RABUN COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2013

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RABUN COUNTY, GEORGIA
FINANCIAL REPORT
For the fiscal year ended June 30, 2013

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RUSHTON & COMPANY

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rabun County, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Rabun County Health Department, a component unit of Rabun County, Georgia, which represent 4.6 percent, 67.9 percent, and 50.2 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as they relate to the amounts included for the Rabun County Health Department, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rabun County, Georgia, as of June 30, 2013, and the respective changes in the financial position and, where applicable, cash flows, and the budgetary comparison of the General Fund and E-911 Fund 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 on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rabun County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the state reporting section with the special purpose local option sales tax report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Rabun County, Georgia's basic financial statements for the year ended June 30, 2012, which are not presented with the accompanying financial statements. In our report dated November 26, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rabun County's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the 2012 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules related to the 2012 financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2012 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013, on our consideration of Rabun County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rabun County' internal control over financial reporting.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 18, 2013

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Rabun County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2013. Management's discussion and analysis (MD&A) focuses on current year activities and resulting changes, please read it in conjunction with the County's financial statements.

The following is a presentation of a discussion and analysis of the County's financial condition and performance for the year ended June 30, 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Rabun County's basic financial statements. Rabun County's basic financial statements are compromised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. **(Pages 9-11)** The government-wide financial statements provide a broad overview of Rabun County finances in a manner similar to that of private-sector businesses. The statements

Statement of net position presents the County's assets and liabilities, with the difference between the two reported as net position. Over time, the change in net position is an indicator of the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

Statement of activities presents the revenues and expenses of the County. The difference between these is the change in net position for the year.

Both of the government-wide financial statements identify the various functions of Rabun County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Rabun County, Georgia, include general government, judicial, health and welfare, public safety, public works, recreation and culture, and housing and development. The business-type activities of Rabun County, Georgia are its Solid Waste and Recycling operations, a Waste Water Facility, and the Rabun County Golf Club.

Government-wide financial statements. The government-wide financial statements include not only Rabun County, Georgia itself (known as the primary government), but also legally separate component units (Library, Health Department, Economic Development Authority and Building Authority) for which Rabun County, Georgia is financially accountable. Financial information for these component units is reported separately from financial information presented for the primary government itself.

Fund Financial Statements. (Pages 12-24) A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources, available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, and SPLOST #4 and #5, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this

The County adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found on pages 11-16 of this report.

Proprietary funds. **(Pages 19-21)** The County maintains three proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses a proprietary fund to account for its solid waste operation, its waste water facility, as well as the Golf Course. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste and waste water operations, which are major funds of the County. Although the Golf Course is not a major fund of the County, it is listed seperately as it is the only nonmajor fund.

Fiduciary Funds. **(Page 22)** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used in the government-wide financial statements.

Notes to the financial statements. **(Pages 25-61)** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. Following the basic financial statements is other supplementary information, which includes combining and individual fund statements and schedules that can be found on pages 62 - 104 of this report. This report also includes two schedules (pages 13 and 15), which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Rabun County, on an entity-wide basis, had an increase in net position during FY 2013 of $1.88 million, of which $2.03 million was in governmental activities and -$0.15 million in the business-type activities. At June 30, 2013, the County had $49.85 million invested in capital assets, net of debt and accumulated depreciation and $12.33 million of unrestricted assets (the bulk of which is in cash, investments and accounts receivable). The table below shows the split of net position between governmental and business-type activities for both FY 2013 and FY 2012.

RABUN COUNTY, GEORGIA'S NET POSITION
June 30, 2013 and 2012

($ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2013	2012	2013	2012	2013	2012
Cash and investments	$ 20,691	$ 19,368	$ 561	$ 318	$ 21,252	$ 19,686
Other assets	1,874	2,621	63	195	1,937	2,816
Capital assets	50,994	50,815	5,717	5,917	56,711	56,732
Total assets	73,559	72,804	6,341	6,430	79,900	79,234
Current liabilities	3,080	2,798	331	696	3,411	3,494
Noncurrent Liabilities	88	1,648	7,203	6,774	7,291	8,422
Total liabilities	3,168	4,446	7,534	7,470	10,702	11,916
Net position:						
Net invested in capital assets	48,633	47,246	1,213	2,022	49,846	49,268
Restricted	7,020	7,442	0	0	7,020	7,442
Unrestricted	14,738	13,669	(2,406)	(3,061)	12,332	10,608
Total net position	$ 70,391	$ 68,357	$ (1,193)	$ (1,039)	$ 69,198	$ 67,318

RABUN COUNTY GEORGIA'S CHANGES IN NET POSITION
FISCAL YEARS ENDED JUNE 30, 2013 and 2012

($ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program revenues						
Charges for services	$ 1,984	$ 2,236	$ 818	$ 986	$ 2,802	$ 3,222
Operating grants and contributions	607	1,097	0	0	607	1,097
Capital grants and contributions	537	84	0	0	537	84
General revenues						
Taxes	16,849	18,442	0	0	16,849	18,442
Interest	34	141	1	2	35	143
Other	40	77	0	0	40	77
Total revenues	20,051	22,077	819	988	20,870	23,065
EXPENSES						
Program Expenses:						
General Government	2,065	3,295	0	0	2,065	3,295
Judicial	927	918	0	0	927	918
Public Safety	8,044	7,218	0	0	8,044	7,218
Public Works	2,990	4,451	0	0	2,990	4,451
Health and Welfare	1,088	1,023	0	0	1,088	1,023
Culture and Recreation	1,245	1,200	0	0	1,245	1,200
Housing and Development	580	435	0	0	580	435
Interest and paying agent fees	70	265	0	0	70	265
Solid Waste	0	0	1,110	1,100	1,110	1,100
Waste Water Facility	0	0	609	476	609	476
Golf Course	0	0	249	242	249	242
Total expenses	17,009	18,805	1,968	1,818	18,977	20,623
Excess (Deficiency) before Transfers	3,042	3,272	(1,149)	(830)	1,893	2,442
Transfers (Out) In	(995)	(1,378)	995	1,378	0	0
Increase (Decrease) in net position	2,047	1,894	(154)	548	1,893	2,442
Net position, beginning (original)	68,357	62,957	(1,039)	(2,147)	67,318	60,810
Prior period adjustment	(13)	45	0	677	(13)	722
Net position, ending	$ 70,391	$ 64,896	$ (1,193)	$ (922)	$ 69,198	$ 63,974

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows and outflows of spendable resources. Such information is useful in evaluating a government's near-term financing requirements.

Governmental revenues decreased $2,187 thousand from FY 2012. Taxes decreased $1,281 thousand and intergovernmental revenues increased $229 thousand.

Tax revenues consisted of $16.8 million, of which $3.2 million came from local SPLOST revenue in the governmental funds.

Expenditures in the governmental funds were $19.2 million of which approximately $2.1 million going toward the purchase or construction of capital assets.

There was a $1.9 million decrease in governmental expenditures due mainly to an increase of $1.4 million decrease in judicial.

Proprietary funds. The County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. In addition, the Board of Commissioners approved several adjustments to prevent budget overruns. The following highlights the differences between the original and final budget amounts:

The budget for total revenues increased $1.1 million:

More tax revenue was collected than anticipated because utility values were based on prior years values and were also based on 36.60 ratio. Values were increased and were collected on 40.00 ratio. This information was not available until October and our budget is required to be set by law by June 30th of each year.

$564,000 was collected over what was budgeted in Intergovernmental Revenues because we received various State D,O,T, .Highway Grants.

The budget for total expenditures increased $1.5 million:

Expenditures in the Road Department increased $739,000 due to additonal expenditures in road repairs due to the fact that additonal grant funding was available from the State of GA. One Grant was in the amount of $200,000 to repair a slide on Saddle Gap Road. Actual repair was $319,700.00.

CAPITAL ASSETS & LONG TERM DEBT

Capital Assets. Rabun County's government-wide investment in capital assets at June 30, 2013 was $86.3 million, net of $35.3 million in accumulated depreciation. The investment, which includes land, buildings, roads, bridges, machinery and equipment, park facilities and vehicles, is covered in Note 9 on pages 44 - 46. Government-wide capital additions in FY 2013 were approximately $3.0 million.

Major capital asset activity in 2013 was:

The County completed a major part of the new Warwoman Fire Department Building and began construction of the Cherchero Fire Department Building Project.

Long-term debt. At June 30, 2013, Rabun County had $9.1 million in bonds and notes payable, capital leases, and landfill closure/postclosure care costs; this is a decrease in total of $1.4 million from FY 2012. The reduction in debt was due to payments of $2.0 million made to reduce long-term debt in excess of $645 thousand of new notes payable and capital leases. Additional information on the County's long-term debt can be found in Note 11 found on

ECONOMIC FACTORS AND THE 2013 BUDGET

The economy in the County seems to be steady; for example, the un-employment rate in the County of 10.1% is in line with the State average. The County will adhere to strict budget controls for FY 2014.

Funding for the operations of the County come from three primary sources: taxes, charges for services and fines. Rabun County has been able to maintain current services without an increase in the milleage rate. We have no plans of using fund balance to balance the 2014.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Rabun County's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Clerk to the Commission at 25 Courthouse Square, Suite 201 Clayton, GA 30525.

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BASIC FINANCIAL STATEMENTS

RABUN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 20,491,522	$ 560,634	$ 21,052,156	$ 882,826
Certificates of deposit	100,632	0	100,632	16,114
Restricted assets				
Cash and cash equivalents	98,703	0	98,703	476,801
Receivables (net)				
Accounts	208,727	63,227	271,954	66,359
Intergovernmental	61,836	0	61,836	3,505
Taxes	536,041	0	536,041	0
Notes	0	0	0	16,262
Prepaids	206,533	0	206,533	0
Total current assets	21,703,994	623,861	22,327,855	1,461,867
Noncurrent assets				
Capital assets				
Non-depreciable	2,929,909	1,298,811	4,228,720	1,263,423
Depreciable (net)	48,063,923	4,418,111	52,482,034	12,482,349
Other assets				
Notes receivable	0	0	0	34,275
Investment in joint venture	0	0	0	10,001
Pension asset	861,298	0	861,298	0
Total noncurrent assets	51,855,130	5,716,922	57,572,052	13,790,048
Total assets	73,559,124	6,340,783	79,899,907	15,251,915
LIABILITIES				
Current liabilities				
Payables				
Accounts	864,553	45,536	910,089	13,560
Intergovernmental	29,166	120	29,286	60,192
Retainage	35,688	0	35,688	0
Interest	3,606	15,389	18,995	0
Accrued salaries and expenses	68,263	9,442	77,705	0
Compensated absences	319,996	37,396	357,392	36,000
Unearned revenue	200,000	0	200,000	0
Capital lease payable	13,252	0	13,252	0
Notes payable	0	151,235	151,235	0
Bonds payable	1,545,000	0	1,545,000	0
Closure/post-closure care	0	72,076	72,076	0
Liabilities payable from restricted assets				
Payables				
Customer deposits	0	0	0	30,373
Interest	0	0	0	315,218
Total current liabilities	3,079,524	331,194	3,410,718	455,343

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

RABUN COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2013

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Noncurrent liabilities				
Compensated absences	$ 0	$ 0	$ 0	$ 12,908
Capital lease payable	88,429	0	88,429	0
Notes payable	0	4,352,768	4,352,768	0
Bonds payable	0	0	0	15,809,167
Closure/post-closure care	0	2,850,282	2,850,282	0
Total noncurrent liabilities	88,429	7,203,050	7,291,479	15,822,075
Total liabilities	3,167,953	7,534,244	10,702,197	16,277,418
NET POSITION				
Net invested in capital assets	48,633,394	1,212,919	49,846,313	(1,616,967)
Restricted for:				
Judicial	72,395	0	72,395	0
Public safety	160,455	0	160,455	0
Health and welfare	98,703	0	98,703	1,600
Capital outlay	6,688,708	0	6,688,708	0
Unrestricted	14,737,516	(2,406,380)	12,331,136	589,864
Total net position	$ 70,391,171	$ (1,193,461)	$ 69,197,710	$ (1,025,503)

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

RABUN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 2,065,231	$ 50,680	$ 265,306	$ 0	$ (1,749,245)
Judicial	926,715	72,137	2,714	0	(851,864)
Public Safety	8,044,215	1,573,293	137,280	0	(6,333,642)
Public Works	2,989,704	0	106,179	0	(2,883,525)
Health and Welfare	1,088,008	81,479	95,441	537,303	(373,785)
Culture and Recreation	1,245,116	185,319	0	0	(1,059,797)
Housing and Development	579,960	21,187	0	0	(558,773)
Interest on long-term debt	70,368	0	0	0	(70,368)
Total governmental activities	17,009,317	1,984,095	606,920	537,303	(13,880,999)
Business-type activities					
Solid Waste	1,110,033	437,451	0	0	(672,582)
Waste-Water Facility	608,893	284,154	0	0	(324,739)
Golf Course	249,422	95,815	0	0	(153,607)
Total business-type activities	1,968,348	817,420	0	0	(1,150,928)
Total primary government	18,977,665	2,801,515	606,920	537,303	(15,031,927)
Component Units					
Rabun County Library					
Culture and Recreation	323,971	21,685	75,780	0	(226,506)
Rabun County Health Department					
Health and Welfare	716,114	326,138	266,321	0	(123,655)
Rabun County Economic Development Authority					
Housing and Development	1,475,234	0	0	0	(1,475,234)
Rabun County Building Authority					
Housing and Development	0	0	0	0	0
Total component units	2,515,319	347,823	342,101	0	(1,825,395)

