has completed most of the projects funded by the 2001 SPLOST taxes and currently is underway on the largest remaining project, the widening of Feagin Mill Road from Houston Lake Boulevard to Moody Road, as well as the smaller Ball Street Extension project. Approximately 80% of the 2006 SPLOST projects have been completed. Of the remaining projects, the widening of Highway 96 (from Lake Joy Road to Moody Road), the widening of Highway 41 (from Osigian Drive to Thomson Road), and the widening of Gunn Road (from US41 to Margie Drive) are all under construction. The remaining smaller projects are still in the planning phase. Projects from the 2012 SPLOST in fiscal year 2014 included a security camera system for the Detention Center's vehicle impound lot, sixteen public safety vehicles in the Sheriff's Department, two trucks in the Roads Department, one SUV for the District Attorney, fuel system upgrades for two of the three County sites, and computer and copier purchases for various departments.

At $20.86 million, total sales tax revenues in fiscal year 2014 decreased $1,047,050 over last year's collections. A decrease in investment income from $106,549 to $57,138, coupled with a decrease in intergovernmental revenues from $1,535,085 to $136,435 contributed greatly to the overall $2.5 million decrease in total SPLOST revenue for the year. Total SPLOST expenditures for fiscal year 2014 decreased $7.2 million from $34.5 million to $27.3 million. Of the $27.3 million expended, $8.7 million was allocated to highway and street projects; $9.7 million was expended in intergovernmental grants or allocated to the cities of Centerville, Perry and Warner Robins; $1.46 million was expended on library improvements; $3 million was expended for land acquisition and $3.5 million was expended for property acquisition for Robins AFB encroachment under economic development.

Major Proprietary Funds

Water Enterprise Fund - This fund is used to account for water service provided to customers primarily in unincorporated Houston County. Rates are established to pay the costs of current operations and to provide for capital maintenance replacement. Total assets at the end of fiscal year 2014 increased to $35.8 million while total liabilities increased to $0.748 million. Net position increased less than 1% to $35 million. Total revenues decreased 6.7% to $6.1 million. In fiscal year 2014, water sales declined by 6.7% as compared to the 2013 sales levels due mainly to the surplus of rainfall and the resultant lack of outdoor watering. All other revenue sources were comparable to last year. Total expenditures increased marginally from $5.93 million in 2013 to $6 million in 2014. Overall, net operating income decreased dramatically from $.67 million to $.15 million.

Landfill Enterprise Fund - This fund is used to account for the sanitary landfill in compliance with state and federal requirements. Fees are established to pay the costs of current operations, capital maintenance replacement and closure\post-closure costs. Total assets were $41.8 million and total liabilities were $8.3 million, as compared to $41.5 million and $7.6 million, respectively in fiscal year 2013. Net position decreased during the fiscal year from $33.8 million to $33.5 million primarily because of decreases in long-term capital assets. While operating revenues (disposal fees) decreased to $6.2 million compared to last year's levels of $6.8 million; operating expenses in fiscal year 2014 increased from $7.8 million to $8.1 million primarily due to increases in contracted services. This has resulted in an increase in the landfill's negative operating income from $979,003 in fiscal year 2013 to $1,920,631 for fiscal year 2014.

Capital Assets and Debt Administration

Capital Assets – In fiscal year 2014, investments in capital assets for both governmental and business-type activities by the County decreased from $249 million to $244 million (net of accumulated depreciation). This amount represents a net decrease of $5 million, or 2% over last year. Governmental activities capital investment amounts decreased 2.7% to $196.3 million while business-type activities capital assets increased 1.2% to $47.7 million.

Houston County's $244 million investment in capital assets includes land, buildings, machinery, equipment, vehicles, infrastructure and utility systems. Capital assets added in fiscal year 2014 to governmental activities primarily included $2.4 million in road improvement projects funded under the 2001, 2006 and 2012 SPLOST programs; and $1.7 million in vehicles, machinery, and equipment. Capital assets added to the business-type activities include $3.8 million in building improvements associated with the landfill and water system, and $501,692 in equipment upgrades.

At the end of fiscal year 2014, the depreciable capital assets for governmental activities were 31.5% depreciated, compared to 29% in fiscal year 2013. This comparison indicates that the County is replacing its assets at a comparable rate as they are depreciating, which is a positive indicator. With the County's business-type activities, 49.6% of the asset values were depreciated for fiscal year 2014 and as compared to 49% in fiscal year 2013. Additional information about capital assets is included in the Notes to the Financial Statements on pages 27 to 51 of this report.

HOUSTON COUNTY'S CAPITAL ASSETS AT YEAR-END
FISCAL YEARS 2013 AND 2014

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Non-depreciable assets:						
Land	$ 7,726,034	$ 7,650,734	$ 5,795,527	$ 5,795,527	$ 13,521,561	$ 13,446,261
Construction in progress	37,681,472	40,130,257	6,547,984	5,466,061	44,229,456	45,596,318
Total non-depreciable assets	$ 45,407,506	$ 47,780,991	$ 12,343,511	$ 11,261,588	$ 57,751,017	$ 59,042,579
Depreciable assets:						
Land (landfill)	$ -	$ -	$ 884,459	$ 884,459	$ 884,459	$ 884,459
Construction	78,327,149	73,205,343	-	-	78,327,149	73,205,343
Buildings	-	-	58,648,621	62,430,267	58,648,621	62,430,267
Improvements	868,520	868,520	-	-	868,520	868,520
Machinery and equipment	29,903,238	30,999,200	8,804,900	9,004,059	38,708,138	40,003,259
Infrastructure	111,710,863	111,710,863	-	-	111,710,863	111,710,863
Total depreciable assets	$ 220,809,770	$ 216,783,926	$ 68,337,980	$ 72,318,785	$ 289,147,750	$ 289,102,711
Less accumulated depreciation	64,389,314	68,277,166	33,543,593	35,872,953	97,932,907	104,150,119
Percentage depreciated	29%	31.5%	49%	49.6%	34%	36%
Book value	$ 201,827,962	$ 196,287,751	$ 47,137,898	$ 47,707,420	$ 248,965,860	$ 243,995,171

Debt Management – Houston County has no general obligation debt in either the governmental or business-type activities. In the County's governmental activities, there is compensated absences of $1.7 million and Other Post Employment Benefits (OPEB) of $3.6 million.

The Commissioners have set aside $508,714 to pay the County's OPEB obligation. However, because the County declined to set a trust fund for these expenses, the OPEB obligation is not reduced by the above amount and is still listed as a liability. Business-type activities include $7.6 million in closure and post closure care of the landfill and $232,723 in compensated absences. Additional information about long-term debt is included in the Notes to the Financial Statements on pages 27 to 51 of this report.

HOUSTON COUNTY'S OUTSTANDING DEBT
FISCAL YEARS 2013 AND 2014

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Capital Leases	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Obligation	3,888,985	3,597,757	-	-	3,888,985	3,597,757
Landfill closure and post closure care	-	-	7,136,359	7,579,723	7,136,359	7,579,723
Compensated absences	1,643,208	1,717,162	231,890	232,723	1,875,098	1,949,885
Total	$ 5,532,193	$ 5,314,919	$ 7,368,249	$ 7,812,446	$ 12,900,442	$ 13,127,365

Requests for Information

This report is designed to provide a general overview of Houston County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Administration Barry Holland or Comptroller Sandi Stalnaker, 200 Carl Vinson Parkway, Warner Robins, Georgia 31088.

BASIC FINANCIAL STATEMENTS

HOUSTON COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 7,807,851	$ 4,068,324	$ 11,876,175
Investments	79,637,779	16,352,519	95,990,298
Accounts receivable (net)	648,653	1,057,930	1,706,583
Taxes receivable (net)	1,638,028	-	1,638,028
Other receivable	-	-	-
Notes receivable, current	-	-	-
Internal balances	(248,451)	248,451	-
Due from other governments	2,050,002	-	2,050,002
Inventories and prepaid items	139,299	124,237	263,536
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	-	66,254	66,254
Investments	-	7,982,498	7,982,498
Accrued interest receivable	-	300	300
Notes receivable, noncurrent	-	-	-
Net pension asset	4,363,495	-	4,363,495
Capital assets not subject to depreciation	47,780,991	11,261,590	59,042,581
Capital assets (net of accumulated depreciation)	148,506,760	36,445,830	184,952,590
Total assets	292,324,407	77,607,933	369,932,340
LIABILITIES			
Accounts payable	1,848,178	717,476	2,565,654
Accrued wages payable	600,919	51,758	652,677
Accrued compensated absences	1,236,357	127,998	1,364,355
Due to other governments	1,323,609	121,749	1,445,358
Deferred revenue	-	-	-
Notes payable	-	-	-
Liabilities payable from restricted assets:			
Accrued bond interest and call premiums	-	4,998	4,998
Customer deposits	-	324,422	324,422
Noncurrent liabilities:			
Net other postemployment benefits	3,597,757	-	3,597,757
Notes payable	-	-	-
Accrued compensated absences	480,805	104,725	585,530
Accrued closure and post-closure care costs	-	7,579,723	7,579,723
Total liabilities	9,087,625	9,032,849	18,120,474
NET POSITION			
Investment in capital assets	196,287,751	47,707,420	243,995,171
Restricted for capital projects	46,418,461	-	46,418,461
Restricted for renewal and extension	-	7,692,846	7,692,846
Restricted for waste collections	-	9,581,988	9,581,988
Restricted for permanent fund	-	-	-
Restricted for other purposes	1,911,792	-	1,911,792
Unrestricted	38,618,778	3,592,830	42,211,608
Total net position	$ 283,236,782	$ 68,575,084	$ 351,811,866

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

Component Units		
Development Authority	Health Department	Public Library
$ 861,572	$ 1,759,235	$ 449,264
17,659,096	-	43,622
-	2,274,886	-
-	-	-
-	-	22
100,000	-	-
-	-	-
-	-	23,904
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	853,583
-	722,584	5,431,463
18,620,668	4,756,705	6,801,858
84	1,681,287	23,904
-	-	28,519
8,885	24,056	17,566
-	-	-
-	32,644	-
4,898,883	-	-
-	-	-
-	-	-
-	-	-
2,484,644	-	-
3,554	449,409	-
-	-	-
7,396,050	2,187,396	69,989
-	722,584	6,285,046
-	-	140,063
-	-	-
-	-	-
-	-	30,612
-	-	-
11,224,618	1,846,725	276,148
$ 11,224,618	$ 2,569,309	$ 6,731,869

HOUSTON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	$ 29,486,001	$ (5,010,162)	$ 6,841,710	$ 721,428	$ -
Judicial	8,987,999	1,155,084	5,429,339	487,451	-
Public safety	29,178,721	2,347,368	4,372,817	102,957	-
Highways and streets	8,656,605	567,640	2,752	30,534	664,868
Health and welfare	599,712	313,287	83,916	-	-
Housing and development	7,335,187	102,979	258,298	-	-
Culture and recreation	2,239,812	-	-	-	136,435
Interest on long-term debt	-	-	-	-	-
Total governmental activities	86,484,037	(523,804)	16,988,832	1,342,370	801,303
Business-type activities:					
Water	5,692,572	312,662	6,152,320	-	-
Landfill	7,933,494	211,142	6,224,005	-	-
Total business-type activities	13,626,066	523,804	12,376,325	-	-
Total primary government	$ 100,110,103	$ -	$ 29,365,157	$ 1,342,370	$ 801,303
Component units:					
Development Authority	$ 519,222	$ -	$ -	$ -	$ -
Health Department	15,193,684	-	1,047,404	14,688,048	-
Public Library	1,422,774	-	75,504	258,833	1,595,927
Total component units	$ 17,135,680	$ -	$ 1,122,908	$ 14,946,881	$ 1,595,927
General revenues:					
Property taxes					
Sales taxes					
Franchise tax					
Alcoholic beverage tax					
Insurance premium tax					
Gain on sale of assets					
Rent					
Intergovernmental, not restricted for specific programs					
Grants and contributions, not restricted for specific programs					
Gain on settlement of debt					
Other income					
Unrestricted investment earnings					
Total general revenues					
Transfers					
Total general revenues and transfers					
Change in net position					
Net position - beginning, as restated					
Net position - ending					

