RABUN COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2014

This page intentionally left blank.

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

TABLE OF CONTENTS

INTRODUCTORY SECTION:		**Page(s)**
	Table of Contents	**i-v**
FINANCIAL SECTION:		
	Independent Auditor's Report	**1-3**
	Management's Discussion and Analysis	**4-9**
BASIC FINANCIAL STATEMENTS		
Exhibit		
	Government-wide Statements	
A-1	Statement of Net Position	**10-11**
A-2	Statement of Activities	**12**
	Fund Financial Statements	
A-3	Balance Sheet – Governmental Funds	**13**
A-4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	**14**
A-5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	**15**
A-6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	**16**
A-7	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) to Actual – General Fund	**17-18**
A-8	Statement of Net Position – Proprietary Funds	**19**
A-9	Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	**20**

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Exhibit		Page(s)
A-10	Statement of Cash Flows – Proprietary Funds	**21**
A-11	Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	**22**
A-12	Combining Statement of Net Position – Component Units	**23**
A-13	Combining Statement of Activities – Component Units	**24**
A-14	**Notes to the Financial Statements**	**26-62**

Item #		Page #
1.	Description of Government Unit	**25**
2.	Summary of Significant Accounting Policies	**25-39**
3.	Deposit and Investment Risk	**39-40**
4.	Accounts Receivable	**40**
5.	Intergovernmental Receivables	**41**
6.	Property Taxes	**41**
7.	Interfund Receivables and Payables	**42**
8.	Interfund Transfers	**42-43**
9.	Capital Assets	**43-46**
10.	Capital and Operating Lease Agreements	**46**
11.	Long-Term Debt	**47-50**
12.	Landfill Post-Closure Care Costs	**51**
13.	Restricted, Committed, and Assigned Fund Balances	**52**
14.	Changes in Beginning Balances	**52**
15.	Defined Benefit Pension Plan	**53-56**
16.	Defined Contribution Plan	**57**
17.	Hotel/Motel Lodging Tax	**57**
18.	Joint Ventures	**58**
19.	Risk Financing Activities	**58-59**
20.	Commitments and Contingencies	**59-60**
21.	Nonexchange Financial Guarantee	**60-61**

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Exhibit		Page (s)
B-1	Combining Balance Sheet – Nonmajor Governmental Funds	**62-63**
B-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	**64-65**
	GENERAL FUND	
C-1	Comparative Balance Sheets	**66**
C-2	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	**67**
C-3	Schedule of Revenues – Budget (GAAP Basis) and Actual	**68**
C-4	Schedule of Expenditures – Budget (GAAP Basis) and Actual	**69-74**
	SPECIAL REVENUE FUNDS	
D-1	Confiscated Assets Special Revenue Fund Comparative Balance Sheets	**75**
D-2	Confiscated Assets Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**76**
D-3	Jail Special Revenue Fund Comparative Balance Sheets	**77**
D-4	Jail Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**78**
D-5	Law Library Special Revenue Fund Comparative Balance Sheets	**79**
D-6	Law Library Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balances	**80**
D-7	Juvenile Case Management Special Revenue Fund Comparative Balance Sheets	**81**
D-8	Juvenile Case Management Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**82**
D-9	Drug Abuse Treatment Education Special Revenue Fund Comparative Balance Sheets	**83**

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page (s)
	SPECIAL REVENUE FUNDS (continued)	
D-10	Drug Abuse Treatment Education Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**84**
D-11	Emergency 911 Special Revenue Fund Comparative Balance Sheets	**85**
D-12	Emergency 911 Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**86**
D-13	Hotel/Motel Tax Special Revenue Fund Comparative Balance Sheets	**87**
D-14	Hotel/Motel Tax Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**88**
	CAPITAL PROJECTS FUND	
E-1	Special Purpose Local Option Sales Tax #5 Capital Projects Fund Comparative Balance Sheets	**89**
E-2	Special Purpose Local Option Sales Tax #5 Capital Projects Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	**90**
E-3	Special Purpose Local Option Sales Tax #6 Capital Projects Fund Balance Sheet	**91**
E-4	Special Purpose Local Option Sales Tax #6 Capital Projects Fund Statement of Revenues, Expenditures and Changes in Fund Balances	**92**
	ENTERPRISE FUNDS	
F-1	Solid Waste Enterprise Fund Comparative Statements of Net Assets	**93**
F-2	Solid Waste Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Assets	**94**
F-3	Solid Waste Enterprise Fund Comparative Statements of Cash Flows	**95**
F-4	Waste-Water Facility Enterprise Fund Comparative Statements of Net Assets	**96**

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page (s)
	ENTERPRISE FUNDS (continued)	
F-5	Waste-Water Facility Enterprise Fund Comparative Statements of Revenues, Expenses, and Changes in Net Assets	**97**
F-6	Waste-Water Facility Enterprise Fund Comparative Statements of Cash Flows	**98**
F-7	Golf Course Enterprise Fund Comparative Statements of Net Assets	**99**
F-8	Golf Course Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Assets	**100**
F-9	Golf Course Enterprise Fund Comparative Statements of Cash Flows	**101**
	AGENCY FUNDS	
G-1	Combining Balance Sheet	**102-103**
G-2	Statement of Changes in Assets and Liabilities	**104**
	SINGLE AUDIT SECTION	
	Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	**105-106**
	Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	**107-108**
H-1	Schedule of Expenditures of Federal Awards	**109**
H-2	Notes to the Schedule of Expenditures of Federal Awards	**110**
H-3	Schedule of Findings and Questioned Costs	**111-113**
	STATE REPORTING SECTION	
I-1	Schedule of Projects Financed with Special Purpose Local Option Sales Tax	**114-115**

This page intentionally left blank.

RUSHTON & COMPANY

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Rabun County Health Department, a component unit of Rabun County, Georgia, which represent 4.8 percent, 70.3 percent, and 23.7 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Rabun County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Rabun County, Georgia's basic financial statements for the year ended June 30, 2013, which are not presented with the accompanying financial statements. In our report dated December 18, 2013, we expressed unmodified 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 2013 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2014, on our consideration of Rabun County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rabun County, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 23, 2014

This page intentionally left blank.

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, 2014. 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, 2014.

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 10-12)** 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 include:

Statement of net position presents the County's position 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 13-22) 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

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 #5 and #6, 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 report.

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 13-18 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 separately 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 - 115 of this report. This report also includes two schedules (pages 14 and 16), 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 a decrease in net position during FY 2014 of $19.58 million ($2.23 million current year and $17.35 million prior period adjustment), of which $19.65 million was a decrease in governmental activities and $0.07 million was an increase in the business-type activities. At June 30, 2014, the County had $51.37 million invested in capital position, net of debt and accumulated depreciation, ($4.32) million in restricted net position and ($6.07) million of unrestricted net position (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 2014

RABUN COUNTY, GEORGIA'S NET POSITION
June 30, 2014 and 2013
($ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Cash and investments	$ 25,995	$ 20,691	$ 337	$ 561	$ 26,332	$ 21,252
Other assets	2,134	1,874	58	63	2,192	1,937
Capital assets	50,745	50,994	5,824	5,717	56,569	56,711
Total assets	78,874	73,559	6,219	6,341	85,093	79,900
Current liabilities	3,300	3,080	309	331	3,609	3,411
Noncurrent Liabilities	24,833	88	7,035	7,203	31,868	7,291
Total liabilities	28,133	3,168	7,344	7,534	35,477	10,702
Net position:						
Net Invested in capital assets	49,898	48,633	1,471	1,213	51,369	49,846
Restricted	4,321	7,020	0	0	4,321	7,020
Unrestricted	(3,479)	14,738	(2,595)	(2,406)	(6,074)	12,332
Total net position	$ 50,740	$ 70,391	$ (1,124)	$ (1,193)	$ 49,616	$ 69,198

RABUN COUNTY GEORGIA'S CHANGES IN NET POSITION
FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

($ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program revenues						
Charges for services	$ 2,090	$ 1,984	$ 909	$ 818	$ 2,999	$ 2,802
Operating grants and contributions	633	607	247	0	880	607
Capital grants and contributions	334	537	0	0	334	537
General revenues					0	
Taxes	16,825	16,849	0	0	16,825	16,849
Interest	101	34	1	1	102	35
Other	115	40	2	0	117	40
Total revenues	20,098	20,051	1,159	819	21,257	20,870
EXPENSES						
Program Expenses:						
General Government	1,929	2,065	0	0	1,929	2,065
Judicial	987	927	0	0	987	927
Public Safety	8,634	8,044	0	0	8,634	8,044
Public Works	5,447	2,990	0	0	5,447	2,990
Health and Welfare	1,111	1,088	0	0	1,111	1,088
Culture and Recreation	1,239	1,245	0	0	1,239	1,245
Housing and Development	1,757	580	0	0	1,757	580
Interest and paying agent fees	232	70	0	0	232	70
Solid Waste	0	0	1,156	1,110	1,156	1,110
Waste Water Facility	0	0	739	609	739	609
Golf Course	0	0	263	249	263	249
Total expenses	21,336	17,009	2,158	1,968	23,494	18,977
Excess (Deficiency) before Transfers	(1,238)	3,042	(999)	(1,149)	(2,237)	1,893
Transfers (Out) In	(1,067)	(995)	1,067	995	0	0
Increase (Decrease) in net position	(2,305)	2,047	68	(154)	(2,237)	1,893
Net position, beginning	70,391	68,357	(1,193)	(1,039)	69,198	67,318
Prior period adjustment	(17,346)	(13)	0	0	(17,346)	(13)
Net position, ending	$ 50,740	$ 70,391	$ (1,125)	$ (1,193)	$ 49,615	$ 69,198

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 increased $60 thousand from FY 2013. Taxes increased $72 thousand and intergovernmental revenues decreased $196 thousand.

Tax revenues consisted of $16.9 million, of which $3.2 million came from local SPLOST revenue in the governmental funds.

Expenditures in the governmental funds were $22.1 million of which approximately $2.7 million going toward the purchase or construction of capital assets.

There was a $2.9 million increase in governmental expenditures due mainly to an increase of $1.1 million increase in housing and development expenditures for the guarantee liability payments with Rabun County Economic Development Authority and other capital outlays.

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 350,000.00

Because we budget very conservatively on all revenues and expenditures, we collected more than anticipated or budgeted. This insures us that we do not fall short at the end of the year. Rabun County collected a little over $220,000 additional on prior year property tax collections and approximately $80,000 more on Motor Vehicle Tax. In additional to this we collected $50,000 from FEMA to reimburse the expenses for a disaster.

CAPITAL ASSETS & LONG TERM DEBT

Capital Assets. Rabun County's government-wide investment in capital assets at June 30, 2013 was $95.3 million, net of $38.7 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 43 - 46. Government-wide capital additions in FY 2014 were approximately $2.9 million.

Major capital asset activity in 2014 was:

The County completed new Warwoman Fire Department Building and the Cherchero Fire Department Building .

Long-term debt. At June 30, 2014, Rabun County had $34.3 million in debt including bonds and notes payable, capital leases, landfill closure/postclosure care costs and guarantee liabilities; this is an increase in total of $7.9 million from FY 2013. The increase in debt was due to issuance of bonds during fiscal year 2014. Additional information on the County's long-term debt can be found in Note 11 found on pages 47 - 50.

Prior period restatements. A prior period restatement was made in fiscal year 2014 in accordance with GASB 70 to record a guarantee liability for the Rabun County Economic Development Authority. See Note 14 on page 52 for details.

ECONOMIC FACTORS AND THE 2015 BUDGET

The economy in the County seems to be steady; for example, the un-employment rate in the County of 8.6% is in line with the State average. The County will adhere to strict budget controls for FY 2015.

Funding for the operations of the County come from three primary sources: taxes, charges for services and fines. We have no plans of using fund balance to balance the 2015.

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.