Change in net position	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Net (expense) revenue	$ (13,880,999)	$ (1,150,928)	$ (15,031,927)	$ (1,825,395)
General revenues				
Taxes				
Property	12,573,713	0	12,573,713	0
Sales	3,230,138	0	3,230,138	0
Insurance premium	538,488	0	538,488	0
Other	506,642	0	506,642	0
Interest and investment earnings	34,278	948	35,226	3,529
Rental income	0	0	0	189,320
Payments from Rabun County	0	0	0	765,444
Gain on sale of assets	29,475	0	29,475	0
Miscellaneous	10,657	0	10,657	1,342
Transfers	(995,292)	995,292	0	0
Total general revenues and transfers	15,928,099	996,240	16,924,339	959,635
Change in net position	2,047,100	(154,688)	1,892,412	(865,760)
Net position - beginning (original)	68,357,177	(1,038,773)	67,318,404	295,937
Prior period adjustments	(13,106)	0	(13,106)	(455,680)
Net position - beginning (restated)	68,344,071	(1,038,773)	67,305,298	(159,743)
Net position - ending	$ 70,391,171	$ (1,193,461)	$ 69,197,710	$ (1,025,503)

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

RABUN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	General	Emergency 911	SPLOST #5	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 13,052,505	$ 66,402	$ 7,144,601	$ 228,014	$ 20,491,522
Certificates of deposit	100,632	0	0	0	100,632
Restricted Assets					
Cash and cash equivalents	98,703	0	0	0	98,703
Receivables (net)					
Accounts	129,481	79,246	0	0	208,727
Intergovernmental	55,996	0	0	5,840	61,836
Taxes	214,264	0	301,802	19,975	536,041
Prepaids	206,533	0	0	0	206,533
Due from other funds	19,975	0	0	0	19,975
Total assets	$ 13,878,089	$ 145,648	$ 7,446,403	$ 253,829	$ 21,723,969
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities					
Payables					
Accounts	$ 140,458	$ 1,085	$ 722,007	$ 1,003	$ 864,553
Intergovernmental	29,166	0	0	0	29,166
Retainage	0	0	35,688	0	35,688
Accrued salaries and expenses	62,258	6,005	0	0	68,263
Unearned revenue	200,000	0	0	0	200,000
Due to other funds	0	0	0	19,975	19,975
Total liabilities	431,882	7,090	757,695	20,978	1,217,645
Deferred Inflows of Resources					
Unavailable revenue - property taxes	156,178	0	0	0	156,178
Fund balances					
Nonspendable prepaids	206,533	0	0	0	206,533
Restricted for:					
Judicial	0	0	0	72,396	72,396
Public safety	0	0	0	160,455	160,455
Health and welfare	98,703	0	0	0	98,703
Capital outlay	0	0	6,688,708	0	6,688,708
Assigned to public safety	0	138,558	0	0	138,558
Unassigned	12,984,793	0	0	0	12,984,793
Total fund balances	13,290,029	138,558	6,688,708	232,851	20,350,146
Total liabilities, deferred inflows, and fund balances	$ 13,878,089	$ 145,648	$ 7,446,403	$ 253,829	$ 21,723,969

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

RABUN COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2013

Total fund balance - total governmental funds	$	20,350,146
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of $86,284,820 net of accumulated depreciation of ($35,290,988) are not financial resources and, therefore, are not reported in the funds.		50,993,832
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the fund. These are deferred property taxes.		156,178
Net pension asset is not reported in the governmental funds. This amount represents annual plan contributions in excess of pension costs.		861,298
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are capital leases payable of ($101,681), bonds payable of ($1,545,000), interest payable of ($3,606) and compensated absences of ($319,996).		(1,970,283)
Net position of governmental activities	$	70,391,171

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

RABUN COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2013

	General	Emergency 911	SPLOST #5	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 13,494,616	$ 0	$ 3,230,138	$ 88,080	$ 16,812,834
Licenses and permits	55,937	0	0	0	55,937
Fines, fees and forfeitures	393,329	0	0	90,024	483,353
Charges for services	1,089,977	354,853	0	0	1,444,830
Intergovernmental	1,141,009	0	0	2,689	1,143,698
Interest	21,823	118	11,946	392	34,279
Contributions	500	0	0	0	500
Other	10,657	0	0	0	10,657
Total revenues	16,207,848	354,971	3,242,084	181,185	19,986,088
EXPENDITURES					
Current					
General Government	2,055,026	0	0	0	2,055,026
Judicial	900,299	0	0	22,551	922,850
Public Safety	6,664,352	738,621	0	36,772	7,439,745
Public Works	2,122,336	0	0	0	2,122,336
Health and Welfare	1,000,241	0	0	0	1,000,241
Culture and Recreation	986,125	0	0	0	986,125
Housing and Development	486,043	0	0	88,090	574,133
Capital outlay	0	0	2,062,723	0	2,062,723
Debt service	371,142	0	1,626,385	0	1,997,527
Total expenditures	14,585,564	738,621	3,689,108	147,413	19,160,706
Excess (deficiency) of revenues over (under) expenditures	1,622,284	(383,650)	(447,024)	33,772	825,382
Other financing sources (uses)					
Transfers in	8,000	100,000	0	0	108,000
Transfers out	(1,095,292)	0	0	(8,000)	(1,103,292)
Proceeds from sale of assets	70,643	0	0	0	70,643
Total other financing sources (uses)	(1,016,649)	100,000	0	(8,000)	(924,649)
Net change in fund balance	605,635	(283,650)	(447,024)	25,772	(99,267)
Fund balances, July 1	12,684,394	422,208	7,135,732	207,079	20,449,413
Fund balances, June 30	$ 13,290,029	$ 138,558	$ 6,688,708	$ 232,851	$ 20,350,146

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

RABUN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2013

Net change in fund balances - total governmental funds	$	(99,267)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of $3,001,215 exceeded depreciation of ($2,538,724) in the current period.		462,491
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balance by the cost of the assets sold of ($431,101), net of related accumulated depreciation of $147,409.		(283,692)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable deferred revenue.		36,146
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which debt repayments of $1,922,804 exceed debt proceeds of ($0) and amortization of ($0).		1,922,804
Annual employer contributions to retirement plans in excess of pension costs are not reported in the governmental funds, but result in assets in the governmental activities.		24,363
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net increase in compensated absences ($20,099) and the net decrease in interest payable $4,354.		(15,745)
Change in net position of governmental activities	$	2,047,100

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

RABUN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2013

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 13,789,797	$ 13,885,492	$ 13,494,616	$ (390,876)
Licenses and permits	57,000	60,600	55,937	(4,663)
Fines, fees and forfeitures	344,500	397,700	393,329	(4,371)
Charges for services	1,086,450	1,207,700	1,089,977	(117,723)
Intergovernmental	1,112,500	1,705,046	1,141,009	(564,037)
Interest	30,000	35,500	21,823	(13,677)
Contributions	0	500	500	0
Other	5,000	9,793	10,657	864
Total revenues	16,425,247	17,302,331	16,207,848	(1,094,483)
EXPENDITURES				
Current				
General Government				
General Administration	222,263	488,323	404,896	83,427
Elections	141,770	143,820	128,934	14,886
Board of Commissioners	477,008	492,313	474,784	17,529
Tax Commissioner	301,560	302,490	281,263	21,227
Tax Assessors	318,443	330,196	318,243	11,953
Buildings and Properties	469,241	487,416	446,906	40,510
Judicial				
Clerk of Court	357,781	360,306	310,698	49,608
Probate Court	205,093	210,208	196,441	13,767
Administration of Justice	246,460	264,080	256,766	7,314
District Attorney	126,693	141,748	136,394	5,354
Public Safety				
Sheriff	1,524,707	1,587,252	1,564,044	23,208
Rabun County Jail	1,748,395	1,770,295	1,657,385	112,910
Coroner	14,380	14,380	9,160	5,220
Emergency Management Agency	57,703	80,779	67,138	13,641
Fire Department	961,447	975,475	932,449	43,026
County Marshal	281,548	288,725	279,350	9,375
E911 Mapping & Addressing	168,543	174,143	164,172	9,971
Drug Task Force	46,150	52,052	51,571	481
Emergency Medical Service	1,814,595	1,828,795	1,765,030	63,765
Boggs Mountain Animal Shelter	175,750	175,750	174,053	1,697
Public Works				
Roads and Bridges	2,289,652	2,762,448	2,023,586	738,862
Water and Sewer Authority	130,000	117,647	98,750	18,897
Health and Welfare				
Public Health	278,355	292,030	281,175	10,855
Public Welfare	50,470	50,470	39,396	11,074
Program on Aging	597,238	603,028	577,170	25,858
Court Appointed Special Advocates	7,500	7,500	7,500	0
F.A.I.T.H.	95,000	95,000	95,000	0
Culture and Recreation				
Civic Center	78,813	84,163	78,453	5,710
Recreation	586,642	588,542	536,254	52,288
Rabun Arena	121,643	121,644	103,228	18,416
Rabun County Library	270,000	270,000	263,690	6,310
Rabun County Historical Society	4,500	4,500	4,500	0

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

RABUN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2013

	Budget			Variance with
	Original	Final	Actual	Final Budget
Housing and Development				
Extension Service	$ 39,684	$ 39,684	$ 29,573	$ 10,111
Planning Commission	66,688	66,723	64,022	2,701
Economic Development	406,748	462,248	384,294	77,954
Soil Erosion Control	8,518	8,667	8,154	513
Total Current	14,690,981	15,742,840	14,214,422	1,528,418
Debt Service				
General Government				
General Administration	330,443	335,243	335,103	140
Public Works				
Roads and Bridges	45,000	45,000	36,039	8,961
Total Debt Service	375,443	380,243	371,142	9,101
Total expenditures	15,066,424	16,123,083	14,585,564	1,537,519
Excess (deficiency) of revenues over (under) expenditures	1,358,823	1,179,248	1,622,284	443,036
Other financing sources (uses)				
Transfers in	425,000	83,000	8,000	(75,000)
Transfers out	(1,633,823)	(1,339,173)	(1,095,292)	243,881
Sale of capital assets	0	77,025	70,643	(6,382)
Contingency	(150,000)	(100)	0	100
Total other financing sources (uses)	(1,358,823)	(1,179,248)	(1,016,649)	162,599
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	605,635	605,635
Fund balances, July 1	0	0	12,684,394	11,725,633
Fund balances, June 30	$ 0	$ 0	$ 13,290,029	$ 12,331,268

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

RABUN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2013

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 310,000	$ 381,000	$ 354,853	$ (26,147)
Interest	0	0	118	118
Total revenues	310,000	381,000	354,971	(26,029)
EXPENDITURES				
Current				
Public Safety	804,043	804,043	738,621	65,422
Excess (deficiency) of revenues over expenditures	(494,043)	(423,043)	(383,650)	39,393
Other financing sources (uses)				
Transfers in	494,043	423,043	100,000	(323,043)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(283,650)	(283,650)
Fund balance, July 1	0	0	422,208	422,208
Fund balances, June 30	$ 0	$ 0	$ 138,558	$ 138,558

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

RABUN COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

	Business-Type Activities			
	Solid Waste	Waste-Water Facility	Golf Course	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 94,550	$ 406,844	$ 59,240	$ 560,634
Accounts receivables (net)	63,013	214	0	63,227
Total current assets	157,563	407,058	59,240	623,861
Noncurrent assets				
Capital assets				
Non-depreciable	1,106,031	172,980	19,800	1,298,811
Depreciable (net)	916,949	3,452,016	49,146	4,418,111
Total noncurrent assets	2,022,980	3,624,996	68,946	5,716,922
Total assets	2,180,543	4,032,054	128,186	6,340,783
LIABILITIES				
Current liabilities				
Payables				
Accounts	32,747	12,290	499	45,536
Intergovernmental	64	29	27	120
Interest	0	15,389	0	15,389
Accrued salaries and expenses	5,828	1,340	2,274	9,442
Compensated absences	15,583	9,727	12,086	37,396
Notes payable	0	151,235	0	151,235
Closure/post-closure care	72,076	0	0	72,076
Total current liabilities	126,298	190,010	14,886	331,194
Noncurrent liabilities				
Notes payable	0	4,352,768	0	4,352,768
Closure/post-closure care	2,850,282	0	0	2,850,282
Total noncurrent liabilities	2,850,282	4,352,768	0	7,203,050
Total liabilities	2,976,580	4,542,778	14,886	7,534,244
NET POSITION				
Net invested in capital assets	2,022,980	(879,007)	68,946	1,212,919
Unrestricted	(2,819,017)	368,283	44,354	(2,406,380)
Total net position	$ (796,037)	$ (510,724)	$ 113,300	$ (1,193,461)