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

Net (Expense) Revenue and Changes in Net Position						
Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Development Authority	Health Department	Public Library
$ (16,912,701)	$	$ (16,912,701)	$	$	$
(4,226,293)		(4,226,293)			
(27,050,315)		(27,050,315)			
(8,526,091)		(8,526,091)			
(829,083)		(829,083)			
(7,179,868)		(7,179,868)			
(2,103,377)		(2,103,377)			
-		-			
(66,827,728)		(66,827,728)			
-	147,086	147,086			
-	(1,920,631)	(1,920,631)			
-	(1,773,545)	(1,773,545)			
$ (66,827,728)	$ (1,773,545)	$ (68,601,273)			
			(519,222)	-	-
			-	541,768	-
			-	-	507,490
			$ (519,222)	$ 541,768	$ 507,490
$ 37,376,807	$ -	$ 37,376,807	$ -	$ -	$ -
20,856,030	-	20,856,030	-	-	-
568,721	-	568,721	-	-	-
273,913	-	273,913	-	-	-
1,865,564	1,522,323	3,387,887	-	-	-
-	73,698	73,698	-	-	-
463,666	-	463,666	93,097	-	-
-	-	-	3,248,599	-	771,200
-	-	-	-	-	59,310
-	-	-	-	-	-
-	-	-	2,500	-	5,251
25,487	25,258	50,745	5,731	6,417	1,472
61,430,188	1,621,279	63,051,467	3,349,927	6,417	837,233
28,502	(28,502)	-	-	-	-
61,458,690	1,592,777	63,051,467	3,349,927	6,417	837,233
(5,369,038)	(180,768)	(5,549,806)	2,830,705	548,185	1,344,723
288,605,820	68,755,852	357,361,672	8,393,913	2,021,124	5,387,146
$ 283,236,782	$ 68,575,084	$ 351,811,866	$ 11,224,618	$ 2,569,309	$ 6,731,869

HOUSTON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014

	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,129,172	$ -	$ 1,766,400	$ 3,895,572
Investments	26,429,554	46,489,321	3,355,859	76,274,734
Taxes receivable (net)	1,638,028	-	-	1,638,028
Accounts receivable (net)	184,641	-	464,012	648,653
Due from other funds	-	-	547,356	547,356
Due from other governments	155,113	1,790,329	104,560	2,050,002
Inventories	139,299	-	-	139,299
Total assets	$ 30,675,807	$ 48,279,650	$ 6,238,187	$ 85,193,644
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts and contracts payable	$ 699,191	$ 537,580	$ 37,511	$ 1,274,282
Accrued wages and payroll taxes payable	547,920	-	52,999	600,919
Due to other funds	795,807	-	-	795,807
Due to other governments	-	1,323,609	-	1,323,609
Total liabilities	2,042,918	1,861,189	90,510	3,994,617
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	1,398,895	-	-	1,398,895
Total deferred inflows of resources	1,398,895	-	-	1,398,895
Fund balances:				
Nonspendable:				
Inventories	139,299	-	-	139,299
Restricted for:				
SPLOST Capital Projects	-	46,418,461	-	46,418,461
E 911 fund	-	-	801,576	801,576
Drug fund	-	-	194,925	194,925
Law library fund	-	-	897,585	897,585
Juvenile Court	17,706	-	-	17,706
Committed to:				
Local maintenance and Improvements	-	-	-	-
Judicial	-	-	1,245,480	1,245,480
Public safety	-	-	3,008,111	3,008,111
Assigned to:				
Code red construction	439,342	-	-	439,342
Unassigned	26,637,647	-	-	26,637,647
Total fund balances	27,233,994	46,418,461	6,147,677	79,800,132
Total liabilities, deferred inflow of resources and fund balances	$ 30,675,807	$ 48,279,650	$ 6,238,187	$ 85,193,644

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

HOUSTON COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total fund balances for governmental funds.		$ 79,800,132
Total net position for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		196,287,751
Other long-term assets (i.e. property taxes receivable) are not available to pay for current-period expenditures and therefore are deferred in the funds, but are reported as revenue on the government-wide statement of activities.		1,398,895
Net pension assets are not current financial resources and are not recognized at the fund financial reporting level but are reported on the government-wide statement of net position.		4,363,495
An internal service fund is used by management to charge the costs of risk management to individual funds. The assets and liabilities of the risk management have been allocated to the governmental activities on the statement of net position.		6,701,428
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		(5,314,919)
Net other postemployment benefits (OPEB)	$ 3,597,757	
Compensated absences	1,717,162	
Total long-term liabilities	$ 5,314,919	
Total net position of governmental activities.		$ 283,236,782

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

HOUSTON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	General	SPLOST Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 42,878,156	$ 20,856,030	$ 1,865,564	$ 65,599,750
Licenses and permits	400,215	-	-	400,215
Intergovernmental	1,329,201	136,435	418,120	1,883,756
Charges for services	5,681,130	-	2,817,420	8,498,550
Fines and forfeitures	2,335,574	-	1,517,479	3,853,053
Investment income	21,678	57,138	6,383	85,199
Miscellaneous	438,219	-	30,930	469,149
Total revenues	53,084,173	21,049,603	6,655,896	80,789,672
EXPENDITURES				
Current:				
General government	9,746,927	99,165	-	9,846,092
Judicial	8,532,488	11,051	136,236	8,679,775
Public safety	22,154,473	97,890	5,402,926	27,655,289
Highways and streets	6,041,453	6,262,763	-	12,304,216
Health and welfare	526,676	-	-	526,676
Culture and recreation	780,323	1,459,489	-	2,239,812
Housing and development	477,553	-	-	477,553
Economic development	359,182	6,508,599	-	6,867,781
Capital outlay:				
General government	-	42,533	-	42,533
Judicial	-	251,381	-	251,381
Public safety	-	375,518	18,882	394,400
Highways and streets	-	2,539,599	-	2,539,599
Intergovernmental	-	9,694,104	-	9,694,104
Total expenditures	48,619,075	27,342,092	5,558,044	81,519,211
Excess (deficiency) of revenues over (under) expenditures	4,465,098	(6,292,489)	1,097,852	(729,539)
OTHER FINANCING SOURCES (USES):				
Transfers in	198,826	33,946	671,208	903,980
Transfers out	(402,951)	-	(472,527)	(875,478)
Proceeds from sale of capital assets	54,210	-	-	54,210
Total other financing sources (uses)	(149,915)	33,946	198,681	82,712
Net change in fund balance	4,315,183	(6,258,543)	1,296,533	(646,827)
Fund balances at beginning of year	22,918,811	52,677,004	4,851,144	80,446,959
Fund balances at end of year	$ 27,233,994	$ 46,418,461	$ 6,147,677	$ 79,800,132

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

HOUSTON COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Net change in fund balance - total governmental funds		$ (646,827)
Total change in net position reported for governmental activities in the Statement of Activities is 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 is reported as depreciation expense.		
Total capital outlays		4,112,256
Total depreciation		(5,874,028)
Governmental funds report proceeds from the disposal of capital assets but do not record the gain or loss from the disposal of capital assets. This is the amount of loss on the disposal of capital assets.		(3,778,439)
The change in pension assets are reported in the government-wide statement of activities but not in the governmental funds operating statement. In FY2012, the net pension asset increased; therefore, the change is recorded as revenue.		
Net pension asset @ 6/30/13	4,177,342	
Net pension asset @ 6/30/14	4,363,495	186,153
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.		
Property Taxes: Deferred @ 6/30/13	1,474,447	
Property Taxes: Deferred @ 6/30/14	1,398,895	(75,552)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:		
Net other postemployment benefits (OPEB) obligations	291,228	
Compensated absences	(73,954)	217,274
An internal service fund is used by management to charge the costs of risk management to individual funds. The change in net position of the risk management fund is reported with governmental activities.		490,125
Change in net position of governmental activities		$ (5,369,038)

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

HOUSTON COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes	$ 41,921,499	$ 42,158,082	$ 42,878,156	$ 720,074
Licenses and permits	335,250	335,250	400,215	64,965
Intergovernmental	543,607	1,336,262	1,329,201	(7,061)
Charges for services	4,877,600	4,877,600	5,681,130	803,530
Fines and forfeitures	2,365,200	2,365,200	2,335,574	(29,626)
Investment income	12,000	12,000	21,678	9,678
Miscellaneous	655,300	655,300	438,219	(217,081)
Total revenues	50,710,456	51,739,694	53,084,173	1,344,479
EXPENDITURES				
Current:				
General government:				
County commissioners	687,629	675,629	610,415	(65,214)
Board of elections	386,731	376,081	354,676	(21,405)
Accounting	326,392	326,392	320,227	(6,165)
Purchasing	330,837	330,837	323,726	(7,111)
Legal services	103,500	103,500	73,738	(29,762)
Management of information systems	877,942	877,942	853,391	(24,551)
Human resources	326,222	326,222	317,510	(8,712)
Tax commissioner	1,445,648	1,445,648	1,370,221	(75,427)
Tax assessor	1,610,439	1,610,439	1,578,476	(31,963)
Board of equalization	16,034	16,034	11,312	(4,722)
Public buildings	2,883,513	2,967,813	2,952,402	(15,411)
Other general government	2,101,562	2,438,227	980,833	(1,457,394)
Total general government	11,096,449	11,494,764	9,746,927	(1,747,837)
Judicial:				
Judge of superior court	917,772	917,772	744,705	(173,067)
Clerk of superior court	1,037,006	1,048,306	1,044,879	(3,427)
District attorney	801,771	841,052	787,039	(54,013)
Domestic violence assistance	167,115	167,115	152,530	(14,585)
Victim advocates	189,554	189,554	159,308	(30,246)
Judge of state court	496,168	496,168	487,925	(8,243)
Clerk of state court	367,064	367,064	361,787	(5,277)
Solicitor of state court	565,178	565,178	515,654	(49,524)
Magistrate court	971,453	988,853	984,116	(4,737)
Probate court	576,797	576,797	556,978	(19,819)
Juvenile court	601,111	788,611	748,794	(39,817)
Juvenile court enhancement	129,698	129,698	120,362	(9,336)
Public defender	1,927,677	1,927,677	1,868,411	(59,266)
Total judicial	8,748,364	9,003,845	8,532,488	(471,357)

(Continued)

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

HOUSTON COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
EXPENDITURES (Continued):				
Current (Continued):				
Public safety:				
Sheriff	9,026,694	8,907,999	8,846,066	(61,933)
Juvenile involvement and control	1,026,058	1,026,058	970,434	(55,624)
Jail	12,587,421	12,310,101	11,632,655	(677,446)
Coroner	99,092	105,812	104,927	(885)
Animal control	240,274	240,274	213,169	(27,105)
Emergency management agency	291,764	354,884	331,005	(23,879)
HEMA	63,000	63,000	56,217	(6,783)
Total public safety	23,334,303	23,008,128	22,154,473	(853,655)
Public works:				
Administration	684,054	676,057	610,799	(65,258)
Highways and streets - county	4,220,775	4,143,775	3,882,666	(261,109)
Highways and streets - state	549,554	1,154,709	998,334	(156,375)
Storm drainage	281,529	518,112	514,699	(3,413)
Traffic engineering	49,500	49,500	34,955	(14,545)
Total public works	5,785,412	6,542,153	6,041,453	(500,700)
Health and welfare:				
Health and vital statistics	340,175	340,175	337,875	(2,300)
Mental health	61,750	61,750	61,750	-
Mosquito control	4,000	4,000	-	(4,000)
Drug abuse commission	13,775	13,775	13,775	-
DFACS	100,000	105,280	105,276	(4)
Welfare	6,400	8,000	8,000	-
Total health and welfare	526,100	532,980	526,676	(6,304)
Culture and recreation:				
Recreation	11,750	11,750	10,323	(1,427)
Library	770,000	770,000	770,000	-
Total culture and recreation	781,750	781,750	780,323	(1,427)
Housing and development:				
County agent	95,157	95,157	85,456	(9,701)
Georgia forestry commission	12,155	12,155	12,155	-
Building inspection	375,741	375,741	368,842	(6,899)
Planning and zoning	9,000	13,000	11,100	(1,900)
Total housing and development	492,053	496,053	477,553	(18,500)
Economic development:				
Economic development	274,900	274,900	273,999	(901)
21st Century partnership	75,000	75,000	40,583	(34,417)
Perry-Houston County airport	44,600	44,600	44,600	-
Total economic development	394,500	394,500	359,182	(35,318)

