UNION COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2014

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UNION COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2014

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RUSHTON & COMPANY

Independent Auditor's Report

Honorable Commissioner
Union 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 Union County, Georgia, as of and for the year ended December 31, 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 Union County Health Department, a component unit of Union County, Georgia, which represents 17.4 percent, 18.7 percent, and 76.6 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 Union 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 of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the 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 Union County, Georgia, as of December 31, 2014, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Union County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 schedule of projects financed with special purpose local option sales tax, 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 schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015, on our consideration of Union County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union County's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 29, 2015

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Lamar Paris
Union County Commissioner
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MANAGEMENT'S DISCUSSION AND ANALYSIS

Union County management is proud to present this narrative discussion and analysis of Union County's financial performance, making available an overview of the activities for the year ended December 31, 2014. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Union County. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous fiscal year.

Financial Highlights

- Union County's assets exceeded its liabilities at December 31, 2014 by $47,230,085 (*net position*). Of this amount, $3,927,806 is reported as unrestricted net position. This is an increase of $217,093 from the previous year for unrestricted. Total net position increased by $1,469,622 from the previous year.

- As of December 31, 2014, Union County's governmental funds reported combined ending fund balances of $7,701,543. Approximately 40% of this total amount, or $3,095,076, is reported as unassigned and available for spending at the County's discretion. Approximately 43%, or $3,273,694, is reported as restricted. Information about Union County's Policy on Fund Balance can be found in Note 2R in the *Notes to the Financial Statements* beginning on page 42.

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

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Union County's basic financial statements. Union County's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the County as a whole). The focus of the government-wide financial statements is on the overall financial position and activities of Union County and is designed to provide a broad overview of the County's financial activities in a manner similar to a private business enterprise.

The County's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about Union County using the accrual basis of accounting, which is similar to the accounting used by non-public businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the ***Statement of Net Position*** (pages 15-16) is to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. While the purpose of County Government is not to accumulate net position, as this amount increases it can indicate the strength of the County's financial position as a whole. When this amount decreases it can indicate a weakening of the County's financial position.

The ***Statement of Activities*** (page 17) presents the revenues and expenses of the County. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the County and identifies the extent to which each function of the County draws from general revenues or is self-financing through user fees, special revenues, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide Union County into three types of activities:

- ***Governmental activities*** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as real property, sales, insurance premium and intangible finance most of these services.

- ***Business-type or Enterprise activities*** – The County charges fees to customers to assist in recovering the cost for providing certain services. The County's Golf Course and Meeks Park are reported in this category.

- ***Discretely Presented Component Units*** – A component unit is a legally separate organization for which the elected officials of the County can be financially accountable. The Development Authority of Union County and the Union County Health Department, although legally separate, function for all practical purposes as departments of Union County and have been included as an integral part of the government.

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

Fund Financial Statements (Reporting the County's Major Funds).
The focus of fund financial statements is directed at specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 65. The County's funds are divided into three broad categories: governmental, proprietary, and fiduciary. They use different prescribed accounting methodologies.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the short-term view of the County's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash.

  Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By so doing, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

  Union County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and SPLOST III Capital Projects Fund, which are considered major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 65-68 of this report.

  Union County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been included for the General Fund to show the final result of actual revenues and expenditures as compared to the initial projections.

  The County's basic governmental fund financial statements are presented on pages 18-23 of this report.

- ***Proprietary Funds*** – When the County charges customers for the services it provides, whether to outside customers or internally to departments of the County, these services are generally reported in proprietary funds. The County maintains one type of proprietary funds: Enterprise Funds. These proprietary funds are prepared using the same accrual basis of accounting as the government-wide financial statements.

  Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. Union County uses enterprise funds to account for its Golf Course and Meeks Park functions.

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

  Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs and services. The accounting used for fiduciary funds is similar to that used for proprietary funds. Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements. The fiduciary fund financial statements are presented on page 27.

Notes to the financial statements.
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-64 of this report.

