Johnson County, Georgia

Annual Financial Report

With Independent Auditors' Report

For the Fiscal Year Ended December 31, 2013

Johnson County, Georgia
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INDEPENDENT AUDITORS' REPORT

Honorable Board of Commissioners
Johnson County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Georgia (the Government) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Johnson County Public Health Center, which represent 48%, 48% and 93%, respectively, of the assets, net position and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Johnson County Public Health Center, is based on the report of the other auditors.

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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 auditors' 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 and the report of other auditors is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Georgia, as of December 31, 2013, and the respective changes in financial position for the year then ended in conformity 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 budgetary comparison information on pages 43 through 51 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. Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. 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 Johnson County, Georgia's basic financial statements as whole. The combining and individual nonmajor fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* , we have also issued our report dated June 30, 2014, on our consideration of Johnson County, Georgia'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Johnson County, Georgia's internal control over financial reporting and compliance.

Christian, Kelly, Thigpen & Co., LLC

Dublin, Georgia
June 30, 2014

Johnson County, Georgia
Statement of Net Position
December 31, 2013

	Primary Government	
	Governmental Activities	Total
Assets		
Cash and cash equivalents	$ 2,997,585	$ 2,997,585
Cash - restricted	338,361	338,361
Certificate of deposit - unrestricted	400,000	400,000
Accounts receivable (net of $206,106 allowance)	109,116	109,116
Sales tax receivable	173,245	173,245
Prepaid items	83,166	83,166
Land and other nondepreciable assets	637,134	637,134
Capital assets, net of depreciation	7,130,304	7,130,304
Total assets	11,868,911	11,868,911
Liabilities		
Accounts payable	95,728	95,728
Compensated absences payable	43,016	43,016
Notes payable	38,919	38,919
Noncurrent liabilities:		
Compensated absences payable	-	-
Notes payable	656,824	656,824
Total liabilities	834,487	834,487
Net Position		
Net investment in capital assets	7,071,695	7,071,695
Restricted for:		
Ambulance service	3,581	3,581
Transportation	154,529	154,529
Jail construction debt	43	43
Capital outlay	51,008	51,008
Capital projects	165,994	165,994
Drug education	8,811	8,811
Rural fire department and emergency management	58,320	58,320
Jail expenditures	4,510	4,510
Law library	12,074	12,074
Public health	-	-
Unrestricted	3,503,859	3,503,859
Total net position	$ 11,034,424	$ 11,034,424

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

Component Units		
Recreation Department	Development Authority	Public Health Center
$ 4,022	$ 16,297	$ 172,887
-	-	-
-	-	245,853
-	-	-
-	-	-
-	-	-
58,000	313,186	-
49,315	15,824	1,523
111,337	345,307	420,263
-	-	-
-	-	963
-	-	-
-	-	3,850
-	-	-
-	-	4,813
107,315	329,010	1,523
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	68,401
4,022	16,297	345,526
$ 111,337	$ 345,307	$ 415,450

Johnson County, Georgia
Statement of Activities
For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 1,479,298	$ 72,611	$ 12,148	$ 152
Transportation	1,123,096	-	-	373,753
Public safety	1,092,096	442,051	15,000	634
Sanitation and environmental	328,437	2,782	-	-
Health and welfare	732,915	367,104	25,547	-
Recreation and culture	98,726	24,753	17,000	-
Economic development	20,000	-	-	-
Interest on long-term debt	36,670	-	-	-
Total governmental activities and primary government	$ 4,911,238	$ 909,301	$ 69,695	$ 374,539
Component Units				
Johnson County Recreation Department	$ 10,326	$ 300	$ 3,195	$ -
Johnson County Development Authority	29,654	-	-	-
Johnson County Public Health Center	276,473	133,242	182,826	-
Total component units	$ 316,453	$ 133,542	$ 186,021	$ -

General revenues:
Property taxes
Sales tax
Transportation sales tax
Motor vehicle tax
Title ad valorem tax
Insurance premium tax
Other taxes
Interest income
Miscellaneous
Gain on sale of assets
Intergovernmental
Intra-inter agency
Other local funds
Total general revenues

Transfers in
Transfers out
Total transfers in (out)

Change in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government		Component Units		
Governmental Activities	Total	Recreation Department	Development Authority	Public Health Center
$ (1,394,387)	$ (1,394,387)	$ -	$ -	$ -
(749,343)	(749,343)	-	-	-
(634,411)	(634,411)	-	-	-
(325,655)	(325,655)	-	-	-
(340,264)	(340,264)	-	-	-
(56,973)	(56,973)	-	-	-
(20,000)	(20,000)	-	-	-
(36,670)	(36,670)	-	-	-
(3,557,703)	(3,557,703)	-	-	-
-	-	(6,831)	-	-
-	-	-	(29,654)	-
-	-	-	-	39,595
-	-	(6,831)	(29,654)	39,595
2,069,270	2,069,270	-	-	-
1,003,750	1,003,750	-	-	-
240,901	240,901			
226,998	226,998	-	-	-
39,495	39,495			
259,517	259,517	-	-	-
229,408	229,408	-	-	-
2,745	2,745	10	46	-
35,711	35,711	-	-	-
48,574	48,574	-	1,028	-
-	-	-	20,700	-
-	-	-	-	13,215
-	-	-	-	3,276
4,156,369	4,156,369	10	21,774	16,491
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
598,666	598,666	(6,821)	(7,880)	56,086
10,435,758	10,435,758	118,158	353,187	359,364
$ 11,034,424	$ 11,034,424	$ 111,337	$ 345,307	$ 415,450

Johnson County, Georgia
Balance Sheet
Governmental Funds
December 31, 2013

	General Fund	SPLOST Roads, Streets and Bridges	SPLOST Jail Construction
ASSETS			
Assets:			
Cash and cash equivalents	$ 2,997,585	$ -	$ -
Cash - restricted	-	64,656	43
Certificate of deposit-unrestricted	400,000	-	-
Accounts receivable (net of allowance of $206,106)	109,116	-	-
Due from other governments	62,060	-	-
Prepaid assets	83,166	-	-
Due from other funds	-	-	-
Total assets	$ 3,651,927	$ 64,656	$ 43
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 95,728	$ -	$ -
Deferred revenue	712,015	-	-
Due to other funds	9,324	-	-
Total liabilities	817,067	-	-
Fund balances:			
Nonspendable:			
Prepaid assets	83,166	-	-
Restricted for:			
Ambulance Service	-	-	-
Jail construction debt	-	-	43
Jail expenditures	-	-	-
Capital projects	-	-	-
Drug education	-	-	-
Law library	-	-	-
Rural fire department & emergency management	-	-	-
Transportation	-	64,656	-
Capital outlay	-	-	-
Unassigned	2,751,694	-	-
Total fund balances	2,834,860	64,656	43
Total liabilities and fund balances	$ 3,651,927	$ 64,656	$ 43

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

Local Resource Fund	Major Grants	SPLOST 2013 Capital Projects	SPLOST Transportation	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 2,997,585
51,008	22,901	54,412	67,369	77,972	338,361
-	-	-	-	-	400,000
-	-	-		-	109,116
-	-	88,681	22,504	-	173,245
-	-	-		-	83,166
-	-	-	-	9,324	9,324
$ 51,008	$ 22,901	$ 143,093	$ 89,873	$ 87,296	$ 4,110,797
$ -	$ -	$ -	$ -	$ -	$ 95,728
-	-	-	-	-	712,015
-	-	-	-	-	9,324
-	-	-	-	-	817,067
-	-	-	-	-	83,166
-	-	-	-	3,581	3,581
-	-	-	-	-	43
-	-	-	-	4,510	4,510
-	22,901	143,093		-	165,994
-	-	-	-	8,811	8,811
-	-	-	-	12,074	12,074
-	-	-	-	58,320	58,320
-	-	-	89,873	-	154,529
51,008	-	-	-	-	51,008
-	-	-	-	-	2,751,694
51,008	22,901	143,093	89,873	87,296	3,293,730
$ 51,008	$ 22,901	$ 143,093	$ 89,873	$ 87,296	$ 4,110,797