(Continued)

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

HOUSTON COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
EXPENDITURES (Continued):				
Current (Continued):				
Total expenditures	51,158,931	52,254,173	48,619,075	(3,635,098)
Excess (deficiency) of revenues over (under) expenditures	(448,475)	(514,479)	4,465,098	4,979,577
OTHER FINANCING SOURCES (USES):				
Transfers in	230,736	297,020	198,826	(98,194)
Transfers out	(402,951)	(402,951)	(402,951)	-
Proceeds from sale of capital assets	27,000	27,000	54,210	27,210
Total other financing sources (uses)	(145,215)	(78,931)	(149,915)	(70,984)
Net change in fund balance	$ (593,690)	$ (593,410)	4,315,183	$ 4,908,593
Fund balance at beginning of year			22,918,811	
Fund balance at end of year			$ 27,233,994	

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

HOUSTON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2014

ASSETS	**Water**	**Landfill**	**Total**	**Governmental Activities-Internal Service Fund**
Current assets:				
Cash and cash equivalents	$ 339,666	$ 3,728,658	$ 4,068,324	$ 3,912,279
Investments	-	16,352,519	16,352,519	3,363,045
Accounts receivable (net)	772,007	285,923	1,057,930	-
Due from other funds	27,622	229,819	257,441	-
Inventories	124,237	-	124,237	-
Total current assets	1,263,532	20,596,919	21,860,451	7,275,324
Long-term assets:				
Restricted assets:				
Cash with fiscal agents	4,998	-	4,998	-
Debt service cash account	27,153	-	27,153	-
Renewal and extension account:				
Investments	7,692,546	-	7,692,546	-
Accrued interest receivable	300	-	300	-
Customer deposits:				
Cash	34,103	-	34,103	-
Investments	251,952	38,000	289,952	-
Total restricted assets	8,011,052	38,000	8,049,052	-
Capital assets not subject to depreciation	4,775,629	6,485,961	11,261,590	-
Capital assets (net of accumulated depreciation)	21,751,334	14,694,496	36,445,830	-
Total long-term assets	34,538,015	21,218,457	55,756,472	-
Total assets	$ 35,801,547	$ 41,815,376	$ 77,616,923	$ 7,275,324
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	$ 280,721	$ 436,755	$ 717,476	$ 573,896
Accrued wages and payroll taxes payable	31,175	20,583	51,758	-
Accrued compensated absences	79,657	48,341	127,998	-
Due to other funds	-	8,990	8,990	-
Due to other governments	-	121,749	121,749	-
Total current liabilities	391,553	636,418	1,027,971	573,896
Long-term liabilities:				
Payable from restricted assets:				
Accrued revenue bond interest and call premium	4,998	-	4,998	-
Customer deposits	286,422	38,000	324,422	-
Accrued compensated absences	65,173	39,552	104,725	-
Accrued closure / post-closure costs	-	7,579,723	7,579,723	-
Total liabilities	748,146	8,293,693	9,041,839	573,896
NET POSITION				
Investment in capital assets	26,526,963	21,180,457	47,707,420	-
Restricted for renewal and extension	7,692,846	-	7,692,846	-
Restricted for waste collections	-	9,581,988	9,581,988	-
Unrestricted	833,592	2,759,238	3,592,830	6,701,428
Total net position	35,053,401	33,521,683	68,575,084	6,701,428
Total liabilities and net position	$ 35,801,547	$ 41,815,376	$ 77,616,923	$ 7,275,324

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

HOUSTON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Water	Landfill	Total	Internal Service Fund
Operating revenues:				
Metered sales	$ 5,603,778	$ -	$ 5,603,778	$ -
Collection and disposal fees	-	5,793,388	5,793,388	-
Service charges	496,394	430,617	927,011	-
Charges for services	52,148	-	52,148	7,999,590
Total operating revenues	6,152,320	6,224,005	12,376,325	7,999,590
Operating expenses:				
Personal services	2,323,020	1,468,738	3,791,758	-
Purchased / contracted services	1,048,489	4,117,748	5,166,237	7,510,395
Supplies	128,761	888,019	1,016,780	-
Materials	852,119	-	852,119	-
Heat, light and power	691,083	-	691,083	-
Depreciation	961,762	1,670,131	2,631,893	-
Total operating expenses	6,005,234	8,144,636	14,149,870	7,510,395
Operating income (loss)	147,086	(1,920,631)	(1,773,545)	489,195
Nonoperating revenues (expenses):				
Interest revenue	4,897	20,361	25,258	930
Insurance premium tax	-	1,522,323	1,522,323	-
Sale of capital assets	-	73,698	73,698	-
Total nonoperating revenues	4,897	1,616,382	1,621,279	930
Income before transfers	151,983	(304,249)	(152,266)	490,125
Transfer Out	-	(28,502)	(28,502)	-
Changes in net position	151,983	(332,751)	(180,768)	490,125
Net position - beginning	34,901,418	33,854,434	68,755,852	6,211,303
Net position - ending	$ 35,053,401	$ 33,521,683	$ 68,575,084	$ 6,701,428

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

HOUSTON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Water	Landfill	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from customers	$ 6,008,532	$ 6,377,908	$ 12,386,440	$ -
Cash received from other funds for services provided	(26,672)	152,802	126,130	7,999,590
Cash payments to suppliers for goods and services	(2,568,627)	(4,351,154)	(6,919,781)	(7,763,021)
Cash payments to other funds for services provided	(30,207)	8,990	(21,217)	-
Cash payments to employees for services	(2,311,487)	(1,468,457)	(3,779,944)	-
Net cash provided by operating activities	1,071,539	720,089	1,791,628	236,569
Cash flows from noncapital financing activities:				
Transfers to other funds	-	(28,502)	(28,502)	-
Net Cash (required for) noncapital financing activities	-	(28,502)	(28,502)	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,025,012)	(1,176,404)	(3,201,416)	-
Increase/(decrease) in escrow deposits	(10,442)	-	(10,442)	-
Proceeds from sales of capital assets	-	73,698	73,698	-
Insurance premium tax	-	1,522,323	1,522,323	-
Net cash flows (required for) capital and related financing activities	(2,035,454)	419,617	(1,615,837)	-
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	-	(619,056)	(619,056)	(2,366)
Purchase of investments	867,386	-	867,386	-
Interest received on investments	9,182	26,181	35,363	930
Net cash provided by (required for) investing activities	876,568	(592,875)	283,693	(1,436)
Net increase (decrease) in cash and cash equivalents	(87,347)	518,329	430,982	235,133
Cash and cash equivalents at beginning of year	493,267	3,210,329	3,703,596	3,677,146
Cash and cash equivalents at end of year	$ 405,920	$ 3,728,658	$ 4,134,578	$ 3,912,279
Reconciliation of operating income to net cash provided from operating activities:				
Operating income	$ 147,086	$ (1,920,631)	$ (1,773,545)	$ 489,195
Adjustments to reconcile operating income to net cash provided from operating activities:				
Depreciation and amortization	961,762	1,670,131	2,631,893	-
(Increase) decrease in receivables	(143,788)	153,903	10,115	-
(Increase) decrease in inventories	(9,793)	-	(9,793)	-
Increase (decrease) in accounts payable	161,618	225,809	387,427	(252,626)
Increase (decrease) in other liabilities	11,533	443,645	455,178	-
(Increase) decrease in due from other funds	(26,672)	152,802	126,130	-
(Increase) decrease in due to other funds	(30,207)	8,989	(21,218)	-
(Increase) decrease in due to other governments	-	(14,559)	(14,559)	-
Net cash provided from operating activities	$ 1,071,539	$ 720,089	$ 1,791,628	$ 236,569

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

HOUSTON COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2014

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 5,097,257
Total assets	$ 5,097,257
LIABILITIES	
Due to other taxing units	$ 1,153,111
Due to State	997,948
Funds held in escrow	73,844
Other	2,872,354
Total liabilities	$ 5,097,257

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity.

Houston County (the "County") is a political subdivision of the State of Georgia. The County is governed by an elected board of five County Commissioners. As required by generally accepted accounting principles, these financial statements present all the fund types of the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations, and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the primary government.

Blended Component Units.

The Houston County Public Purpose Corporation, an entity separate from the County, had previously been a blended component unit of the County. The Houston County Public Purpose Corporation has become dormant and is currently not operating in any capacity. The assets and liabilities of the Houston County Public Purpose Corporation consist of two County buildings and two capital leases collateralized by those buildings. The County has assumed ownership of the buildings and has assumed the corresponding obligations under the aforementioned capital leases. All activity for the year ended June 30, 2014 of the Houston County Public Purpose Corporation has been recorded in the County's general fund.

Discretely Presented Component Units.

The component units discussed below are included in the County's financial reporting entity because of the County's financial accountability for the entities and the significance of their operational and financial relationship with the County. The component unit columns in the combined financial statements include the financial data of the County's three discretely presented component units, as reflected in their most recent audited financial statements. These component units are reported in separate columns to emphasize that they are legally separate from the County. The following component units are incorporated into the County's financial report:

Houston County Development Authority.

The members of the governing board of the Houston County Development Authority (the "Authority") are appointed by the Board of Commissioners of Houston County. Although the County does not have the authority to approve or modify the budget of the Authority, the County provides financial support to the Authority. Complete financial statements for the Houston County Development Authority may be obtained at the Authority's administrative office in Warner Robins, Georgia.

Houston County Department of Public Health.

The Houston County Department of Public Health (the "Health Department") has a governing board consisting of seven members. Six of the members are either County officials or members appointed by the County. The remaining member is appointed by the City of Warner Robins. Although the County does not have the authority to approve or modify the budget of the Health Department, the County provides financial support to the Health Department. The Health Department is presented as a governmental fund type. Complete financial statements for the Health Department may be obtained at the Department's administrative office in Warner Robins, Georgia.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Houston County Public Library.

The Houston County Public Library (the "Library") has a governing board consisting of twelve members appointed by the Houston County Board of Commissioners. The Library Board (the "Board") is without authority to determine the amount of its funding, except by submission of budget requests to local governmental units from which the Library receives support and to the State of Georgia for State and Federal funding. Membership in the Library and participation in library services is at the discretion of each participating governmental agency. The Board has the power to designate management, the power to retain unreserved fund balances of local funds and other funds for continued operations and is the lowest level of oversight responsibility for the Library's operations. The Library is presented as a governmental fund type. Complete financial statements for the Houston County Public Library may be obtained at the Library's administrative office in Perry, Georgia.

B. Basis of Presentation.

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 the nonfiduciary activities of the primary government and its component units. The primary government and the discretely presented component units are presented separately within the financial statements with the focus on the primary government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Individual funds are not displayed. The statements distinguish between governmental activities, generally supported by taxes, intergovernmental revenues, and other nonexchange transactions and business-type activities, which are generally financed in whole or in part by fees charged to external parties.

In the government-wide Statement of Net Position, both the governmental and business-type activities' columns are presented on a consolidated basis, by column. They are reflected on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, which report fees, fines and forfeitures, and other charges to users of the County's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund financial statements.

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from transactions not associated with the principal activity of the fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units and/or other funds.

When both restricted and unrestricted resources are available for use, it is generally the County's policy to use restricted resources first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The Special Purpose Local Option Sales Tax ("SPLOST") Capital Projects Fund accounts for revenues received by the imposition of a one percent special purpose sales tax.