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

RABUN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2013

	Business-Type Activities			
	Solid Waste	Waste-Water Facility	Golf Course	Totals
OPERATING REVENUES				
Charges for sales and services	$ 437,451	$ 284,154	$ 95,815	$ 817,420
Total operating revenues	437,451	284,154	95,815	817,420
OPERATING EXPENSES				
Costs of sales and services	400,256	180,547	56,569	637,372
Personal services	635,302	139,313	180,699	955,314
Depreciation	74,475	120,855	12,154	207,484
Total operating expenses	1,110,033	440,715	249,422	1,800,170
Operating income (loss)	(672,582)	(156,561)	(153,607)	(982,750)
Non-operating revenues (expenses)				
Interest revenue	114	728	106	948
Interest expense	0	(168,178)	0	(168,178)
Total non-operating revenues (expenses)	114	(167,450)	106	(167,230)
Net income (loss) before transfers	(672,468)	(324,011)	(153,501)	(1,149,980)
Transfers				
Transfers in	744,897	100,000	150,395	995,292
Change in net position	72,429	(224,011)	(3,106)	(154,688)
Net position - July 1	(868,466)	(286,713)	116,406	(1,038,773)
Net position, June 30	$ (796,037)	$ (510,724)	$ 113,300	$ (1,193,461)

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

RABUN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2013

	Business-Type Activities			
	Solid Waste	Waste-Water Facility	Golf Course	Totals
Cash flows from operating activities:				
Receipts from customers	$ 409,106	$ 375,577	$ 95,815	$ 880,498
Payments to suppliers	(452,218)	(179,035)	(56,236)	(687,489)
Payments to employees	(638,617)	(138,665)	(177,505)	(954,787)
Net cash provided (used) by operating activities	(681,729)	57,877	(137,926)	(761,778)
Cash flows from non-capital financing activities:				
Receipts from other funds	744,897	100,000	150,395	995,292
Cash flows from capital and related financing activities:				
Acquisition of capital assets	0	0	(7,000)	(7,000)
Receipts from other governments	0	69,406	0	69,406
Interest payments	0	(46,417)	0	(46,417)
Principal payments - notes payable	0	(36,851)	0	(36,851)
Proceeds from notes payable	0	29,463	0	29,463
Net cash provided (used) by capital and related financing activities	0	15,601	(7,000)	8,601
Cash flows from investing activities:				
Interest received	114	728	106	948
Net increase (decrease) in cash and cash equivalents	63,282	174,206	5,575	243,063
Cash and cash equivalents, July 1	31,268	232,638	53,665	317,571
Cash and cash equivalents, June 30	$ 94,550	$ 406,844	$ 59,240	$ 560,634
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (672,582)	$ (156,561)	$ (153,607)	$ (982,750)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	74,475	120,855	12,154	207,484
Closure/postclosure care costs	(59,013)	0	0	(59,013)
(Increase) decrease in accounts receivable	(28,345)	91,423	0	63,078
Increase (decrease) in accounts payable	7,079	6,382	339	13,800
Increase (decrease) in intergovernmental payable	(28)	(4,870)	(6)	(4,904)
Increase (decrease) in accrued payroll liabilities	(3,315)	648	3,194	527
Total adjustments	(9,147)	214,438	15,681	220,972
Net cash provided (used) by operating activities	$ (681,729)	$ 57,877	$ (137,926)	$ (761,778)

Noncash capital and related financing activities:

Proceeds from notes payable through interest payable total $615,619 for the fiscal year ended June 30, 2013.

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

RABUN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2013

	Agency Funds
ASSETS	
Cash	$ 623,834
Taxes receivable, net	745,692
Total assets	$ 1,369,526
LIABILITIES	
Due to other agencies	$ 1,369,526

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

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2013

	Rabun County Library	Rabun County Health Department	Rabun County Economic Development Authority	Rabun County Building Authority	Totals
ASSETS					
Current assets					
Cash and cash equivalents	$ 69,341	$ 632,073	$ 175,837	$ 5,575	$ 882,826
Certificates of deposit	16,114	0	0	0	16,114
Restricted cash and cash equivalents	0	0	476,801	0	476,801
Receivables (net)					
Accounts	0	66,359	0	0	66,359
Intergovernmental	0	0	3,505	0	3,505
Notes	0	0	16,262	0	16,262
Total current assets	85,455	698,432	672,405	5,575	1,461,867
Noncurrent assets					
Capital assets					
Non-depreciable	0	0	1,263,423	0	1,263,423
Depreciable (net)	214,541	0	12,267,808	0	12,482,349
Notes receivable	0	0	34,275	0	34,275
Investment in joint venture	0	0	10,001	0	10,001
Total noncurrent assets	214,541	0	13,575,507	0	13,790,048
Total assets	299,996	698,432	14,247,912	5,575	15,251,915
LIABILITIES					
Current liabilities					
Accounts payable	0	3,461	10,099	0	13,560
Intergovernmental payable	0	0	60,192	0	60,192
Compensated absences	0	36,000	0	0	36,000
Liabiliites payable from restricted assets					
Payables					
Customer deposits	0	0	30,373	0	30,373
Interest	0	0	315,218	0	315,218
Total current liabilities	0	39,461	415,882	0	455,343
Noncurrent liabilities					
Compensated absences	0	12,908	0	0	12,908
Bonds payable	0	0	15,809,167	0	15,809,167
Total noncurrent liabilities	0	12,908	15,809,167	0	15,822,075
Total liabilities	0	52,369	16,225,049	0	16,277,418
NET POSITION					
Net invested in capital assets	214,541	0	(1,831,508)	0	(1,616,967)
Restricted for health and welfare	0	1,600	0	0	1,600
Unrestricted	85,455	644,463	(145,629)	5,575	589,864
Total net position	$ 299,996	$ 646,063	$ (1,977,137)	$ 5,575	$ (1,025,503)

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

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended June 30, 2013

	Rabun County Library	Rabun County Health Department	Rabun County Economic Development Authority	Rabun County Building Authority	Totals
Expenses					
Health and Welfare	$ 0	$ 716,114	$ 0	$ 0	$ 716,114
Culture and Recreation	323,971	0	0	0	323,971
Housing and Development	0	0	1,475,234	0	1,475,234
Total expenses	323,971	716,114	1,475,234	0	2,515,319
Program revenues					
Charges for services	21,685	326,138	0	0	347,823
Operating grants and contributions	75,780	266,321	0	0	342,101
Total program revenues	97,465	592,459	0	0	689,924
Net (expense) revenue	(226,506)	(123,655)	(1,475,234)	0	(1,825,395)
General revenues					
Interest	215	0	3,304	10	3,529
Rental income	0	0	189,320	0	189,320
Payments from Rabun County	242,492	235,569	287,383	0	765,444
Miscellaneous	435	0	907	0	1,342
Total general revenues	243,142	235,569	480,914	10	959,635
Change in net position	16,636	111,914	(994,320)	10	(865,760)
Net position - beginning (original)	283,360	534,149	(527,137)	5,565	295,937
Prior period adjustments	0	0	(455,680)	0	(455,680)
Net position - beginning (restated)	283,360	534,149	(982,817)	5,565	(159,743)
Net position - ending	$ 299,996	$ 646,063	$ (1,977,137)	$ 5,575	$ (1,025,503)

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

1. Description of Government Unit

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

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

The government is governed by an elected five member commission and four Constitutional Officers; Tax Commissioner, Magistrate Judge, Probate Judge, Sheriff, and Clerk of Superior Court.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

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

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

Rabun County Library – The Rabun County Library is a member of the Northeast Georgia Regional Library System which also includes the counties of Rabun, Stephens, and White. The system is governed by the Regional Board of Trustees and each affiliated County has a County Board of Trustees. The Rabun County Library's Board of Trustees are appointed by the Board of Commissioners of Rabun County. Rabun County primarily funds the Library and approves its budgets. Complete financial statements can be obtained from the administrative offices of the Rabun County Library, 73 Jo Dotson Circle, Clayton, GA 30525.

Rabun County Health Department – The Rabun County Health Department was established as a legally separate entity and operates pursuant to the Georgia Health Code 88-2, Georgia Laws 1964. The District Health Director is the Executive Officer of the Rabun County Health Department and is responsible for the overall coordination of the local health activities. The Rabun County Health Department is funded by the State and County under the Grant-in-Aid provisions, and operated under the supervision of the local Board of Health. Complete financial statements can be obtained from the administrative offices of the Rabun County Health Department, 184 South Main Street, Clayton, GA 30525.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Rabun County Economic Development Authority – The Rabun County Development Authority was created by an act of the Georgia Assembly on March 19, 1992. The purpose of the Development Authority is to provide for the economic development of Rabun County; to promote for the public good and general welfare infrastructure, trade, commerce, business, industry, research, training support services, eleemosynary institutions, and employment opportunities. Governing the Authority is a Board in which the majority is appointed by the Rabun County Board of Commissioners. Rabun County funds the operation of the Authority when required. Separate financial statements are not issued.

Rabun County Building Authority – The Rabun County Building Authority was created on March 30, 1994 by an act of the Georgia Assembly (HB No. 2011). The Act authorizes the Building Authority to acquire, construct, and equip self-liquidating projects, including, but not limited to, buildings, sanitary and surface water sewers, streets, roads and public facilities of every nature, type and character, for use by Rabun County for its governmental, proprietary, public and administrative functions. Rabun County is granted the right and power by proper resolution of its governing authority to sell or lease to the Authority lands and buildings owned by it, to borrow money for any of its corporate purposes, to issue revenue bonds payable solely from funds pledged for that purpose and provide for the payment of the same for the rights of the holders thereof, among other provisions of the "Act". The Authority is governed by a five member Board of Directors all of whom are appointed for three year terms by the Rabun County Board of Commissioners. Separate financial statements are not issued.

C. Basis of Presentation – Government-wide Financial Statements

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

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements, continued

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

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

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

The County reports the following major proprietary funds:

Solid Waste Fund – This fund is used to account for the activities of solid waste disposal and recycling programs for Rabun County.

Waste Water Facility Fund – This fund is used to account for activities connected with the waste water and water treatment facility of Rabun County.

Golf Course Fund – This fund accounts for the operations of the County owned golf facility. Rabun County purchased the Golf Course on July 1, 2009.

Additionally, the County reports the following fund types:

Governmental Fund Types

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

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

Fiduciary Fund Types

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Component Units

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

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

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

E. Measurement Focus and Basis of Accounting

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

F. Revenues and Expenditures/Expenses

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

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

The Board of Commissioners adopts an annual budget for all governmental fund types, prior to July 1, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the Board of Commissioners when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted at a public meeting. A budget was not adopted for the Law Library Special Revenue Fund for the fiscal year ended June 30, 2013.

Each year in April, a Budget Committee consisting of the Board of Commissioners, the County Manager, and the Financial Director prepare the proposed budget. Budget requests from the various County departments are presented to this committee for consideration. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Rabun County.

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

These hearings are publicized in the local newspaper for at least one week before the hearings, and the budget document is made available for public inspection during this time.

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

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

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

H. Cash and Investments

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

I. Intergovernmental Receivables

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

2. Summary of Significant Accounting Policies (continued)

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items.

K. Capital Assets

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

GASB Statement No. 34 required the County to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical costs nor related depreciation had historically been reported in the financial statements. The County has previously implemented the requirements for retroactive reporting of major general infrastructure assets acquired in 1981 forward. The County elected not to report general infrastructure assets placed into service prior to July 1, 1980.

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

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

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

2. Summary of Significant Accounting Policies (continued)

K. Capital Assets, continued

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

L. Deferred Outflows/Inflows of Resources

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

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

M. Net Position Flow Assumption

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

2. Summary of Significant Accounting Policies (continued)

N. Fund Balance Flow Assumption

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

O. Restricted Assets and Restricted Net Position

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

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

P. Fund Balances – Governmental Funds

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

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at June 30, 2013 by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds, continued

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

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds, continued

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

- To address unexpected revenue shortfalls or expenditures encountered in the current fiscal year.
- To fund nonrecurring capital expenditures. Unassigned fund balance will not be used to fund recurring expenditures or to compensate for structural budget deficits.