BASIC FINANCIAL STATEMENTS

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

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 17,156,163	$ 337,609	$ 17,493,772	$ 1,084,327
Certificates of deposit	100,632	0	100,632	16,146
Restricted assets				
Cash and cash equivalents	8,738,384	0	8,738,384	686,963
Receivables (net)				
Accounts	271,761	58,399	330,160	3,363
Intergovernmental	59,095	0	59,095	327
Taxes	774,980	0	774,980	0
Notes	0	0	0	16,757
Prepaids	164,719	0	164,719	0
Total current assets	27,265,734	396,008	27,661,742	1,807,883
Noncurrent assets				
Capital assets				
Non-depreciable	2,397,324	1,502,243	3,899,567	1,263,423
Depreciable (net)	48,347,129	4,321,414	52,668,543	12,514,744
Other assets				
Notes receivable	0	0	0	17,519
Investment in joint venture	0	0	0	10,001
Pension asset	864,304	0	864,304	0
Total noncurrent assets	51,608,757	5,823,657	57,432,414	13,805,687
Total assets	78,874,491	6,219,665	85,094,156	15,613,570
LIABILITIES				
Current liabilities				
Payables				
Accounts	347,997	16,097	364,094	13,893
Intergovernmental	492,234	130	492,364	24,379
Retainage	25,650	0	25,650	0
Interest	23,475	14,872	38,347	0
Accrued salaries and expenses	97,599	13,680	111,279	0
Compensated absences	314,910	42,437	357,347	36,000
Guarantee obligation	981,533	0	981,533	0
Capital lease payable	87,201	0	87,201	0
Notes payable	0	157,554	157,554	0
Bonds payable	930,000	0	930,000	350,000
Closure/post-closure care	0	64,285	64,285	0
Liabilities payable from restricted assets				
Payables				
Customer deposits	0	0	0	20,425
Interest	0	0	0	315,218
Total current liabilities	3,300,599	309,055	3,609,654	759,915

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

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

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	$ 0	$ 0	$ 0	$ 3,020
Guarantee obligation	16,555,463	0	16,555,463	0
Notes payable	0	4,195,214	4,195,214	0
Bonds payable	8,278,196	0	8,278,196	15,465,309
Closure/post-closure care	0	2,839,771	2,839,771	0
Total noncurrent liabilities	24,833,659	7,034,985	31,868,644	15,468,329
Total liabilities	28,134,258	7,344,040	35,478,298	16,228,244
NET POSITION				
Net invested in capital assets	49,898,610	1,470,889	51,369,499	(2,035,831)
Restricted for:				
Judicial	85,897	0	85,897	0
Public safety	201,423	0	201,423	0
Health and welfare	94,897	0	94,897	2,050
Capital outlay	3,939,044	0	3,939,044	0
Unrestricted	(3,479,638)	(2,595,264)	(6,074,902)	1,419,107
Total net position	$ 50,740,233	$ (1,124,375)	$ 49,615,858	$ (614,674)

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

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

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 1,928,725	$ 59,305	$ 253,417	$ 0	$ (1,616,003)
Judicial	987,179	60,235	2,904	0	(924,040)
Public Safety	8,633,861	1,688,577	77,155	0	(6,868,129)
Public Works	5,446,902	0	142,214	334,100	(4,970,588)
Health and Welfare	1,110,738	71,764	157,464	0	(881,510)
Culture and Recreation	1,238,625	188,000	0	0	(1,050,625)
Housing and Development	1,757,471	22,058	0	0	(1,735,413)
Interest on long-term debt	232,443	0	0	0	(232,443)
Total governmental activities	21,335,944	2,089,939	633,154	334,100	(18,278,751)
Business-type activities					
Solid Waste	1,156,249	448,288	247,151	0	(460,810)
Waste-Water Facility	738,858	368,100	0	0	(370,758)
Golf Course	262,693	92,675	0	0	(170,018)
Total business-type activities	2,157,800	909,063	247,151	0	(1,001,586)
Total primary government	23,493,744	2,999,002	880,305	334,100	(19,280,337)
Component Units					
Rabun County Library					
Culture and Recreation	342,736	25,206	56,082	8,067	(253,381)
Rabun County Health Department					
Health and Welfare	617,514	207,205	231,492	0	(178,817)
Rabun County Economic Development Authority					
Housing and Development	1,466,364	0	0	221,453	(1,244,911)
Rabun County Building Authority					
Housing and Development	0	0	0	0	0
Total component units	2,426,614	232,411	287,574	229,520	(1,677,109)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (18,278,751)	$ (1,001,586)	$ (19,280,337)	$ (1,677,109)
General revenues				
Taxes				
Property	12,543,086	0	12,543,086	0
Sales	3,198,767	0	3,198,767	0
Insurance premium	559,671	0	559,671	0
Other	523,449	0	523,449	0
Interest and investment earnings	100,784	633	101,417	2,838
Rental income	0	0	0	274,321
Payments from Rabun County	0	0	0	1,805,122
Gain on sale of assets	32,065	0	32,065	0
Miscellaneous	83,579	2,830	86,409	5,657
Transfers	(1,067,209)	1,067,209	0	0
Total general revenues and transfers	15,974,192	1,070,672	17,044,864	2,087,938
Change in net position	(2,304,559)	69,086	(2,235,473)	410,829
Net position - beginning (original)	70,391,171	(1,193,461)	69,197,710	(1,025,503)
Prior period adjustments	(17,346,379)	0	(17,346,379)	0
Net position - beginning (restated)	53,044,792	(1,193,461)	51,851,331	(1,025,503)
Net position - ending	$ 50,740,233	$ (1,124,375)	$ 49,615,858	$ (614,674)

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

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

	General	SPLOST #5	SPLOST #6	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 12,432,201	$ 3,936,357	$ 115,556	$ 672,049	$ 17,156,163
Certificates of deposit	100,632	0	0	0	100,632
Restricted Assets					
Cash and cash equivalents	94,897	0	8,643,487	0	8,738,384
Receivables (net)					
Accounts	197,898	0	0	73,863	271,761
Intergovernmental	53,366	0	0	5,729	59,095
Taxes	152,563	0	601,736	20,681	774,980
Prepaids	164,719	0	0	0	164,719
Due from other funds	20,681	0	0	0	20,681
Total assets	$ 13,216,957	$ 3,936,357	$ 9,360,779	$ 772,322	$ 27,286,415
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities					
Payables					
Accounts	$ 123,835	$ 210,918	$ 12,723	$ 521	$ 347,997
Intergovernmental	26,771	0	465,314	149	492,234
Retainage	0	25,650	0	0	25,650
Accrued salaries and expenses	89,249	0	0	8,350	97,599
Due to other funds	0	0	0	20,681	20,681
Total liabilities	239,855	236,568	478,037	29,701	984,161
Deferred Inflows of Resources					
Unavailable revenue - property taxes	95,825	0	0	0	95,825
Fund balances					
Nonspendable prepaids	164,719	0	0	0	164,719
Restricted for:					
Judicial	0	0	0	85,897	85,897
Public safety	0	0	0	201,423	201,423
Health and welfare	94,897	0	0	0	94,897
Capital outlay	0	3,699,789	8,882,742	0	12,582,531
Assigned for:					
Public safety	0	0	0	455,301	455,301
Budget	500,000	0	0	0	500,000
Unassigned	12,121,661	0	0	0	12,121,661
Total fund balances	12,881,277	3,699,789	8,882,742	742,621	26,206,429
Total liabilities, deferred inflows, and fund balances	$ 13,216,957	$ 3,936,357	$ 9,360,779	$ 772,322	$ 27,286,415

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, 2014

Total fund balance - total governmental funds	$	26,206,429
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets of $88,049,344 net of accumulated depreciation of ($37,304,891) are not financial resources and, therefore, are not reported in the funds.		50,744,453
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the fund. These are deferred property taxes.		95,825
Net pension asset is not reported in the governmental funds. This amount represents annual plan contributions in excess of pension costs.		864,304
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are guarantee obligation of ($17,536,996), capital leases payable of ($87,201), bonds payable of ($9,208,196), interest payable of ($23,475) and compensated absences of ($314,910).		(27,170,778)
Net position of governmental activities	$	50,740,233

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, 2014

	General	SPLOST #5	SPLOST #6	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 13,587,978	$ 884,205	$ 2,314,561	$ 98,581	$ 16,885,325
Licenses and permits	63,393	0	0	0	63,393
Fines, fees and forfeitures	414,383	0	0	92,018	506,401
Charges for services	1,157,489	0	0	362,656	1,520,145
Intergovernmental	630,997	315,556	0	1,000	947,553
Interest	18,823	10,197	8,347	1,210	38,577
Contributions	1,157	0	0	0	1,157
Other	83,580	0	0	0	83,580
Total revenues	15,957,800	1,209,958	2,322,908	555,465	20,046,131
EXPENDITURES					
Current					
General Government	2,002,090	0	0	0	2,002,090
Judicial	961,218	0	0	18,037	979,255
Public Safety	6,292,355	0	0	899,064	7,191,419
Public Works	1,986,788	0	0	0	1,986,788
Health and Welfare	1,029,848	0	0	0	1,029,848
Culture and Recreation	984,197	0	0	0	984,197
Housing and Development	1,467,000	0	0	98,652	1,565,652
Capital outlay	0	2,631,886	300,694	0	2,932,580
Intergovernmental	0	0	1,832,281	0	1,832,281
Debt service	18,046	1,566,991	358,906	0	1,943,943
Total expenditures	14,741,542	4,198,877	2,491,881	1,015,753	22,448,053
Excess (deficiency) of revenues over (under) expenditures	1,216,258	(2,988,919)	(168,973)	(460,288)	(2,401,922)
Other financing sources (uses)					
Transfers in	0	0	0	831,500	831,500
Transfers out	(1,665,075)	0	(237,231)	0	(1,902,306)
Long-term debt premium	0	0	663,945	0	663,945
Proceeds from long-term debt	0	0	8,625,001	0	8,625,001
Proceeds from sale of assets	40,065	0	0	0	40,065
Total other financing sources (uses)	(1,625,010)	0	9,051,715	831,500	8,258,205
Net change in fund balance	(408,752)	(2,988,919)	8,882,742	371,212	5,856,283
Fund balances, July 1	13,290,029	6,688,708	0	371,409	20,350,146
Fund balances, June 30	$ 12,881,277	$ 3,699,789	$ 8,882,742	$ 742,621	$ 26,206,429

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, 2014

Net change in fund balances - total governmental funds	$	5,856,283
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of ($2,610,610) exceeded capital outlays of $2,549,112 in the current period.		(61,498)
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 ($645,777), net of related accumulated depreciation of $454,299.		(191,478)
Contribution of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. These include business-type activities.		13,092
Distribution of capital assets decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. These include business-type activities.		(9,495)
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.		(60,353)
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 proceeds of ($9,288,946) and increase in guarantee obligation ($1,165,833) exceed debt repayment of $2,534,696 and amortization of $80,750.		(7,839,333)
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.		3,006
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 decrease in compensated absences $5,086 and the net increase in interest payable ($19,869).		(14,783)
Change in net position of governmental activities	$	(2,304,559)