Johnson County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2013

Amounts reported for governmental activities on the statement of net position are different because of the following:

Fund balances - total governmental funds	$ 3,293,730
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds	7,767,438
Certain long-term assets are not available to pay current expenditures and are therefore deferred in the funds	712,015
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds	(43,016)
The proceeds of debt provide current financial resources to government funds, but debt increases long-term liabilities in the statement of net position	(695,743)
Net position of governmental activities	$ 11,034,424

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

Johnson County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	SPLOST Roads, Streets and Bridges	SPLOST Jail Construction
Revenues:			
Property taxes	$ 1,876,865	$ -	$ -
Intangible taxes (recording)	14,935	-	-
Mobile home taxes	31,934	-	-
Motor vehicle taxes	226,998	-	-
Title ad valorem taxes	39,495	-	-
County sales taxes	413,265	-	402,403
Transportation sales taxes	-	-	-
Alcoholic beverage taxes	3,292	-	-
Transfer taxes	6,486	-	-
Insurance premium taxes	259,517	-	-
Timber taxes	63,183	-	-
Other taxes	109,578	-	-
Intergovernmental	55,695	-	-
Charges for services	587,960	-	-
Fines and court costs	257,051	-	-
Interest	2,745	151	634
Other	32,130	-	-
Total revenues	3,981,129	151	403,037
Expenditures:			
Current:			
General government	1,314,436	-	-
Transportation	608,484	2,190	-
Public safety	878,138	-	-
Sanitation and environmental	312,175	-	-
Health and welfare	619,148	-	-
Recreation and culture	69,108	-	-
Intergovernmental:			
Payments to local government agencies	95,061	-	-
Capital outlays:			
General government	45,825	-	-
Health and welfare	-	-	-
Transportation	-	-	-
Public safety	9,033	-	20,828
Recreation and culture	-	-	-
Debt service:			
Principal	67,780	1,576	673,709
Interest	15,154	7,121	8,005
Total expenditures	4,034,342	10,887	702,542
Excess of revenues over/ (under) expenditures	(53,213)	(10,736)	(299,505)

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

Local Resources Fund	Major Grants	SPLOST 2013 Capital Projects	SPLOST Transportation	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 1,876,865
-	-	-	-	-	14,935
-	-	-	-	-	31,934
-	-	-	-	-	226,998
-	-	-	-	-	39,495
-	-	188,082	-	-	1,003,750
-	-	-	240,901	-	240,901
-	-	-	-	-	3,292
-	-	-	-	-	6,486
-	-	-	-	-	259,517
-	-	-	-	-	63,183
-	-	-	-	-	109,578
6,000	-	-	372,969	8,000	442,664
-	-	-	-	33,422	621,382
-	-	-	-	30,868	287,919
-	141	11	633	-	4,315
-	-	-	-	3,581	35,711
6,000	141	188,093	614,503	75,871	5,268,925
-	-	-	-	-	1,314,436
-	-	-	364,630	-	975,304
3,075	-	-	-	33,748	914,961
-	-	-	-	-	312,175
-	-	-	-	-	619,148
-	-	-	-	-	69,108
-	-	-	-	9,000	104,061
-	-	-	-	-	45,825
-	116,469	-	-	-	116,469
-	85,161	-	-	-	85,161
6,325	101,703	-	-	-	137,889
-	9,100	-	-	-	9,100
-	61,808	-	-	21,971	826,844
-	5,291	-	-	1,099	36,670
9,400	379,532	-	364,630	65,818	5,567,151
(3,400)	(379,391)	188,093	249,873	10,053	(298,226)

Johnson County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	SPLOST Roads, Streets and Bridges	SPLOST Jail Construction
Other financing sources (uses):			
Sale of assets	$ -	$ -	$ -
Transfers from other funds	217,000	-	5,643
Transfers to other funds	(3,500)	-	-
Loan proceeds and capital leases	-	-	-
Total other financing sources (uses)	213,500	-	5,643
Excess of revenues and other sources over/(under) expenditures and other uses	160,287	(10,736)	(293,862)
Fund balance, January 1, 2013	2,674,573	75,392	293,905
Fund balance, December 31, 2013	$ 2,834,860	$ 64,656	$ 43

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

Local Resources Fund	Major Grants	SPLOST 2013 Capital Projects	SPLOST Transportation	Other Governmental Funds	Total Governmental Funds
$ 58,406	$ -	$ -	$ -	$ -	$ 58,406
3,500	-	-	-	2,300	228,443
(7,943)	-	(45,000)	(160,000)	(12,000)	(228,443)
-	-	-		-	-
53,963	-	(45,000)	(160,000)	(9,700)	58,406
50,563	(379,391)	143,093	89,873	353	(239,820)
445	402,292	-	-	86,943	3,533,550
$ 51,008	$ 22,901	$ 143,093	$ 89,873	$ 87,296	$ 3,293,730

Johnson 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 December 31, 2013

Net changes in fund balances - Total government funds		$ (239,820)
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation. This is the amount by which depreciation exceeded capital outlay in the current year:		
Capital outlay - Nondepreciable capital assets	$ 45,825	
Capital outlay - Depreciable capital assets	348,619	
Depreciation	(572,816)	(178,372)
Proceeds of assets sold in governmental funds are reported at sales price less selling expenses while in the statement of activities the sales price is netted against undepreciated basis. This is the difference between financial presentations.		(9,832)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Property taxes		192,405
Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated absences payable		7,441
The repayment of long-term debt consumes the current financial resources of government funds, debt repayment decreases long-term liabilities in the statement of net position		826,844
Changes in net position of governmental activities		$ 598,666

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

Johnson County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2013

	Agency Funds
Assets:	
Cash and cash equivalents	$ 858,498
Taxes receivable	1,990,415
Total assets	$ 2,848,913
Liabilities:	
Due to other governmental units	$ 2,848,913
Total liabilities	$ 2,848,913

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The County is governed by a board of five Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are Clerk of Court, Sheriff, Tax Commissioner, Coroner and Probate Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

Section 2100 of the standards published by the Governmental Accounting Standards Board (GASB) defines the reporting entity as the primary government and all its component units, if any, according to GASB-14. The identification of a financial reporting entity is based on the concept of financial accountability. GASB-14 defines a primary government as a government that:

1. Has a separately elected governing body;
2. Is legally separate;
3. Is fiscally independent of other statement local governments.

For financial reporting purposes, in accordance with the criteria in GASB Standards, the County includes all funds, agencies, boards, commissions, and authorities that are within its primary government. A component unit is a legally separate organization for which elected officials of a primary government are financially accountable. There are three sets of criteria that the County evaluates to determine whether a potential component unit will be included in the reporting entity of Johnson County. They are financial accountability, financial accountability as a result of fiscal dependency, and misleading to exclude the component units.

Certain County officials collect and disburse taxes, fees, fines, etc. Separate records of accountability are maintained for such receipts. For purposes of this report, these records are included as a part of agency trust funds with remittances to the General Fund from these officials recorded as revenue. Operating costs for these officials are included as a part of the County's General Fund. These units included Tax Commissioner, Sheriff, Clerk of Courts, Probate Court and Magistrate Court.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

The component unit columns on the basic financial statements include the financial data of the County's discretely presented component units. They are reported in separate columns to emphasize that they are legally separate from the County.

Johnson County Recreation Department

This component unit is served by a five-member board that is appointed by the Board of Commissioners. The County is financially accountable for all operations and the budget adopted. The Department offers sports related activities to the citizens of Johnson County. Program revenues are generated mainly from user fees and donations.

Johnson County Development Authority

This component unit is served by an five-member board that is appointed by the Board of Commissioners. The County is financially accountable for all operations. The Authority serves to promote economic development in Johnson County. Revenues are generated from donations and grants.