When an expenditure is incurred for the purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the County to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the County that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Q. Compensation for Future Absences

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

2. Summary of Significant Accounting Policies (continued)

R. Long-Term Obligations

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

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

S. Capital Contributions

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

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

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

Interest Rate Risk

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

3. Deposit and Investment Risk (continued)

Concentration of Credit Risk

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

Foreign currency risk

The County has no investments denominated in a foreign currency.

Credit Risk

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

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

Credit Risk, continued

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

The Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at June 30, 2013 was 43 days. At June 30, 2013, the County's balance in Georgia Fund 1 was $286,669.

4. Accounts Receivable

Net accounts receivable at June 30, 2013 consist of the following:

Primary Government:		
Major Funds		
General Fund	$ 181,515	
Less: Allowance for Uncollectibles	(52,034)	$ 129,481
Emergency 911 Special Revenue Fund		79,246
Enterprise Funds		
Solid Waste	63,013	
Waste-Water Facility	456,152	
Less: Allowance for Uncollectibles	(455,938)	63,227
Total primary government		$ 271,954
Component Units		
Rabun County Health Department		$ 66,359

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2013 consist of the following:

Major Funds			
General Fund			
Georgia Emergency Management Agency	$ 31,252		
Economic Development Authority	3,692		
Georgia Department of Transportation	4,439		
Rabun County Board of Education	9,045		
Georgia Department of Corrections	308		
Legacy Link	3,159		
City of Mountain City, Georgia	927		
City of Clayton, Georgia	927		
City of Dillard, Georgia	738		
Town of Tallulah	764		
Georgia Department of Family and Children Services	745	$	55,996
Nonmajor Funds			
Jail Special Revenue Fund			
City of Clayton, Georgia	1,825		
City of Dillard, Georgia	1,578		
City of Mountain City, Georgia	667		
Town of Tallulah	30		4,100
Drug Abuse Treatment Education			
City of Dillard, Georgia			1,740
Total primary government		$	61,836

5. Intergovernmental Receivables (continued)

Component Units	
Rabun County Economic Development Authority	
Rabun County, Georgia	$ 3,505

6. Property Taxes

Property tax rates are set by the Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2012, based upon the assessments of January 1, 2012, were levied on August 1, 2012, billed on September 1, 2012, and due on December 20, 2012. Tax liens may be issued 90 days after the due date.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of June 30, 2013 is as follows:

Due to/Due from other funds:

Receivable Fund	Payable Fund	Amount
General	Hotel-Motel Fund	$ 19,975

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

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

8. Interfund Transfers

A summary of interfund receivables and payables as of June 30, 2013 is as follows:

	Transfers out:		
	Major Funds	Nonmajor	
	General	Governmental	Total
Transfers in:			
Major Funds			
General	$ 0	$ 8,000	$ 8,000
E-911	100,000	0	100,000
Solid Waste	744,897	0	744,897
Waste-Water	100,000	0	100,000
Golf Course	150,395	0	150,395
Total	$ 1,095,292	$ 8,000	$ 1,103,292

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

9. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2013 was as follows:

	Balance 6/30/12	Increases	Decreases	Balance 6/30/13
Governmental activities				
Non-depreciable assets				
Land	$ 1,690,996	$ 47,500	$ 0	$ 1,738,496
Construction in progress	255,451	1,947,324	(1,011,362)	1,191,413
Total non-depreciable assets	1,946,447	1,994,824	(1,011,362)	2,929,909
Depreciable assets				
Buildings	29,338,034	0	0	29,338,034
Machinery and equipment	5,151,431	544,885	(405,201)	5,291,115
Vehicles	8,256,020	461,506	(25,900)	8,691,626
Infrastructure	39,022,772	1,011,362	0	40,034,134
Total depreciable assets	81,768,257	2,017,753	(431,101)	83,354,909
Less accumulated depreciation				
Buildings	(5,466,274)	(602,659)	0	(6,068,933)
Machinery and equipment	(1,976,263)	(442,054)	139,600	(2,278,717)
Vehicles	(4,476,972)	(547,785)	7,809	(5,016,948)
Infrastructure	(20,980,162)	(946,226)	0	(21,926,388)
Total accumulated depreciation	(32,899,671)	(2,538,724)	147,409	(35,290,986)
Total depreciable assets, net	48,868,586	(520,971)	(283,692)	48,063,923
Governmental activities capital assets, net	$ 50,815,033	$ 1,473,853	$ (1,295,054)	$ 50,993,832

9. Capital Assets (Continued)

	Balance 6/30/12	Increases	Decreases	Balance 6/30/13
Business-type activities				
Non-depreciable assets				
Land	$ 1,298,811	$ 0	$ 0	$ 1,298,811
Depreciable assets				
Buildings	4,267,744	0	0	4,267,744
Machinery and equipment	859,272	7,000	0	866,272
Vehicles	405,690	0	0	405,690
Total depreciable assets	5,532,706	7,000	0	5,539,706
Less accumulated depreciation				
Buildings	(265,164)	(134,764)	0	(399,928)
Machinery and equipment	(504,494)	(48,335)	0	(552,829)
Vehicles	(144,453)	(24,385)	0	(168,838)
Total accumulated depreciation	(914,111)	(207,484)	0	(1,121,595)
Total depreciable assets, net	4,618,595	(200,484)	0	4,418,111
Business-type activities capital assets, net	$ 5,917,406	$ (200,484)	$ 0	$ 5,716,922

Capital asset activity for the discretely presented component units for the year ended June 30, 2013 was as follows:

	Balance 6/30/12	Increases	Decreases	Balance 6/30/13
Rabun County Library				
Depreciable assets				
Furniture and equipment	$ 197,092	$ 4,895	$ (6,548)	$ 195,439
Books and collections	951,426	88,702	(76,727)	963,401
Total depreciable assets	1,148,518	93,597	(83,275)	1,158,840
Less accumulated depreciation				
Furniture and equipment	(129,464)	(7,924)	5,289	(132,099)
Books and collections	(825,019)	(63,908)	76,727	(812,200)
Total accumulated depreciation	(954,483)	(71,832)	82,016	(944,299)
Total depreciable assets, net	194,035	21,765	(1,259)	214,541
Rabun County Library capital assets, net	$ 194,035	$ 21,765	$ (1,259)	$ 214,541
Rabun County Health Department				
Depreciable assets				
Equipment	$ 5,995	$ 0	$ 0	$ 5,995
Less accumulated depreciation				
Equipment	(5,995)	0	0	(5,995)
Rabun County Health Department capital assets, net	$ 0	$ 0	$ 0	$ 0

9. Capital Assets (Continued)

	Balance 6/30/12	Increases	Decreases	Balance 6/30/13
Rabun County Economic Development Authority				
Non-depreciable assets				
Land	$ 1,263,423	$ 0	0	$ 1,263,423
Construction in progress	0	0	0	0
Total non-depreciable assets	1,263,423	0	0	1,263,423
Depreciable assets				
Buildings	12,395,757	221,830	0	12,617,587
Furniture and fixtures	43,941	4,800	0	48,741
Total depreciable assets	12,439,698	226,630	0	12,666,328
Less accumulated depreciation				
Buildings	(77,473)	(310,356)	0	(387,829)
Furniture and fixtures	(4,185)	(6,506)	0	(10,691)
Total accumulated depreciation	(81,658)	(316,862)	0	(398,520)
Total depreciable assets, net	12,358,040	(90,232)	0	12,267,808
Rabun County Economic Development Authority capital assets, net	$ 13,621,463	$ (90,232)	$ 0	$ 13,531,231

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 124,029
Judicial	5,458
Public Safety	877,213
Public Works	1,172,730
Health and Welfare	83,576
Culture and Recreation	275,718
Total depreciation expense for governmental activities	$ 2,538,724
Business-type activities	
Solid Waste	$ 74,475
Waste-Water Facility	120,855
Golf Course	12,154
Total depreciation expense for busines-type activities	$ 207,484
Discretely presented component units	
Rabun County Library	$ 71,832
Rabun County Economic Development Authority	316,862
	$ 388,694

10. Capital and Operating Lease Agreements

The County has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balance of these leases at June 30, 2013 is $101,681 for governmental activities. Assets leased under capital leases consist of equipment totaling $140,320. The equipment has a 15-year estimated useful life. This year, $9,355 was included in depreciation expense.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2013:

Year Ending June 30,	Governmental activities
2014	$ 16,542
2015	89,512
Total minimum lease payments	106,054
Less amounts representing interest	(4,373)
Present value of minimum lease payments	$ 101,681

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

11. Long-Term Debt

General Obligation Bonds

General obligation bonds have been issued for governmental activities funds to pay, or to be applied or contributed toward, the cost of constructing, improving, expanding and extending public roads, highways, streets and related facilities as well as the construction, improvement and expansion of various municipal buildings.

11. Long-Term Debt (continued)

General Obligation Bonds (continued)

General obligation bonds of the governmental activities are comprised of the following individual issues at June 30, 2013:

- $3,025,000 General Obligation Sales Tax Bonds, Series 2008 – bonds due in annual principal payments on December 1 beginning in 2012 with semi-annual interest payments (2.80%) due on June 1 and December 1.

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

Year Ending June 30,	Principal	Interest	Total
2014	$ 1,545,000	$ 21,630	$ 1,566,630

Revenue Bonds

Revenue bonds have been issued for governmental activities and are comprised of the following individual issue at June 30, 2013:

- $1,500,000 – Rabun County Building Authority Revenue Bonds Series 2007 - bonds due in quarterly principal and interest payments on beginning January 1, 2008 and ending October 1, 2012; interest at 3.52%. The bonds were issued for the purpose of improving a building that will be used by Rabun County, Georgia to carry out its governmental purposes as well as paying the costs of issuing the bonds. The debt is issued in the name of the Rabun County Building Authority. However, the payment of the bonds is guaranteed by Rabun County to be paid from SPLOST #5 proceeds or property tax levy. Therefore, the bonds are shown in the primary government. As of June 30, 2013, this bond issuance was paid in full.

11. Long-Term Debt (continued)

Revenue Bonds (continued)

Revenue bonds have been issued for the Rabun County Economic Development Authority Component Unit and are comprised of the following individual issue at June 30, 2013:

- $15,975,000 – Development Authority of Rabun County Revenue Bonds – Series A and B series bonds due in annual principal payments on July 1 with semi-annual interest payments (2.5% - 4.4%) due on January 1 and July 1. The bonds were issued for the purpose of paying all or a portion of the costs of the acquisition and renovation of an approximately 1,021,294 square-foot manufacturing facility located on approximately 96 acres of land in Rabun County, Georgia and related fixtures and equipment. The bonds will also be used to pay interest on the Series 2010 Bonds and the costs related to issuance of the Series 2010 Bonds.

Annual debt service requirements to maturity for revenue bonds of the Rabun County Economic Development Authority are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 0	$ 630,435	$ 630,435
2015	350,000	626,060	976,060
2016	360,000	617,005	977,005
2017	370,000	606,775	976,775
2018	380,000	594,765	974,765
2019 - 2023	2,140,000	2,731,449	4,871,449
2024 - 2028	2,610,000	2,249,850	4,859,850
2029 - 2033	3,175,000	1,672,750	4,847,750
2034 - 2038	3,870,000	968,219	4,838,219
2039 - 2041	2,720,000	171,394	2,891,394
Totals	$ 15,975,000	$ 10,868,702	$ 26,843,702

11. Long-Term Debt (continued)

Notes Payable

Governmental Activities

On December 15, 2005, the County entered into a lending agreement with Rabun County Bank for the refinance of tax anticipation notes previously issued to finance the sale of the Rabun County Hospital. At June 30, 2013, the balance of this note is $0.00. The note required monthly payments of $56,863 with all unpaid principal and interest due on December 15, 2012; interest at 4.725%.

Waste-Water Facility Enterprise Fund

On January 29, 2008, the County entered into a lending agreement with the Georgia Environmental Facilities Authority (GEFA) to borrow up to $6,415,000 for the purchase of an existing water supply and wastewater treatment facility located on the former Rabun Apparel manufacturing site. The project also consists of rehabilitation and conversion of these existing facilities, a new water treatment plant, new pipe lines, and appurtenant work such that these facilities will provide regional, municipal water supply and wastewater services. The project was completed on June 21, 2012. The note will be payable in 240 consecutive monthly installments commencing on the earlier of the project completion date or December 31, 2011. Until this time, no payments are due and interest at 4.10% will accrue. As of June 30, 2013, the total principal drawn against the note amounted to $4,504,002 and interest of $15,389 has been accrued.