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 14,351,191	$ 14,111,806	$ 13,587,978	$ (523,828)
Licenses and permits	51,300	66,032	63,393	(2,639)
Fines, fees and forfeitures	371,000	448,090	414,383	(33,707)
Charges for services	981,650	1,187,926	1,157,489	(30,437)
Intergovernmental	501,500	601,970	630,997	29,027
Interest	30,000	89,450	18,823	(70,627)
Contributions	0	2,000	1,157	(843)
Other	15,000	145,500	83,580	(61,920)
Total revenues	16,301,641	16,652,774	15,957,800	(694,974)
EXPENDITURES				
Current				
General Government				
General Administration	249,600	394,900	373,789	21,111
Elections	139,270	139,280	110,583	28,697
Board of Commissioners	473,997	477,997	457,700	20,297
Tax Commissioner	304,035	304,785	291,106	13,679
Tax Assessors	312,714	312,714	298,865	13,849
Buildings and Properties	475,739	490,739	470,047	20,692
Judicial				
Clerk of Court	342,411	342,411	308,454	33,957
Probate Court	208,571	209,321	199,657	9,664
Administration of Justice	262,633	317,133	307,616	9,517
District Attorney	127,142	149,702	145,491	4,211
Public Safety				
Sheriff	1,532,386	1,532,386	1,491,560	40,826
Rabun County Jail	1,757,353	1,757,353	1,687,458	69,895
Coroner	18,214	18,214	12,928	5,286
Emergency Management Agency	53,402	57,382	50,291	7,091
Fire Department	673,827	680,027	661,097	18,930
County Marshal	280,087	283,187	275,398	7,789
E911 Mapping & Addressing	167,269	167,275	137,753	29,522
Drug Task Force	51,150	59,660	57,476	2,184
Emergency Medical Service	1,768,161	1,778,261	1,742,318	35,943
Boggs Mountain Animal Shelter	180,749	180,749	176,076	4,673
Public Works				
Roads and Bridges	2,189,334	2,243,700	1,857,788	385,912
Water and Sewer Authority	129,000	129,000	129,000	0
Health and Welfare				
Public Health	290,878	291,403	281,053	10,350
Public Welfare	52,000	29,500	21,545	7,955
Program on Aging	600,156	614,491	624,750	(10,259)
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	82,198	82,198	69,441	12,757
Recreation	581,341	583,587	544,662	38,925
Rabun Arena	106,722	106,722	100,885	5,837
Rabun County Library	266,803	267,003	264,352	2,651
Rabun County Historical Society	4,500	5,000	4,857	143

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
Housing and Development				
Extension Service	$ 39,684	$ 40,134	$ 29,621	$ 10,513
Planning Commission	65,978	65,808	64,453	1,355
Rabun County Economic Development Authority	962,896	1,450,821	1,364,887	85,934
Soil Erosion Control	8,306	8,156	8,039	117
Total Current	14,861,006	15,673,499	14,723,496	950,003
Debt Service				
Public Works				
Roads and Bridges	0	18,046	18,046	0
Total Debt Service	0	18,046	18,046	0
Total expenditures	14,861,006	15,691,545	14,741,542	950,003
Excess (deficiency) of revenues over (under) expenditures	1,440,635	961,229	1,216,258	255,029
Other financing sources (uses)				
Transfers in	113,000	126,000	0	(126,000)
Transfers out	(1,553,635)	(1,553,635)	(1,665,075)	(111,440)
Sale of capital assets	0	8,000	40,065	32,065
Contingency	0	(26,594)	0	26,594
Total other financing sources (uses)	(1,440,635)	(1,446,229)	(1,625,010)	(178,781)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(485,000)	(408,752)	76,248
Fund balances, July 1	0	485,000	13,290,029	12,805,029
Fund balances, June 30	$ 0	$ 0	$ 12,881,277	$ 12,881,277

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

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

	Business-Type Activities			
	Solid Waste	Waste-Water Facility	Golf Course	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 133,143	$ 144,173	$ 60,293	$ 337,609
Accounts receivables (net)	57,429	970	0	58,399
Total current assets	190,572	145,143	60,293	396,008
Noncurrent assets				
Capital assets				
Non-depreciable	1,118,076	364,367	19,800	1,502,243
Depreciable (net)	944,979	3,338,967	37,468	4,321,414
Total noncurrent assets	2,063,055	3,703,334	57,268	5,823,657
Total assets	2,253,627	3,848,477	117,561	6,219,665
LIABILITIES				
Current liabilities				
Payables				
Accounts	13,803	2,040	254	16,097
Intergovernmental	69	29	32	130
Interest	0	14,872	0	14,872
Accrued salaries and expenses	8,846	2,180	2,654	13,680
Compensated absences	18,819	10,958	12,660	42,437
Notes payable	0	157,554	0	157,554
Closure/post-closure care	64,285	0	0	64,285
Total current liabilities	105,822	187,633	15,600	309,055
Noncurrent liabilities				
Notes payable	0	4,195,214	0	4,195,214
Closure/post-closure care	2,839,771	0	0	2,839,771
Total noncurrent liabilities	2,839,771	4,195,214	0	7,034,985
Total liabilities	2,945,593	4,382,847	15,600	7,344,040
NET POSITION				
Net invested in capital assets	2,063,055	(649,434)	57,268	1,470,889
Unrestricted	(2,755,021)	115,064	44,693	(2,595,264)
Total net position	$ (691,966)	$ (534,370)	$ 101,961	$ (1,124,375)

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, 2014

	Business-Type Activities			
	Solid Waste	Waste-Water Facility	Golf Course	Totals
OPERATING REVENUES				
Charges for sales and services	$ 448,288	$ 368,100	$ 92,675	$ 909,063
Other	2,830	0	0	2,830
Total operating revenues	451,118	368,100	92,675	911,893
OPERATING EXPENSES				
Costs of sales and services	454,638	285,838	59,502	799,978
Personal services	627,088	149,151	191,513	967,752
Depreciation	72,976	122,543	11,678	207,197
Total operating expenses	1,154,702	557,532	262,693	1,974,927
Operating income (loss)	(703,584)	(189,432)	(170,018)	(1,063,034)
Non-operating revenues (expenses)				
Interest revenue	143	386	104	633
Intergovernmental revenue	247,151	0	0	247,151
Distribution of capital assets	(13,092)	0	0	(13,092)
Gain (loss) on sale of assets	(1,547)	0	0	(1,547)
Interest expense	0	(181,326)	0	(181,326)
Total non-operating revenues (expenses)	232,655	(180,940)	104	51,819
Net income (loss) before capital contributions and transfers	(470,929)	(370,372)	(169,914)	(1,011,215)
Capital contributions				
Contributions of capital assets	0	9,495	0	9,495
Net income (loss) before transfers	(470,929)	(360,877)	(169,914)	(1,001,720)
Transfers in (out)				
Transfers in	575,000	337,231	158,575	1,070,806
Change in net position	104,071	(23,646)	(11,339)	69,086
Net position, July 1	(796,037)	(510,724)	113,300	(1,193,461)
Net position, June 30	$ (691,966)	$ (534,370)	$ 101,961	$ (1,124,375)

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, 2014

	Business-Type Activities			
	Solid Waste	Waste-Water Facility	Golf Course	Totals
Cash flows from operating activities:				
Receipts from customers	$ 456,702	$ 367,344	$ 92,675	$ 916,721
Payments to suppliers	(491,879)	(296,088)	(59,742)	(847,709)
Payments to employees	(620,834)	(147,080)	(190,559)	(958,473)
Net cash provided (used) by operating activities	(656,011)	(75,824)	(157,626)	(889,461)
Cash flows from non-capital financing activities:				
Receipts from other funds	575,000	100,000	158,575	833,575
Receipts from other governments	247,151	0	0	247,151
Net cash provided (used) by non-capital financing activities	822,151	100,000	158,575	1,080,726
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(181,690)	(191,386)	0	(373,076)
Receipts from other funds	0	237,231	0	237,231
Proceeds from sale of capital assets	54,000	0	0	54,000
Interest payments	0	(181,843)	0	(181,843)
Principal payments - notes payable	0	(151,235)	0	(151,235)
Net cash provided (used) by capital and related financing activities	(127,690)	(287,233)	0	(414,923)
Cash flows from investing activities:				
Interest received	143	386	104	633
Net increase (decrease) in cash and cash equivalents	38,593	(262,671)	1,053	(223,025)
Cash and cash equivalents, July 1	94,550	406,844	59,240	560,634
Cash and cash equivalents, June 30	$ 133,143	$ 144,173	$ 60,293	$ 337,609
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (703,584)	$ (189,432)	$ (170,018)	$ (1,063,034)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	72,976	122,543	11,678	207,197
Closure/postclosure care costs	(18,302)	0	0	(18,302)
(Increase) decrease in accounts receivable	5,584	(756)	0	4,828
Increase (decrease) in accounts payable	(18,944)	(10,250)	(245)	(29,439)
Increase (decrease) in intergovernmental payable	5	0	5	10
Increase (decrease) in accrued payroll liabilities	6,254	2,071	954	9,279
Total adjustments	47,573	113,608	12,392	173,573
Net cash provided (used) by operating activities	$ (656,011)	$ (75,824)	$ (157,626)	$ (889,461)

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

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

	Agency Funds
ASSETS	
Cash	$ 684,044
Taxes receivable, net	470,164
Total assets	$ 1,154,208
LIABILITIES	
Due to other agencies	$ 1,154,208

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

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

	Rabun County Library	Rabun County Health Department	Rabun County Economic Development Authority	Rabun County Building Authority	Totals
ASSETS					
Current assets					
Cash and cash equivalents	$ 59,808	$ 740,440	$ 278,494	$ 5,585	$ 1,084,327
Certificates of deposit	16,146	0	0	0	16,146
Restricted cash and cash equivalents	0	0	686,963	0	686,963
Receivables (net)					
Accounts	0	3,363	0	0	3,363
Intergovernmental	0	0	327	0	327
Notes	0	0	16,757	0	16,757
Total current assets	75,954	743,803	982,541	5,585	1,807,883
Noncurrent assets					
Capital assets					
Non-depreciable	0	0	1,263,423	0	1,263,423
Depreciable (net)	214,362	0	12,300,382	0	12,514,744
Notes receivable	0	0	17,519	0	17,519
Investment in joint venture	0	0	10,001	0	10,001
Total noncurrent assets	214,362	0	13,591,325	0	13,805,687
Total assets	290,316	743,803	14,573,866	5,585	15,613,570
LIABILITIES					
Current liabilities					
Accounts payable	0	3,129	10,764	0	13,893
Intergovernmental payable	0	0	24,379	0	24,379
Compensated absences	0	36,000	0	0	36,000
Liabiliites payable from restricted assets					
Payables					
Customer deposits	0	0	20,425	0	20,425
Interest	0	0	315,218		315,218
Bonds payable	0	0	350,000	0	350,000
Total current liabilities	0	39,129	720,786	0	759,915
Noncurrent liabilities					
Compensated absences	0	3,020	0	0	3,020
Bonds payable	0	0	15,465,309	0	15,465,309
Total noncurrent liabilities	0	3,020	15,465,309	0	15,468,329
Total liabilities	0	42,149	16,186,095	0	16,228,244
NET POSITION					
Net invested in capital assets	214,362	0	(2,250,193)	0	(2,035,831)
Restricted for health and welfare	0	2,050	0	0	2,050
Unrestricted	75,954	699,604	637,964	5,585	1,419,107
Total net position	$ 290,316	$ 701,654	$ (1,612,229)	$ 5,585	$ (614,674)

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, 2014

	Rabun County Library	Rabun County Health Department	Rabun County Economic Development Authority	Rabun County Building Authority	Totals
Expenses					
Health and Welfare	$ 0	$ 617,514	$ 0	$ 0	$ 617,514
Culture and Recreation	342,736	0	0	0	342,736
Housing and Development	0	0	1,466,364	0	1,466,364
Total expenses	342,736	617,514	1,466,364	0	2,426,614
Program revenues					
Charges for services	25,206	207,205	0	0	232,411
Operating grants and contributions	56,082	231,492	0	0	287,574
Capital grants and contributions	8,067	0	221,453	0	229,520
Total program revenues	89,355	438,697	221,453	0	749,505
Net (expense) revenue	(253,381)	(178,817)	(1,244,911)	0	(1,677,109)
General revenues					
Interest	38	0	2,790	10	2,838
Rental income	0	0	274,321	0	274,321
Payments from Rabun County	242,165	234,408	1,328,549	0	1,805,122
Miscellaneous	1,498	0	4,159	0	5,657
Total general revenues	243,701	234,408	1,609,819	10	2,087,938
Change in net position	(9,680)	55,591	364,908	10	410,829
Net position - beginning	299,996	646,063	(1,977,137)	5,575	(1,025,503)
Net position - ending	$ 290,316	$ 701,654	$ (1,612,229)	$ 5,585	$ (614,674)

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.

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.

Special Purpose Local Option Sales Tax #6 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.

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, 2014, 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, 2014 by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

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.