Johnson County Public Health Center

This component unit is served by a six-member board that is appointed by the Board of Commissioners. The Center provides various health services for citizens of Johnson County under a contract with the Georgia Department of Human Resources (DHR). Under this contractual agreement DHR provides certain administrative and other services to the Center in addition to the grant-in-aid funding. These services are funded through other government entities or directly by DHR and therefore the value of these services is not reflected in these financial statements.

This component unit issues separately audited financial statements. Copies of this report may be obtained from the Health Center. The Johnson County Health Center's fiscal year for reporting is June 30. The fiscal year incorporated into these financial statements is June 30, 2013.

Based on the GASB criteria, the following units are not under the oversight responsibilities of the Board of Commissioners and their operations are not included in this report: Johnson County Board of Education and Johnson County Department of Family and Children's Services.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

The financial statements of Johnson County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the County's accounting policies.

B. Basis of Presentation

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. There are no business type activities at December 31, 2013.

The statement of net position presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods, or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the County.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings 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 regulation of other governments.

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (County ordinances).

Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party - such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Balance (Continued)

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Board of Commissioners. The committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Commissioners or a County official delegated that authority by the County or ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type. The County has no proprietary funds.

C. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances, of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

GENERAL FUND. The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Georgia.

SPLOST – Roads, Streets, and Bridges. This fund contains monies from a previous special 1% sales tax. These funds are restricted for road repair and road machinery.

SPLOST – Jail Construction. This fund accounts for monies from the special 1% sales tax that ended September 30, 2013. These funds are restricted for repayment of jail construction debt.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued)

Governmental Funds (Continued)

LOCAL RESOURCES FUND. This fund accounts for monies that are held for the purchase of equipment and vehicles that are normally purchased from the General Fund.

MAJOR GRANTS. This fund accounts for monies that are held for capital projects and large equipment purchases.

SPLOST – 2013 CAPITAL PROJECTS. This fund accounts for monies collected from the special 1% sales tax beginning October 1, 2013. These funds are restricted for capital projects.

SPLOST – TRANSPORTATION. This fund accounts for monies from the special 1% transportation sales tax that began January 1, 2013. These funds are restricted to fund transportation improvements.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose and the acquisition or construction of major capital facilities.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The County's investment trust fund accounts for the external portion of the cash management pool, which represents resources that belong to legally separate entities. The County's agency funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for taxes, state-levied shared revenues, and finances and forfeitures collected and distributed to other political subdivisions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days after year end.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Basis of Accounting (Continued)

Revenues – Exchange and Nonexchange Transactions (Continued)

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the county must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, grants, interest, and rent.

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim at December 31, 2013, and were levied to finance 2013 operations, have been recorded as deferred revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue. The property tax deferred revenue on these statements amounts to $712,015.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Basis of Accounting (Continued)

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Data

1. Prior to December 1, the County Budget Officer submits to the Commission a proposed operating budget for fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

2. The Commission holds a public hearing on the budget, giving notice thereof at least fourteen days in advance by publication in the official organ.

3. The budget is then reviewed and adopted by the Commission at the last regular meeting in December for the next year to which it applies.

4. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase shall be made therein without provision also being made for financing same.

5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.

6. Budgeted amounts are as originally adopted, or as amended by the Commission, if such amendments are considered material to the budget as a whole.

G. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed. Accordingly, encumbrances outstanding at year-end are not reported as reservations of fund balances nor do they constitute expenditures or liabilities. Generally accepted accounting principles do not require encumbrance accounting. Likewise, Johnson County does not use encumbrance accounting.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

Inventory consists of expendable supplies held for consumption. The cost of these supplies on hand are considered immaterial to the balance sheets of the various funds and are not shown as assets of the funds nor is any portion of the fund balance reported as reserved for inventories. Inventory type items are recorded as an expense/expenditure when purchased.

I. Cash and Investments

For purposes of the statement of net position, cash and investments with a maturity of three months or less at the time they are purchased by the County are considered to be cash and cash equivalents. Investments with maturity of more than three months are reported as investments.

J. Prepaid Items

Payments to vendors for services that will benefit periods beyond December 31, 2013, are reported as prepaid items by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

K. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Certain cash resources are set aside for various purposes in the special revenue funds. These restricted funds are classified as restricted assets on the balance sheet because their use is limited.

L. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads, bridges, and culverts. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Prior infrastructure has not been capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using mainly straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Building Improvements	40-100 years
Improvements Other Than Buildings	40 years
Machinery and Equipment	7-10 years
Vehicles	5 years
Infrastructure	5-50 years
Land Improvements	15 years

M. Compensated Absences

Primary government

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time.

The compensated absences liability for vacation is reported on the government-wide financial statements.

Employees accumulate sick leave at the rate of ten (10) hours per month. The maximum permissible accumulation is 90 days. No sick leave is paid upon employee termination.

Accumulated sick leave benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee, and the amount of such payment cannot be reasonably estimated.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences (Continued)

Component Unit

Johnson County Public Health Center

Annual and sick leave costs are charged to operations at the time the expenditure is made.

Employees can earn annual leave at the rate of ten (10) hours per month during the first five (5) years of employment; twelve (12) hours per month after five (5) through ten (10) years of employment; and fourteen (14) hours per month after ten (10) years of employment.

There is no requirement that annual leave be taken, but the maximum accumulated annual leave is forty-five (45) days. At termination, employees are paid for any accumulated annual leave. The liability for accumulated annual leave at June 30, 2013, is estimated to be $4,813 as recorded in the statement of net position.

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N. Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Due to other funds/Due from other funds." Interfund balances within governmental activities are eliminated on the government-wide statement of net position.

O. Transfers between funds

On fund financial statements transfers between funds are shown as other financing sources (uses). Interfund transfers within governmental activities are eliminated on the statement of activities.

P. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from estimates.

NOTE 2. NEW ACCOUNTING PRONOUNCEMENTS

In fiscal year 2012, the County adopted the Governmental Accounting and Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* The provisions of this statement establish accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies the definition for governmental funds.

In fiscal year 2013, the County adopted GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The provisions of this statement incorporate certain accounting and financial reporting guidance into authoritative GASB literature.

In fiscal year 2013, the County adopted GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.* The provisions of this statement establish financial reporting standards for the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.

NOTE 3. CUSTODIAL CREDIT RISK - DEPOSITS

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and the government's depository policy require all deposits and 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.

Primary government:

The County government had the following depository accounts at December 31, 2013. All deposits are carried at cost plus accrued interest, if any.

Primary government:	Carrying Amount	Bank Balance
Cash and cash equivalents	$ 2,997,585	$ 948,546
Cash restricted	338,361	603,088
Certificate of deposit-unrestricted	400,000	400,000
	$ 3,735,946	$ 1,951,634

As of December 31, 2013, the government’s bank balances of $1,951,634 were fully insured or collateralized by funds held by the financial institutions' trust departments or agencies.

NOTE 3. CUSTODIAL CREDIT RISK – DEPOSITS (CONTINUED)

Agency Funds:

The Johnson County Tax Commissioner had the following depository accounts:

	Carrying Amount	Bank Balance
Cash and Cash equivalents	$ 792,211	$ 1,326,846

As of December 31, 2013, the agency's bank balance of $1,326,846 was fully insured or collateralized with securities held by the financial institution's trust department or agency.

The remaining agency funds of the Clerk of Courts, Office of Sheriff, Probate Court and Magistrate Court had the following depository accounts:

	Carrying Amount	Bank Balance
Cash and Cash equivalents	$ 66,287	$ 109,470

As of December 31, 2013, the agencies' bank balances of $109,470 were fully insured or collateralized with securities held by the financial institutions' trust departments or agencies.

Component units:

Johnson County Recreation Department

The Recreation Department had the following depository accounts:

	Carrying Amount	Bank Balance
Cash and Cash Equivalents	$ 4,022	$ 16,192

As of December 31, 2013, the Recreation Department bank balance of $16,192 was fully insured by the FDIC.