The County reports the following major proprietary funds:

The Water Enterprise Fund accounts for the provision of water services to the residents of the County. All activities necessary to provide such services are accounted for in this fund.

The Landfill Enterprise Fund accounts for the operations of the Houston County Landfill. All activities necessary to provide such services are accounted for in this fund.

The County reports the following non-major governmental funds:

The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The County reports the following fiduciary funds:

The agency funds account for the assets held by the County in a trustee capacity as an agent for individuals, other governmental units and/or other funds.

The County reports the following fund types:

The Risk Management Internal Service Fund accounts for the activity of the County's health, workers' compensation, and property and liability insurance programs provided to other departments of the County on a cost reimbursement basis.

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

The financial statements of the County are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The County has elected not to follow the option allowed under GASB Statement 20 and thus does not follow any FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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 in the year they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Governmental Funds.

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." "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days of the end of the current fiscal period, with the exception of grants, which are recognized when all eligibility requirements have been met. Expenditures generally are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 30 days for sales taxes and within 60 days for all other revenues) before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

The County uses the following governmental fund types:

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds.

The focus of proprietary fund measurement is upon the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing business. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation of capital assets.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable to proprietary funds are similar to those used by businesses in the private sector.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Assets, Liabilities and Equity

1. Cash and Investments

Cash includes cash on hand, amounts in demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

State statutes authorize the County to invest in the following type of obligations:

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

2. Receivables

Levied property taxes are recorded as receivables and recognized as revenue in the year they become due. The levy is made on assessed valuations as of January 1, and the taxes are due on December 20 of each year.

The tax bills are mailed at least 60 days prior to the due date. The billings are considered past due 60 days after the tax billing date or December 20, whichever is later, at which time the applicable property is subject to lien, and penalties and interest are assessed. The tax levy for 2013 was set on July 29, 2013.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

3. Interfund Balances

All balances reported as "due to/due from other funds" represent amounts paid by one fund on behalf of another fund for which reimbursement has not been made by year-end.

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

4. Inventories and Prepaid Items

Inventory is valued at cost using the first-in/first-out method for the general fund and the enterprise funds. The costs of other governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

The County does not recognize prepaid items in governmental funds as assets, but records these payments as expenditures.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5. Restricted Assets

Certain assets have been restricted because their use is limited by bond covenants, grantors, laws or regulations. The renewal and extension account is used to report resources set aside to fund the cost of making replacements, additions, extensions and improvements or emergency repairs.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The County has retroactively reported major general infrastructure assets. The County chose to include all items regardless of their acquisition date. The cost of normal maintenance and repairs that do not improve or extend the life of the respective asset is charged to expense. Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation has been provided over the estimated useful lives of capital assets using the straight-line method.

The estimated useful lives of capital assets are as follows:

	Estimated Useful Lives	
Asset Class	**Governmental Activities**	**Business-type Activities**
Buildings	25-50 Years	20-40 Years
Improvements other than buildings	15-30 Years	20-40 Years
Machinery and equipment	3-20 Years	5-20 Years
Distribution system	---	20-40 Years
Infrastructure	15-40 Years	---

7. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities, once incurred, are paid in a timely manner and in full from current financial resources and are reported as obligations of these funds. Liabilities for compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and capital leases are recognized as a liability in the governmental funds financial statements when due. It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred and reported as a fund liability and includes all salary-related payments where applicable.

8. Other Post-employment Benefit Obligations

In fiscal year 2009, the County implemented GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*." This pronouncement requires the County to calculate and recognize a net other post-employment benefit obligation (OPEB) at June 30, 2014. The OPEB is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2008. The County makes annual contributions based upon board decisions.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

9. Fund Equity & Net Position

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- 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 restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to ordinances passed by the County Commissioners, the County's highest level of decision making authority. Commitments may be modified or rescinded only through ordinances approved by County Commissioners.

- Assigned – includes amounts that the County intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the County's policy, amounts may be assigned by the Board of Commissioners, Director of Administration or Comptroller.

- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The County reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 16) and the Nonmajor Governmental Funds Combining Balance sheet (page 53). When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commissioners have provided otherwise in commitment or assignment actions.

The County has developed and adopted a Reserve Fund Policy, under which it is the County's policy to provide:

- funds that are a stable funding source for expenditures that fluctuate significantly each year, for example equipment acquisitions and replacements,

- working capital to maintain a sufficient cash flow,

- funding of services during periods of budget shortfalls or other revenue reductions during a budget year, and

- a stable or improved credit rating.

The General Fund may maintain all five classifications of fund balance. The County will strive to accumulate an *unassigned* General Fund reserve at least equal to three months of the total General Fund budget.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available

10. Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenditures/expenses during the reporting year. Actual results could differ from those estimates.

11. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water and solid waste. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

12. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-on fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

13. Allocation of Indirect Expenses

It is the County's policy to allocate certain support services, including the cost of the governing body, the executive, accounting, purchasing, legal services and management information systems, to direct functions. A separate column for this allocation is provided in the Statement of Activities.

14. Interfund Activity

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

15. Deferred Outflows/Inflows of Resources

The County implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* in fiscal year 2013. This implementation resulted primarily in changes to terminology and the elimination of reporting unamortized debt issuance costs (i.e., unamortized loan origination fees) as a deferred charge.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 government 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 two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting.

An operating budget is legally adopted each fiscal year for all governmental funds except capital project funds. Capital project funds use project-length budgets. The level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual budget is the department level. Supplemental appropriations out of the County's contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All "final" budget amounts presented in the accompanying financial statements and supplementary data have been adjusted for legally authorized revisions of the annual budget during the year. Individual amendments were not material in relation to the original appropriations. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board of Commissioners at any level below the departmental level. All unexpended appropriations provided in the annual budget lapse at year-end. The annual budget cycle begins in March of the preceding year when budget workbooks are distributed to each department. The Board advertises and conducts public hearings on the proposed budget in adherence to local ordinance and state law and the final budget is adopted by mid-June.

B. Encumbrances.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County. Encumbrances are not recognized as expenditures until the period in which the actual goods or services are received and the liability is incurred.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments.

Primary Government.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. As of June 30, 2014, the County's bank balances are entirely insured or collateralized with securities held by the County's agent in the County's name.

III. DETAILED NOTES ON ALL FUNDS

As of June 30, 2014, the County's reporting entity had the following investments:

Type of Investment	Fair Value	Investment Maturity Less than 1 yr	Rating	Weighted Average Maturity (WAM)
Primary Government				
Certificate of Deposits	$ 13,879,874	$ 13,879,874		
Georgia Fund I	90,092,921	90,092,921	AAAm	59 day WAM
Total Primary Government	$ 103,972,795	$ 103,972,795		

Credit Risk – Investments

State statutes authorize the County to invest in obligations of the United States Treasury or Agencies, banker's acceptances, bank money market accounts, repurchase agreements, and the "Georgia Fund 1". The Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is managed by the Office of the State Treasurer. However, the Georgia Fund 1 operates in a manner consistent with Rule (2a-7) of the Investment Company Act of 1940, and is considered a Rule (2a-7) like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County uses the specific identification method to disclose interest rate risk for positions in fixed-rate debt securities.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2014, all of the County's deposits were insured and collateralized.

The Office of the State Treasurer is the oversight agency for Georgia Fund 1.

Development Authority - Component Unit.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law.

Georgia statute requires collateral at 110% of the government's deposits, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance, to be held in the Authority's name by the safekeeping agent.

At June 30, 2014, the Authority's bank balances were $878,847. As of June 30, 2014 all of these bank balances were fully covered by federal depository insurance or collateralized with securities held by the Authority's agent in the Authority's name.

III. DETAILED NOTES ON ALL FUNDS

Interest Rate Risk – Investments

Interest rate risk is the risk that an investment's value will be reduced due to a change in interest rates. The Authority limits its exposure to interest rate risk by investing in certificates of deposit with maturities of 12 months or less.

Investments – Real Estate

Investments in real estate consist of the Authority's share of the cost of land and improvements in the Advanced Technology Park located on Houston Lake Road in Warner Robins, Georgia and the Perry speculative building in Houston County, Georgia.

In addition, the Authority acquired 667.32 acres of land in Houston County, Georgia during the fiscal year ended June 30, 2009. This land is to be prepared for industrial use and used as an addition to the Houston County Industrial Park. As a part of the acquisition, the Authority immediately sold 12.668 acres of this land to the Perry-Houston County Airport Authority.

During fiscal year ended June 30, 2012, the Authority acquired a house (1.52 acres) located at 321 A.E. Harris Road. This investment will be used for industrial purposes.

The cost of investments in real estate as of June 30, 2014 is as follows:

Location	Cost
Perry speculative building	$ 2,494,563
Advanced technology park	149,657
Houston County industrial park addition	14,432,540
321 A.E. Harris Road	118,114
Total	$ 17,194,874

Health Department - Component Unit.

Custodial credit risk is the risk that in the event of a bank failure, the Health Department's deposits may be lost. The Health Department's policy with respect to custodial risk is to comply with Georgia Law (O.C.G.A. 45-8-12) by requiring the custodian to provide collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation insurance. As of June 30, 2014, the carrying amount of the Health Department's cash accounts was $1,759,235 and the bank balances were $2,239,842. Of the bank balances, $1,486,390 were insured or collateralized with securities held by the Health Department or by its agent in the Health Department's name and $753,452 were collateralized with securities held by the pledging financial institution's trust department or agent in the Health Department's name.

Public Library - Component Unit.

Custodial Credit Risk - Deposits

As of June 30, 2014, all deposits of the Library were fully collateralized in accordance with state statutes.

Custodial Credit Risk - Investments

As of June 30, 2014, the Library was not exposed to custodial credit risk for its investments.

III. DETAILED NOTES ON ALL FUNDS

Credit Risk – Investments

As of June 30, 2014, the Library's only investments were certificates of deposit.

At June 30, 2014, the Library had the following investments:

Investment	Maturity Date	Fair Value
Certificate of deposit	February 17, 2015	$ 28,357
Certificate of deposit	February 18, 2015	7,344
Certificate of deposit	February 17, 2015	8,019
		$ 43,720

Interest Rate Risk

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

B. Interfund Receivables and Payables.

Individual fund interfund receivable and payable balances at June 30, 2014, are as follows:

Fund	Receivables	Payables
General	-	795,807
Water	27,622	-
Solid waste	229,819	8,990
Non-major governmental funds	547,356	-
Total	804,797	804,797

These interfund balances are of a short-term, operational nature. Most funds do not maintain their own cash disbursement system or cash accounts and use the general fund as a conduit for making cash payments.

	Due to:				
Due From:	General Fund	Nonmajor Governmental	Water	Solid Waste	Total
General Fund	$ -	$ 547,356	$ 18,632	$ 229,819	$ 795,807
Solid Waste Fund	-	-	8,990	-	8,990
	$ -	$ 547,356	$ 27,622	$ 229,819	$ 804,797

Interfund balances at June 30, 2014 represent reimbursable expenses and temporary loans. The County expects to repay all interfund balances within one year.

III. DETAILED NOTES ON ALL FUNDS

C. Transfers In and Out.

Transfers are as follows:

Fund	Transfer In	Transfer Out
General Fund	$ 198,826	$ 402,951
Nonmajor Governmental		
E-911	671,208	-
Drug	-	43,733
Fire	-	268,257
Jail Inmate	-	52,295
Law Library	-	12,015
District Attorney	-	96,227
SPLOST Fund	33,946	-
Solid Waste	-	28,502
	$ 903,980	$ 903,980

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer. The transfer to the SPLOST fund was from the District Attorney special revenue fund. The SPLOST fund purchased a vehicle on behalf of the District Attorney Fund in accordance with the SPLOST referendum; however, due to the substantial increase in the District Attorney Fund revenues, the District Attorney fund reimbursed the SPLOST fund for the vehicle purchase, so that the County could use this SPLOST money on other items needed by the County.