Other Supplementary Information.
Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 19 and 21) which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statements but as deferred inflows of resources on the fund statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the County's Financial Position and Operations

The County's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-17):

Union County
Net Position
Fiscal Years 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current	$ 18,159,792	$ 15,914,573	$ (433,793)	$ (343,444)	$ 17,725,999	$ 15,571,129
Noncurrent	41,885,186	43,272,121	4,431,960	2,840,714	46,317,146	46,112,835
Total assets	60,044,978	59,186,694	3,998,167	2,497,270	64,043,145	61,683,964
Liabilities:						
Current	3,757,985	2,744,230	138,819	56,741	3,896,804	2,800,971
Noncurrent	5,783,462	6,771,566	19,024	87,963	5,802,486	6,859,529
Total liabilities	9,541,447	9,515,796	157,843	144,704	9,699,290	9,660,500
Deferred inflows of resources	7,113,770	6,263,001	0	0	7,113,770	6,263,001
Net position:						
Net investment in capital assets	35,645,939	36,148,872	4,382,646	2,760,785	40,028,585	38,909,657
Restricted	3,273,694	3,140,093	0	0	3,273,694	3,140,093
Unrestricted	4,470,128	4,118,932	(542,322)	(408,219)	3,927,806	3,710,713
Total net position	$ 43,389,761	$ 43,407,897	$ 3,840,324	$ 2,352,566	$ 47,230,085	$ 45,760,463

Net position may serve over time as a useful indicator of a government's financial position. Assets for Union County exceeded liabilities by $47,230,085 at the close of 2014. Approximately 85% of Union County's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This remains the same as 85% at December 31, 2013. The County uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position comprises 7% of total net position. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position makes up the remaining 8%.

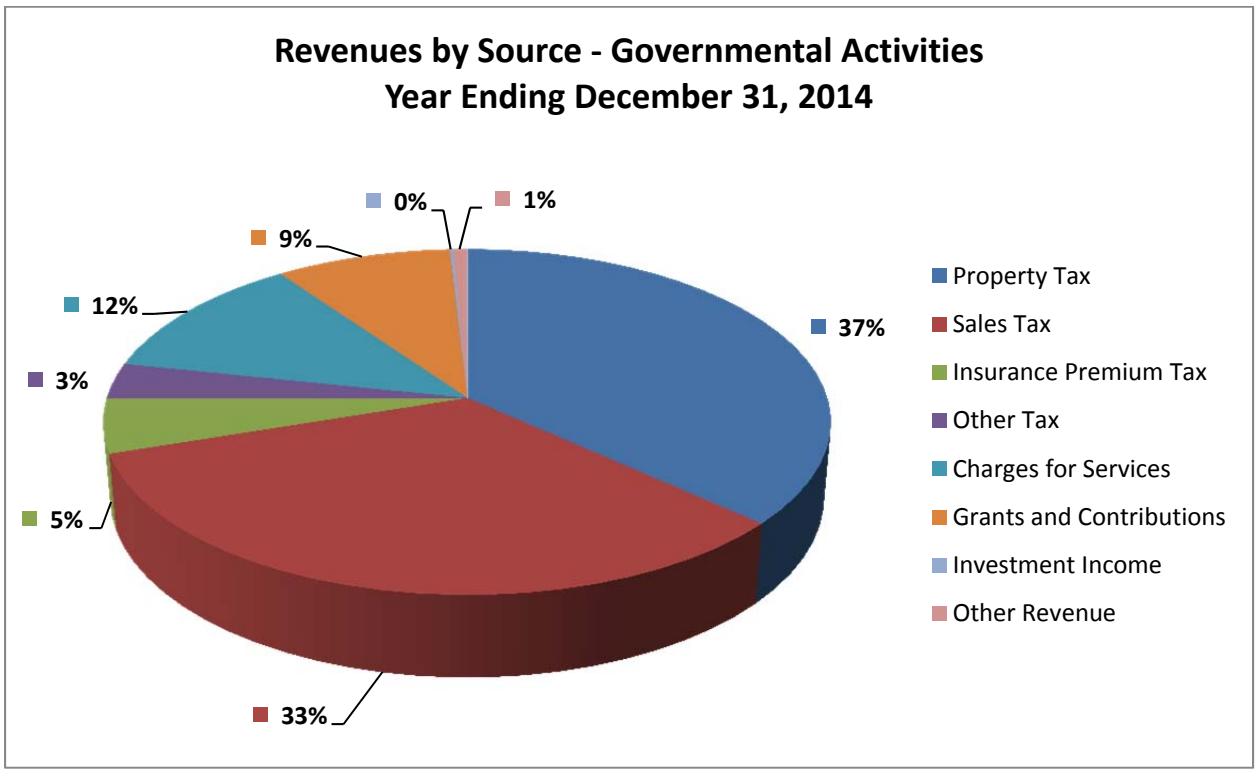
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Union County's net position changed during the year.