Johnson County Development Authority

The Development Authority had the following depository accounts:

	Carrying Amount	Bank Balance
Cash and Cash Equivalents	$ 16,297	$ 16,297

As of December 31, 2013, the Development Authority's bank balance of $16,297 was fully insured by the FDIC.

Johnson County Public Health Center

The Public Health Center had the following depository accounts:

	Carrying Amount	Bank Balance
Cash and Cash Equivalents	$ 172,887	$ 179,439
Certificate of Deposit - unrestricted	245,853	245,853
	$ 418,740	$ 425,292

As of June 30, 2013, the Public Health Center's bank balance of $425,292 was fully insured by the FDIC.

NOTE 4. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are recognized when levied to the extent they result in current receivables. Taxes of real and personal property are payable once a year. In the governmental funds, taxes not collected within sixty days after year-end, are reported as deferred revenue. The government-wide financial statements are reported on the accrual basis, therefore, no deferred revenues are reflected for property taxes.

Taxes were levied on October 20th and were due by December 31st. As required by law, the County must submit a tax digest to the State of Georgia each year for approval.

The Tax Commissioner collects property taxes on behalf of all taxing districts within the County. The Tax Commissioner periodically remits to the taxing districts their portions of the taxes collected. The Tax Commissioner is one of the agency funds.

The Tax Commissioner had taxes receivable of $1,990,415. The total deferred revenue in the governmental funds at December 31, 2013, totals $712,015 which is deferred revenue on property taxes.

NOTE 5. SIGNIFICANT CONTINGENCIES, STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Retirement Commitments – primary government

The County participates in several retirement and pension plans funded by fees received by the County. The County is not in direct control of the plans and is only committed to fund actual fees collected on a per case basis. The plans are The Probate Judges' Retirement Fund of Georgia, Clerk of Superior Court Retirement Fund, and the Sheriff's Retirement Fund/Peace Officers Annuity and Benefit Fund.

During 2010 the County enrolled in GEBC Corp 457(b) Deferred Compensation plan. All full-time and part-time employees are eligible to participate in the Plan. The County government has elected not to make contributions to this plan on behalf of any employee. Age 50 catch-up contributions are allowed. The employee can contribute 100% of his pay up to a maximum of $17,500. Any contributions made by the employee are immediately 100% vested along with the investment earnings. At year end there were 55 employees eligible to participate and eleven employees were participating.

NOTE 5. SIGNIFICANT CONTINGENCIES, STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Component Unit

Johnson County Public Health Center

The employees of the Center participate in The Georgia State Employees' Retirement System. The plan is administered by the State of Georgia, and accumulated benefits and plan assets are not determined or allocated to the individual participating governmental entities. The retirement contributions for the year ended June 30, 2013, were $15,648. Contributions are fully vested to employees after ten (10) years of continuous service.

NOTE 6. PERMISSIVE SALES TAX

The County Commissioners, by resolution, imposed a one percent tax on all retail taxable sales made in the County. As required by State Statute, the County Commissioners established how the sales tax proceeds would be allocated. Part of the sales tax proceeds is used for new jail construction. During 2013 the jail construction SPLOST ended and was replaced by a SPLOST that is comprehensive and will include any capital project. The total amount of special sales tax receivable at December 31, 2013, totaled $111,185.

The transportation SPLOST (TSPLOST) was passed in the Heart of Georgia and other regions of Georgia. These regions implemented a one percent regional sales tax to fund transportation improvements. Collections of these Transportation Investment Act funds began on January 1, 2013. The Georgia State Financing and Investment Commission will transfer the 25% distribution for local government allocations monthly. These monthly TIA proceeds are reported to the Department of Revenue the month following the collection period.

NOTE 7. RECEIVABLES

Receivables at December 31, 2013, consist of accounts, sales taxes, motor vehicle taxes, mobile home taxes, property taxes and user charged services. All amounts due from other governments are considered collectible in full. The County's ambulance service fees have a 70% allowance for uncollectibles recorded. This allowance amount is $206,106.

A summary of the principal amounts due from other governments follows:

Fund	Description	Amount
General Fund	Sales tax	$ 62,060
Capital Projects SPLOST 2013	Special sales tax	88,681
Capital Projects TSPLOST	Special sales tax	22,504
Total		$ 173,245

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance at January 1, 2013	Additions	Reductions	Balance at December 31, 2013
Primary Government				
Governmental Activities				
Non Depreciable Capital Assets				
Land	$ 591,309	$ -	$ -	$ 591,309
Construction in Process	-	45,825	-	45,825
Total Non Depreciable Capital Assets	591,309	45,825	-	637,134
Depreciable Capital Assets				
Land improvements	28,301	9,100	-	37,401
Infrastructure	562,075	-	-	562,075
Buildings	7,716,062	55,199	-	7,771,261
Equipment	2,035,582	130,945	140,000	2,026,527
Furniture and fixtures	450,303	-	-	450,303
Vehicles	970,317	153,375	79,719	1,043,973
Total Depreciable Capital Assets	11,762,640	348,619	219,719	11,891,540
Less Accumulated Depreciation for:				
Land improvements	(4,030)	(2,290)	-	(6,320)
Infrastructure	(201,730)	(28,932)	-	(230,662)
Buildings	(2,147,457)	(149,586)	-	(2,297,043)
Equipment	(976,870)	(255,962)	140,000	(1,092,832)
Furniture and fixtures	(417,469)	(15,526)	-	(432,995)
Vehicles	(650,752)	(120,520)	69,888	(701,384)
Total Accumulated Depreciation	(4,398,308)	(572,816)	209,888	(4,761,236)
Total Depreciable Capital Assets, Net	7,364,332	(224,197)	9,831	7,130,304
Governmental Activities Capital Assets, Net	$7,955,641	$ (178,372)	$ 9,831	$ 7,767,438

NOTE 8. CAPITAL ASSETS (CONTINUED)

Component units
Johnson County Development Authority

	Balance at January 1, 2013	Additions	Reductions	Balance at December 31, 2013
Non Depreciable Capital Assets				
Land	$ 310,179	$ 3,007	$ -	$ 313,186
Total Non Depreciable Capital Assets	310,179	3,007	-	313,186
Depreciable Capital Assets				
Land improvements	31,942	-	-	31,942
Total Depreciable Capital Assets	31,942	-	-	31,942
Less Accumulated Depreciation for:				
Land improvements	(13,744)	(2,374)	-	(16,118)
Total Accumulated Depreciation	(13,744)	(2,374)	-	(16,118)
Total Depreciable Capital Assets, Net	18,198	(2,374)	-	15,824
Capital Assets, Net	$ 328,377	$ 633	$ -	$ 329,010

Johnson County Public Health Center

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013
Depreciable Capital Assets				
Equipment	$ 40,910	$ 1,566	$ 552	$ 41,924
Total Depreciable Capital Assets	40,910	1,566	552	41,924
Less Accumulated Depreciation for:				
Equipment	(40,366)	(587)	552	(40,401)
Total Accumulated Depreciation	(40,366)	(587)	552	(40,401)
Total Depreciable Capital Assets, Net	$ 544	$ 979	$ -	$ 1,523

NOTE 8. CAPITAL ASSETS (CONTINUED)

Johnson County Recreation Department

	Balance at January 1, 2013	Additions	Reductions	Balance at December 31, 2013
Non Depreciable Capital Assets				
Land	$ 58,000	$ -	$ -	$ 58,000
Total Non Depreciable Capital Assets	58,000	-	-	58,000
Depreciable Capital Assets				
Buildings	50,000	-	-	50,000
Equipment	59,592	2,852	-	62,444
Total Depreciable Capital Assets	109,592	2,852	-	112,444
Less Accumulated Depreciation for:				
Buildings	(19,000)	(1,000)	-	(20,000)
Equipment	(39,096)	(4,033)	-	(43,129)
Total Accumulated Depreciation	(58,096)	(5,033)	-	(63,129)
Total Depreciable Capital Assets, Net	51,496	(2,181)	-	49,315
Capital Assets, Net	$ 109,496	$ (2,181)	$ -	$ 107,315