Annual debt service requirements are as follows:

Years Ending June 30,	Principal	Interest	Total
2014	$ 151,235	$ 181,843	$ 333,078
2015	157,554	175,525	333,079
2016	164,136	168,942	333,078
2017	170,994	162,085	333,079
2018	178,138	154,941	333,079
2019 - 2023	1,008,743	656,649	1,665,392
2024 - 2028	1,237,825	427,567	1,665,392
2029 - 2033	1,435,378	146,745	1,582,123
Totals	$ 4,504,003	$ 2,074,297	$ 6,578,300

11. Long-Term Debt (continued)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the County for the fiscal year ending June 30, 2013:

	Balance 6/30/2012	Additions	Deductions	Balance 6/30/2013	Due Within One Year
Governmental activities					
Capital lease obligations	$ 133,256	$ 0	$ 31,575	$ 101,681	$ 13,252
Notes payable	330,496	0	330,496	0	0
Bonds payable	3,105,733	0	1,560,733	1,545,000	1,545,000
Compensated absences	299,897	319,996	299,897	319,996	319,996
Total governmental activities	$ 3,869,382	$ 319,996	$ 2,222,701	$ 1,966,677	$ 1,878,248
Business-type activities					
Notes payable	$ 3,895,772	$ 645,082	$ 36,851	$ 4,504,003	$ 151,235
Landfill closure/post-closure care	2,981,371	13,063	72,076	2,922,358	72,076
Compensated absences	36,869	37,396	36,869	37,396	37,396
	$ 6,914,012	$ 695,541	$ 145,796	$ 7,463,757	$ 260,707
Component Units					
Rabun County Health Department					
Compensated absences	$ 49,637	$ 35,411	$ 36,140	$ 48,908	$ 36,000
Rabun County Economic Development Authority					
Bonds Payable	15,975,000	0	0	15,975,000	0
Unamortized bond discount	(171,975)	0	(6,142)	(165,833)	0
Total component units	$ 15,852,662	$ 35,411	$ 29,998	$ 15,858,075	$ 36,000

Debt issue costs are amortized over the life of the related debt using the straight-line method. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund. The landfill post-closure care costs are paid for by the Solid Waste Fund. Compensated absences of the Rabun County Health Department are liquidated by the Rabun County Health Department. The total interest incurred and charged to expense for the fiscal year ended June 30, 2013 was $70,368 for governmental activities, $168,178 for business-type activities and $630,435 for the component units.

12. Landfill Post-Closure Care Costs

On October 8, 1993, in accordance with the provisions of the Georgia Comprehensive Solid Waste Management Act (OCGA 12-8-20), the County was issued a closure certificate for its landfill. State and federal laws and regulations require the County to perform certain maintenance and monitoring operations at the landfill site for 30 years after official closure; the County has approximately 12 years remaining. The estimated cost of all post closure care activities related to the landfill is $2,471,667, and is reflected as a long-term liability in the Solid Waste Enterprise Fund. Because of future changes in technology, laws, or regulations, these costs may change.

During the fiscal year ended June 30, 2000, the County opened a new solid waste landfill. State and federal laws and regulations require that the County place a final cover on the landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs has a balance of $450,691 as of June 30, 2013, which is based on 41.8% usage (filled) of the landfill. It is estimated that an additional $628,309 will be recognized as closure and post-closure care expense between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2038).

The estimated total current cost of the landfill closure and post-closure care ($13,063) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2013. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

13. Changes in Beginning Balances

Governmental Activities

A prior period adjustment has been made to restate and expense prior period debt issue costs and related prior period amortization. This adjustment was necessary with the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This adjustment decreased beginning net assets by $13,106.

Component Units

Rabun County Economic Development Authority

A prior period adjustment has been made to restate and expense prior period debt issue costs and related prior period amortization. This adjustment was necessary with the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This adjustment decreased beginning net assets by $455,680.

14. Defined Benefit Pension Plan

Plan Description and Contribution Information

Description

Rabun County contributes to the Association of County Commissioners of Georgia ("ACCG") Defined Benefit Plan ("Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The County elected to participate in the Plan as of the result of Board of Commissioner vote and a contract between the County and the ACCG.

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

14. Defined Benefit Pension Plan (continued)

Plan Description and Contribution Information, continued

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest evenly over five years of service. Participants become eligible to retire with unreduced benefits at age 65 with 5 years of vesting service. The amount of monthly retirement benefits to be provided for each participant at their normal retirement date is equal to

1.5% of the participant's average annual compensation multiplied by the participant's total number of years of service limited to 35 years. The Plan also provides benefits in the event of death or disability. These benefit provisions and powers to amend the plan were established by a resolution executed by the County Board of Commissioners.

Current membership and current year payrolls are as follows:

Retirees and beneficiaries currently receiving benefits	23
Terminated vested participants entitled to but not yet receiving benefits	40
Active participants	137
Disabled participants currently receiving benefits	0
Total number of participants	200

Funding Policy

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, based on an actuarially determined rate. The current rate is 10.1% of annual covered payroll. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

14. Defined Benefit Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation

The net pension obligation was computed as part of an actuarial valuation performed as of January 1, 2012. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	7.75%
Projected salary increases due to:	
Inflation	3.0%
Merit	4.0% - 6.5%
Post-retirement benefit increases	none
Life expectancy before and after retirement (Group Annuity Mortality table)	1983

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate funds so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the projected unit credit actuarial funding method. The actuarial value of Rabun County's assets was determined

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate funds so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the projected unit credit actuarial funding method. The actuarial value of Rabun County's assets was determined using market value. The unfunded actuarially accrued liability is being amortized as a level dollar of projected payroll on a closed basis over a thirty-year period. The remaining amortization period at January 1, 2011 varies for the bases.

14. Defined Benefit Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation (continued)

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

Annual required contribution (ARC)	$ 512,013
Interest on net pension obligation	(64,862)
Adjustment to ARC	69,402
Annual pension cost	516,553
Contributions made	540,916
Increase (decrease) in net pension obligation	(24,363)
Net pension obligation - beginning of year	(836,935)
Net pension obligation - end of year	$ (861,298)

Historical Trend Information

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

Schedule of Employer Contributions

Plan Year Ended	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
12/31/2007	$ 424,367	$ 502,800	118%	$ (573,093)
12/31/2008	447,074	517,856	116%	(643,875)
12/31/2009	510,715	588,601	115%	(721,761)
12/31/2010	549,939	616,442	112%	(788,264)
12/31/2011	565,856	614,527	109%	(836,935)
12/31/2012	516,553	540,916	105%	(861,298)

14. Defined Benefit Pension Plan (continued)

Historical Trend Information (continued)

Schedule of Funding Progress

Plan Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2007	$ 1,923,573	$4,130,740	$ 2,207,167	46.6%	$3,924,187	56.2%
12/31/2008	2,277,476	4,673,006	2,395,530	48.7%	4,025,974	59.5%
12/31/2009	2,811,120	5,448,048	2,636,928	51.6%	4,340,888	60.7%
12/31/2010	3,352,457	5,966,639	2,614,182	56.2%	4,606,852	56.7%
12/31/2011	3,874,719	6,275,049	2,400,330	61.7%	4,809,558	49.9%
12/31/2012	4,378,176	6,333,968	1,955,792	69.1%	5,093,701	38.4%

15. Defined Contribution Plan

The County approved the adoption of the *Rabun County Matching Thrift Plan, a Defined Contribution Plan*, effective July 1, 1996. The plan is funded exclusively through the purchase of annuity contracts from the Variable Annuity Life Insurance company (VALIC). Beginning on July 1, 2011 the County no longer contributes to the plan. All employees are eligible for participation in the plan. Eligible employees may enter the plan in the first quarter after completion of one year of service. The plan can be amended by a majority vote of the Rabun County Board of Commissioners. As of July 1, 2011, the County no longer contributes to the plan. Employee contributions vest when made and employer contributions made before July 1, 2011 vest as follows:

Years of Service	% Vested
1	0%
2	0%
3	100%

Normal retirement age is 60. The plan does not provide for early retirement. During the fiscal year ended June 30, 2013, plan members made contributions to the plan of $243,576.

15. Defined Contribution Plan (continued)

The County has no fiduciary relationship with the plan, and plan assets are not available to the County or its general creditors. The Plan assets are held in trust by the administrator for the exclusive benefit of the participants of the Plan. The County Commission provides for the funding policy though a County ordinance and maintains the authority to change the policy. Separate financial statements are not issued for the Plan.

16. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the fiscal year ending June 30, 2013 follows:

Lodging tax receipts	$	88,090	
Disbursements for tourism and trade	$	88,090	100%

17. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the year ended June 30, 2013, the County paid $14,830 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, Georgia 30501.

On August 21, 2007, the Rabun County Economic Development Authority formed a joint authority with Habersham and Banks Counties. The initial investment in the joint authority was $10,000.

18. Risk Financing Activities

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

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agent and attorneys to represent the County in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

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

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2013, the County has no losses that are probable or estimable and accordingly has not recognized any liability.

19. Commitments and Contingencies

Contingencies

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

The County is a defendant in a lawsuit. Management intends to contest the open case vigorously. The County's legal counsel has stated that the outcome of the lawsuit is not presently determinable.

The County has guaranteed debt of the Development Authority of Rabun County. See Note 20 for details.

Commitments

The County has active construction projects as of June 30, 2013. At fiscal year end, the County's commitments with contractors are as follows:

Project	Amount Spent to Date	Remaining Commitment
Lake Rabun and Germany Mountain Road Project	$ 713,757	$ 214,365
Warwoman Fire Station	196,689	46,409
Phone System and New Server	243,604	52,504
	$ 1,154,050	$ 313,278

20. Nonexchange Financial Guarantee

On September 1, 2010, the County adopted a resolution authorizing the execution and delivery of an intergovernmental agreement between Rabun County, Georgia and the Rabun County Economic Development Authority, a discreetly presented component unit of Rabun County, Georgia. The intergovernmental agreement establishes Rabun County, Georgia as the guarantor of the 30-year, $12,890,000 Series 2010A Revenue Bond issuance and the $3,085,000 Series 2010B Revenue Bond issuance of the Rabun County Economic Development Authority. The contract requires the County to provide funds, which shall be sufficient to pay the principal and interest due on the bonds upon maturity. The bonds mature annually through July 1, 2040, with semiannual interest payments. As of June 30, 2013, the outstanding balance of the bonds is $15,809,167, net of unamortized bond discount. At June 30, 2013, the County has not made any payments on this guarantee, but is anticipating that the Authority may not be able to maintain the payments in the near future. However, as of the date of this report, the County has not made any payments on this guarantee.

COMBINING STATEMENTS

Nonmajor Governmental Funds

RABUN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

	Special Revenue Funds		
	Confiscated Assets	**Jail**	**Law Library**
ASSETS			
Cash and cash equivalents	$ 5,138	$ 151,921	$ 37,884
Receivables (net)			
Intergovernmental	0	4,100	0
Taxes	0	0	0
Total assets	$ 5,138	$ 156,021	$ 37,884
LIABILITIES AND FUND BALANCES			
Liabilities			
Payables			
Accounts	$ 704	$ 0	$ 0
Due to other funds	0	0	0
Total liabilities	704	0	0
Fund balances			
Restricted for:			
Judicial	0	0	37,884
Public safety	4,434	156,021	0
Total fund balances	4,434	156,021	37,884
Total liabilities and fund balances	$ 5,138	$ 156,021	$ 37,884

Special Revenue Funds			Total Nonmajor Governmental Funds
Juvenile Case Management	Drug Abuse Treatment Education	Hotel/Motel Tax	
$ 2,899	$ 30,172	$ 0	$ 228,014
0	1,740	0	5,840
0	0	19,975	19,975
$ 2,899	$ 31,912	$ 19,975	$ 253,829
$ 0	$ 299	$ 0	$ 1,003
0	0	19,975	19,975
0	299	19,975	20,978
2,899	31,613	0	72,396
0	0	0	160,455
2,899	31,613	0	232,851
$ 2,899	$ 31,912	$ 19,975	$ 253,829

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2013

	Special Revenue Funds		
	Confiscated Assets	**Jail**	**Law Library**
REVENUES			
Taxes	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	0	61,937	8,322
Intergovernmental	0	0	0
Interest	8	277	36
Total revenues	8	62,214	8,358
EXPENDITURES			
Current			
Judicial	0	0	6,552
Public safety	3,618	33,154	0
Housing and development	0	0	0
Total expenditures	3,618	33,154	6,552
Excess (deficiency) of revenues over (under) expenditures	(3,610)	29,060	1,806
Other financing sources (uses)			
Transfers in (out)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,610)	29,060	1,806
Fund balances, July 1	8,044	126,961	36,078
Fund balances, June 30	$ 4,434	$ 156,021	$ 37,884

Special Revenue Funds			Total Nonmajor Governmental Funds
Juvenile Case Management	Drug Abuse Treatment Education	Hotel/Motel Tax	
$ 0	$ 0	$ 88,080	$ 88,080
25	19,740	0	90,024
2,689	0	0	2,689
5	56	10	392
2,719	19,796	88,090	181,185
3,433	12,566	0	22,551
0	0	0	36,772
0	0	88,090	88,090
3,433	12,566	88,090	147,413
(714)	7,230	0	33,772
0	(8,000)	0	(8,000)
(714)	(770)	0	25,772
3,613	32,383	0	207,079
$ 2,899	$ 31,613	$ 0	$ 232,851