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

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds, continued

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

The County will make every effort to use unassigned funds 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.

4. Accounts Receivable

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

Primary Government:		
Major Funds		
General Fund	$ 276,868	
Less: Allowance for Uncollectibles	(78,970)	$ 197,898
Enterprise Funds		
Solid Waste		57,429
Waste-Water Facility	618,563	
Less: Allowance for Uncollectibles	(617,593)	970
Nonmajor Funds		
Emergency 911 Special Revenue Fund		73,863
Total primary government		$ 330,160
Component Units		
Rabun County Health Department		$ 3,363

5. Intergovernmental Receivables

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

Major Funds		
General Fund		
Georgia Office of Planning and Budget	$ 2,385	
Economic Development Authority	3,329	
Georgia Department of Transportation	5,439	
Rabun County Board of Education	1,276	
City of Mountain City, Georgia	1,611	
City of Clayton, Georgia	1,332	
City of Dillard, Georgia	824	
City fo Sky Valley, Georgia	7	
Town of Tallulah	30	
Association of County Commissioners of Georgia	37,133	$ 53,366
Nonmajor Funds		
Jail Special Revenue Fund		
City of Clayton, Georgia	2,622	
City of Dillard, Georgia	1,580	
City of Mountain City, Georgia	765	
Town of Tallulah	61	
City of Sky Valley, Georgia	15	5,043
Drug Abuse Treatment Fund		
City of Dillard, Georgia	675	
City of Mountain City, Georgia	11	686
Total primary government		$ 59,095
Component Units		
Rabun County Economic Development Authority		
Rabun County, Georgia		$ 327

6. Property Taxes

Property tax rates are set by the Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2013, based upon the assessments of January 1, 2013, were levied on August 8, 2013, billed on September 6, 2013, and due on December 20, 2013. Tax liens may be issued 90 days after the due date.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of June 30, 2014 is as follows:

Due to/Due from other funds:

Receivable Fund	Payable Fund	Amount
General	Hotel-Motel Fund	$ 20,681

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, 2014 is as follows:

	Transfers out: Major Funds			
	General	SPLOST #6	Solid Waste	Total
Transfers in:				
Major Funds				
Solid Waste	$ 575,000	$ 0	$ 0	$ 575,000
Waste-Water Facility	100,000	237,231	0	337,231
Golf Course	158,575	0	0	158,575
Nonmajor Funds				
Emergency 911	831,500	0	0	831,500
	1,665,075	237,231	0	1,902,306
Transfer of capital assets				
General	0	0	13,092	13,092
Waste-Water Facility	9,495	0	0	9,495
Total	$ 1,674,570	$ 237,231	$ 13,092	$ 1,924,893

8. Interfund Transfers (continued)

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, 2014 was as follows:

	Balance 6/30/2013	Increases	Decreases	Balance 6/30/2014
Governmental activities				
Non-depreciable assets				
Land	$ 1,738,496	$ 0	$ 0	$ 1,738,496
Construction in progress	1,191,413	2,163,601	(2,696,186)	658,828
Total non-depreciable assets	2,929,909	2,163,601	(2,696,186)	2,397,324
Depreciable assets				
Buildings	29,338,034	315,702	0	29,653,736
Machinery and equipment	5,291,115	742,991	(308,133)	5,725,973
Vehicles	8,691,626	95,499	(493,915)	8,293,210
Infrastructure	40,034,134	1,944,967	0	41,979,101
Total depreciable assets	83,354,909	3,099,159	(802,048)	85,652,020
Less accumulated depreciation				
Buildings	(6,068,933)	(602,676)	0	(6,671,609)
Machinery and equipment	(2,278,717)	(447,036)	203,487	(2,522,266)
Vehicles	(5,016,948)	(605,552)	397,588	(5,224,912)
Infrastructure	(21,926,388)	(959,716)	0	(22,886,104)
Total accumulated depreciation	(35,290,986)	(2,614,980)	601,075	(37,304,891)
Total depreciable assets, net	48,063,923	484,179	(200,973)	48,347,129
Governmental activities capital assets, net	$ 50,993,832	$ 2,647,780	$ (2,897,159)	$ 50,744,453

9. Capital Assets (Continued)

	Balance 6/30/13	Increases	Decreases	Balance 6/30/14
Business-type activities				
Non-depreciable assets				
Land	$ 1,298,811	$ 0	$ 0	$ 1,298,811
Construction in progress	0	203,432	0	203,432
Total non-depreciable assets	1,298,811	203,432	0	1,502,243
Depreciable assets				
Buildings	4,267,744	0	0	4,267,744
Machinery and equipment	866,272	121,173	(29,752)	957,693
Vehicles	405,690	204,742	(115,245)	495,187
Total depreciable assets	5,539,706	325,915	(144,997)	5,720,624
Less accumulated depreciation				
Buildings	(399,928)	(134,764)	0	(534,692)
Machinery and equipment	(552,829)	(102,572)	29,749	(625,652)
Vehicles	(168,838)	(116,637)	46,609	(238,866)
Total accumulated depreciation	(1,121,595)	(353,973)	76,358	(1,399,210)
Total depreciable assets, net	4,418,111	(28,058)	(68,639)	4,321,414
Business-type activities capital assets, net	$ 5,716,922	$ (28,058)	$ (68,639)	$ 5,823,657

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

	Balance 6/30/13	Increases	Decreases	Balance 6/30/14
Rabun County Library				
Depreciable assets				
Furniture and equipment	$ 195,439	$ 9,993	$ 0	$ 205,432
Books and collections	963,401	62,748	(98,633)	927,516
Total depreciable assets	1,158,840	72,741	(98,633)	1,132,948
Less accumulated depreciation				
Furniture and equipment	(132,099)	(8,768)	0	(140,867)
Books and collections	(812,200)	(64,152)	98,633	(777,719)
Total accumulated depreciation	(944,299)	(72,920)	98,633	(918,586)
Total depreciable assets, net	214,541	(179)	0	214,362
Rabun County Library capital assets, net	$ 214,541	$ (179)	$ 0	$ 214,362
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 6/30/13	Increases	Decreases	Balance 6/30/14
Rabun County Economic Development Authority				
Non-depreciable assets				
Land	$ 1,263,423	$ 0	0	$ 1,263,423
Total non-depreciable assets	1,263,423	0	0	1,263,423
Depreciable assets				
Buildings	12,617,587	351,480	0	12,969,067
Furniture and fixtures	48,741	7,394	0	56,135
Total depreciable assets	12,666,328	358,874	0	13,025,202
Less accumulated depreciation				
Buildings	(387,829)	(318,368)	0	(706,197)
Furniture and fixtures	(10,691)	(7,932)	0	(18,623)
Total accumulated depreciation	(398,520)	(326,300)	0	(724,820)
Total depreciable assets, net	12,267,808	32,574	0	12,300,382
Rabun County Economic Development Authority capital assets, net	$ 13,531,231	$ 32,574	$ 0	$ 13,563,805

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 118,217
Judicial	5,458
Public Safety	940,751
Public Works	1,194,546
Health and Welfare	74,412
Culture and Recreation	277,226
Total depreciation expense for governmental activities	$ 2,610,610
Business-type activities	
Solid Waste	$ 72,976
Waste-Water Facility	122,543
Golf Course	11,678
Total depreciation expense for busines-type activities	$ 207,197
Discretely presented component units	
Rabun County Library	$ 72,920
Rabun County Economic Development Authority	326,300
	$ 399,220

9. Capital Assets (Continued)

	Governmental Activities	Business-type Activities
Current year depreciation expense	$ 2,610,610	$ 207,197
Prior accumulated depreciation on assets transferred between governmental and business-type activities	4,370	146,776
Additions to accumulated depreciation	$ 2,614,980	$ 353,973

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, 2014 is $87,201 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, 2014:

Year Ending June 30,	**Governmental activities**
2015	$ 88,009
Less amounts representing interest	(808)
Present value of minimum lease payments	$ 87,201

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.

General obligation bonds of the governmental activities are comprised of the following individual issues at June 30, 2014:

- On September 24, 2013 the County issued $8,625,000 General Obligation Sales Tax Bonds, Series 2013, with a premium of $663,945 and issue costs of $188,945, for a net proceeds to the County of $9,100,000. These bonds are to fund certain 2013 SPLOST projects. The bonds are due in annual principal payments on December 1 beginning in 2014, semi-annual interest payments (2.00% to 4.00%) 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
2015	$ 930,000	$ 295,484	$ 1,225,484
2016	1,445,000	241,425	1,686,425
2017	1,490,000	197,400	1,687,400
2018	1,535,000	152,025	1,687,025
2019	1,580,000	97,400	1,677,400
2020	1,645,000	32,900	1,677,900
	$ 8,625,000	$ 1,016,634	$ 9,641,634

11. Long-Term Debt (continued)

Revenue Bonds

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

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, 2014:

- $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
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	395,000	580,702	975,702
2020 - 2024	2,225,000	2,641,597	4,866,597
2025 - 2029	2,715,000	2,143,350	4,858,350
2030 - 2034	3,305,000	1,543,150	4,848,150
2035 - 2039	4,025,000	807,726	4,832,726
2040 - 2041	1,850,000	77,138	1,927,138
Totals	$ 15,975,000	$ 10,238,268	$ 26,213,268

11. Long-Term Debt (continued)

Notes Payable

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, 2014, the total principal drawn against the note amounted to $4,352,768 and interest of $14,872 has been accrued.

Annual debt service requirements are as follows:

Years Ending June 30,	Principal	Interest	Total
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	185,580	147,498	333,078
2020 - 2024	1,050,888	614,505	1,665,393
2025 - 2029	1,289,540	375,852	1,665,392
2030 - 2033	1,155,938	93,107	1,249,045
Totals	$ 4,352,768	$ 1,892,455	$ 6,245,223

11. Long-Term Debt (continued)

Changes in Long-Term Debt

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

	Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014	Due Within One Year
Governmental activities					
Capital lease obligations	$ 101,681	$ 0	$ 14,480	$ 87,201	$ 87,201
Guarantee obligation	17,346,379	1,165,833	975,216	17,536,996	981,533
Bonds payable	1,545,000	8,625,000	1,545,000	8,625,000	930,000
Bond premium	0	663,946	80,750	583,196	0
Compensated absences	319,996	314,910	319,996	314,910	314,910
Total governmental activities	$ 19,313,056	$ 10,769,689	$ 2,935,442	$ 27,147,303	$ 2,313,644
Business-type activities					
Notes payable	$ 4,504,003	$ 0	$ 151,235	$ 4,352,768	$ 157,554
Landfill closure/post-closure care	2,922,358	0	18,302	2,904,056	64,285
Compensated absences	37,396	42,437	37,396	42,437	42,437
	$ 7,463,757	$ 42,437	$ 206,933	$ 7,299,261	$ 264,276
Component Units					
Rabun County Health Department					
Compensated absences	$ 48,908	$ 26,843	$ 36,731	$ 39,020	$ 36,000
Rabun County Economic Development Authority					
Bonds Payable	15,975,000	0	0	15,975,000	350,000
Unamortized bond discount	(165,833)	0	(6,142)	(159,691)	0
Total component units	$ 15,858,075	$ 26,843	$ 30,589	$ 15,854,329	$ 386,000

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, 2014 was $212,574 for governmental activities, $181,326 for business-type activities and $636,577 for the component units.

Beginning balances have been restated to increase the guarantee obligation in the governmental activities. See Note 14 for restatement. See Note 21 for more detail on the guarantee obligation.