Depreciation expense charged to governmental functions was as follows:

Governmental activities:	
General government	$ 164,269
Public safety	171,503
Health and welfare	69,213
Transportation	152,679
Sanitation and environmental	-
Recreation and culture	15,152
Total depreciation expense - governmental activities	$ 572,816

NOTE 9. NOTES PAYABLE

At the beginning of 2010 the County owed Suntrust Leasing Corporation $2,526,306 on the jail constructed in 2005. Repayment of this debt occurred from the collection of special purpose local option sales tax. On January 28, 2010, the County refinanced this installment sales agreement with Suntrust Leasing Corporation at an annual interest rate of 3.30%. Regular monthly payment amounts excluding any extra principal payments were $35,000 a month. The following is a summary of this year's activity on the note:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
Suntrust Leasing Corporation	$ 52,812	$ -	$ 52,812	$ -

On October 15, 2012, the County borrowed $94,000 from Community Bank of Johnson County for the purchase of sheriff cars. The maturity date of this note was April 15, 2013, with an interest rate of 4% and was secured by special purpose local option sales taxes. The following is a summary of this year's activity:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
Community Bank of Johnson County	$ 94,000	$ -	$ 94,000	$ -

On December 10, 2010, the County purchased improved real estate for an emergency medical service and road department facility. The total cost of the facility was $200,000 purchased with a $50,000 grant and $150,000 debt through the United States Department of Agriculture. The debt was based on a 20 year payout with annual payments of $10,796 beginning December 10, 2011. The interest rate was calculated at 3.75% per annum. This note was secured by the purchased real estate. This note was paid off early. The following is a summary of this year's activity on the note:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
United States Department of Agriculture	$ 139,467	$ -	$ 139,467	$ -

NOTE 9. NOTES PAYABLE (CONTINUED)

On December 12, 2012, the County entered into a lease purchase agreement with BB&T to purchase various equipment. This $375,000 lease purchase agreement ended on December 13, 2013. Interest under this agreement was stated at 1.410% per annum. BB&T had advanced the $375,000 and the County had deposited the funds in a project fund account to purchase the various equipment. The following is a summary of this year's activity:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
BB&T	$ 375,000	$ -	$375,000	$ -

The County entered into a lease purchase agreement with BB&T to purchase new heating and air units for the public buildings of the county. This $499,000 lease purchase agreement, which began on January 5, 2012, was funded in advance and said funds were deposited in a project fund account to be disbursed as needed for purchases. The lease of the equipment is evidenced by separate, annual, and automatically renewing leases. The initial lease term commenced on January 5, 2012 and extended through the end of 2012. Eash succeeding lease term automatically begins on the following January 1 and extends through the next succeeding December 31. The final lease term ends on January 5, 2024. This lease requires monthly payments of $4,121.30 principal and interest. Interest under this lease purchase is stated at 2.96% per annum. The following is a summary of this year's activity:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
BB&T	$ 463,840	$ -	$ 36,215	$ 427,625

Note maturities for the up coming years in five year increments on this debt are as

	Total Payments	Principal	Interest
December 31, 2014	$ 49,455	$ 37,301	$ 12,154
December 31, 2015	49,455	38,420	11,035
December 31, 2016	49,458	39,573	9,885
December 31, 2017	49,455	40,761	8,694
December 31, 2018	49,455	41,984	7,471
	247,278	198,039	49,239

NOTE 9. NOTES PAYABLE (CONTINUED)

	Total Payments	Principal	Interest
December 31, 2019	$ 49,455	$ 43,243	$ 6,212
December 31, 2020	49,455	44,541	4,914
December 31, 2021	49,455	45,877	3,578
December 31, 2022	49,455	47,254	2,201
December 31, 2023	49,455	48,671	784
	247,275	229,586	17,689
Total	$ 494,553	$ 427,625	$ 66,928

The County entered into a lease purchase agreement with BB&T to purchase mobile communications radio equipment. This $139,494 lease purchase agreement which began on January 5, 2012 was funded in advance and said funds were deposited in a project fund balance to be disbursed as needed for purchases. The lease of the equipment is evidenced by separate, annual, and automatically renewing leases. The initial lease term commenced on January 5, 2012 and extended through the end of 2012. Each suceeding lease term automatically begins on the following January 1 and extends through the next succeeding December 31. The final lease term ends on January 5, 2016. This lease requires monthly payments of $3,043.42 principal and interest. Interest under this lease purchase is stated at 2.28% per annum. This note was paid off early. The following is a summary of this year's activity:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
BB&T	$ 105,803	$ -	$ 105,803	$ -

The County entered a lease purchase with Ford Credit to purchase two sheriff cars. The lease amounts are $23,069.58 yearly with a final payment due December 15, 2013. Interest on this lease purchase is 5% per annum. The following is a summary for this year's activity:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
Ford Credit	$ 21,971	$ -	$ 21,971	$ -

NOTE 9. NOTES PAYABLE (CONTINUED)

On November 15, 2012 the County entered into a lease purchase agreement with Caterpillar Financial Services Corporation for the lease of two motorgraders. Annual lease payments of $8696.15 are due starting November 15, 2013 with annual payments due through November 15, 2017. On November 15, 2017 a final payment of $270,081.75 is due. Interest on this lease purchase is 2.64% per annum. The following is a summary of this year's activity:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
Caterpillar Financial Services Corporation	$ 269,694	$ -	$ 1,576	$ 268,118

Note maturities for the upcoming years on this debt are as follows:

	Total Payments	Principal	Interest
December 31, 2014	$ 8,696	$ 1,618	$ 7,078
December 31, 2015	8,696	1,660	7,036
December 31, 2016	8,696	1,704	6,992
December 31, 2017	270,083	263,136	6,947
	296,171	268,118	28,053

In summary the beginning and ending balances and changes in the County's long-term debt are as follows:

	Balance January 1, 2013	Additions	Reductions	Balance December 31, 2013
Totals	$ 1,522,587	$ -	$ 826,844	$ 695,743

NOTE 10. INTERFUND BALANCES

Generally outstanding balances between funds are reported as due from/due to other funds. The due to and due from are current and involve no long-term receivables and payables. At December 31, 2013, the General Fund owed the Fire Fee Fund $9,324. This liability was paid in June 2014.

The fire fee is collected by the Tax Commissioner when payments are made for property taxes. The Tax Commissioner pays the County portion of property taxes along with the fire fee to the General Fund. The General Fund at various times during the year transfers the fire fee to the Fire Fee Fund.

NOTE 11. OTHER LONG-TERM LIABILITIES

Primary government:

Vacation benefits are accrued as a liability as benefits are earned if the employees' rights to receive compensation are attributable to services already rendered. The following is a schedule of vacation benefits payable during the year.

Compensated Absences Payable	
Beginning Balance	$ 50,453
Increases	43,016
Decreases	(50,453)
Ending Balances	$ 43,016
Current	$ 43,016
Long Term	$ -

In the past all compensated absences have been paid out of the general fund and the current amount is expected to be paid from the same fund.

NOTE 11. OTHER LONG-TERM LIABILITIES (CONTINUED)

Component unit:

The Johnson County Public Health Center had accumulated annual leave at June 30, 2013, totaling $4,813. The following is a schedule of annual leave payable during the year.

Compensated Absences Payable	
Beginning Balance	$ 6,595
Increases	-
Decreases	1,782
Ending Balances	$ 4,813
Current	$ 963
Long Term	$ 3,850

In the past all compensated absences have been paid out of the general fund of the health center and the current amount is expected to be paid from the same fund.