The composition of these transfers is as follows:

	Transfer in:			
Transfer out:	General Fund	SPLOST Fund	Nonmajor Governmental	Total
General Fund	$ -	$ -	$ 402,951	$ 402,951
Nonmajor Governmental	170,324	33,946	268,257	472,527
Solid Waste	28,502	-	-	28,502
Total	$ 198,826	$ 33,946	$ 671,208	$ 903,980

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III. DETAILED NOTES ON ALL FUNDS

D. Capital activities are as follows:

Governmental activities	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014	Accumulated Depreciation June 30, 2014	Book Value June 30, 2014
Nondepreciable assets:						
Land	$ 7,726,034	$ -	$ 75,300	$ 7,650,734	$ -	$ 7,650,734
Construction in progress	37,681,472	2,448,785	-	40,130,257	-	40,130,257
Total nondepreciable assets:	45,407,506	2,448,785	75,300	47,780,991	-	47,780,991
Depreciable assets:						
Construction	78,327,149	-	5,121,806	73,205,343	16,928,648	56,276,695
Improvements other than buildings	868,520	-	-	868,520	833,175	35,345
Machinery & equipment	29,903,238	1,663,473	567,511	30,999,200	21,374,743	9,624,457
Infrastructure	111,710,863	-	-	111,710,863	29,140,600	82,570,263
Total depreciable assets:	220,809,770	1,663,473	5,689,317	216,783,926	68,277,166	148,506,760
Total capital assets	266,217,276	4,112,258	5,764,617	264,564,917	68,277,166	$ 196,287,751
Accumulated depreciation:						
Construction	16,891,812	1,530,696	1,493,860	16,928,648		
Improvements	825,952	7,223	-	833,175		
Machinery & equipment	20,088,989	1,778,070	492,316	21,374,743		
Infrastructure	26,582,561	2,558,039	-	29,140,600		
Total accumulated depreciation	$ 64,389,314	$ 5,874,028	$ 1,986,176	$ 68,277,166		

Business-type activities	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014	Accumulated Depreciation June 30, 2014	Book Value June 30, 2014
Nondepreciable assets:						
Land	$ 5,795,527	$ -	$ -	$ 5,795,527	$ -	$ 5,795,527
Construction in progress	6,547,984	2,699,722	3,781,645	5,466,061	-	5,466,061
Total nondepreciable assets:	12,343,511	2,699,722	3,781,645	11,261,588	-	11,261,588
Depreciable assets:						
Land (landfill)	884,459	-	-	884,459	270,000	614,459
Plant & buildings	58,648,621	3,781,646	-	62,430,267	28,679,160	33,751,107
Machinery & equipment	8,804,900	501,692	302,533	9,004,059	6,923,793	2,080,266
Total depreciable assets:	68,337,980	4,283,338	302,533	72,318,785	35,872,953	36,445,832
Total capital assets	$ 80,681,491	$ 6,983,060	$ 4,084,178	$ 83,580,373	$ 35,872,953	$ 47,707,420

Accumulated depreciation:	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
Land (landfill)	$ 260,000	$ 10,000	$ -	$ 270,000
Plant & buildings	26,582,221	2,096,939	-	28,679,160
Machinery & equipment	6,701,372	515,206	292,785	6,923,793
Total accumulated depreciation	$ 33,543,593	$ 2,622,145	$ 292,785	$ 35,872,953

III. DETAILED NOTES ON ALL FUNDS

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 303,592
Judicial	573,372
Public safety	2,135,624
Public works	2,749,668
Health and welfare	106,575
Housing and development	5,197
Total depreciation expense - governmental activities	$ 5,874,028

Business-type activities:	
Water	$ 961,763
Solid waste	1,660,382
Total depreciation expense - business-type activities	$ 2,622,145

Houston County Health Department Component Unit.

A summary of capital asset activity for the Houston County Health Department for the year ended June 30, 2014 is as follows:

Governmental activities	**Balance June 30, 2013**	**Increases**	**Decreases**	**Balance June 30, 2014**
Depreciable assets:				
Office and Medical Equipment	$ 1,601,685	$ 379,621	$ -	$ 1,981,306
Total capital assets	1,601,685	379,621	-	1,981,306
Accumulated depreciation:				
Office and Medical Equipment	1,046,898	211,824	-	1,258,722
Total accumulated depreciation	1,046,898	211,824	-	1,258,722
Capital assets, net	$ 554,787	$ 167,797	$ -	$ 722,584

Depreciation expense was charged to functions/programs of the Board of Health as follows:

Governmental activities:	
Health	$211,824

III. DETAILED NOTES ON ALL FUNDS

Houston County Public Library Component Unit.

A summary of capital asset activity for the Houston County Public Library for the year ended June 30, 2014 is as follows:

Governmental activities	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
Nondepreciable assets:				
Land	$ 412,800	$ 135,900	$ -	$ 548,700
Construction in Progress	-	304,883	-	304,883
Total	412,800	440,783	-	853,583
Depreciable assets:				
Buildings and improvements	5,440,484	1,155,000	-	6,595,484
Equipment	26,294	-	-	26,294
Library collections	2,446,515	124,315	18,581	2,552,249
Total	7,913,293	1,279,315	18,581	9,174,027
Accumulated depreciation:				
Buildings and improvements	1,585,348	175,704	-	1,761,052
Equipment	16,844	2,629	-	19,473
Library collections	1,847,906	132,714	18,581	1,962,039
Total accumulated depreciation	3,450,098	311,047	18,581	3,742,564
Total depreciable assets, net	$ 4,463,195	$ 968,268	$ -	$ 5,431,463
Capital assets, net	$ 4,875,995	$ 1,409,051	$ -	$ 6,285,046

All depreciation expense was charged to the public services function during the year ended June 30, 2014.

E. Long-term Debt.

Development Authority Component Unit:

Notes Payable

On September 10, 2008, the Authority obtained a real estate note for $10,732,084 from America Real Estate Investment Company, Ltd., L.P. to assist with the acquisition of land in Houston County, Georgia. The Authority plans to invest in infrastructure and convert the land for light industrial purposes. The Authority made a settlement with American Real Estate Investment Company, LTD., L.P. for a one-time payment in the amount equal to $349,270.48 (the deferred interest) and a one-time payment in the amount equal to $9,800,000 (the principal). Also, any interest accrued on the amount of $9,800,000 from September 9, 2012 to the Closing date.

On November 21, 2012, the Authority obtained a note for $9,800,000 from State Bank to make the settlement payment for the American Real Estate Investment Company, LTD., L.P. The Authority will make 13 monthly payments of interest only followed by 24 monthly installments of Principal plus interest. The Principal plus interest payments began on January 28, 2014. The maturity date is December 28, 2015 with an interest rate of 1.88%. The land purchased by the Authority, upon which this loan was used, is stated as collateral for the note.

III. DETAILED NOTES ON ALL FUNDS

F. Changes in Long-term Debt.

During the year ended June 30, 2014, the following changes occurred in the long-term liabilities:

Governmental funds:

Long-term liability	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts due within one year
Net OPEB Obligation	3,888,985	-	291,228	3,597,757	-
Compensated absences	1,643,208	1,204,422	1,130,468	1,717,162	1,236,357
Total	$ 5,532,193	$ 1,204,422	$ 1,421,696	$ 5,314,919	$ 1,236,357

The compensated absences have been liquidated by the general fund, fire protection fund and E911 fund.

Business-type funds:

Long-term liability	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts due within one year
Compensated absences	$ 231,890	$ 120,994	$ 120,161	$ 232,723	$ 127,998
Accrued closure and post-closure care costs	7,136,359	443,364	-	7,579,723	-
Total	$ 7,368,249	$ 564,358	$ 120,161	$ 7,812,446	$ 127,998

Houston County Development Authority Component Unit.

A summary of changes in long-term debt for the Development Authority Component Unit for the year ended June 30, 2014 is as follows:

Business-type fund:

Long-term liability	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts due within one year
Note payable	$ 9,800,000	$ -	$ 2,416,473	$ 7,383,527	$ 4,898,883
Compensated absences	14,039	11,515	13,115	12,439	8,885
Total	$ 9,814,039	$ 11,515	$ 2,429,588	$ 7,395,966	$ 4,907,768

III. DETAILED NOTES ON ALL FUNDS

Houston County Health Department Component Unit.

A summary of changes in long-term debt for the Houston County Health Department for the year ended June 30, 2014 is as follows:

Governmental funds:

Long-term liability	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts due within one year
Compensated absences	$ 507,431	$ 372,992	$ 406,958	$ 473,465	$ 24,056

Houston County Public Library Component Unit.

A summary of changes in long-term debt for the Houston County Public Library for the year ended June 30, 2014 is as follows:

Governmental funds:

Long-term liability	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts due within one year
Compensated absences	$ 17,823	$ 32,219	$ 32,476	$ 17,566	$ 17,566

G. Closure and Post-Closure Care Costs.

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 thirty years after closure. In addition to operating expenses related to the 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 solid waste landfill closure and post-closure care costs has a balance of $6,656,556 as of June 30, 2014, which is based on 75.7 percent usage (filled) of the solid waste landfill. It is estimated that an additional $1,667,500 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the solid waste landfill is expected to be filled to capacity (2021). The estimated liability for C & D landfill closure and post-closure care costs has a balance of $923,167 as of June 30, 2014, which is based on 30.8 percent usage (filled) of the C & D landfill. It is estimated that an additional $1,942,145will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the C & D landfill is expected to be filled to capacity (2048).

The estimated combined total current cost of the landfill closure and post-closure care ($7,579,723) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills 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. Financial assurance requirements are being met by maintaining proper financial ratios. No commercial insurance has been purchased to satisfy financial assurance requirements.

III. DETAILED NOTES ON ALL FUNDS

H. Restrictions.

The following restrictions are used by Houston County:

Restricted for Renewal and Extension - Enterprise Fund.

This restriction was established in conjunction with the issuance of Water Revenue Bonds and is used to segregate a portion of net assets for making replacements, additions, extensions, and improvements to the Water System.

Restricted for Waste Collections – Enterprise Fund.

This restriction is used to segregate a portion of net assets in the Solid Waste Fund that represents the unused portion of the insurance premium tax.

IV. OTHER INFORMATION

A. Employees' Retirement Plan.

Plan Description and Provisions:

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Houston County Employees (The Plan), which is a defined benefit pension plan. The Plan covers the Board of Commissioners and their direct appointees and substantially all other full-time County employees.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association of County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. GEBCorp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG. That report may be obtained by writing to the Government Employee Benefits Corporation of Georgia, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia, 30339 or by calling 1-770-952-5225.

Funding Policy:

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local government pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. Plan participants contribute 4% of their annual covered salary to the plan.

Annual Pension Cost:

The County's annual pension cost and net pension obligation (asset) for the pension plan for the current year were determined as follows:

IV. OTHER INFORMATION

Derivation of Net Pension Obligation:	2014	2013
Annual Pension Cost	$ 4,601,382	$ 4,346,403
Actual Contributions to Plan	4,787,535	4,643,419
Increase (Decrease) in Net Pension Obligation	(186,153)	(297,016)
Net Pension Obligation (Asset), beginning of year	(4,177,342)	(3,880,326)
Net Pension Obligation (Asset), end of year	$ (4,363,495)	$ (4,177,342)
Derivation of Annual Pension Cost:		
Annual Required Contribution	$ 4,578,727	$ 4,325,358
Interest on Net Pension Obligation	(323,744)	(300,725)
Amortization of Net Pension Obligation	346,399	321,770
Annual Pension Cost	$ 4,601,382	$ 4,346,403

Basis of Valuation	
Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.50%
Projected Annual Salary Increases	3.5%-6.0% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)

B. Employees' Retirement Plan – Three Year Trend Information & One Year Funded Status

THREE-YEAR TREND INFORMATION FOR HCRP

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/2014	$ 4,601,382	$ 4,787,535	104%	$ (4,363,495)
1/1/2013	4,346,403	4,643,419	107%	(4,177,342)
1/1/2012	4,059,933	4,358,540	107%	(3,880,326)

SCHEDULE OF FUNDING PROGRESS FOR HCRP

Measurement Date	Actuarial Value of Assets*	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Annual Covered Payroll	UAAL as a percentage of Covered Payroll
12/31/2013	$61,900,542	$77,690,484	79.7%	$15,789,942	$20,429,617	77.3%

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

IV. OTHER INFORMATION

The assets and liabilities shown above reflect expected amounts as of the last day of the plan year. These amounts may vary from those used in determining the required contribution, since those calculations use actual amounts as of the first day of the next plan year.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective.