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 11 years remaining. The estimated cost of all post closure care activities related to the landfill is $2,407,383, 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 $496,673 as of June 30, 2014, which is based on 54.8% usage (filled) of the landfill. It is estimated that an additional $601,255 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 ($45,982) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2014. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

13. Restricted, Committed, and Assigned Fund Balances

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

	General	SPLOST #5	SPLOST #6	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:					
Judicial					
Juvenile supervision	$ 0	$ 0	$ 0	$ 2,904	$ 2,904
Law library operations	0	0	0	38,532	38,532
Drug programs	0	0	0	44,461	44,461
Public Safety					
Sheriff facilities and equipment	0	0	0	201,423	201,423
Health and welfare					
Senior services	94,897	0	0	0	94,897
Capital projects	0	3,699,789	8,882,742	0	12,582,531
	$ 94,897	$ 3,699,789	$ 8,882,742	$ 287,320	$ 12,964,748
Assigned to:					
Public Safety					
Emergency 911 operations	$ 0	$ 0	$ 0	$ 455,301	$ 455,301
Budget	500,000	0	0	0	500,000
	$ 500,000	$ 0	$ 0	$ 455,301	$ 955,301

14. Changes in Beginning Balances

Governmental Activities

Beginning balances have been restated for 2013 to record a guarantee obligation. This adjustment was required with the implementation of GASB Statements No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. See Note 21 for additional details regarding the nonexchange financial guarantee. This adjustment decreased beginning net position by $17,346,379.

15. 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.

As of July 1, 2011, the County no longer contributes to the plan. Any employees hired after July 1, 2011 are not eligible for participation in the plan. For employees hired prior to July 1, 2011, 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% 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.

15. Defined Benefit Pension Plan (continued)

Plan Description and Contribution Information, continued

Current membership and current year payrolls are as follows:

Retirees and beneficiaries currently receiving benefits	28
Terminated vested participants entitled to but not yet receiving benefits	57
Active participants	135
Disabled participants currently receiving benefits	0
Total number of participants	220

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 11.3% of annual covered payroll. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

Annual Pension Cost and Net Pension Obligation

The net pension obligation was computed as part of an actuarial valuation performed as of January 1, 2013. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	7.50%
Projected salary increases due to:	
Inflation	3.0%
Merit	4.0%
Post-retirement benefit increases	none
Life expectancy before and after retirement (Group Annuity Mortality table)	1983

15. Defined Benefit Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation (continued)

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

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.

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

Annual required contribution (ARC)	$ 515,576
Interest on net pension obligation	(66,751)
Adjustment to ARC	71,422
Annual pension cost	520,247
Contributions made	523,253
Increase (decrease) in net pension obligation	(3,006)
Net pension obligation - beginning of year	(861,298)
Net pension obligation - end of year	$ (864,304)

15. Defined Benefit Pension Plan (continued)

Historical Trend Information

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

Schedule of Employer Contributions

Plan Year Ended	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
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)
12/31/2013	520,247	523,253	101%	(864,304)

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)
12/31/2008	$ 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%
12/31/2013	5,099,803	6,446,941	1,347,138	79.1%	4,868,172	27.7%

16. 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). 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. 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, 2014, plan members made contributions to the plan of $35,749.

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.

17. Hotel/Motel Lodging Tax

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

Lodging tax receipts	$	98,581	
Disbursements for tourism and trade	$	98,581	100%

18. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the year ended June 30, 2014, the County paid $14,832 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.

19. 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.

19. Risk Financing Activities (continued)

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

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

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2014, the County has no losses that are probable or estimable and accordingly has not recognized any liability.

20. 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's legal counsel has stated that there are no outstanding law suits.

The County has guaranteed debt of the Development Authority of Rabun County. See Note 21 for details.

20. Commitments and Contingencies (continued)

Commitments

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

Project	Amount Spent to Date	Remaining Commitment
Conference Center Renovation	$ 312,028	$ 387,671
Chechero Fire Station	268,042	107,088
Landfill - Cell No. 4 Construction	12,045	22,955
Potable Water Plant	144,553	135,883
	$ 736,668	$ 653,597

21. 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. In the event the Rabun County Economic Development Authority is unable to make the required payments of the bond issuance, the intergovernmental agreement requires the County to provide funds, which shall be sufficient to make the required debt service payments through the maturity dates of the bonds with the final maturity date being July 1, 2040. This is the only nonexchange financial guarantee extended by the County.

21. Nonexchange Financial Guarantee (continued)

The Authority issued these bonds for purchase and renovation of an industrial building facility that would then be leased to various businesses. Since completion of the facility, the Authority has been unable to lease then entire facility, which has caused significant cash shortages and therefore the Authority is unable to make the required bond payments. Due to the economic conditions, it is unlikely that the Authority will be able to lease the entire facility within the near future. As a result, in fiscal year 2014, the County began making the required bond payments and believes it is more likely than not that the County will be required to pay the remaining portion of the Authority's debt service payments based on the guarantee. At June 30, 2013, the County recognized a liability and expense in the amount of $17,346,379 for an amount that is the County's best estimate of the discounted present value of the future outflows the County expects to incur as a result of the guarantee. The detail of these bonds are listed in Note 11 page 48.

During fiscal year 2014, the County paid $975,216 in principal and interest on the guarantee obligation. The following is a summary of changes in the liability recognized for the nonexchange financial guarantee for the fiscal year ending June 30, 2014:

Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014
$ 17,346,379	$ 1,165,833	$ 975,216	$ 17,536,996

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

This page intentionally left blank.

COMBINING STATEMENTS

Nonmajor Governmental Funds

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

	Special Revenue Funds		
	Confiscated Assets	**Jail**	**Law Library**
ASSETS			
Cash and cash equivalents	$ 3,714	$ 192,666	$ 38,532
Receivables (net)			
Accounts	0	0	0
Intergovernmental	0	5,043	0
Taxes	0	0	0
Total assets	$ 3,714	$ 197,709	$ 38,532
LIABILITIES AND FUND BALANCES			
Liabilities			
Payables			
Accounts	$ 0	$ 0	$ 0
Integovernmental	0	0	0
Accrued salaries and expense	0	0	0
Due to other funds	0	0	0
Total liabilities	0	0	0
Fund balances			
Restricted for:			
Judicial	0	0	38,532
Public safety	3,714	197,709	0
Assigned to public safety	0	0	0
Total fund balances	3,714	197,709	38,532
Total liabilities and fund balances	$ 3,714	$ 197,709	$ 38,532

Special Revenue Funds				
Juvenile Case Management	Drug Abuse Treatment Education	Emergency 911	Hotel/Motel Tax	Total Nonmajor Governmental Funds
$ 2,904	$ 43,775	$ 390,458	$ 0	$ 672,049
0	0	73,863	0	73,863
0	686	0	0	5,729
0	0	0	20,681	20,681
$ 2,904	$ 44,461	$ 464,321	$ 20,681	$ 772,322
$ 0	$ 0	$ 521	$ 0	$ 521
0	0	149		149
0	0	8,350		8,350
0	0	0	20,681	20,681
0	0	9,020	20,681	29,701
2,904	44,461	0	0	85,897
0	0	0	0	201,423
0	0	455,301	0	455,301
2,904	44,461	455,301	0	742,621
$ 2,904	$ 44,461	$ 464,321	$ 20,681	$ 772,322

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

	Special Revenue Funds		
	Confiscated Assets	**Jail**	**Law Library**
REVENUES			
Taxes	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	745	60,855	9,121
Charges for services	0	0	0
Intergovernmental	0	0	0
Interest	6	331	39
Total revenues	751	61,186	9,160
EXPENDITURES			
Current			
Judicial	0	0	8,512
Public safety	1,471	19,498	0
Housing and development	0	0	0
Total expenditures	1,471	19,498	8,512
Excess (deficiency) of revenues over (under) expenditures	(720)	41,688	648
Other financing sources (uses)			
Transfers in	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(720)	41,688	648
Fund balances, July 1	4,434	156,021	37,884
Fund balances, June 30	$ 3,714	$ 197,709	$ 38,532

Special Revenue Funds					
Juvenile Case Management	Drug Abuse Treatment Education	Emergency 911	Hotel/Motel Tax	Total Nonmajor Governmental Funds
$ 0	$ 0	$ 0	$ 98,581	$ 98,581
0	21,297	0	0	92,018
0	0	362,656	0	362,656
1,000	0	0	0	1,000
5	76	682	71	1,210
1,005	21,373	363,338	98,652	555,465
1,000	8,525	0	0	18,037
0	0	878,095	0	899,064
0	0	0	98,652	98,652
1,000	8,525	878,095	98,652	1,015,753
5	12,848	(514,757)	0	(460,288)
0	0	831,500	0	831,500
5	12,848	316,743	0	371,212
2,899	31,613	138,558	0	371,409
$ 2,904	$ 44,461	$ 455,301	$ 0	$ 742,621

This page intentionally left blank.

GENERAL FUND

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

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

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 12,432,201	$ 13,052,505
Certificates of deposit	100,632	100,632
Receivables (net)		
Accounts	197,898	129,481
Intergovernmental	53,366	55,996
Taxes	152,563	214,264
Prepaids	164,719	206,533
Due from other funds	20,681	19,975
Restricted assets		
Cash and cash equivalents	94,897	98,703
Total assets	$ 13,216,957	$ 13,878,089
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
Liabilities		
Payables		
Accounts	$ 123,835	$ 140,458
Intergovernmental	26,771	29,166
Accrued salaries and expenses	89,249	62,258
Unearned revenue	0	200,000
Total liabilities	239,855	431,882
Deferred Inflows of Resources		
Unavailable revenue - property taxes	95,825	156,178
Fund balances		
Nonspendable prepaids	164,719	206,533
Restricted for health and welfare	94,897	98,703
Assigned for budget	500,000	0
Unassigned	12,121,661	12,984,793
Total fund balances	12,881,277	13,290,029
Total liabilities, deferred inflows, and fund balances	$ 13,216,957	$ 13,878,089

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

	2014	2013
REVENUES		
Taxes	$ 13,587,978	$ 13,494,616
Licenses and permits	63,393	55,937
Fines, fees and forfeitures	414,383	393,329
Charges for services	1,157,489	1,089,977
Intergovernmental	630,997	1,141,009
Interest	18,823	21,823
Contributions	1,157	500
Other	83,580	10,657
Total revenues	15,957,800	16,207,848
EXPENDITURES		
Current		
General Government	2,002,090	2,055,026
Judicial	961,218	900,299
Public Safety	6,292,355	6,664,352
Public Works	1,986,788	2,122,336
Health and Welfare	1,029,848	1,000,241
Culture and Recreation	984,197	986,125
Housing and Development	1,467,000	486,043
Total Current	14,723,496	14,214,422
Debt Service		
General Government	0	335,103
Public Works	18,046	36,039
Total Debt Service	18,046	371,142
Total expenditures	14,741,542	14,585,564
Excess (deficiency) of revenues over (under) expenditures	1,216,258	1,622,284
Other financing sources (uses)		
Transfers in (out)		
Drug Abuse Treatment Education Fund	0	8,000
Emergency 911 Fund	(831,500)	(100,000)
Solid Waste Fund	(575,000)	(744,897)
Golf Course Fund	(158,575)	(150,395)
Waste-Water Facility Fund	(100,000)	(100,000)
Proceeds from the sale of assets	40,065	70,643
Total other financing sources (uses)	(1,625,010)	(1,016,649)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(408,752)	605,635
Fund balances, July 1	13,290,029	12,684,394
Fund balances, June 30	$ 12,881,277	$ 13,290,029