NOTE 12. 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; injuries to employees; and natural disasters. The County has joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund and the Association County Commissioners of Georgia – Interlocal Risk Management Agency (ACCG-IRMA), public entity risk pools currently operating as a common risk management and insurance program for member local governments. The County pays an annual premium to the funds for its insurance coverage. The funds are owned by participating member municipalities and is to be self-sustaining through member premiums. The funds are to defend and protect members of the fund against liability or loss as prescribed in the member governments' contracts and in accordance with the worker's compensation laws of Georgia. The agreement between the members of the public entity risk pool provides that members may be required to pay additional assessments as shall be established by the Board of the pool; however, no additional assessments have been required of the members since the formation of the pool.

NOTE 13. JOINT VENTURE

Under Georgia law, Johnson County, in conjunction with other cities and counties in the seventeen county west central Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Commission
5405 Oak Street
Eastman, Georgia 31023

NOTE 14. SANITARY LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

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

The County received a closure certificate from the Georgia Department of Natural Resources on August 26, 1996. The County no longer accepts waste at the site and contracts waste management services to private entities.

Due to the competitive nature of the market which serves landfill monitoring and care and changes in inflation and technology, the estimated post-closure and closure care costs may fluctuate from year to year. There was no change in the estimated post-closure and closure care costs during the fiscal year ended December 31, 2013.

NOTE 15. CONTINGENCIES

There are no contingencies or threatened litigation that would have a material effect on the financial statements.

NOTE 16. CONDUIT DEBT

The County had no conduit debt at December 31, 2013.

NOTE 17. INTERFUND TRANSFERS

The following is a schedule of transfers between funds:

	Transfers In		Transfers Out
General Fund	$ 45,000	SPLOST 2013	$ 45,000
General Fund	160,000	SPLOST - Transportation	160,000
General Fund	12,000	Multiple Grant Fund	12,000
SPLOST - Jail	5,643	Local Resources Fund	5,643
Jail Fund	2,300	Local Resources Fund	2,300
Local Resources Fund	3,500	General Fund	3,500
Total	$ 228,443		$ 228,443

The purpose for most of these interfund transfers is to provide funds with sufficient cash resources for ongoing operations.

The SPLOST Transportation transferred funds to the general fund for reimbursement of salaries for the road department.

The SPLOST 2013 fund transferred funds to the general fund for architect fees on the court house annex building.

NOTE 18. SUBSEQUENT EVENTS

There are no events after December 31, 2013, that would have a material effect on the financial statements.

NOTE 19. FUND BALANCE CLASSIFICATION

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds are presented below.

Primary Government:	General Fund	SPLOST Roads, Streets and Bridges	SPLOST Jail Construction	Local Resource Fund
Nonspendable:				
Prepaid assets	$ 83,166	$ -	$ -	$ -
Restricted for:				
Multiple Grant - EMS	-	-	-	-
SPLOST - Roads, Streets, and Bridges	-	64,656	-	-
SPLOST - Jail Construction Debt	-	-	43	-
Jail Fund	-	-	-	-
Drug Fund	-	-	-	-
Fire Fee Fund	-	-	-	-
Capital Outlay	-	-	-	51,008
Capital Projects Fund	-	-	-	-
SPLOST - Transportation				
Law Library Fund	-	-	-	-
Unassigned	2,751,694	-	-	-
	$ 2,834,860	$ 64,656	$ 43	$ 51,008

Major Grants	SPLOST 2013 Capital Projects	SPLOST Transportation	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 83,166
-	-	-	3,581	3,581
-	-	-	-	64,656
-	-	-	-	43
-	-	-	4,510	4,510
-	-	-	8,811	8,811
-	-	-	58,320	58,320
-	-	-	-	51,008
22,901	143,093	-	-	165,994
		89,873		89,873
-	-	-	12,074	12,074
-	-	-	-	2,751,694
$ 22,901	$ 143,093	$ 89,873	$ 87,296	$ 3,293,730

NOTE 20. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Separate financial statements on the Johnson County Public Health Center may be obtained from:

Laurens County Board of Health
2121-D Bellevue Road
Dublin, Georgia 31021

Separate financial statements are not issued on the Johnson County Development Authority and Johnson County Recreation Department and are included since they are component units.

NOTE 21. COMPONENT UNITS

A. Johnson County Recreation

Basis of Accounting – The financial statements of The Johnson County Recreation Department have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

B. Johnson County Development Authority

Basis of Accounting – The financial statements of The Johnson County Development Authority have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

C. Johnson County Public Health Center

Basis of Accounting – The financial statements of The Johnson County Public Health Center have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

NOTE 22. FINANCIAL RESPONSIBILITY AND COMPLIANCE

Budgetary Comparisons:

General Fund:

Items over budget in the government category include governing body, tax commissioner and superior court. Governing body was over budget due to higher than expected costs for travel and education and training. Tax commissioner was over budget due to higher than expected costs for computer support. Superior court was over budget due to under budgeting for district attorney.

Under public safety the Sheriff's department was over budget due to overtime costs.

Under sanitation and environmental solid waste and recycling administration was over budget due to higher than expected cost for repairs and utilities at collection centers. Landfill was overbudget due to higher than expected costs for testing and monitoring.

Under health and welfare, the ambulance service was over budget due to higher than expected costs for overtime pay.

Debt service was over budget due to not amending the budget for the correct monthly installments of the radio equipment note and air conditioning renovation note.

General government capital outlay was over budget when the budget was amended to include architectural fees.

SPLOST-Roads, Streets, and Bridges:

The county only prepared an original budget. The budget was not amended to include the yearly caterpillar lease payment of $8,697.

SPLOST-Jail Construction:

The county government prepared only an original budget. Debt service was over budget and the SPLOST - Jail Construction paid the last two installments on a fire pumper truck.

Local Resources Fund

The county thru oversight, did not prepare a budget for this fund; thus there is an unfavorable budget variance. Johnson County in the future will prepare a budget for this fund.

Major Grant Fund

The county only prepared an original budget. The original budget did not reflect the payment of the BB&T capital lease obligation.

Johnson County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	$ 1,890,000	$ 1,890,000	$ 1,876,865	$ (13,135)
Intangible taxes (recording)	10,000	10,000	14,935	4,935
Mobile home taxes	41,500	41,500	31,934	(9,566)
Motor vehicle	221,500	221,500	226,998	5,498
Title ad valorem tax	-	-	39,495	39,495
Sales tax	385,000	385,000	413,265	28,265
Alcoholic beverage tax	3,500	3,500	3,292	(208)
Transfer tax	4,500	4,500	6,486	1,986
Insurance premium tax	315,000	315,000	259,517	(55,483)
Timber tax	72,500	72,500	63,183	(9,317)
Other taxes	81,400	81,400	109,578	28,178
Intergovernmental	52,000	52,000	55,695	3,695
Charges for services	552,775	552,775	587,960	35,185
Fines and court costs	212,000	212,000	257,051	45,051
Interest	3,500	3,500	2,745	(755)
Other	6,750	6,750	32,130	25,380
Total revenues	3,851,925	3,851,925	3,981,129	129,204
Expenditures:				
Current:				
General government:				
Governing body	59,442	59,442	67,643	(8,201)
Board of Equalization	2,150	1,150	980	170
Chief Executive (Administrator)	78,977	78,977	78,472	505
Board of Elections	48,522	41,522	36,977	4,545
County administration	125,408	145,408	131,236	14,172
County Attorney	19,000	15,000	12,155	2,845
Tax Commissioner	137,071	137,071	139,428	(2,357)
Tax Assessor	159,123	152,123	149,931	2,192
County Extension Agent	46,603	46,603	43,333	3,270
Clerk of Superior Court	152,228	152,228	147,654	4,574
Superior Court	207,762	185,262	202,926	(17,664)
Juvenile Court	38,250	25,250	9,561	15,689
Probate Court	150,453	150,453	148,403	2,050
Coroner	12,005	12,005	11,692	313
Public buildings	164,306	164,306	134,045	30,261
Total general government	1,401,300	1,366,800	1,314,436	52,364