C. Other Post-employment Benefits

The Health Care Plan of Houston County provides post-retirement medical/prescription and dental care benefits, as per the requirements of a local ordinance, for retirees between the ages of 55 and 65 and their dependents. Any member of the Houston County Defined Benefit Plan who participates in and satisfies the Vesting, Disability, Early or Normal Retirement provisions of the Association of County Commissioners of Georgia (ACCG) Houston County Defined Benefit Plan may be eligible for certain Other Post-Employment Benefits.

Premium contributions are required from the retiree in order to begin and maintain Medical/Prescription coverage. Members receiving health and/or dental benefits contribute $300 per month for PPO health, $260 per month for POS Health and $20 per month for dental for retiree-only coverage and $360 per month for PPO health, $350 per month for POS health and $31 per month for dental for employee and family coverage. Dependent coverage ends once the retiree becomes eligible for Medicare. If any required amounts are not paid timely, the coverage for the retiree and/or dependent(s) will cease. The amount of the contributions required for coverage may change from time to time. The post-employment benefits are extended to retirees and continued at the discretion of the Employer, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits and to change premium contributions required from retirees in the future as circumstances change. These post-retirement benefits are funded on a pay-as-you-go-basis.

A bi-annual actuarial valuation is made to determine whether contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2013. The post-retirement plan does not issue stand-alone financial reports.

The County determines the required contributions using the Projected Unit Credit Cost Method with an amortization of the Unfunded Actuarial Accrued Liability as a level percent of expected payroll. This method spreads the costs evenly as a percentage of pay throughout the collective careers of those in the covered workforce.

Annual Required Contribution (ARC)

Normal Cost (service cost for one year)	$ 660,362
Accrued Liability	345,258
Annual Required Contribution (ARC)	1,005,620
Employer Annual Required Contribution	1,005,620
Interest on Net OPEB Obligation	123,813
Adjustment to Annual Required Contribution	(118,280)
Annual OPEB Cost (Expense)	1,011,153
Employer contributions for Fiscal Year 2013	(508,714)
Increase (decrease) in Net OPEB Obligation	502,439
Net OPEB Obligation at beginning of Fiscal Year	3,095,318
Net OPEB Obligation at end of Fiscal Year	$ 3,597,757

IV. OTHER INFORMATION

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Basis of Valuation

Valuation date	7/1/2013
Actuarial cost method	Projected unit credit
Amortization method	Level Percentage of Pay, open
Remaining amortization period	30 years
Asset valuation method	Market Value of Assets
Actuarial assumptions	
Investment Rate of Return*	4%
Medical cost trend rate	8.50% - 5.00%
Year of ultimate trend rate	2018
*Includes inflation at	3%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b) **	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a] / c)
7/1/2009	-	7,048,734	7,048,734	0.0%	25,164,078	28.01%
7/1/2011	-	7,274,471	7,274,471	0.0%	25,632,239	28.38%
7/1/2013	-	9,035,221	9,035,221	0.0%	26,876,739	33.62%

** *The cost method changed from Entry Age Normal to Projected Unit Credit*

Schedule of Employer Contributions

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	$ 846,029	$ -	0.00%	$ 2,303,067
6/30/2012	792,251	-	0.00%	3,095,318
6/30/2013	1,011,153	508,714	50.31%	3,597,757

IV. OTHER INFORMATION

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. There is no separate trust through which benefits for retirees are funded. The County has set aside $508,714 to pay for the OPEB obligation; however, because the County did not elect to establish a trust fund for other post-employment benefits, the OPEB obligation is still listed as a liability. All approved benefits are paid from the Employer's general assets when due. These assets are invested in very short-term fixed income instruments according to its current investment policy.

D. Risk Management.

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and, natural disasters for which the County carries commercial insurance. The County has joined together with other counties in the state of Georgia as part of the Interlocal Risk Management Agency (GIRMA) risk pool for property and liability insurance. GIRMA is a public entity risk pool currently operating as a common risk management and insurance program for local government members. The Association of County Commissioners of Georgia (ACCG) administers the pool.

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

GIRMA is to defend and protect its members against liability or loss as prescribed in the member governments' contract. GIRMA is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County has a risk management fund (an internal service fund) to account for and finance its workers' compensation and health insurance programs. The Risk Management Fund provides coverage for up to a maximum of $500,000 for each workers' compensation claim and $125,000 for each health insurance claim. The County purchases commercial insurance for claims in excess of the coverage provided by the Fund.

The County entered into agreements with outside companies to administer both the workers' compensation and health insurance programs. The participating departments or funds of the County pay an amount that approximates what would have been paid for commercial coverage into the Self-Insurance Fund. Excess payments over expenses of the fund are retained in the Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities during the past two years are as follows:

Claims Activity	Year Ended June 30, 2014	Year Ended June 30, 2013
Unpaid claims, beginning of fiscal year	$ 826,522	$ 836,142
Incurred claims	6,712,773	7,119,869
Claim payments	6,965,399	7,129,489
Unpaid claims, end of fiscal year	$ 573,896	$ 826,522

IV. OTHER INFORMATION

E. Commitments and Contingent Liabilities.

Grant Funds.

The County has received several Federal and State grants for specific purposes that are subject to financial review and compliance audits by the grantor agencies. Such audits could lead to disallowance of expenditures by the grantor agencies. Based on prior experience, the County believes such disallowances, if any, will be immaterial. According to the County's attorney, there are no material outstanding claims in which it is anticipated that adverse action would result in financial liability against the County.

Contract with Bibb County and The Central Georgia Joint Development Authority.

On July 7, 2010, Houston County entered into a contract establishing a joint partnership with Bibb County and Central Georgia Joint Development Authority (CGJDA). The purpose of this contract is to eliminate the presence of residences in the noise and the crash corridor that are in South Bibb County and North Houston County and to comply with the 2004 Joint Land Use Study (JLUS) regarding the encroachment of certain residential properties in areas designated with Decibel Noise levels 65 db through 85 db. Non-compliance with the 2004 JLUS is detrimental to existing and future missions of Robins Air Force Base. The CGJDA, created by General Statute O.C.C.G.A 36-62-1 is responsible for promoting the general welfare and economic prosperity of the Middle Georgia region and recognizes the importance of complying with the JLUS. Under the terms of the original contract, Houston County and Bibb County were to provide $100,000 a year for five years beginning with FY 2011 and continuing for the next successive four fiscal year budget cycles for a total financial commitment of $500,000 each. The first payment was paid by August 1, 2010 with successive payments due on or before August 1 of the next four years. These funds are solely for the purpose of acquiring the properties in the affected encroachment areas (APZ 1 and 2 zones), and/or noise contour areas, and any expenses related to the acquisition and disposition of such properties. The second payment of $100,000 was made in FY 2012. However, after the passage of the new SPLOST in March of 2012, this original contract was terminated mutually between all parties and a new Intergovernmental Agreement was signed with Bibb County, Peach County and the CGJDA whereby the County committed $6,000,000 of SPLOST funds to be paid by late calendar year 2014. During fiscal year 2014, the County paid $3,500,000.

F. Joint Ventures.

The Perry-Houston County Airport Authority.

Houston County participates in a joint venture with the City of Perry in the operation of the Perry-Houston County Airport Authority. The governing authorities of the City of Perry and Houston County have each agreed to be responsible for one-half of any unfunded portion of the Airport Authority's budget. However, Houston County has no equity interest in the Airport Authority.

The Perry-Houston County Airport Authority is a public corporation that is a body corporate and politic. The Airport Authority has a fiscal year end of December 31. Copies of the audited financial statements may be obtained from the Perry-Houston County Airport Authority.

The Middle Georgia Regional Commission.

Houston County, in conjunction with ten other counties in the middle Georgia area, participates in the Middle Georgia Regional Commission (MGRC). Membership in an MGRC is required by the Code of Georgia Section 50-8-34, which provides for the organizational structure of the MGRC in Georgia. The MGRC Board membership includes the chief elected official of each county and municipality of the area. Georgia law also provides that member governments are liable for any debts or obligations of the MGRC beyond its resources. Copies of the financial statements of the Middle Georgia Regional Commission may be obtained from their administrative office in Macon, Georgia.

IV. OTHER INFORMATION

G. Economic Dependency - Health Department Component Unit.

The Health Department is economically dependent on the state of Georgia. During fiscal year 2014, the Health Department received $10,220,345 (65 percent of total revenue) from the Georgia Department of Human Resources. Future operations of the Health Department, on a comparable scale, are dependent on continued funding from the DHR.

H. Conduit Debt - Development Authority Component Unit.

The conduit debt of the Development Authority is the revenue bonds issued by the Authority to provide capital financing for local businesses. Generally, the conduit debt is arranged so that payments to be paid by the local business are equal to the debt service requirements for the Development Authority. The Development Authority generally has no responsibility for the debt payment beyond what the local business pays. The Houston County Development Authority has issued $551,915,000 of revenue bonds for local businesses through June 30, 2014.

J. Subsequent Events.

At its meeting on October 16, 2012, the Board pledged 2012 SPLOST funds to back a State Bank & Trust Company Loan of $9.8 million secured by Houston County Development Authority for the purpose of purchasing American Real Estate property off I-75 to be developed and marketed for industrial purposes. At its meeting on November 18, 2014, the Board approved the payoff of the balance of this loan.

HOUSTON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

PENSION PLAN
SCHEDULE OF FUNDING PROGRESS FOR HCRP
(Unaudited)

Measurement Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
12/31/2004	$ 17,273,527	$ 22,415,153	77.1%	$ 5,141,626	$ 11,452,156	44.9%
12/31/2005	20,135,046	25,738,314	78.2%	5,603,268	13,060,105	42.9%
12/31/2006	24,706,398	32,825,156	75.3%	8,118,758	15,573,622	52.1%
12/31/2007	29,540,370	37,119,522	79.6%	7,579,152	17,569,875	43.1%
12/31/2008	32,198,422	41,988,446	76.7%	9,790,024	18,069,615	54.2%
12/31/2009	36,984,833	57,067,989	64.8%	20,083,156	20,216,506	99.3%
12/31/2010	42,843,900	61,566,717	69.6%	18,722,817	19,948,266	93.9%
12/31/2011	47,899,556	65,692,071	72.9%	17,792,515	19,783,644	89.9%
12/31/2012	53,405,279	72,288,038	73.9%	18,882,759	20,949,625	90.1%
12/31/2013	61,900,542	77,690,484	79.7%	15,789,942	20,429,617	77.3%

OTHER POST RETIREMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (ALL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a] / c)
7/1/2009*	$ -	$ 7,048,734	$ 7,048,734	0.0%	$ 25,164,078	28.0%
7/1/2011	-	7,274,471	7,274,471	0.0%	25,632,239	28.4%
7/1/2013	-	9,035,221	9,035,221	0.0%	26,876,739	33.6%

* *Valuation date changed to July 1st. The cost method changed from Entry Age Normal to Projected Unit Credit.*

HOUSTON COUNTY, GEORGIA

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

E 911 - to account for the cost of operating and maintaining the centralized 911 emergency communication system of the County. Financing is provided by a charge to each telephone subscriber whose exchange is served by the County's "911" service, by contributions from the Cities of Centerville, Perry and Warner Robins and by a transfer from the County's General Fund.

Fire Protection - to account for revenues received from the insurance premium tax which is to be used for the prevention and extinguishment of fires.

Sheriff's Department Drug Fund - to account for moneys received as Houston County's share of seized and forfeited property.