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

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current and prior year levies	$ 12,308,281	$ 11,859,826	$ (448,455)	$ 11,856,763
Motor vehicle tax	633,920	571,880	(62,040)	531,584
Mobile home tax	43,625	39,573	(4,052)	41,638
Timber tax	8,000	8,000	0	0
Cost, penalties, and interest	87,600	124,160	36,560	107,581
Total general property taxes	13,081,426	12,603,439	(477,987)	12,537,566
Real estate transfer tax	328,000	301,316	(26,684)	298,173
Franchise tax	17,300	17,244	(56)	12,328
Insurance premium tax	560,000	559,671	(329)	538,488
Alcohol excise tax	120,000	101,228	(18,772)	105,660
Occupational tax	5,080	5,080	0	2,401
Total taxes	14,111,806	13,587,978	(523,828)	13,494,616
Licenses and permits				
Alcohol licenses	41,600	41,350	(250)	34,750
Building permits	20,150	18,375	(1,775)	16,865
Other permits	4,282	3,668	(614)	4,322
Total licenses and permits	66,032	63,393	(2,639)	55,937
Fines, fees and forfeitures	448,090	414,383	(33,707)	393,329
Charges for Services				
Emergency medical services	753,500	817,454	63,954	722,796
Sheriff services	38,600	36,451	(2,149)	39,260
Prisoner board	18,000	4,096	(13,904)	17,974
Recreation fees	159,696	148,979	(10,717)	141,367
Senior center fees	122,400	71,764	(50,636)	81,479
Civic center fees	40,000	39,021	(979)	43,952
Collection commissions	15,300	12,276	(3,024)	12,986
Other charges for services	40,430	27,448	(12,982)	30,163
Total charges for services	1,187,926	1,157,489	(30,437)	1,089,977
Intergovernmental	601,970	630,997	29,027	1,141,009
Interest	89,450	18,823	(70,627)	21,823
Contributions	2,000	1,157	(843)	500
Other	145,500	83,580	(61,920)	10,657
Total revenues	$ 16,652,774	$ 15,957,800	$ (694,974)	$ 16,207,848

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

	2014			2013
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
General Administration				
Personal services	$ 39,900	$ 39,378	$ 522	$ 46,079
Contract services	355,000	142,498	212,502	239,721
Capital outlay	0	191,913	(191,913)	119,096
Total General Administration	394,900	373,789	21,111	404,896
Elections				
Personal services	90,755	82,946	7,809	106,345
Contract services	28,525	14,519	14,006	16,697
Materials and supplies	20,000	13,118	6,882	5,892
Total Elections	139,280	110,583	28,697	128,934
Board of Commissioners				
Personal services	398,397	393,473	4,924	404,126
Contract services	74,500	59,641	14,859	56,898
Materials and supplies	5,100	4,586	514	13,760
Total Board of Commissioners	477,997	457,700	20,297	474,784
Tax Commissioner				
Personal services	240,940	233,201	7,739	224,910
Contract services	59,095	53,866	5,229	50,447
Materials and supplies	4,750	4,039	711	5,906
Total Tax Commissioner	304,785	291,106	13,679	281,263
Tax Assessors				
Personal services	262,110	255,118	6,992	261,231
Contract services	46,804	40,848	5,956	53,958
Materials and supplies	3,800	2,899	901	3,054
Total Tax Assessors	312,714	298,865	13,849	318,243
Buildings and Properties				
Personal services	242,689	235,467	7,222	237,432
Contract services	108,261	102,054	6,207	79,761
Materials and supplies	139,789	132,526	7,263	129,713
Total Buildings and Properties	490,739	470,047	20,692	446,906
Total General Government	2,120,415	2,002,090	118,325	2,055,026
Judicial				
Clerk of Court				
Personal services	262,061	232,752	29,309	241,035
Contract services	67,850	64,295	3,555	62,561
Materials and supplies	12,500	11,407	1,093	7,102
Total Clerk of Court	342,411	308,454	33,957	310,698

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

	2014			2013
	Final Budget	Actual	Variance	Actual
Judicial (continued)				
Probate Court				
Personal services	$ 151,905	$ 149,382	$ 2,523	$ 146,442
Contract services	51,928	46,199	5,729	46,355
Materials and supplies	5,488	4,076	1,412	3,644
Total Probate Court	209,321	199,657	9,664	196,441
Administration of Justice				
Personal services	45,257	45,226	31	39,034
Contract services	135,950	133,045	2,905	94,192
Payments to other agencies	135,926	129,345	6,581	123,540
Total Administration of Justice	317,133	307,616	9,517	256,766
District Attorney				
Personal services	105,237	103,565	1,672	93,916
Contract services	34,785	32,440	2,345	33,076
Materials and supplies	9,680	9,486	194	9,402
Total District Attorney	149,702	145,491	4,211	136,394
Total Judicial	1,018,567	961,218	57,349	900,299
Public Safety				
Sheriff				
Personal services	1,278,093	1,247,013	31,080	1,239,670
Contract services	95,985	89,352	6,633	96,248
Materials and supplies	158,308	155,195	3,113	163,032
Capital outlay	0	0	0	65,094
Total Sheriff	1,532,386	1,491,560	40,826	1,564,044
Rabun County Jail				
Personal services	1,132,145	1,095,376	36,769	1,054,540
Contract services	265,258	237,977	27,281	227,667
Materials and supplies	359,950	354,105	5,845	349,920
Capital outlay	0	0	0	25,258
Total Rabun County Jail	1,757,353	1,687,458	69,895	1,657,385
Coroner				
Personal services	3,541	3,543	(2)	3,524
Contract services	12,623	8,841	3,782	4,917
Materials and supplies	2,050	544	1,506	719
Total Coroner	18,214	12,928	5,286	9,160
Emergency Management Agency				
Personal services	11,152	11,200	(48)	11,145
Contract services	20,160	16,795	3,365	29,393
Materials and supplies	26,070	22,296	3,774	26,600
Total Emergency Management Agency	57,382	50,291	7,091	67,138

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

	2014			2013
	Final Budget	Actual	Variance	Actual
Public Safety (continued)				
Fire Department				
Personal services	$ 239,275	$ 238,457	$ 818	$ 245,156
Contract services	127,108	120,499	6,609	132,984
Materials and supplies	313,644	302,141	11,503	272,515
Capital outlay	0	0	0	281,794
Total Fire Department	680,027	661,097	18,930	932,449
County Marshal				
Personal services	248,362	243,079	5,283	246,160
Contract services	12,255	10,400	1,855	10,873
Materials and supplies	11,570	10,813	757	10,563
Payments to other agencies	11,000	11,106	(106)	11,754
Total County Marshal	283,187	275,398	7,789	279,350
E911 Mapping & Addressing				
Personal services	107,375	79,271	28,104	107,007
Contract services	7,400	5,829	1,571	7,866
Materials and supplies	52,500	52,653	(153)	49,299
Total E911 Mapping & Addressing	167,275	137,753	29,522	164,172
Drug Task Force				
Personal services	58,510	56,326	2,184	50,445
Contract services	1,150	1,150	0	1,126
Total Drug Task Force	59,660	57,476	2,184	51,571
Emergency Medical Service				
Personal services	1,470,506	1,443,183	27,323	1,442,785
Contract services	128,455	126,086	2,369	107,978
Materials and supplies	128,114	164,149	(36,035)	123,870
Capital outlay	51,186	8,900	42,286	90,397
Total Emergency Medical Service	1,778,261	1,742,318	35,943	1,765,030
Boggs Mountain Animal Shelter				
Payments to other agencies	180,749	176,076	4,673	174,053
Total Public Safety	6,514,494	6,292,355	222,139	6,664,352
Public Works				
Roads and Bridges				
Personal services	1,186,931	1,134,205	52,726	1,106,764
Contract services	351,895	173,500	178,395	174,463
Materials and supplies	608,374	421,999	186,375	443,847
Capital outlay	96,500	128,084	(31,584)	298,512
Total Roads and Bridges	2,243,700	1,857,788	385,912	2,023,586

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

	2014			2013
	Final Budget	Actual	Variance	Actual
Public Works, continued				
Rabun County Water and Sewer Authority				
Payments to other agencies	$ 129,000	$ 129,000	$ 0	$ 98,750
Total Public Works	2,372,700	1,986,788	385,912	2,122,336
Health and Welfare				
Public Health				
Contract services	7,950	7,186	764	7,869
Materials and supplies	2,675	2,759	(84)	2,423
Payments to other agencies	280,778	271,108	9,670	270,883
Total Public Health	291,403	281,053	10,350	281,175
Public Welfare				
Contract services	1,400	2,100	(700)	2,800
Payments to other agencies	28,100	19,445	8,655	36,596
Total Public Welfare	29,500	21,545	7,955	39,396
Program on Aging				
Personal services	292,452	273,602	18,850	275,140
Contract services	40,019	35,492	4,527	36,735
Materials and supplies	269,570	267,664	1,906	256,845
Capital outlay	4,000	39,542	(35,542)	0
Payments to other agencies	8,450	8,450	0	8,450
Total Program on Aging	614,491	624,750	(10,259)	577,170
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	1,037,894	1,029,848	8,046	1,000,241
Culture and Recreation				
Civic Center				
Personal services	23,583	22,631	952	22,334
Contract services	21,420	16,200	5,220	24,140
Materials and supplies	37,195	30,610	6,585	31,979
Total Civic Center	82,198	69,441	12,757	78,453
Recreation				
Personal services	288,331	286,631	1,700	284,051
Contract services	94,090	77,283	16,807	81,944
Materials and supplies	179,966	161,253	18,713	155,674
Capital outlay	21,200	19,495	1,705	14,585
Total Recreation	583,587	544,662	38,925	536,254

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

	2014			2013
	Final Budget	Actual	Variance	Actual
Culture and Recreation, continued				
Rabun Arena				
Personal services	$ 46,407	$ 44,612	$ 1,795	$ 44,331
Contract services	13,990	12,640	1,350	19,300
Materials and supplies	46,325	43,633	2,692	39,597
Total Rabun Arena	106,722	100,885	5,837	103,228
Rabun County Library				
Personal services	20,983	18,337	2,646	17,669
Contract services	2,370	2,366	4	2,366
Payments to other agencies	243,650	243,649	1	243,655
Total Rabun County Library	267,003	264,352	2,651	263,690
Rabun County Historical Society				
Payments to other agencies	5,000	4,857	143	4,500
Total Culture and Recreation	1,044,510	984,197	60,313	986,125
Housing and Development				
Extension Service				
Personal services	19,614	19,422	192	18,876
Contract services	15,620	6,584	9,036	7,489
Materials and supplies	4,900	3,615	1,285	3,208
Total Extension Service	40,134	29,621	10,513	29,573
Planning Commission				
Personal services	57,918	57,636	282	57,693
Contract services	4,910	3,887	1,023	3,654
Materials and supplies	2,980	2,930	50	2,675
Total Planning Commission	65,808	64,453	1,355	64,022
Rabun County Economic Development Authority				
Payments to other agencies	1,450,821	1,364,887	85,934	384,294
Soil Erosion Control				
Personal services	7,694	7,729	(35)	7,694
Contract services	212	60	152	211
Materials and supplies	250	250	0	249
Total Soil Erosion Control	8,156	8,039	117	8,154
Total Housing and Development	1,564,919	1,467,000	97,919	486,043
Total Current	15,673,499	14,723,496	950,003	14,214,422

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

	2014			2013
	Final Budget	Actual	Variance	Actual
Debt Service				
General Government				
General Administration	$ 0	$ 0	$ 0	$ 335,103
Public Works				
Roads and Bridges	18,046	18,046	0	36,039
Total Debt Service	18,046	18,046	0	371,142
Total Expenditures	$ 15,691,545	$ 14,741,542	$ 950,004	$ 14,585,564

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, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 3,714	$ 5,138
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 0	$ 704
Fund balances		
Restricted for public safety	3,714	4,434
Total liabilities and fund balances	$ 3,714	$ 5,138

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

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 950	$ 745	$ (205)	$ 0
Interest	0	6	6	8
Total revenues	950	751	(199)	8
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	1,750	1,471	279	3,618
Total expenditures	1,750	1,471	279	3,618
Excess (deficiency) of revenues over (under) expenditures	(800)	(720)	80	(3,610)
Fund balances, July 1	800	4,434	3,634	8,044
Fund balances, June 30	$ 0	$ 3,714	$ 3,714	$ 4,434

RABUN COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 192,666	$ 151,921
Intergovernmental receivable	5,043	4,100
Total assets	$ 197,709	$ 156,021
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for public safety	$ 197,709	$ 156,021
Total liabilities and fund balances	$ 197,709	$ 156,021