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GENERAL FUND

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

RABUN COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Cash and cash equivalents	$ 13,052,505	$ 11,388,137
Certificates of deposit	100,632	103,391
Receivables (net)		
Accounts	129,481	134,683
Intergovernmental	55,996	833,487
Taxes	214,264	165,209
Prepaids	206,533	202,883
Due from other funds	19,975	25,568
Restricted assets		
Cash and cash equivalents	98,703	99,398
Total assets	$ 13,878,089	$ 12,952,756
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
Liabilities		
Payables		
Accounts	$ 140,458	$ 58,431
Intergovernmental	29,166	22,426
Accrued salaries and expenses	62,258	67,474
Unearned revenue	200,000	0
Total liabilities	431,882	148,331
Deferred Inflows of Resources		
Unavailable revenue - property taxes	156,178	120,031
Fund balances		
Nonspendable prepaids	206,533	202,883
Restricted for health and welfare	98,703	99,398
Unassigned	12,984,793	12,382,113
Total fund balances	13,290,029	12,684,394
Total liabilities, deferred inflows, and fund balances	$ 13,878,089	$ 12,952,756

RABUN COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
REVENUES		
Taxes	$ 13,494,616	$ 14,619,773
Licenses and permits	55,937	64,508
Fines, fees and forfeitures	393,329	405,626
Charges for services	1,089,977	1,440,646
Intergovernmental	1,141,009	1,365,916
Interest	21,823	31,073
Contributions	500	125,196
Other	10,657	172,018
Total revenues	16,207,848	18,224,756
EXPENDITURES		
Current		
General Government	2,055,026	1,936,041
Judicial	900,299	950,774
Public Safety	6,664,352	7,426,149
Public Works	2,122,336	2,781,425
Health and Welfare	1,000,241	1,024,365
Culture and Recreation	986,125	1,048,233
Housing and Development	486,043	398,877
Total Current	14,214,422	15,565,864
Debt Service		
General Government	335,103	682,354
Public Works	36,039	49,940
Total Debt Service	371,142	732,294
Total expenditures	14,585,564	16,298,158
Excess (deficiency) of revenues over (under) expenditures	1,622,284	1,926,598
Other financing sources (uses)		
Transfers in (out)		
Drug Abuse Treatment Education Fund	8,000	0
Emergency 911 Fund	(100,000)	(674,946)
Solid Waste Fund	(744,897)	(833,749)
Golf Course Fund	(150,395)	(151,820)
Waste-Water Facility Fund	(100,000)	0
Proceeds from the sale of assets	70,643	44,928
Total other financing sources (uses)	(1,016,649)	(1,615,587)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	605,635	311,011
Fund balances, July 1	12,684,394	12,373,383
Fund balances, June 30	$ 13,290,029	$ 12,684,394

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current and prior year levies	$ 12,215,192	$ 11,856,763	$ (358,429)	$ 13,107,264
Motor vehicle tax	596,000	531,584	(64,416)	472,325
Mobile home tax	40,000	41,638	1,638	37,391
Cost, penalties, and interest	101,200	107,581	6,381	130,246
Total general property taxes	12,952,392	12,537,566	(414,826)	13,747,226
Real estate transfer tax	272,000	298,173	26,173	242,173
Franchise tax	17,000	12,328	(4,672)	22,335
Insurance premium tax	538,500	538,488	(12)	504,053
Alcohol excise tax	105,600	105,660	60	94,946
Occupational tax	0	2,401	2,401	9,040
Total taxes	13,885,492	13,494,616	(390,876)	14,619,773
Licenses and permits				
Alcohol licenses	34,800	34,750	(50)	31,450
Building permits	17,000	16,865	(135)	23,315
Other permits	8,800	4,322	(4,478)	9,743
Total licenses and permits	60,600	55,937	(4,663)	64,508
Fines, fees and forfeitures	397,700	393,329	(4,371)	405,626
Charges for Services				
Emergency medical services	733,000	722,796	(10,204)	783,325
Sheriff services	38,445	39,260	815	41,834
Prisoner board	97,500	17,974	(79,526)	299,620
Recreation fees	142,450	141,367	(1,083)	133,031
Senior center fees	102,000	81,479	(20,521)	85,250
Civic center fees	45,000	43,952	(1,048)	40,342
Collection commissions	12,000	12,986	986	13,253
Other charges for services	37,305	30,163	(7,142)	43,991
Total charges for services	1,207,700	1,089,977	(117,723)	1,440,646
Intergovernmental	1,705,046	1,141,009	(564,037)	1,365,916
Interest	35,500	21,823	(13,677)	31,073
Contributions	500	500	0	125,196
Other	9,793	10,657	864	172,018
Total revenues	$ 17,302,331	$ 16,207,848	$ (1,094,483)	$ 18,224,756

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
General Administration				
Personal services	$ 44,673	$ 46,079	$ (1,406)	$ 31,787
Contract services	443,650	239,721	203,929	208,668
Capital outlay	0	119,096	(119,096)	0
Total General Administration	488,323	404,896	83,427	240,455
Elections				
Personal services	107,115	106,345	770	76,763
Contract services	26,825	16,697	10,128	20,404
Materials and supplies	9,880	5,892	3,988	5,787
Total Elections	143,820	128,934	14,886	102,954
Board of Commissioners				
Personal services	406,427	404,126	2,301	410,569
Contract services	67,821	56,898	10,923	78,058
Materials and supplies	18,065	13,760	4,305	7,439
Total Board of Commissioners	492,313	474,784	17,529	496,066
Tax Commissioner				
Personal services	239,065	224,910	14,155	235,373
Contract services	56,745	50,447	6,298	49,495
Materials and supplies	6,680	5,906	774	5,119
Total Tax Commissioner	302,490	281,263	21,227	289,987
Tax Assessors				
Personal services	262,372	261,231	1,141	282,947
Contract services	58,424	53,958	4,466	30,644
Materials and supplies	9,400	3,054	6,346	3,444
Total Tax Assessors	330,196	318,243	11,953	317,035
Buildings and Properties				
Personal services	247,844	237,432	10,412	251,426
Contract services	88,782	79,761	9,021	107,499
Materials and supplies	150,790	129,713	21,077	130,619
Total Buildings and Properties	487,416	446,906	40,510	489,544
Total General Government	2,244,558	2,055,026	189,532	1,936,041
Judicial				
Clerk of Court				
Personal services	290,761	241,035	49,726	281,004
Contract services	61,845	62,561	(716)	76,048
Materials and supplies	7,700	7,102	598	12,571
Total Clerk of Court	360,306	310,698	49,608	369,623

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
Judicial (continued)				
Probate Court				
Personal services	$ 151,621	$ 146,442	$ 5,179	$ 151,466
Contract services	51,340	46,355	4,985	45,282
Materials and supplies	7,247	3,644	3,603	8,153
Total Probate Court	210,208	196,441	13,767	204,901
Administration of Justice				
Personal services	39,049	39,034	15	32,222
Contract services	90,670	94,192	(3,522)	88,461
Payments to other agencies	134,361	123,540	10,821	124,586
Total Administration of Justice	264,080	256,766	7,314	245,269
District Attorney				
Personal services	93,568	93,916	(348)	97,393
Contract services	34,660	33,076	1,584	26,621
Materials and supplies	13,520	9,402	4,118	6,967
Total District Attorney	141,748	136,394	5,354	130,981
Total Judicial	976,342	900,299	76,043	950,774
Public Safety				
Sheriff				
Personal services	1,257,146	1,239,670	17,476	1,216,179
Contract services	97,506	96,248	1,258	99,572
Materials and supplies	164,500	163,032	1,468	175,430
Capital outlay	68,100	65,094	3,006	100,769
Total Sheriff	1,587,252	1,564,044	23,208	1,591,950
Rabun County Jail				
Personal services	1,111,997	1,054,540	57,457	1,045,386
Contract services	253,098	227,667	25,431	269,431
Materials and supplies	379,940	349,920	30,020	345,281
Capital outlay	25,260	25,258	2	237,659
Total Rabun County Jail	1,770,295	1,657,385	112,910	1,897,757
Coroner				
Personal services	3,639	3,524	115	3,293
Contract services	8,477	4,917	3,560	5,404
Materials and supplies	2,264	719	1,545	1,603
Total Coroner	14,380	9,160	5,220	10,300
Emergency Management Agency				
Personal services	11,284	11,145	139	11,120
Contract services	31,244	29,393	1,851	17,312
Materials and supplies	38,251	26,600	11,651	22,891
Total Emergency Management Agency	80,779	67,138	13,641	51,323

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
Public Safety (continued)				
Fire Department				
Personal services	$ 258,487	$ 245,156	$ 13,331	$ 227,753
Contract services	144,898	132,984	11,914	106,497
Materials and supplies	281,005	272,515	8,490	297,343
Capital outlay	291,085	281,794	9,291	750,386
Total Fire Department	975,475	932,449	43,026	1,381,979
County Marshal				
Personal services	249,308	246,160	3,148	251,497
Contract services	11,523	10,873	650	9,175
Materials and supplies	16,894	10,563	6,331	10,556
Payments to other agencies	11,000	11,754	(754)	11,856
Total County Marshal	288,725	279,350	9,375	283,084
E911 Mapping & Addressing				
Personal services	107,368	107,007	361	103,092
Contract services	8,861	7,866	995	6,914
Materials and supplies	57,914	49,299	8,615	50,405
Total E911 Mapping & Addressing	174,143	164,172	9,971	160,411
Drug Task Force				
Personal services	50,926	50,445	481	54,069
Contract services	1,126	1,126	0	313
Total Drug Task Force	52,052	51,571	481	54,382
Emergency Medical Service				
Personal services	1,472,440	1,442,785	29,655	1,493,596
Contract services	120,395	107,978	12,417	110,029
Materials and supplies	145,360	123,870	21,490	114,297
Capital outlay	90,600	90,397	203	92,500
Total Emergency Medical Service	1,828,795	1,765,030	63,765	1,810,422
Boggs Mountain Animal Shelter				
Payments to other agencies	175,750	174,053	1,697	184,541
Total Public Safety	6,947,646	6,664,352	283,294	7,426,149
Public Works				
Roads and Bridges				
Personal services	1,201,549	1,106,764	94,785	1,104,621
Contract services	391,458	174,463	216,995	133,078
Materials and supplies	870,502	443,847	426,655	1,245,429
Capital outlay	298,939	298,512	427	132,653
Total Roads and Bridges	2,762,448	2,023,586	738,862	2,615,781

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
Public Works, continued				
Rabun County Water and Sewer Authority				
Payments to other agencies	$ 117,647	$ 98,750	$ 18,897	$ 165,644
Total Public Works	2,880,095	2,122,336	757,759	2,781,425
Health and Welfare				
Public Health				
Contract services	8,627	7,869	758	7,447
Materials and supplies	2,475	2,423	52	2,883
Payments to other agencies	280,928	270,883	10,045	284,784
Total Public Health	292,030	281,175	10,855	295,114
Public Welfare				
Contract services	2,800	2,800	0	1,150
Payments to other agencies	47,670	36,596	11,074	36,057
Total Public Welfare	50,470	39,396	11,074	37,207
Program on Aging				
Personal services	293,739	275,140	18,599	282,577
Contract services	39,906	36,735	3,171	40,758
Materials and supplies	260,933	256,845	4,088	251,572
Capital outlay	0	0	0	6,187
Payments to other agencies	8,450	8,450	0	8,450
Total Program on Aging	603,028	577,170	25,858	589,544
Court Appointed Special Advocates				
Payments to other agencies	7,500	7,500	0	7,500
F.A.I.T.H.				
Payments to other agencies	95,000	95,000	0	95,000
Total Health and Welfare	1,048,028	1,000,241	47,787	1,024,365
Culture and Recreation				
Civic Center				
Personal services	23,507	22,334	1,173	20,483
Contract services	25,186	24,140	1,046	27,623
Materials and supplies	35,470	31,979	3,491	29,845
Total Civic Center	84,163	78,453	5,710	77,951
Recreation				
Personal services	291,802	284,051	7,751	289,826
Contract services	97,640	81,944	15,696	96,379
Materials and supplies	182,900	155,674	27,226	168,251
Capital outlay	16,200	14,585	1,615	7,907
Total Recreation	588,542	536,254	52,288	562,363

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
Culture and Recreation, continued				
Rabun Arena				
Personal services	$ 51,156	$ 44,331	$ 6,825	$ 45,914
Contract services	20,313	19,300	1,013	6,720
Materials and supplies	50,175	39,597	10,578	40,161
Total Rabun Arena	121,644	103,228	18,416	92,795
Rabun County Library				
Personal services	24,000	17,669	6,331	12,481
Contract services	2,370	2,366	4	2,169
Payments to other agencies	243,630	243,655	(25)	295,974
Total Rabun County Library	270,000	263,690	6,310	310,624
Rabun County Historical Society				
Payments to other agencies	4,500	4,500	0	4,500
Total Culture and Recreation	1,068,849	986,125	82,724	1,048,233
Housing and Development				
Extension Service				
Personal services	19,165	18,876	289	15,206
Contract services	15,620	7,489	8,131	4,339
Materials and supplies	4,899	3,208	1,691	1,820
Total Extension Service	39,684	29,573	10,111	21,365
Planning Commission				
Personal services	58,337	57,693	644	59,010
Contract services	4,691	3,654	1,037	3,926
Materials and supplies	3,695	2,675	1,020	3,036
Total Planning Commission	66,723	64,022	2,701	65,972
Economic Development				
Payments to other agencies	462,248	384,294	77,954	303,214
Soil Erosion Control				
Personal services	7,906	7,694	212	7,515
Contract services	212	211	1	295
Materials and supplies	549	249	300	515
Total Soil Erosion Control	8,667	8,154	513	8,325
Total Housing and Development	577,322	486,043	91,279	398,876
Total Current	15,742,840	14,214,422	1,528,418	15,565,863

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
Debt Service				
General Government				
General Administration	$ 335,243	$ 335,103	$ 140	$ 682,354
Public Works				
Roads and Bridges	45,000	36,039	8,961	49,940
Total Debt Service	380,243	371,142	9,101	732,294
Total Expenditures	$ 16,123,083	$ 14,585,564	$ 1,537,519	$ 16,298,157

SPECIAL REVENUE FUNDS

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

Confiscated Assets Fund – This fund is used to account for the cash or property received from drug confiscations restricted for law enforcement.