Union County
Changes in Net Position
Fiscal Years 2014 and 2013

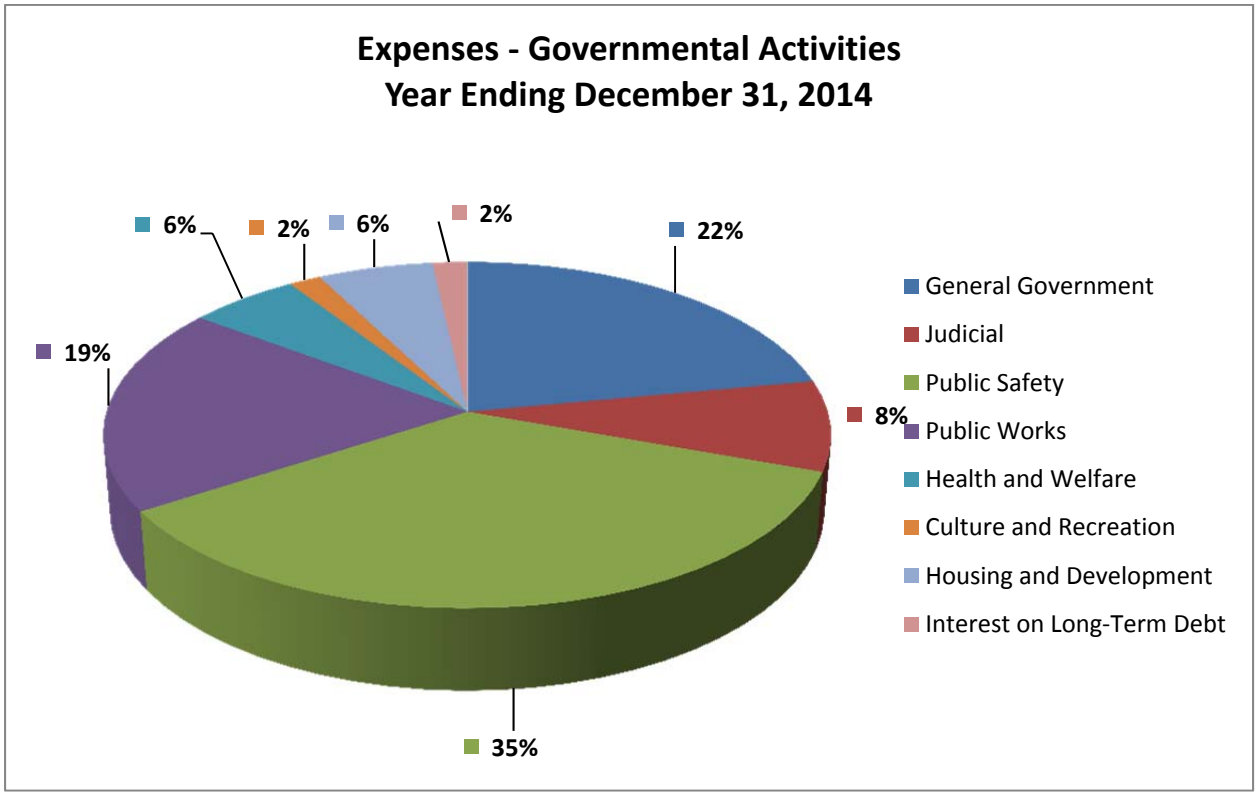
	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	$ 2,388,909	$ 1,764,484	$ 1,108,341	$ 1,198,579	$ 3,497,250	$ 2,963,063
Operating grants and contributions	753,963	1,492,833	0	0	753,963	1,492,833
Capital grants and contributions	1,042,464	888,100	0	0	1,042,464	888,100
General revenues:						
Property tax	7,390,716	7,476,326	0	0	7,390,716	7,476,326
Sales tax	6,676,494	6,475,247	0	0	6,676,494	6,475,247
Insurance premium tax	1,014,734	961,533	0	0	1,014,734	961,533
Other taxes	677,506	464,240	0	0	677,506	464,240
Interest & investment earnings	32,600	16,450	0	0	32,600	16,450
Other revenue	147,866	11,379	127,152	0	275,018	11,379
Total revenues	20,125,252	19,550,592	1,235,493	1,198,579	21,360,745	20,749,171
Expenses						
General government	3,858,030	3,662,536	0	0	3,858,030	3,662,536
Judicial	1,477,117	946,459	0	0	1,477,117	946,459
Public Safety	6,181,150	6,051,114	0	0	6,181,150	6,051,114
Public Works	3,384,879	3,498,504	0	0	3,384,879	3,498,504
Health and Welfare	977,667	1,456,895	0	0	977,667	1,456,895
Culture and Recreation	283,116	34,655	0	0	283,116	34,655
Housing and Development	1,019,415	692,372	0	0	1,019,415	692,372
Interest on long-term debt	310,595	287,061	0	0	310,595	287,061
Golf Course	0	0	946,173	847,681	946,173	847,681
Meeks Park	0	0	1,452,981	1,410,744	1,452,981	1,410,744
Total expenses	17,491,969	16,629,596	2,399,154	2,258,425	19,891,123	18,888,021
Increase (decrease) in net position before transfers	2,633,283	2,920,996	(1,163,661)	(1,059,846)	1,469,622	1,861,150
Transfers	(2,651,419)	(1,033,451)	2,651,419	1,033,451	0	0
Increase (decrease) in net position	(18,136)	1,887,545	1,487,758	(26,395)	1,469,622	1,861,150
Net position - beginning	43,407,897	41,520,352	2,352,566	2,378,961	45,760,463	43,899,313
Net position - ending	$ 43,389,761	$ 43,407,897	$ 3,840,324	$ 2,352,566	$ 47,230,085	$ 45,760,463