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

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 69,550	$ 60,855	$ (8,695)	$ 61,937
Interest	0	331	331	277
Total revenues	69,550	61,186	(8,364)	62,214
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	75,550	14,398	61,152	33,154
Capital outlay	0	5,100	(5,100)	0
Total expenditures	75,550	19,498	56,052	33,154
Excess (deficiency) of revenues over (under) expenditures	(6,000)	41,688	47,688	29,060
Fund balances, July 1	6,000	156,021	150,021	126,961
Fund balances, June 30	$ 0	$ 197,709	$ 197,709	$ 156,021

RABUN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 38,532	$ 37,884
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for judicial	$ 38,532	$ 37,884
Total liabilities and fund balances	$ 38,532	$ 37,884

RABUN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 10,000	$ 9,121	$ (879)	$ 8,322
Interest	45	39	(6)	36
Total revenues	10,045	9,160	(885)	8,358
EXPENDITURES				
Current				
Judicial				
Contract services	2,400	2,400	0	2,400
Materials and supplies	7,645	6,112	1,533	4,152
Total expenditures	10,045	8,512	1,533	6,552
Excess (deficiency) of revenues over (under) expenditures	0	648	648	1,806
Fund balances, July 1	0	37,884	37,884	36,078
Fund balances, June 30	$ 0	$ 38,532	$ 38,532	$ 37,884

RABUN COUNTY, GEORGIA
JUVENILE CASE MANAGEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 2,904	$ 2,899
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for judicial	$ 2,904	$ 2,899
Total liabilities and fund balances	$ 2,904	$ 2,899

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

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 0	$ 0	$ 0	$ 25
Intergovernmental	7,500	1,000	(6,500)	2,689
Interest	0	5	5	5
Total revenues	7,500	1,005	(6,495)	2,719
EXPENDITURES				
Current				
Judicial				
Contract services	7,500	1,000	6,500	3,433
Total expenditures	7,500	1,000	6,500	3,433
Excess (deficiency) of revenues over (under) expenditures	0	5	5	(714)
Fund balances, July 1	0	2,899	2,899	3,613
Fund balances, June 30	$ 0	$ 2,904	$ 2,904	$ 2,899

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

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 43,775	$ 30,172
Intergovernmental receivable	686	1,740
Total assets	$ 44,461	$ 31,912
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 0	$ 299
Fund balances		
Restricted for judicial	44,461	31,613
Total liabilities and fund balances	$ 44,461	$ 31,912

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

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 23,950	$ 21,297	$ (2,653)	$ 19,740
Interest	0	76	76	56
Total revenues	23,950	21,373	(2,577)	19,796
EXPENDITURES				
Current				
Judicial				
Contract services	7,000	2,751	4,249	1,288
Materials and supplies	16,950	5,774	11,176	11,278
Total expenditures	23,950	8,525	15,425	12,566
Excess (deficiency) of revenues over (under) expenditures	0	12,848	12,848	7,230
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	0	0	(8,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	12,848	12,848	(770)
Fund balances, July 1	0	31,613	31,613	32,383
Fund balances, June 30	$ 0	$ 44,461	$ 44,461	$ 31,613

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

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 390,458	$ 66,402
Accounts receivable (net)	73,863	79,246
Total assets	$ 464,321	$ 145,648
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 521	$ 1,085
Intergovernmental payable	149	0
Accrued salaries and expenses	8,350	6,005
Total liabilities	9,020	7,090
Fund balances		
Assigned to public safety	455,301	138,558
Total liabilities and fund balances	$ 464,321	$ 145,648

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

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 409,000	$ 362,656	$ (46,344)	$ 354,853
Interest	0	682	682	118
Total revenues	409,000	363,338	(45,662)	354,971
EXPENDITURES				
Current				
Public Safety				
Personal Services	606,251	567,710	38,541	547,083
Contract services	321,360	214,439	106,921	159,884
Materials and supplies	20,525	18,531	1,994	17,384
Capital outlay	77,415	77,415	0	14,270
Total expenditures	1,025,551	878,095	147,456	738,621
Excess (deficiency) of revenues over (under) expenditures	(616,551)	(514,757)	101,794	(383,650)
Other financing sources (uses)				
Transfers in (out)				
General Fund	616,551	831,500	214,949	100,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	316,743	316,743	(283,650)
Fund balances, July 1	0	138,558	138,558	422,208
Fund balances, June 30	$ 0	$ 455,301	$ 455,301	$ 138,558

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

ASSETS	**2014**	**2013**
Taxes receivable	$ 20,681	$ 19,975
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	$ 20,681	$ 19,975
Fund balances		
Restricted for housing and development	0	0
Total liabilities and fund balances	$ 20,681	$ 19,975

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

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	$ 125,000	$ 98,581	$ (26,419)	$ 88,080
Interest	0	71	71	10
Total revenues	125,000	98,652	(26,348)	88,090
EXPENDITURES				
Current				
Housing and Development				
Tourism				
Rabun County Convention and Visitors Bureau	125,000	98,652	26,348	88,090
Total expenditures	125,000	98,652	26,348	88,090
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

This page intentionally left blank.

CAPITAL PROJECTS FUNDS

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

Special Purpose Local Option Sales Tax #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.

Special Purpose Local Option Sales Tax #6 Fund – This fund is used to account for long-term projects financed by the 2013 passage of a special purpose local option sales tax.

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

ASSETS	**2014**	**2013**
Cash and cash equivalents	$ 3,936,357	$ 7,144,601
Taxes receivable	0	301,802
Total assets	$ 3,936,357	$ 7,446,403
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 210,918	$ 722,007
Retainage payable	25,650	35,688
Total liabilities	236,568	757,695
Fund balances		
Restricted for capital outlay	3,699,789	6,688,708
Total liabilities and fund balances	$ 3,936,357	$ 7,446,403

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, 2014 and 2013

REVENUES	**2014**	**2013**
Taxes	$ 884,205	$ 3,230,138
Intergovernmental	315,556	0
Interest	10,197	11,946
Total revenues	1,209,958	3,242,084
EXPENDITURES		
Capital Outlay		
Public Safety		
Fire Department	940,278	456,441
Public Works		
Roads and Bridges	1,379,580	1,481,773
Health and Welfare		
Public Health	312,028	124,509
Debt Service	1,566,991	1,626,385
Total expenditures	4,198,877	3,689,108
Excess (deficiency) of revenues over (under) expenditures	(2,988,919)	(447,024)
Fund balances, July 1	6,688,708	7,135,732
Fund balances, June 30	$ 3,699,789	$ 6,688,708

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #6
CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2014

ASSETS

Cash and cash equivalents	$ 115,556
Taxes receivable	601,736
Restricted assets	
Cash and cash equivalents	8,643,487
Total assets	$ 9,360,779

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts payable	$ 12,723
Intergovernmental payable	465,314
Total liabilities	478,037
Fund balances	
Restricted for capital outlay	8,882,742
Total liabilities and fund balances	$ 9,360,779

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #6
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2014

REVENUES	
Taxes	$ 2,314,561
Interest	8,347
Total revenues	2,322,908
EXPENDITURES	
Capital outlay	
Public safety	735
Public works	299,959
Debt service	358,906
Intergovernmental	1,832,281
Total expenditures	2,491,881
Excess (deficiency) of revenues over (under) expenditures	(168,973)
Other financing sources (uses)	
Transfers in (out)	
Waste-Water Facility Fund	(237,231)
Long-term debt premium	663,945
Proceeds from long-term debt	8,625,001
Total other financing sources (uses)	9,051,715
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	8,882,742
Fund balances, July 1	0
Fund balances, June 30	$ 8,882,742

This page intentionally left blank.

ENTERPRISE FUNDS

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

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, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 133,143	$ 94,550
Accounts receivable (net)	57,429	63,013
Total current assets	190,572	157,563
Capital assets		
Land and land improvements	1,106,031	1,106,031
Buildings	577,300	577,300
Machinery and equipment	773,999	720,855
Vehicles	485,988	396,491
Construction in progress	12,045	0
Accumulated depreciation	(892,308)	(777,697)
Total capital assets (net of accumulated depreciation)	2,063,055	2,022,980
Total assets	2,253,627	2,180,543
LIABILITIES		
Current liabilities		
Accounts payable	13,803	32,747
Intergovernmental payable	69	64
Accrued salaries and other payroll liabilities	8,846	5,828
Compensated absences	18,819	15,583
Closure/post-closure care	64,285	72,076
Total current liabilities	105,822	126,298
Noncurrent liabilities		
Closure/post-closure care	2,839,771	2,850,282
Total liabilities	2,945,593	2,976,580
NET POSITION		
Invested in capital assets	2,063,055	2,022,980
Unrestricted	(2,755,021)	(2,819,017)
Total net position	$ (691,966)	$ (796,037)

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

OPERATING REVENUES	**2014**	**2013**
Charges for sales and services	$ 448,288	$ 437,451
Other	2,830	0
Total operating revenues	451,118	437,451
OPERATING EXPENSES		
Costs of sales and services	454,638	400,256
Personal services	627,088	635,302
Depreciation	72,976	74,475
Total operating expenses	1,154,702	1,110,033
Operating income (loss)	(703,584)	(672,582)
Non-operating revenues (expenses)		
Interest revenue	143	114
Intergovernmental revenue	247,151	0
Distributions of capital assets	(13,092)	0
Gain (loss) on sale of assets	(1,547)	0
Total non-operating revenues (expenses)	232,655	114
Net income (loss) before transfers	(470,929)	(672,468)
Transfers in (out)		
General fund	575,000	744,897
Change in net position	104,071	72,429
Net position, July 1	(796,037)	(868,466)
Net position, June 30	$ (691,966)	$ (796,037)

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

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 456,702	$ 409,106
Payments to suppliers	(491,879)	(452,218)
Payments to employees	(620,834)	(638,617)
Net cash provided (used) by operating activities	(656,011)	(681,729)
Cash flows from non-capital financing activities:		
Receipts from other funds	575,000	744,897
Receipts from other governments	247,151	0
Net cash provided (used) by non-capital financing activities	822,151	744,897
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(181,690)	0
Proceeds from sale of capital assets	54,000	0
Net cash provided (used) by capital and related financing activities	(127,690)	0
Cash flows from investing activities:		
Interest received	143	114
Net increase (decrease) in cash and cash equivalents	38,593	63,282
Cash and cash equivalents, July 1	94,550	31,268
Cash and cash equivalents, June 30	$ 133,143	$ 94,550
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (703,584)	$ (672,582)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	72,976	74,475
Closure/post-closure care costs	(18,302)	(59,013)
(Increase) decrease in accounts receivable	5,584	(28,345)
Increase (decrease) in accounts payable	(18,944)	7,079
Increase (decrease) in intergovernmental payable	5	(28)
Increase (decrease) in accrued payroll liabilities	6,254	(3,315)
Total adjustments	47,573	(9,147)
Net cash provided (used) by operating activities	$ (656,011)	$ (681,729)

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 144,173	$ 406,844
Accounts receivable, net	970	214
Total current assets	145,143	407,058
Capital assets		
Land and land improvements	172,980	172,980
Buildings	3,570,442	3,570,442
Machinery and equipment	60,029	0
Vehicles	9,199	9,199
Construction in progress	191,387	0
Accumulated depreciation	(300,703)	(127,625)
Total capital assets (net of accumulated depreciation)	3,703,334	3,624,996
Total assets	3,848,477	4,032,054
LIABILITIES		
Current liabilities		
Payables		
Accounts	2,040	12,290
Intergovernmental	29	29
Interest	14,872	15,389
Accrued salaries and other payroll liabilities	2,180	1,340
Compensated absences	10,958	9,727
Notes payable	157,554	151,235
Total current liabilities	187,633	190,010
Noncurrent liabilities		
Notes payable	4,195,214	4,352,768
Total liabilities	4,382,847	4,542,778
NET POSITION		
Net invested in capital assets	(649,434)	(879,007)
Unrestricted	115,064	368,283
Total net position	$ (534,370)	$ (510,724)