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

Law Library Fund – This fund is used to account for fines and fees received restricted for operation of the Rabun County Law Library.

Juvenile Case Management Fund – This fund is used to account for fines and fees received restricted for juvenile supervision.

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

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

Hotel/Motel Tax Fund – This fund is used to account for hotel/motel tax collections restricted for trade and tourism in Rabun County.

RABUN COUNTY, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Cash and cash equivalents	$ 5,138	$ 8,044
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 704	$ 0
Fund balances		
Restricted for public safety	4,434	8,044
Total liabilities and fund balances	$ 5,138	$ 8,044

RABUN COUNTY, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 1,000	$ 0	$ (1,000)	$ 4,251
Interest	50	8	(42)	22
Total revenues	1,050	8	(1,042)	4,273
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	3,050	3,618	(568)	2,578
Total expenditures	3,050	3,618	(568)	2,578
Excess (deficiency) of revenues over (under) expenditures	(2,000)	(3,610)	(1,610)	1,695
Fund balances, July 1	2,000	8,044	6,044	6,349
Fund balances, June 30	$ 0	$ 4,434	$ 4,434	$ 8,044

RABUN COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Cash and cash equivalents	$ 151,921	$ 121,890
Intergovernmental receivable	4,100	5,071
Total assets	$ 156,021	$ 126,961
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for public safety	$ 156,021	$ 126,961
Total liabilities and fund balances	$ 156,021	$ 126,961

RABUN COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 71,450	$ 61,937	$ (9,513)	$ 71,656
Interest	500	277	(223)	327
Total revenues	71,950	62,214	(9,736)	71,983
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	71,950	33,154	38,796	37,157
Total expenditures	71,950	33,154	38,796	37,157
Excess (deficiency) of revenues over (under) expenditures	0	29,060	29,060	34,826
Fund balances, July 1	0	126,961	126,961	92,135
Fund balances, June 30	$ 0	$ 156,021	$ 156,021	$ 126,961

RABUN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Cash and cash equivalents	$ 37,884	$ 36,078
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for judicial	$ 37,884	$ 36,078

RABUN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 10,000	$ 8,322	$ (1,678)	$ 9,622
Interest	45	36	(9)	115
Total revenues	10,045	8,358	(1,687)	9,737
EXPENDITURES				
Current				
Judicial				
Contract services	2,400	2,400	0	2,400
Materials and supplies	7,645	4,152	3,493	4,694
Total expenditures	10,045	6,552	3,493	7,094
Excess (deficiency) of revenues over (under) expenditures	0	1,806	1,806	2,643
Fund balances, July 1	0	36,078	36,078	33,435
Fund balances, June 30	$ 0	$ 37,884	$ 37,884	$ 36,078

RABUN COUNTY, GEORGIA
JUVENILE CASE MANAGEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Cash and cash equivalents	$ 2,899	$ 2,869
Intergovernmental receivable	0	1,544
Total assets	$ 2,899	$ 4,413
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 0	$ 800
Fund balances		
Restricted for judicial	2,899	3,613
Total liabilities and fund balances	$ 2,899	$ 4,413

RABUN COUNTY, GEORGIA
JUVENILE CASE MANAGEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 0	$ 25	$ 25	$ 0
Intergovernmental	7,500	2,689	(4,811)	6,784
Interest	50	5	(45)	9
Total revenues	7,550	2,719	(4,831)	6,793
EXPENDITURES				
Current				
Judicial				
Contract services	7,550	3,433	4,117	6,038
Total expenditures	7,550	3,433	4,117	6,038
Excess (deficiency) of revenues over (under) expenditures	0	(714)	(714)	755
Fund balances, July 1	0	3,613	3,613	2,858
Fund balances, June 30	$ 0	$ 2,899	$ 2,899	$ 3,613

RABUN COUNTY, GEORGIA
DRUG ABUSE TREATMENT EDUCATION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Cash and cash equivalents	$ 30,172	$ 32,299
Intergovernmental receivable	1,740	84
Total assets	$ 31,912	$ 32,383
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 299	$ 0
Fund balances		
Restricted for judicial	31,613	32,383
Total liabilities and fund balances	$ 31,912	$ 32,383

RABUN COUNTY, GEORGIA
DRUG ABUSE TREATMENT EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 22,500	$ 19,740	$ (2,760)	$ 14,309
Interest	500	56	(444)	126
Total revenues	23,000	19,796	(3,204)	14,435
EXPENDITURES				
Current				
Judicial				
Personal services	0	0	0	5,415
Contract services	7,000	1,288	5,712	12,807
Materials and supplies	11,200	11,278	(78)	11,545
Total expenditures	18,200	12,566	5,634	29,767
Excess (deficiency) of revenues over (under) expenditures	4,800	7,230	2,430	(15,332)
Other financing sources (uses)				
Transfers in (out)				
General Fund	(8,000)	(8,000)	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,200)	(770)	2,430	(15,332)
Fund balances, July 1	3,200	32,383	29,183	47,715
Fund balances, June 30	$ 0	$ 31,613	$ 31,613	$ 32,383

RABUN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Cash and cash equivalents	$ 66,402	$ 754,452
Accounts receivable (net)	79,246	77,377
Total assets	$ 145,648	$ 831,829
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 1,085	$ 403,450
Intergovernmental payable	0	166
Accrued salaries and expenses	6,005	6,005
Total liabilities	7,090	409,621
Fund balances		
Assigned to public safety	138,558	422,208
Total liabilities and fund balances	$ 145,648	$ 831,829

RABUN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 381,000	$ 354,853	$ (26,147)	$ 344,587
Interest	0	118	118	2,307
Total revenues	381,000	354,971	(26,029)	346,894
EXPENDITURES				
Current				
Public Safety				
Personal Services	590,809	547,083	43,726	612,241
Contract services	185,964	159,884	26,080	189,310
Materials and supplies	27,270	17,384	9,886	24,724
Capital outlay	0	14,270	(14,270)	575,000
Total expenditures	804,043	738,621	65,422	1,401,275
Excess (deficiency) of revenues over (under) expenditures	(423,043)	(383,650)	39,393	(1,054,381)
Other financing sources (uses)				
Transfers in (out)				
General Fund	423,043	100,000	(323,043)	674,946
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(283,650)	(283,650)	(379,435)
Fund balances, July 1	0	422,208	422,208	801,643
Fund balances, June 30	$ 0	$ 138,558	$ 138,558	$ 422,208

RABUN COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Taxes receivable	$ 19,975	$ 25,568
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	$ 19,975	$ 25,568
Fund balances		
Restricted for housing and development	0	0
Total liabilities and fund balances	$ 19,975	$ 25,568

RABUN COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	$ 88,100	$ 88,080	$ (20)	$ 84,351
Interest	0	10	10	0
Total revenues	88,100	88,090	(10)	84,351
EXPENDITURES				
Current				
Housing and Development				
Tourism				
Rabun County Convention and Visitors Bureau	88,100	88,090	10	84,351
Total expenditures	88,100	88,090	10	84,351
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
Fund balances, July 1	0	0	0	0
Fund balances, June 30	$ 0	$ 0	$ 0	$ 0

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CAPITAL PROJECTS FUNDS

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

Special Purpose Local Option Sales Tax #4 Fund – This fund is used to account for long-term projects financed by the 2002 passage of a special purpose local option sales tax.

Special Purpose Local Option Sales Tax #5 Fund – This fund is used to account for long-term projects financed by the 2007 passage of a special purpose local option sales tax.

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #4
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Cash and cash equivalents	$ 0	$ 0
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 0	$ 0
Fund balances		
Restricted for capital outlay	0	0
Total liabilities and fund balances	$ 0	$ 0

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #4
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2013 and 2012

REVENUES	**2013**	**2012**
Interest	$ 0	$ 245
Total revenues	0	245
EXPENDITURES		
Capital outlay		
Public Works		
Roads and Bridges	0	379,950
Total expenditures	0	379,950
Excess (deficiency) of revenues over (under) expenditures	0	(379,705)
Fund balances, July 1	0	379,705
Fund balances, June 30	$ 0	$ 0

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Cash and cash equivalents	$ 7,144,601	$ 6,821,180
Taxes receivable	301,802	324,800
Total assets	$ 7,446,403	$ 7,145,980
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 722,007	$ 10,248
Retainage payable	35,688	0
Total liabilities	757,695	10,248
Fund balances		
Restricted for capital outlay	6,688,708	7,135,732
Total liabilities and fund balances	$ 7,446,403	$ 7,145,980

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2013 and 2012

REVENUES	**2013**	**2012**
Taxes	$ 3,230,138	$ 3,389,341
Interest	11,946	19,871
Total revenues	3,242,084	3,409,212
EXPENDITURES		
Capital Outlay		
Public Safety		
Fire Department	456,441	124,134
Public Works		
Roads and Bridges	1,481,773	166,489
Health and Welfare		
Public Health	124,509	471,080
Culture and Recreation		
Rabun Arena	0	164,011
Debt Service	1,626,385	1,860,638
Total expenditures	3,689,108	2,786,352
Excess (deficiency) of revenues over (under) expenditures	(447,024)	622,860
Fund balances, July 1	7,135,732	6,512,872
Fund balances, June 30	$ 6,688,708	$ 7,135,732

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ENTERPRISE FUNDS

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

Solid Waste Fund – This fund is used to account for the activities of solid waste disposal and recycling programs for Rabun County.

Waste-Water Facility Fund – This fund is used to account for activities connected with the waste water and water treatment facility of Rabun County.

Golf Course Fund – This fund is used to account for activities connected with the operations of a public golf course owned by Rabun County.