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

Johnson County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety:				
Sheriff	$ 536,446	$ 540,446	$ 553,996	$ (13,550)
Jail	283,532	283,532	270,932	12,600
Civil defense	22,696	24,096	21,724	2,372
Rural fire departments	32,700	32,700	23,415	9,285
E-911	4,350	8,350	8,071	279
Total public safety	879,724	889,124	878,138	10,986
Transportation:				
Highways and streets	583,823	618,323	608,484	9,839
Total transportation	583,823	618,323	608,484	9,839
Sanitation and environmental:				
Solid waste and recycling administration	102,370	106,569	108,195	(1,626)
Solid waste disposal	204,500	204,500	189,354	15,146
Landfill post closure	12,500	13,500	14,626	(1,126)
Total sanitation and environmental	319,370	324,569	312,175	12,394
Health and welfare:				
Ambulance service	543,734	548,734	556,323	(7,589)
Senior citizens	62,187	63,187	62,825	362
Total health and welfare	605,921	611,921	619,148	(7,227)
Recreation and culture:				
Parks and recreation	76,140	76,140	69,108	7,032
Total recreation and culture	76,140	76,140	69,108	7,032
Intergovernmental:				
Payments to local government agencies	96,380	96,380	95,061	1,319
Total intergovernmental	96,380	96,380	95,061	1,319

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

Johnson County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital outlays:				
General government	$ -	$ 45,000	$ 45,825	$ (825)
Health and welfare	-	-	-	-
Public safety	2,500	9,250	9,033	217
Transportation	-	-	-	-
Total capital outlay	2,500	54,250	54,858	(608)
Debt service:				
Principal retirement	65,000	65,000	67,780	(2,780)
Interest	15,000	15,000	15,154	(154)
Total debt service	80,000	80,000	82,934	(2,934)
Total expenditures	4,045,158	4,117,507	4,034,342	83,165
Excess of revenues over/ (under) expenditures	(193,233)	(265,582)	(53,213)	212,369
Other financing sources (uses):				
Transfers from other funds	189,126	234,126	217,000	(17,126)
Appropriated contingencies	66,893	-	-	-
Transfers to other funds	-	-	(3,500)	(3,500)
Total other financing sources (uses)	256,019	234,126	213,500	(20,626)
Excess of revenues and other sources over/ (under) expenditures and other uses	62,786	(31,456)	160,287	191,743
Fund balance, January 1, 2013	2,674,573	2,674,573	2,674,573	-
Fund balance, December 31, 2013	$ 2,737,359	$ 2,643,117	$ 2,834,860	$ 191,743

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

Johnson County, Georgia
SPLOST - Roads, Streets and Bridges
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	$ 172,500	$ 172,500	$ -	$ (172,500)
County sales tax	-	-	-	-
Interest	-	-	151	151
Total revenues	172,500	172,500	151	(172,349)
Expenditures:				
Transportation	30,000	30,000	2,190	27,810
Capital outlay	255,000	255,000	-	255,000
Debt service	-	-	8,697	(8,697)
Total expenditures	285,000	285,000	10,887	274,113
Excess (deficiency) of revenues over expenditures	(112,500)	(112,500)	(10,736)	101,764
Other financing sources (uses):				
Reserved for roads, streets, and bridges	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(112,500)	(112,500)	(10,736)	101,764
Fund balance, January 1, 2013	75,392	75,392	75,392	-
Fund balance, December 31, 2013	$ (37,108)	$ (37,108)	$ 64,656	$ 101,764

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

Johnson County, Georgia
SPLOST - Jail Construction
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues:				
County sales tax	$ 500,000	$ 500,000	$ 402,403	$ (97,597)
Interest	-	-	634	634
Total revenues	500,000	500,000	403,037	(96,963)
Expenditures:				
Public safety	-	-	-	-
Capital outlay	-	-	20,828	(20,828)
Debt service	680,000	680,000	681,714	(1,714)
Total expenditures	680,000	680,000	702,542	(22,542)
Excess (deficiency) of revenues over expenditures	(180,000)	(180,000)	(299,505)	(119,505)
Other financing sources (uses):				
Transfer from other funds	-	-	5,643	5,643
Reserved for jail construction	-	-	-	-
Total other financing sources (uses)	-	-	5,643	5,643
Excess of revenues and other sources over (under) expenditures and other uses	(180,000)	(180,000)	(293,862)	(113,862)
Fund balance, January 1, 2013	293,905	293,905	293,905	-
Fund balance, December 31, 2013	$ 113,905	$ 113,905	$ 43	$ (113,862)

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

Johnson County, Georgia
Local Resources Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 6,000	$ 6,000
Total revenues	-	-	6,000	6,000
Expenditures:				
Public safety	-	-	3,075	(3,075)
Capital outlay	-	-	6,325	(6,325)
Total expenditures	-	-	9,400	(9,400)
Excess (deficiency) of revenues over expenditures	-	-	(3,400)	(3,400)
Other financing sources (uses)				
Sale of assets	-	-	58,406	58,406
Transfer from other funds	-	-	3,500	3,500
Transfer to other funds	-	-	(7,943)	(7,943)
Total other financing sources (uses)	-	-	53,963	53,963
Excess of revenues and other sources over (under) expenditures and other (uses)	-	-	50,563	50,563
Fund balance, January 1, 2013	445	445	445	-
Fund balance, December 31, 2013	$ 445	$ 445	$ 51,008	$ 50,563

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

Johnson County, Georgia
Major Grant Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues:				
Interest income	$ -	$ -	$ 141	$ 141
Total revenues	-	-	141	141
Expenditures:				
General government	-	-	-	-
Capital outlay	355,000	355,000	312,433	42,567
Total expenditures	355,000	355,000	312,433	42,567
Excess (deficiency) of revenues over expenditures	(355,000)	(355,000)	(312,292)	42,708
Other financing sources (uses)				
Capital lease obligations	-	-	(67,099)	(67,099)
Transfers in	355,000	355,000	-	(355,000)
Total other financing sources (uses)	355,000	355,000	(67,099)	(422,099)
Excess of revenues and other sources over (under) expenditures and other (uses)	-	-	(379,391)	(379,391)
Fund balance, January 1, 2013	402,292	402,292	402,292	-
Fund balance, December 31, 2013	$ 402,292	$ 402,292	$ 22,901	$ (379,391)

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

Johnson County, Georgia
SPLOST 2013
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues:				
County sales tax	$ 100,000	$ 100,000	$ 188,082	$ 88,082
Interest	-	-	11	11
Total revenues	100,000	100,000	188,093	88,093
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	100,000	100,000	188,093	88,093
Other financing sources (uses):				
Transfers out	(25,000)	(25,000)	(45,000)	(20,000)
Total other financing sources (uses)	(25,000)	(25,000)	(45,000)	(20,000)
Excess of revenues and other sources over (under) expenditures and other uses	75,000	75,000	143,093	68,093
Fund balance, January 1, 2013	-	-	-	-
Fund balance, December 31, 2013	$ 75,000	$ 75,000	$ 143,093	$ 68,093

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

Johnson County, Georgia
TSPLOST - Transportation Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(GAAP Budget Basis)
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	$ 372,969	$ 372,969	$ 372,969	$ -
County sales tax	207,031	207,031	240,901	33,870
Interest	-	-	633	633
Total revenues	580,000	580,000	614,503	34,503
Expenditures:				
Transportation	355,000	355,000	364,630	(9,630)
Capital outlay	-	-	-	-
Total expenditures	355,000	355,000	364,630	(9,630)
Excess (deficiency) of revenues over expenditures	225,000	225,000	249,873	24,873
Other financing sources (uses):				
Transfers out	(214,126)	(214,126)	(160,000)	54,126
Total other financing sources (uses)	(214,126)	(214,126)	(160,000)	54,126
Excess of revenues and other sources over (under) expenditures and other uses	10,874	10,874	89,873	78,999
Fund balance, January 1, 2013	-	-	-	-
Fund balance, December 31, 2013	$ 10,874	$ 10,874	$ 89,873	$ 78,999