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, 2014 and 2013

OPERATING REVENUES	**2014**	**2013**
Charges for sales and services	$ 368,100	$ 284,154
Total operating revenues	368,100	284,154
OPERATING EXPENSES		
Costs of sales and services	285,838	180,547
Personal services	149,151	139,313
Depreciation	122,543	120,855
Total operating expenses	557,532	440,715
Operating income (loss)	(189,432)	(156,561)
Non-operating revenues (expenses)		
Interest revenue	386	728
Interest expense	(181,326)	(168,178)
Total non-operating revenues (expenses)	(180,940)	(167,450)
Net income (loss) before capital contributions and transfers	(370,372)	(324,011)
Capital contributions		
Contributions of capital assets	9,495	0
Net income (loss) before transfers	(360,877)	(324,011)
Transfers in (out)		
General Fund	100,000	100,000
SPLOST #6 Fund	237,231	0
Total transfers in (out)	337,231	100,000
Change in net position	(23,646)	(224,011)
Net position, July 1	(510,724)	(286,713)
Net position, June 30	$ (534,370)	$ (510,724)

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 367,344	$ 375,577
Payments to suppliers	(296,088)	(179,035)
Payments to employees	(147,080)	(138,665)
Net cash provided (used) by operating activities	(75,824)	57,877
Cash flows from non-capital financing activities:		
Receipts from other funds	100,000	100,000
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(191,386)	0
Receipts from other funds	237,231	0
Receipts from other governments	0	69,406
Interest payments	(181,843)	(46,417)
Principal payments - notes payable	(151,235)	(36,851)
Proceeds from notes payable	0	29,463
Net cash provided (used) by capital and related financing activities	(287,233)	15,601
Cash flows from investing activities:		
Interest received	386	728
Net increase (decrease) in cash and cash equivalents	(262,671)	174,206
Cash and cash equivalents, July 1	406,844	232,638
Cash and cash equivalents, June 30	$ 144,173	$ 406,844
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (189,432)	$ (156,561)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	122,543	120,855
(Increase) decrease in accounts receivable	(756)	91,423
Increase (decrease) in accounts payable	(10,250)	6,382
Increase (decrease) in intergovernmental payable	0	(4,870)
Increase (decrease) in accrued payroll liabilities	2,071	648
Total adjustments	113,608	214,438
Net cash provided (used) by operating activities	$ (75,824)	$ 57,877

Noncash capital and related financing activities:

Proceeds from notes payable through interest payable total $0 and $615,619 for fiscal years ended June 30, 2014 and 2013, respectively.

RABUN COUNTY, GEORGIA
GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 60,293	$ 59,240
Capital assets		
Land and land improvements	19,800	19,800
Buildings	120,002	120,002
Machinery and equipment	123,665	145,417
Accumulated depreciation	(206,199)	(216,273)
Total capital assets (net of accumulated depreciation)	57,268	68,946
Total assets	117,561	128,186
LIABILITIES		
Current liabilities		
Accounts payable	254	499
Intergovernmental payable	32	27
Accrued salaries and other payroll liabilities	2,654	2,274
Compensated absences	12,660	12,086
Total current liabilities	15,600	14,886
NET POSITION		
Invested in capital assets	57,268	68,946
Unrestricted	44,693	44,354
Total net position	$ 101,961	$ 113,300

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

OPERATING REVENUES	**2014**	**2013**
Charges for sales and services	$ 92,675	$ 95,815
Total operating revenues	92,675	95,815
OPERATING EXPENSES		
Costs of sales and services	59,502	56,569
Personal services	191,513	180,699
Depreciation	11,678	12,154
Total operating expenses	262,693	249,422
Operating income (loss)	(170,018)	(153,607)
Non-operating revenues (expenses)		
Interest revenue	104	106
Net income (loss) before transfers	(169,914)	(153,501)
Transfer in (out)		
General Fund	158,575	150,395
Change in net position	(11,339)	(3,106)
Net position, July 1	113,300	116,406
Net position, June 30	$ 101,961	$ 113,300

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

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 92,675	$ 95,815
Payments to suppliers	(59,742)	(56,236)
Payments to employees	(190,559)	(177,505)
Net cash provided (used) by operating activities	(157,626)	(137,926)
Cash flows from non-capital financing activities:		
Receipts from other funds	158,575	150,395
Cash flows from capital and related financing activities:		
Acquisition of capital assets	0	(7,000)
Cash flows from investing activities:		
Interest received	104	106
Net increase (decrease) in cash and cash equivalents	1,053	5,575
Cash and cash equivalents, July 1	59,240	53,665
Cash and cash equivalents, June 30	$ 60,293	$ 59,240
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (170,018)	$ (153,607)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	11,678	12,154
Increase (decrease) in accounts payable	(245)	339
Increase (decrease) in intergovernmental payable	5	(6)
Increase (decrease) in accrued payroll liabilities	954	3,194
Total adjustments	12,392	15,681
Net cash provided (used) by operating activities	$ (157,626)	$ (137,926)

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, 2014

	Tax Commissioner	Clerk of Superior Court
ASSETS		
Cash	$ 467,272	$ 166,174
Taxes receivable, net	470,164	0
Total assets	$ 937,436	$ 166,174
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other agencies	$ 937,436	$ 166,174

Probate Court	Magistrate Court	Sheriff Department	Totals
$ 25,367	$ 7,686	$ 17,545	$ 684,044
0	0	0	470,164
$ 25,367	$ 7,686	$ 17,545	$ 1,154,208
$ 25,367	$ 7,686	$ 17,545	$ 1,154,208

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

	Balance July 1	Additions	Deletions	Balance June 30
TAX COMMISSIONER				
ASSETS				
Cash	$ 471,189	$ 31,317,741	$ 31,321,658	$ 467,272
Taxes receivable, net	745,692	470,164	745,692	470,164
Total	$ 1,216,881	$ 31,787,905	$ 32,067,350	$ 937,436
LIABILITIES				
Due to other agencies	$ 1,216,881	$ 31,787,905	$ 32,067,350	$ 937,436
CLERK OF SUPERIOR COURT				
ASSETS				
Cash	$ 112,832	$ 1,167,575	$ 1,114,233	$ 166,174
LIABILITIES				
Due to other agencies	$ 112,832	$ 1,167,575	$ 1,114,233	$ 166,174
PROBATE COURT				
ASSETS				
Cash	$ 26,923	$ 428,510	$ 430,066	$ 25,367
LIABILITIES				
Due to other agencies	$ 26,923	$ 428,510	$ 430,066	$ 25,367
MAGISTRATE COURT				
ASSETS				
Cash	$ 2,574	$ 120,071	$ 114,959	$ 7,686
LIABILITIES				
Due to other agencies	$ 2,574	$ 120,071	$ 114,959	$ 7,686
SHERIFF DEPARTMENT				
ASSETS				
Cash	$ 10,316	$ 81,824	$ 74,595	$ 17,545
LIABILITIES				
Due to other agencies	$ 10,316	$ 81,824	$ 74,595	$ 17,545
TOTALS				
ASSETS				
Cash	$ 623,834	$ 33,115,721	$ 33,055,511	$ 684,044
Taxes receivable, net	745,692	470,164	745,692	470,164
Total	$ 1,369,526	$ 33,585,885	$ 33,801,203	$ 1,154,208
LIABILITIES				
Due to other agencies	$ 1,369,526	$ 33,585,885	$ 33,801,203	$ 1,154,208

SINGLE AUDIT SECTION

This page intentionally left blank.

RUSHTON & COMPANY

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

Honorable Chairman and Members
of the Board of Commissioners
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, 2014, 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 23, 2014. Our report includes a reference to other auditors who audited the financial statements of the Rabun County Health Department, as described in our report on Rabun County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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's internal control. Accordingly, we do not express an opinion on the effectiveness of Rabun County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. 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 in the accompanying schedule of findings and questioned costs as items 14-1 through 14-2 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rabun County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Rabun County, Georgia's Responses to Findings

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

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 23, 2014

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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of Rabun County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Rabun County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of

expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rabun County's internal control over compliance.

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

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

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 23, 2014

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

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
Department of Agriculture			
Passed through the Georgia Office of the State Treasury:			
Schools and Roads - Grants to States	10.665	FY2014	$ 91,450
Department of the Interior			
Payments in Lieu of Taxes	15.226	N/A	253,417
Department of Transportation			
Passed through the Georgia Department of Transportation:			
Formula Grants for Rural Areas	20.509	GA-18-X028	76,736
		GA-18-X033	31,634
			108,370
Appalachian Regional Commission			
Passed through the Tennessee Valley Authority			
Appalachian Regional Development	23.001	5391	221,453
Department of Health and Human Services			
Passed through Legacy Link, Inc.:			
Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	FY2014	26,390
Social Services Block Grant	93.667	FY2014	17,593
Total Department of Health and Human Services			43,983
Department of Homeland Security			
Passed through the Georgia Emergency Management Agency:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1973-DR-GA	43,546
Hazard Mitigation Grant	97.039	HMGP 1858-0027	3,210
Emergency Management Performance Grants	97.042	OEM13	5,000
Homeland Security Grant Program	97.067	EMW-2011-SS-T0-00063	2,507
		EMW-2011-SS-T0-00054	2,385
			4,892
Total Department of Homeland Security			56,648
Total Federal Awards			$ 775,321

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

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

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

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

1. Summary of the Auditor's Results

A. Financial Statements

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

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant Deficiencie(s) identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	None reported

Identification of major programs:

15.226	Payments in Lieu of Taxes
23.001	Appalachian Regional Development

Dollar threshold used to distinguish Between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

Comment 14-1

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 115 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 14-2

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.

2. Financial Statement Findings and Responses (continued)

B. Prior Year Audit Findings Follow-Ups

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.

Not Corrected – See Comment 14-1

Comment 13-2

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

Not Corrected – See Comment 14-2

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.

Corrected

3. Federal Award Findings and Questioned Costs

A. Material Noncompliance

None reported.

B. Significant Deficiencies

None reported

C. *Prior Year Audit Findings Follow-Ups*

None reported

This page intentionally left blank.

STATE REPORTING SECTION

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

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
SPLOST # 5					
Roads, Streets and Bridges	$ 7,541,850	$ 7,541,850	$ 1,986,388	$ 1,379,580	$ 3,365,968
Hospital Building	3,500,000	3,500,000	2,886,448	320,140	3,206,588
Multipurpose Arena	1,500,000	1,500,000	2,954,192	8,303	2,962,495
Health Department	1,000,000	1,000,000	1,007,599	2,831	1,010,430
Fire Fighting Equipment	1,000,000	1,000,000	244,811	940,278	1,185,089
Courthouse	900,000	900,000	976,541	2,745	979,286
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	$ 13,763,979	$ 2,653,877	$ 16,417,856

Current year SPLOST #5 Expenditures	$ 2,653,877
Debt proceeds expended	1,545,000
Total expenditures of the SPLOST #5 Capital Projects Fund	$ 4,198,877

Note: The prior years numbers have been restated to move $338,126 from Fire Fighting Equipment to Roads, Streets and Bridges. This amount was misclassified in the prior years.

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

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
SPLOST # 6					
Roads, Streets and Bridges	$ 5,000,000	$ 5,000,000	$ 0	$ 0	$ 0
Water and Sewer Improvements	9,100,000	9,100,000	0	486,976	486,976
Parks and Recreation	2,000,000	2,000,000	0	0	0
Solid Waste Mgt Infrastructure	300,000	300,000	0	0	0
Senior Center	200,000	200,000	0	0	0
Fire Improvements	1,500,000	1,500,000	0	735	735
City of Dillard	400,000	400,000	0	400,000	400,000
City of Sky Valley	350,000	350,000	0	350,000	350,000
Mountain City	500,000	500,000	0	441,140	441,140
City of Tiger	450,000	450,000	0	441,140	441,140
City of Tallulah Falls	200,000	200,000	0	200,000	200,000
Total	$ 20,000,000	$ 20,000,000	$ 0	$ 2,319,991	$ 2,319,991

Current year SPLOST #6 Expenditures	$ 2,319,991
Debt proceeds expended	171,890
Total expenditures of the SPLOST #6 Capital Projects Fund	$ 2,491,881

* 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.

This page intentionally left blank.