Governmental Activities –

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



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



Business-Type Activities –

Business-type activities increased Union County's net position by $1,487,758, or 63%. This increase is due to contributions of capital assets from Governmental Activities totaling $1,671,859. Aside from the contributions, business-type activities decreased total net position by $184,101.

Financial Analysis of the County's Funds

Union County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The main focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of unrestricted resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

1) As the County completed this year, its governmental funds reported a combined ending fund balance of $7,701,543. Of this amount, $3,095,076 (40%) constitutes unassigned fund balance, which is available for appropriation for the general purposes of the funds in accordance with the Union County Policy on Fund Balance.

The General Fund is the chief operating fund of the County. At the end of the current year, fund balance of the General Fund was $3,999,901. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 80% of total fund balance in the General Fund. Unassigned fund balance represents approximately 26% of total General Fund expenditures, while total fund balance represents approximately 32% of that same amount. The County ended the year realizing an increase in the overall fund balance in the General Fund by $326,134, or approximately 9%. The County increased unassigned fund balance in the General Fund by $117,845, or 4%. This increase was due in large part to transfers less than original expectations.

General Fund Budget Highlights

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

Proprietary Funds. Union County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of the County's two proprietary funds totaled as follows:

- Golf Course $ 1,270,341
- Meeks Park $ 2,569,983

The Golf Course Fund decreased net position by $70,771. The decrease is due predominantly to an operating loss totaling $179,743 offset by a contribution of capital assets from Governmental Activities totaling $112,350. The Meeks Park Fund increased net position by $1,558,529. The increase is due to a contribution of capital assets from Governmental Activities totaling $1,559,509.

Capital Assets and Debt Administration

Capital Assets. Union County has invested $46,317,146 in capital assets (net of accumulated depreciation) compared to $46,112,835 in the previous year. This represents an increase of 0.4%. Approximately 90% of this investment is related to governmental activities and includes infrastructure, land, buildings, equipment and vehicles. Capital assets held by the County at year-end are summarized as follows:

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

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	$ 3,904,437	$ 3,980,804	$ 2,427,997	$ 2,140,311	$ 6,332,434	$ 6,121,115
Construction in progress	652,007	2,204,077	21,130	11,388	673,137	2,215,465
Land improvements	0	0	356,412	356,127	356,412	356,127
Buildings and improvements	31,239,904	29,837,276	2,675,425	1,206,087	33,915,329	31,043,363
Equipment and furniture	5,144,846	5,459,434	1,001,066	959,092	6,145,912	6,418,526
Vehicles	4,870,930	4,423,049	74,306	64,351	4,945,236	4,487,400
Infrastructure	21,011,366	19,392,865	0	0	21,011,366	19,392,865
Total	66,823,490	65,297,505	6,556,336	4,737,356	73,379,826	70,034,861
Accumulated depreciation	(24,938,304)	(22,025,384)	(2,124,376)	(1,896,642)	(27,062,680)	(23,922,026)
Net Capital Assets	$ 41,885,186	$ 43,272,121	$ 4,431,960	$ 2,840,714	$ 46,317,146	$ 46,112,835