Jail Inmate Fund - to account for the operations of the Houston County Jail Inmate Store. The Inmate Store is operated for the benefit of the inmates.

Law Library Fund - to account for the costs of operating and maintaining the County Law Library. Financing is provided from a $2 charge added to and collected on all fines in civil and criminal cases. A separate Board of Trustees has control of the Law Library funds and has authority to expend the funds in accordance with provisions of the act establishing the County Law Library. All books, reports, texts, and periodicals purchased from these funds become the property of the County.

District Attorney - to account for moneys received as the Houston County District Attorney's office share of seized and forfeited property.

HOUSTON COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

	Special Revenue						
	E 911	Fire Protection	Drug	Jail Inmate	Law Library	District Attorney	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	$ -	$ 24,028	$ 197,004	$ 224,012	$ 75,906	$ 1,245,450	$ 1,766,400
Investments	-	2,399,294	-	129,352	827,213	-	3,355,859
Accounts receivable	406,501	-	-	57,511	-	-	464,012
Due from other funds	354,819	192,537	-	-	-	-	547,356
Due from other governments	104,530	-	-	-	-	30	104,560
Total assets	$ 865,850	$ 2,615,859	$ 197,004	$ 410,875	$ 903,119	$ 1,245,480	$ 6,238,187
LIABILITIES AND FUND BALANCE							
Accounts payable	$ 24,409	$ 2,634	$ 2,079	$ 2,855	$ 5,534	$ -	$ 37,511
Accrued wages and payroll taxes payable	39,865	13,134	-	-	-	-	52,999
Due to other funds	-	-	-	-	-	-	-
Total liabilities	64,274	15,768	2,079	2,855	5,534	-	90,510
FUND BALANCES							
Restricted	801,576	-	194,925	-	897,585	-	1,894,086
Committed to:							
Judicial	-	-	-	-	-	1,245,480	1,245,480
Public safety	-	2,600,091	-	408,020	-	-	3,008,111
Total fund balances	801,576	2,600,091	194,925	408,020	897,585	1,245,480	6,147,677
Total liabilities and fund balances	$ 865,850	$ 2,615,859	$ 197,004	$ 410,875	$ 903,119	$ 1,245,480	$ 6,238,187

HOUSTON COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue						
	E 911	Fire Protection	Drug	Jail Inmate	Law Library	District Attorney	Total Nonmajor Governmental Funds
REVENUES							
Taxes	$ -	$ 1,865,564	$ -	$ -	$ -	$ -	$ 1,865,564
Intergovernmental	418,120	-	-	-	-	-	418,120
Charges for services	2,638,950	-	-	178,470	-	-	2,817,420
Fines and forfeitures	-	-	57,791	-	101,213	1,358,475	1,517,479
Investment income	-	2,574	224	612	2,973	-	6,383
Miscellaneous	30,930	-	-	-	-	-	30,930
Total revenues	3,088,000	1,868,138	58,015	179,082	104,186	1,358,475	6,655,896
EXPENDITURES							
Current:							
Judicial	-	-	-	-	104,195	32,041	136,236
Public safety	3,843,021	1,398,826	50,709	129,252	-	-	5,421,808
Total expenditures	3,843,021	1,398,826	50,709	129,252	104,195	32,041	5,558,044
Excess (deficiency) of revenues over (under) expenditures	(755,021)	469,312	7,306	49,830	(9)	1,326,434	1,097,852
OTHER FINANCING SOURCES (USES)							
Transfers in	671,208	-	-	-	-	-	671,208
Transfers out	-	(268,257)	(43,733)	(52,295)	(12,015)	(96,227)	(472,527)
Total other financing sources (uses)	671,208	(268,257)	(43,733)	(52,295)	(12,015)	(96,227)	198,681
Net change in fund balances	(83,813)	201,055	(36,427)	(2,465)	(12,024)	1,230,207	1,296,533
Fund balance - beginning	885,389	2,399,036	231,352	410,485	909,609	15,273	4,851,144
Fund balance - ending	$ 801,576	$ 2,600,091	$ 194,925	$ 408,020	$ 897,585	$ 1,245,480	$ 6,147,677

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	E 911			
	Budgeted Amounts			Variance with Final Budget Over
	Original	Final	Actual	(Under)
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	418,115	418,115	418,120	5
Charges for services	2,680,000	2,680,000	2,638,950	(41,050)
Investment Income	-	-	-	-
Miscellaneous	24,250	24,250	30,930	6,680
Total revenues	3,122,365	3,122,365	3,088,000	(34,365)
EXPENDITURES				
Personal services	2,929,940	2,910,312	2,878,879	(31,433)
Purchased / contracted services	859,257	872,999	852,648	(20,351)
Supplies	89,200	95,086	92,612	(2,474)
Capital outlay	19,500	19,500	18,882	(618)
Total expenditures	3,897,897	3,897,897	3,843,021	(54,876)
Excess (deficiency) of revenues over (under) expenditures	(775,532)	(775,532)	(755,021)	20,511
OTHER FINANCING SOURCES (USES):				
Transfers in	671,208	671,208	671,208	-
Transfers out	-	-	-	-
Total other financing sources (uses)	671,208	671,208	671,208	-
Net change in fund balance	$ (104,324)	$ (104,324)	(83,813)	$ 20,511
Fund balance at beginning of year			885,389	
Fund balance at end of year			$ 801,576	

Fire Protection			
Budgeted Amounts			Variance with Final Budget Over
Original	Final	Actual	(Under)
$ 1,736,181	$ 1,736,181	$ 1,865,564	$ 129,383
-	-	-	-
-	-	-	-
2,500	2,500	2,574	74
-	-	-	-
1,738,681	1,738,681	1,868,138	129,457
1,065,518	1,065,518	927,448	(138,070)
290,337	305,597	281,775	(23,822)
209,443	194,183	189,603	(4,580)
-	-	-	-
1,565,298	1,565,298	1,398,826	(166,472)
173,383	173,383	469,312	295,929
25,088	25,088	-	(25,088)
(268,257)	(268,257)	(268,257)	-
(243,169)	(243,169)	(268,257)	(25,088)
$ (69,786)	$ (69,786)	201,055	$ 270,841
		2,399,036	
		$ 2,600,091	

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Drug Fund		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
REVENUES			
Charges for services	$ -	$ -	$ -
Fines and forfeitures	245,000	57,791	(187,209)
Investment income	5,000	224	(4,776)
Miscellaneous	-	-	-
Total revenues	250,000	58,015	(191,985)
EXPENDITURES			
Current:			
Judicial	-	-	-
Public safety	250,000	50,709	(199,291)
Total expenditures	250,000	50,709	(199,291)
Excess (deficiency) of revenues over (under) expenditures	-	7,306	7,306
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	(43,733)	(43,733)
Net change in fund balances	$ -	(36,427)	$ (36,427)
Fund balance - beginning		231,352	
Fund balance - ending		$ 194,925	

Jail Inmate Fund			Law Library		
Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
$ 195,000	$ 178,470	$ (16,530)	$ -	$ -	$ -
-	-	-	170,000	101,213	(68,787)
5,000	612	(4,388)	5,000	2,973	(2,027)
-	-	-	-	-	-
200,000	179,082	(20,918)	175,000	104,186	(70,814)
-	-	-	175,000	104,195	(70,805)
200,000	129,252	(70,748)	-	-	-
200,000	129,252	(70,748)	175,000	104,195	(70,805)
-	49,830	49,830	-	(9)	(9)
-	(52,295)	(52,295)	-	(12,015)	(12,015)
$ -	(2,465)	$ (2,465)	$ -	(12,024)	$ (12,024)
	410,485			909,609	
	$ 408,020			$ 897,585	

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	District Attorney		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
REVENUES			
Intergovernmental	$ -	$ -	$ -
Fines and forfeitures	30,000	1,358,475	1,328,475
Investment income	-	-	-
Total revenues	30,000	1,358,475	1,328,475
EXPENDITURES			
Current:			
Judicial	30,000	32,041	2,041
Public safety	-	-	-
Total expenditures	30,000	32,041	2,041
Excess (deficiency) of revenues over (under) expenditures	-	1,326,434	1,326,434
OTHER FINANCING (USES)			
Transfers (out)	-	(96,227)	(96,227)
Net change in fund balances	$ -	1,230,207	$ 1,230,207
Fund balance - beginning		15,273	
Fund balance - ending		$ 1,245,480	

HOUSTON COUNTY, GEORGIA
HEMA CODE RED
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
PRIOR AND CURRENT YEARS
FOR THE YEAR ENDED JUNE 30, 2014

	Current Year	Cumulative Prior Years	Total
REVENUES			
Taxes	$ -	$ 1,778,336	$ 1,778,336
Intergovernmental	-	14,479	14,479
Total revenues	-	1,792,815	1,792,815
EXPENDITURES			
Professional	50,625	244,650	295,275
Electricity	4,216	15,363	19,579
Repairs and maintenance	1,376	1,060,643	1,062,019
Total expenditures	56,217	1,320,656	1,376,873
Excess (deficiency) of revenues over (under) expenditures	(56,217)	472,159	415,942
Net change in fund balance	(56,217)	472,159	415,942
Fund balance at beginning of year	472,159		
Fund balance at end of year	$ 415,942		

HOUSTON COUNTY, GEORGIA
JUVENILE COURT SUPERVISION FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014

	Actual
REVENUES	
Charges for services	$ 15,482
Total revenues	15,482
EXPENDITURES	
Judicial	15,164
Total expenditures	15,164
Excess (deficiency) of revenues over (under) expenditures	318
Net change in fund balance	318
Fund balance at beginning of year	17,388
Fund balance at end of year	$ 17,706

HOUSTON COUNTY, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Workers' Compensation Program	Health Insurance Program	Property and Liability Insurance Program	Total
Operating revenues:				
Charges for services	$ 395,728	$ 7,187,943	$ 415,919	$ 7,999,590
Total operating revenues	395,728	7,187,943	415,919	7,999,590
Operating expenses:				
Insurance claims	285,022	5,745,501	143,032	6,173,555
Insurance premiums and administration	95,653	967,750	273,437	1,336,840
Total operating expenses	380,675	6,713,251	416,469	7,510,395
Net operating income (loss)	15,053	474,692	(550)	489,195
Nonoperating revenue:				
Interest revenue	147	-	783	930
Total nonoperating revenue	147	-	783	930
Change in net position	15,200	474,692	233	490,125
Net position - beginning of year	1,073,410	4,415,669	722,224	6,211,303
Net position - end of year	$ 1,088,610	$ 4,890,361	$ 722,457	$ 6,701,428

FIDUCIARY FUNDS

Agency Funds

Sheriff - to account for all moneys received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units and other funds.

Jail - to account for all moneys received by the Houston County Jail on behalf of inmates.

Tax Commissioner - to account for the collection and payment to Houston County and other taxing units of the property taxes levied, billed and collected by the Tax Commissioner on behalf of Houston County and other taxing units.

Clerk of Superior Court - to account for all moneys received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units and other funds.

District Attorney - to account for all moneys received by the District Attorney on behalf of individuals, private organizations, other governmental units and other funds.

State Court - to account for all moneys received by the State Court of Houston County on behalf of individuals, private organizations, other governmental units and other funds.

Probate Court - to account for all moneys received by the Probate Court on behalf of individuals, private organizations, other governmental units and other funds.

Magistrate Court - to account for all moneys received by the Magistrate Court on behalf of individuals, private organizations, other governmental units and other funds.

Juvenile Court - to account for all moneys received by the Juvenile Court on behalf of individuals, private organizations, other governmental units and other funds.