RABUN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 94,550	$ 31,268
Accounts receivable (net)	63,013	34,668
Total current assets	157,563	65,936
Capital assets		
Land and land improvements	1,106,031	1,106,031
Buildings	577,300	577,300
Machinery and equipment	720,855	720,855
Vehicles	396,491	396,491
Accumulated depreciation	(777,697)	(703,222)
Total capital assets (net of accumulated depreciation)	2,022,980	2,097,455
Total assets	2,180,543	2,163,391
LIABILITIES		
Current liabilities		
Accounts payable	32,747	25,668
Intergovernmental payable	64	92
Accrued salaries and other payroll liabilities	5,828	6,274
Compensated absences	15,583	18,452
Closure/post-closure care	72,076	50,744
Total current liabilities	126,298	101,230
Noncurrent liabilities		
Closure/post-closure care	2,850,282	2,930,627
Total liabilities	2,976,580	3,031,857
NET POSITION		
Invested in capital assets	2,022,980	2,097,455
Unrestricted	(2,819,017)	(2,965,921)
Total net position	$ (796,037)	$ (868,466)

RABUN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2013 and 2012

OPERATING REVENUES	**2013**	**2012**
Charges for sales and services	$ 437,451	$ 396,001
Total operating revenues	437,451	396,001
OPERATING EXPENSES		
Costs of sales and services	400,256	492,425
Personal services	635,302	688,316
Depreciation	74,475	74,829
Total operating expenses	1,110,033	1,255,570
Operating income (loss)	(672,582)	(859,569)
Non-operating revenues (expenses)		
Interest revenue	114	40
Net income (loss) before capital contributions and transfers	(672,468)	(859,529)
Capital contributions		
Capital contributions	0	62,607
Net income (loss) before transfers	(672,468)	(796,922)
Transfers in (out)		
General fund	744,897	833,749
Change in net position	72,429	36,827
Net position, July 1	(868,466)	(905,293)
Net position, June 30	$ (796,037)	$ (868,466)

RABUN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Receipts from customers	$ 409,106	$ 452,988
Payments to suppliers	(452,218)	(514,440)
Payments to employees	(638,617)	(687,872)
Net cash provided (used) by operating activities	(681,729)	(749,324)
Cash flows from non-capital financing activities:		
Receipts from other funds	744,897	833,749
Payments to other funds	0	(53,247)
Net cash provided (used) by non-capital financing activities	744,897	780,502
Cash flows from investing activities:		
Interest received	114	40
Net increase (decrease) in cash and cash equivalents	63,282	31,218
Cash and cash equivalents, July 1	31,268	50
Cash and cash equivalents, June 30	$ 94,550	$ 31,268
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (672,582)	$ (859,569)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	74,475	74,829
Closure/post-closure care costs	(59,013)	(18,888)
(Increase) decrease in accounts receivable	(28,345)	56,987
Increase (decrease) in accounts payable	7,079	(3,219)
Increase (decrease) in intergovernmental payable	(28)	92
Increase (decrease) in accrued payroll liabilities	(3,315)	444
Total adjustments	(9,147)	110,245
Net cash provided (used) by operating activities	$ (681,729)	$ (749,324)

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 406,844	$ 232,638
Receivables (net)		
Accounts	214	91,637
Intergovernmental	0	69,406
Total current assets	407,058	393,681
Capital assets		
Land and land improvements	172,980	172,980
Buildings	3,570,442	3,570,442
Vehicles	9,199	9,199
Accumulated depreciation	(127,625)	(6,770)
Total capital assets (net of accumulated depreciation)	3,624,996	3,745,851
Total assets	4,032,054	4,139,532
LIABILITIES		
Current liabilities		
Payables		
Accounts	12,290	5,908
Intergovernmental	29	4,899
Interest	15,389	509,248
Accrued salaries and other payroll liabilities	1,340	1,340
Compensated absences	9,727	9,079
Notes payable	151,235	52,874
Total current liabilities	190,010	583,348
Noncurrent liabilities		
Notes payable	4,352,768	3,842,897
Total liabilities	4,542,778	4,426,245
NET POSITION		
Net invested in capital assets	(879,007)	(149,920)
Unrestricted	368,283	(136,793)
Total net position	$ (510,724)	$ (286,713)

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2013 and 2012

OPERATING REVENUES	**2013**	**2012**
Charges for sales and services	$ 284,154	$ 206,771
Total operating revenues	284,154	206,771
OPERATING EXPENSES		
Costs of sales and services	180,547	140,720
Personal services	139,313	123,582
Depreciation	120,855	2,171
Total operating expenses	440,715	266,473
Operating income (loss)	(156,561)	(59,702)
Non-operating revenues (expenses)		
Interest revenue	728	840
Interest expense	(168,178)	(148,757)
Total non-operating revenues (expenses)	(167,450)	(147,917)
Net income (loss) before transfers	(324,011)	(207,619)
Transfers in (out)		
General fund	100,000	0
Change in net position	(224,011)	(207,619)
Net position, July 1	(286,713)	(79,094)
Net position, June 30	$ (510,724)	$ (286,713)

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Receipts from customers	$ 375,577	$ 157,667
Payments to suppliers	(179,035)	(148,147)
Payments to employees	(138,665)	(120,804)
Net cash provided (used) by operating activities	57,877	(111,284)
Cash flows from non-capital financing activities:		
Receipts from other funds	100,000	0
Payments to other funds	0	(28,685)
Net cash provided (used) by non-capital financing activities	100,000	(28,685)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	0	(382,308)
Receipts from other governments	69,406	0
Interest payments	(46,417)	0
Principal payments - notes payable	(36,851)	0
Proceeds from notes payable	29,463	458,592
Net cash provided (used) by capital and related financing activities	15,601	76,284
Cash flows from investing activities:		
Interest received	728	840
Net increase (decrease) in cash and cash equivalents	174,206	(62,845)
Cash and cash equivalents, July 1	232,638	295,483
Cash and cash equivalents, June 30	$ 406,844	$ 232,638
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (156,561)	$ (59,702)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	120,855	2,171
(Increase) decrease in accounts receivable	91,423	(49,104)
Increase (decrease) in accounts payable	6,382	(8,446)
Increase (decrease) in intergovernmental payable	(4,870)	1,019
Increase (decrease) in accrued payroll liabilities	648	2,778
Total adjustments	214,438	(51,582)
Net cash provided (used) by operating activities	$ 57,877	$ (111,284)

Noncash capital and related financing activities:

Proceeds from notes payable through intergovernmental receivables totaled $0 and $69,406 for the fiscal years ended June 30, 2013 and 2012, respectively.

Proceeds from notes payable through interest payable total $615,619 and $0 for the fiscal years ended June 30, 2013 and 2012, respectively.

RABUN COUNTY, GEORGIA
GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2013 and 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 59,240	$ 53,665
Capital assets		
Land and land improvements	19,800	19,800
Buildings	120,002	120,002
Machinery and equipment	145,417	138,417
Accumulated depreciation	(216,273)	(204,119)
Total capital assets (net of accumulated depreciation)	68,946	74,100
Total assets	128,186	127,765
LIABILITIES		
Current liabilities		
Accounts payable	499	160
Intergovernmental payable	27	33
Accrued salaries and other payroll liabilities	2,274	1,828
Compensated absences	12,086	9,338
Total current liabilities	14,886	11,359
NET POSITION		
Invested in capital assets	68,946	74,100
Unrestricted	44,354	42,306
Total net position	$ 113,300	$ 116,406

RABUN COUNTY, GEORGIA
GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2013 and 2012

OPERATING REVENUES	**2013**	**2012**
Charges for sales and services	$ 95,815	$ 99,712
Total operating revenues	95,815	99,712
OPERATING EXPENSES		
Costs of sales and services	56,569	61,527
Personal services	180,699	158,965
Depreciation	12,154	12,140
Total operating expenses	249,422	232,632
Operating income (loss)	(153,607)	(132,920)
Non-operating revenues (expenses)		
Interest revenue	106	195
Net income (loss) before transfers	(153,501)	(132,725)
Transfer in (out)		
General Fund	150,395	151,820
Change in net position	(3,106)	19,095
Net position, July 1	116,406	97,311
Net position, June 30	$ 113,300	$ 116,406

RABUN COUNTY, GEORGIA
GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Receipts from customers	$ 95,815	$ 99,712
Payments to suppliers	(56,236)	(61,375)
Payments to employees	(177,505)	(158,652)
Net cash provided (used) by operating activities	(137,926)	(120,315)
Cash flows from non-capital financing activities:		
Receipts from other funds	150,395	151,820
Payments to other funds	0	(43,234)
Net cash provided (used) by non-capital financing activities	150,395	108,586
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(7,000)	0
Cash flows from investing activities:		
Interest received	106	195
Net increase (decrease) in cash and cash equivalents	5,575	(11,534)
Cash and cash equivalents, July 1	53,665	65,199
Cash and cash equivalents, June 30	$ 59,240	$ 53,665
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (153,607)	$ (132,920)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	12,154	12,140
Increase (decrease) in accounts payable	339	119
Increase (decrease) in intergovernmental payable	(6)	33
Increase (decrease) in accrued payroll liabilities	3,194	313
Total adjustments	15,681	12,605
Net cash provided (used) by operating activities	$ (137,926)	$ (120,315)

AGENCY FUNDS

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

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

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

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

RABUN COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2013

	Tax Commissioner	Clerk of Superior Court
ASSETS		
Cash	$ 471,189	$ 112,832
Taxes receivable, net	745,692	0
Total assets	$ 1,216,881	$ 112,832
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other agencies	$ 1,216,881	$ 112,832

Probate Court	Magistrate Court	Sheriff Department	Totals
$ 26,923	$ 2,574	$ 10,316	$ 623,834
0	0	0	745,692
$ 26,923	$ 2,574	$ 10,316	$ 1,369,526
$ 26,923	$ 2,574	$ 10,316	$ 1,369,526

RABUN COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2013

	Balance July 1	Additions	Deletions	Balance June 30
TAX COMMISSIONER				
ASSETS				
Cash	$ 278,728	$ 28,197,692	$ 28,005,231	$ 471,189
Taxes receivable, net	610,840	745,692	610,840	745,692
Total	$ 889,568	$ 28,943,384	$ 28,616,071	$ 1,216,881
LIABILITIES				
Due to other agencies	$ 889,568	$ 28,943,384	$ 28,616,071	$ 1,216,881
CLERK OF SUPERIOR COURT				
ASSETS				
Cash	$ 138,828	$ 1,277,729	$ 1,303,725	$ 112,832
LIABILITIES				
Due to other agencies	$ 138,828	$ 1,277,729	$ 1,303,725	$ 112,832
PROBATE COURT				
ASSETS				
Cash	$ 26,064	$ 342,691	$ 341,832	$ 26,923
LIABILITIES				
Due to other agencies	$ 26,064	$ 342,691	$ 341,832	$ 26,923
MAGISTRATE COURT				
ASSETS				
Cash	$ 33	$ 130,999	$ 128,458	$ 2,574
LIABILITIES				
Due to other agencies	$ 33	$ 130,999	$ 128,458	$ 2,574
SHERIFF DEPARTMENT				
ASSETS				
Cash	$ 11,883	$ 60,119	$ 61,686	$ 10,316
LIABILITIES				
Due to other agencies	$ 11,883	$ 60,119	$ 61,686	$ 10,316
TOTALS				
ASSETS				
Cash	$ 455,536	$ 30,009,230	$ 29,840,932	$ 623,834
Taxes receivable, net	610,840	745,692	610,840	745,692
Total	$ 1,066,376	$ 30,754,922	$ 30,451,772	$ 1,369,526
LIABILITIES				
Due to other agencies	$ 1,066,376	$ 30,754,922	$ 30,451,772	$ 1,369,526

OTHER REPORTING SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Rabun County, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Rabun County, Georgia's basic financial statements and have issued our report thereon dated December 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rabun 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 Rabun County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Rabun 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 internal control, described below that we consider to be significant deficiencies:

Comment 13-1

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

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

Effect: Failure to understand the vast amount of requirements for reporting in financial statements may lead to material misstatements.

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

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

Comment 13-2

Condition: While performing audit procedures on building permits, we noted that deposits are made only monthly.

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

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

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

Management Response: Management concurs with this finding. Management has advised the Department Head to implement the recommendation to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

Comment 13-3

Condition: While performing audit procedures at the Clerk of Court, we noted that no supporting documentation for voided transactions is being maintained.

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

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

Comment 13-3, continued

Recommendation: Original supporting documentation should be retained for all voided transactions documenting the reason for the void.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rabun 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.*

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 18, 2013

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STATE REPORTING SECTION

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

RABUN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2013

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST # 4					
Roads, Streets and Bridges	$ 6,750,000	$ 6,750,000	$ 3,554,724	$ 0	$ 3,554,724
County Jail	4,000,000	4,000,000	6,655,408	0	6,655,408
Recreational Facilities	4,000,000	4,000,000	4,162,566	0	4,162,566
County Administration	1,000,000	1,000,000	1,095,213	0	1,095,213
Fire Fighting Equipment	250,000	250,000	250,000	0	250,000
Total	$ 16,000,000	$ 16,000,000	$ 15,717,911	$ 0	$ 15,717,911
SPLOST # 5					
Roads, Streets and Bridges	$ 7,541,850	$ 7,541,850	$ 166,489	$ 1,481,773	$ 1,648,262
Hospital Building	3,500,000	3,500,000	2,861,838	24,610	2,886,448
Multipurpose Arena	1,500,000	1,500,000	2,929,005	25,187	2,954,192
Health Department	1,000,000	1,000,000	875,561	132,038	1,007,599
Fire Fighting Equipment	1,000,000	1,000,000	126,496	456,441	582,937
Courthouse	900,000	900,000	968,215	8,326	976,541
City of Clayton	2,058,000	2,058,000	2,058,000	0	2,058,000
City of Dillard	450,000	450,000	450,000	0	450,000
City of Sky Valley	450,000	450,000	450,000	0	450,000
Mountain City	300,000	300,000	300,000	0	300,000
City of Tiger	300,000	300,000	300,000	0	300,000
City of Tallulah Falls	150,000	150,000	150,000	0	150,000
Total	$ 19,149,850	$ 19,149,850	$ 11,635,604	$ 2,128,375	$ 13,763,979

Current year SPLOST #5 Expenditures	$ 2,128,375
Debt proceeds expended	1,560,733
Total expenditures of the SPLOST #5 Capital Projects Fund	$ 3,689,108

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

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