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

Johnson County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS		
Assets:		
Cash and cash equivalents	$ 77,972	$ 77,972
Accounts receivable	-	-
Due from other funds	9,324	9,324
Total assets	$ 87,296	$ 87,296
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$ -	$ -
Due to other funds	-	-
Total liabilities	-	-
Fund balances:		
Restricted:		
Ambulance service	3,581	3,581
Rural fire department & emergency management	58,320	58,320
Jail expenditures	4,510	4,510
Drug education	8,811	8,811
Law library	12,074	12,074
Total fund balances	87,296	87,296
Total liabilities and fund balances	$ 87,296	$ 87,296

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

Johnson County, Georgia
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues:		
Fines and forfeitures	$ 30,868	$ 30,868
Charges for services	33,422	33,422
Intergovernmental	8,000	8,000
Other	3,581	3,581
Total revenues	75,871	75,871
Expenditures:		
Current:		
Public safety	33,748	33,748
Intergovernmental:		
Payments to local government agencies	9,000	9,000
Debt service		
Principal	21,971	21,971
Interest	1,099	1,099
Total expenditures	65,818	65,818
Excess of revenues/ under expenditures	10,053	10,053
Other financing sources (uses) :		
Sales of assets	-	-
Transfers in	2,300	2,300
Transfers out	(12,000)	(12,000)
Total other financing sources (uses)	(9,700)	(9,700)
Excess of revenues and other sources over/(under) expenditures and other (uses)	353	353
Fund balances, January 1, 2013	86,943	86,943
Fund balances, December 31, 2013	$ 87,296	$ 87,296

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

Johnson County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Jail Fund	Drug Fund	Law Library Fund
ASSETS			
Assets:			
Cash and cash equivalents	$ 4,510	$ 8,811	$ 12,074
Accounts receivable	-	-	-
Due from other funds	-	-	-
Total assets	$ 4,510	$ 8,811	$ 12,074
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ -
Due to other funds	-	-	-
Total liabilities	-	-	-
Fund Balances:			
Restricted:			
Ambulance service	-	-	-
Rural fire department & emergency management	-	-	-
Jail expenditures	4,510	-	-
Drug education	-	8,811	-
Law library	-	-	12,074
Total fund balances	4,510	8,811	12,074
Total liabilities and fund balances	$ 4,510	$ 8,811	$ 12,074

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

Fire Fee Fund	Multiple Grant Fund	Nonmajor Special Revenue Funds
$ 48,996	$ 3,581	$ 77,972
-	-	-
9,324	-	9,324
$ 58,320	$ 3,581	$ 87,296
$ -	$ -	$ -
-	-	-
-	-	-
-	3,581	3,581
58,320	-	58,320
-	-	4,510
-	-	8,811
-	-	12,074
58,320	3,581	87,296
$ 58,320	$ 3,581	$ 87,296

Johnson County, Georgia
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Jail Fund	Drug Fund	Library Fund
Revenues:			
Fines and forfeitures	$ 19,439	$ 7,372	$ 4,057
Charges for services	-	-	-
Intergovernmental	-	-	-
Other	-	-	-
Interest	-	-	-
Total revenues	19,439	7,372	4,057
Expenditures:			
Current:			
Public safety	-	6,821	1,778
Intergovernmental	-	-	-
Debt service			
Principal	21,971	-	-
Interest	1,099	-	-
Total expenditures	23,070	6,821	1,778
Excess of revenues over/ (under) expenditures	(3,631)	551	2,279
Other financing sources (uses):			
Sales of assets	-	-	-
Transfers from other funds	2,300	-	-
Transfers to other funds	-	-	-
Total other financing sources (uses)	2,300	-	-
Excess of revenues and other sources over/(under) expenditures and other (uses)	(1,331)	551	2,279
Fund balances, January 1, 2013	5,841	8,260	9,795
Fund balances, December 31, 2013	$ 4,510	$ 8,811	$ 12,074

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

Fire Fee Fund	Grant Fund	Special Revenue Funds
$ -	$ -	$ 30,868
33,422	-	33,422
-	8,000	8,000
-	3,581	3,581
-	-	-
33,422	11,581	75,871
15,649	9,500	33,748
9,000	-	9,000
-	-	21,971
-	-	1,099
24,649	9,500	65,818
8,773	2,081	10,053
-	-	-
-	-	2,300
-	(12,000)	(12,000)
-	(12,000)	(9,700)
8,773	(9,919)	353
		-
49,547	13,500	86,943
$ 58,320	$ 3,581	$ 87,296

Agency Funds

Clerk of Courts	This agency fund accounts for monies held in trust for the Superior Court prior to disbursement.
Office of Sheriff	This agency fund accounts for drug seizure funds held in a custodial capacity.
Tax Commissioner	This agency fund acts as a clearing account for property taxes, mobile home taxes, motor vehicle taxes, and timber taxes collected by the commissioner.
Probate Court	This agency fund accounts for traffic case fines, probate fees, and marriage license fees.
Magistrate Court	This agency fund accounts primarily for bad check cases and garnishments in a custodial capacity.

Johnson County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
All Agency Funds
December 31, 2013

	Clerk of Courts	Office of Sheriff	Tax Commissioner
ASSETS			
Assets:			
Cash and cash equivalents	$ 42,672	$ 16,012	$ 792,211
Taxes receivable	-	-	1,990,415
Total assets	$ 42,672	$ 16,012	$ 2,782,626
LIABILITIES			
Liabilities:			
Due to other governmental units	$ 42,672	$ 16,012	$ 2,782,626
Total liabilities	$ 42,672	$ 16,012	$ 2,782,626

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

Johnson County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
All Agency Funds
December 31, 2013

	Probate Court	Magistrate Court	Total
	$ 7,603	$ -	$ 858,498
	-	-	1,990,415
	$ 7,603	$ -	$ 2,848,913
	$ 7,603	$ -	$ 2,848,913
	$ 7,603	$ -	$ 2,848,913

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Board of Commissioners
Johnson County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Georgia as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Johnson County, Georgia's basic financial statements and have issued our report thereon dated June 30, 2014. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Johnson County Public Health Center, which is a component unit, as described in our report on Johnson County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal conprovides that members may be required to pay additional assessments as shall be established by the Board of the p

Internal Control Over Financing Reporting

In planning and performing our audit of the financial statements, we considered Johnson County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Johnson County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Johnson County, Georgia'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 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 over financial reporting 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 and therefore material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in the internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.The items listed as 2013-1 and 2013-2 are described on page 61.

Compliance and Other Matters

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

Johnson County, Georgia's Response to Findings

Johnson County, Georgia's responses to the findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs* . Johnson County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, 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.

Christian, Kelly, Thigpen & Co., LLC

Dublin, Georgia
June 30, 2014

Johnson County, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Material weaknesses identified?	[ ]	Yes	[X]	No
Significant deficiency(s) identified not considered to be material weaknesses?	[X]	Yes	[ ]	None reported
Noncompliance material to financial statements notes?	[ ]	Yes	[X]	No

Current year findings and responses:

Item 2013-1:

Custodial Credit Risk

Finding:

Fees and Prisoner housing collections are being held by sheriff's department for one to two months before being deposited in the bank. Fees and Prisoner housing checks are held in a locked safe until deposited in the bank. There is a no requirement that the sheriff's department deposit funds on a more frequent basis. Control of these funds can be compromised and lead to internal control inadequacies. The sheriff's department has a policy of not accepting cash on these funds.

Recommendation:

The sheriff's department should make deposits at least once a week.

Planned corrective action:

The sheriff's department will make more frequent deposits.

Item 2013-2:

Finding:

In 2013 timely remittances of prisoner housing and fees to the County from the sheriff's department were not made. In 2013 only two remittances of these fees were made to the County. The last remittance for the year was made by a check for $28,000.

Recommendation:

The sheriff's department should make a monthly disbursement to the County general fund.

Planned corrective action:

The sheriff's department will make more frequent disbursements to the County general fund.