HOUSTON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

Sheriff	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Assets:				
Cash	$ 427,293	$ 1,275,266	$ 1,043,727	$ 658,832
Total assets	$ 427,293	$ 1,275,266	$ 1,043,727	$ 658,832
Liabilities:				
Other	$ 427,293	$ 1,275,266	$ 1,043,727	$ 658,832
Total liabilities	$ 427,293	$ 1,275,266	$ 1,043,727	$ 658,832
Jail				
Assets:				
Cash	$ 53,489	$ 796,745	$ 778,713	$ 71,521
Total assets	$ 53,489	$ 796,745	$ 778,713	$ 71,521
Liabilities:				
Funds held in escrow	$ 53,489	796,745	778,713	$ 71,521
Total liabilities	$ 53,489	$ 796,745	$ 778,713	$ 71,521
Tax Commissioner				
Assets:				
Cash	$ 2,200,888	$ 116,826,405	$ 116,654,920	$ 2,372,373
Total assets	$ 2,200,888	$ 116,826,405	$ 116,654,920	$ 2,372,373
Liabilities:				
Due to other funds:				
Houston County General Fund	$ -	$ 44,070,236	$ 44,070,236	$ -
Due to Houston County Board of Education	926,170	54,014,390	54,025,224	915,336
Due to State	909,179	15,411,899	15,323,130	997,948
Due to City of Perry	44,615	568,460	569,999	43,076
Due to City of Warner Robins	175,459	2,078,641	2,082,268	171,832
Due to City of Centerville	24,088	292,089	293,310	22,867
Other	121,377	390,690	290,753	221,314
Total liabilities	$ 2,200,888	$ 116,826,405	$ 116,654,920	$ 2,372,373

HOUSTON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

Clerk of Superior Court	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Assets:				
Cash	$ 4,101,633	$ 4,524,390	$ 7,016,243	$ 1,609,780
Total assets	$ 4,101,633	$ 4,524,390	$ 7,016,243	$ 1,609,780
Liabilities:				
Other	$ 4,101,633	$ 4,524,390	$ 7,016,243	$ 1,609,780
Total liabilities	$ 4,101,633	$ 4,524,390	$ 7,016,243	$ 1,609,780
District Attorney				
Assets:				
Cash	$ 146	$ 84,451	$ 84,451	$ 146
Total assets	$ 146	$ 84,451	$ 84,451	$ 146
Liabilities:				
Garnishments, restitution & other	$ 146	$ 84,451	$ 84,451	$ 146
Total liabilities	$ 146	$ 84,451	$ 84,451	$ 146
State Court				
Assets:				
Cash	$ 156,159	$ 4,493,220	$ 4,476,962	$ 172,417
Total assets	$ 156,159	$ 4,493,220	$ 4,476,962	$ 172,417
Liabilities:				
Other	$ 156,159	$ 4,493,220	$ 4,476,962	$ 172,417
Total liabilities	$ 156,159	$ 4,493,220	$ 4,476,962	$ 172,417

HOUSTON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

Probate Court	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Assets:				
Cash	$ 248,732	$ 799,127	$ 841,900	$ 205,959
Total assets	$ 248,732	$ 799,127	$ 841,900	$ 205,959
Liabilities:				
Funds held in escrow	$ 49,981	$ 30,751	$ 78,409	$ 2,323
Other	198,751	768,376	763,491	203,636
Total liabilities	$ 248,732	$ 799,127	$ 841,900	$ 205,959
Magistrate Court				
Assets:				
Cash	$ 501	$ 1,771,169	$ 1,771,453	$ 217
Total assets	$ 501	$ 1,771,169	$ 1,771,453	$ 217
Liabilities:				
Other	$ 501	$ 1,771,169	$ 1,771,453	$ 217
Total liabilities	$ 501	$ 1,771,169	$ 1,771,453	$ 217
Juvenile Court				
Assets:				
Cash	$ 5,199	$ 30,083	$ 29,270	$ 6,012
Total assets	$ 5,199	$ 30,083	$ 29,270	$ 6,012
Liabilities:				
Restitution payable & other	$ 5,199	$ 30,083	$ 29,270	$ 6,012
Total liabilities	$ 5,199	$ 30,083	$ 29,270	$ 6,012

HOUSTON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014

Total - All Agency Funds	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Assets:				
Cash	$ 7,194,040	$ 130,600,856	$ 132,697,639	$ 5,097,257
Total assets	$ 7,194,040	$ 130,600,856	$ 132,697,639	$ 5,097,257
Liabilities:				
Due to other taxing units	$ 1,170,332	$ 101,023,816	$ 101,041,037	$ 1,153,111
Due to State	909,179	15,411,899	15,323,130	997,948
Funds held in escrow	103,470	827,496	857,122	73,844
Other	5,011,059	13,337,645	15,476,350	2,872,354
Total liabilities	$ 7,194,040	$ 130,600,856	$ 132,697,639	$ 5,097,257

SPECIAL REPORTS SECTION

BUTLER, WILLIAMS & WYCHE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
915 HILL PARK
MACON, GA 31201

December 5, 2014

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*

To the Board of County Commissioners
of Houston County
Warner Robins, 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 Houston County, Georgia (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Houston 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 Houston County Department of Public Health, as described in our report on the County'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 are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain other matters that we reported to the management of the County in a separate letter dated December 5, 2014.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Butler, Williams & Hyche, LLP

Macon, GA

HOUSTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

None reported

HOUSTON COUNTY, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2014

None reported

HOUSTON COUNTY, GEORGIA
SCHEDULE OF PROJECTS UNDERTAKEN
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2014

Project	(a) Previously Reported Original Estimated Cost	Original Estimated Cost	Expenditures A Prior Years	B Current Year	C From Other Revenue Sources	B + C Total Current Expenditures	A + B Total Expenditures From SPLOST
2001 Referendum:							
Roads, Streets, and Bridges	$ 69,285,000	$ 55,821,250	$ 16,071,181	$ 909,565	$ -	$ 909,565	$ 16,980,746
City of Centerville	-	-	9,077,337	-	-	-	9,077,337
City of Perry	-	1,350,000	3,721,663	131,704	-	131,704	3,853,367
City of Warner Robins	-	12,113,750	23,867,071	1,118,166	-	1,118,166	24,985,237
Department of Transportation	-	-	167,326	-	-	-	167,326
Public Safety Radio Facilities and Equipment	12,500,000	12,500,000	12,500,000	-	-	-	12,500,000
City of Centerville	-	2,035,000	2,035,000	-	-	-	2,035,000
City of Perry	-	1,180,000	2,530,000	-	-	-	2,530,000
	$ 81,785,000	$ 85,000,000	$ 69,969,578	$ 2,159,435	$ -	$ 2,159,435	$ 72,129,013
2006 Referendum:							
Roads, Streets, and Bridges	$ 100,675,000	$ 93,160,000	$ 23,917,705	$ 1,433,117	$ -	$ 1,433,117	$ 25,350,822
City of Centerville	-	500,000	2,712,145	166,098		166,098	2,878,243
City of Perry	-	1,500,000	2,764,708	13,972		13,972	2,778,680
City of Warner Robins	-	5,515,000	5,634,035	288,818		288,818	5,922,853
Department of Transportation	-	-	15,622,107	6,261,163		6,261,163	21,883,270
Library Improvements	-	5,225,000	3,650,846	1,459,489	-	1,459,489	5,110,335
Jail Pod Addition	-	4,000,000	8,314,688	-	-	-	8,314,688
Water System Improvements	-	3,000,000	3,183,509	3,083	-	3,083	3,186,592
Debt Payoff on Spec Building	-	2,100,000	2,100,000	-	-	-	2,100,000
City of Centerville	-	1,000,000	1,468,849	-	-	-	1,468,849
City of Perry	-	4,000,000	5,385,795	-	-	-	5,385,795
City of Warner Robins	-	10,000,000	15,192,866	-	-	-	15,192,866
	$ 100,675,000	$ 130,000,000	$ 89,947,253	$ 9,625,740	$ -	$ 9,625,740	$ 99,572,993
2012 Referendum:							
Roads, Streets, and Bridges	$ -	$ 25,332,000	$ -	$ -	$ -	$ -	$ -
Public Safety Facilities & Equipment	-	9,000,000	341,634	46,531	-	46,531	388,165
Water & Storm Water Systems Improvement	-	6,550,000	14,555	51,637	-	51,637	66,192
Economic Development:							
Property Acquisition-RAFB Encroachment	-	7,000,000	-	3,500,000	-	3,500,000	3,500,000
Land Acquisition & Infrastructure - Improveme	-	19,000,000	6,734,785	3,008,599	-	3,008,599	9,743,384
Unincorporated County Projects							
Roads, Streets, & Bridges	-	5,300,000	-	51,382	-	51,382	51,382
Public Safety Facilities & Equipment	-	13,665,000	419,038	473,408	-	473,408	892,446
General Capital Obligations	-	9,482,000	136,793	450,014	-	450,014	586,807
Airport Facility Improvements	-	400,000	-	-	-	-	-
City of Centerville	-	5,050,000	529,792	679,907	-	679,907	1,209,699
City of Perry	-	9,800,000	1,027,082	1,318,101	-	1,318,101	2,345,183
City of Warner Robins	-	44,421,000	4,657,621	5,977,338	-	5,977,338	10,634,959
	$ -	$ 155,000,000	$ 13,861,300	$ 15,556,917	$ -	$ 15,556,917	$ 29,418,217
Total SPLOST referendums	$ 182,460,000	$ 370,000,000	$ 173,778,131	$ 27,342,092	$ -	$ 27,342,092	$ 201,120,223

(a) The amounts reported in previous years were for Countywide Projects administered by Houston County for road, street, bridge & sidewalk projects. The intergovernmental portion of road, street, bridge and sidewalk projects were included with the Countywide Projects, but none of the other projects were included on this schedule previously. This schedule has been revised to include all projects per the 2001 and 2006 Referendums.

Houston County, Georgia
Certification of 9-1-1 Expenditures

For the Year Ended
June 30, 2014

Line No.		O.C.G.A. Reference	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):		
	_X_ Special Revenue Fund _____ Enterprise Fund		
	Expenditures (UCOA Activity 3800)		
2	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	Southeren Linc		$ $ 548.10
	AT & T		$ $ 92,457.90
	Sprint		$ $ 18,445.80
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(f)(1)(A)	$ $ 1,154.84
3b	Purchase costs	46-5-134(f)(1)(A)	$ $ 2,485.50
3c	Maintenance costs	46-5-134(f)(1)(A)	$
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	$ $ 168,545.43
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	$ $ 1,879,855.30
5b	Employee benefits	46-5-134(f)(1)(C)	$ $ 999,023.49
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$ $ 21,062.39
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	$ $ 27,712.62
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	$
8b	Purchase costs	46-5-134(f)(1)(F)	$
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	$
9b	Purchase costs	46-5-134(f)(1)(G)	$ $ 18,882.14
9c	Maintenance costs	46-5-134(f)(1)(G)	$ $ 375,547.20

Houston County, Georgia
Certification of 9-1-1 Expenditures

For the Year Ended
June 30, 2014

Line No.		O.C.G.A. Reference	
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	$
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	$
11b	Purchase costs	46-5-134(f)(1)(I)	$
11c	Maintenance costs	46-5-134(f)(1)(I)	$
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	$ $ 36,500.00
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2)(B)(ii)	$
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	$
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	$
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	$ $ 136,640.00
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2(B)(iv)	$
15b	Purchase costs	46-5-134(f)(2(B)(iv)	$
15c	Maintenance costs	46-5-134(f)(2(B)(iv)	$
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2(B)(v)	$
16b	Purchase costs	46-5-134(f)(2(B)(v)	$
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$
17	Other expenditures not included in Lines 2 through 16 above.		

Houston County, Georgia
Certification of 9-1-1 Expenditures

For the Year Ended
June 30, 2014

Line No.		O.C.G.A. Reference	
	Identify by object and purpose.		
	Utilities		$ 56,905.40
	Gasoline		$ 7,162.97
	Food		$ 91.46
			$
			$
			$
			$
			$
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		$ 3,843,020.54

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official Tommy Stalnaker Date 12-5-14

Print Name of Chief Elected Official Tommy Stalnaker

Title of Chief Elected Official Chairman

Signature of Chief Financial Officer Sandra K. Stalnaker Date 12/5/14

Print Name of Chief Financial Officer Sandra K. Stalnaker