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

- Completion of various SPLOST projects
- Purchase of vehicles and heavy equipment for various departments
- Purchase of land for continued growth for the County
- Continuing road construction, road improvements, culvert repairs and bridge repairs

Major capital asset expenditures during the current year for business-type activities included the following:

- Improvements to the Meeks Park parking lot
- Purchase of shed at the Farmer's Market
- Purchase of a vehicle and various equipment for Meeks Park
- Addition of camping hookups

Additional information on Union County's capital assets can be found in Note 9 on pages 50-52 of this report.

Debt/Capital Leases. On December 31, 2014, Union County had a total debt balance outstanding for governmental activities in the amount of $6,311,934, as compared to $7,323,249 the previous year. Union County's outstanding debt for governmental activities has decreased by $1,011,315 during the course of the year due predominantly to regular scheduled payments. On December 31, 2014, Union County had a total debt balance outstanding for business-type activities in the amount of $49,314, as compared to $79,929 the previous year. Union County's outstanding debt for business-type activities has decreased by $30,615 during the course of the year due to regular scheduled payments.

Additional information on the County's long-term debt can be found in Note 12 on pages 55-59 of this report.

Economic Condition and Outlook

Union County is determined to maintain an increase in fund balance while continuing to provide services to the citizenry. Moving forward the County will continue to face challenges as a result of slow economic growth. Housing starts and retail sales related to residential and commercial construction continue to be a major concern of the County. These and many key factors were considered in preparation of the budget for 2015 that position Union County to meet those challenges:

- Continued increased reliance on residential taxes as an overall part of the tax base
- Flattening recovery in countywide retail sales
- Increased reliance on Special Purpose Local Option Sales Tax for water and sewer improvements
- State Legislatures imposing limits to home rule through property tax and property assessment reform
- Continued volatility in the housing market and cost of fuel & energy
- Union County's unemployment rate remaining near record levels as is the case in most of Georgia
- Need for additional personnel, and funds for personnel development and training
- Rising cost of healthcare and other insurance benefits
- 2015 SPLOST projects being planned and started

Contacting the County

This financial report is designed to provide County citizens, taxpayers, customers, and creditors with a general overview of Union County's finances and to demonstrate the County's high level of accountability for the revenue it receives and the services it provides. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Union County
65 Courthouse Street
Blairsville, GA 30512
706-439-6000
unioncounty@uniongov.com
http://www.unioncountyga.gov

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BASIC FINANCIAL STATEMENTS

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 13,378,084	$ 264,499	$ 13,642,583	$ 693,619
Restricted cash and cash equivalents	646,457	0	646,457	0
Receivables (net)				
Accounts	1,233,411	1,732	1,235,143	34,195
Intergovernmental	213,811	0	213,811	3,667
Taxes	1,869,767	0	1,869,767	0
Internal balances	751,157	(751,157)	0	0
Inventories	0	51,133	51,133	0
Prepaids	67,105	0	67,105	0
Total current assets	18,159,792	(433,793)	17,725,999	731,481
Noncurrent assets				
Land held for resale	0	0	0	1,720,379
Capital assets				
Non-depreciable	4,556,444	2,449,127	7,005,571	0
Depreciable (net)	37,328,742	1,982,833	39,311,575	739,410
Total noncurrent assets	41,885,186	4,431,960	46,317,146	2,459,789
Total assets	60,044,978	3,998,167	64,043,145	3,191,270
LIABILITIES				
Current liabilities				
Payables				
Accounts	882,820	72,204	955,024	9,899
Retainages	27,313	0	27,313	0
Intergovernmental	19,601	0	19,601	0
Interest	112,587	744	113,331	0
Accrued salaries and payroll liabilities	198,135	20,276	218,411	5,198
Accrued expenses	0	4,049	4,049	0
Compensated absences	65,855	11,256	77,111	26,000
Contracts payable	100,000	0	100,000	0
Capital leases payable	74,658	30,290	104,948	0
Notes payable	8,608	0	8,608	0
Bonds payable	890,000	0	890,000	0
Landfill post-closure care costs	13,422	0	13,422	
Other current liabilities	1,364,986	0	1,364,986	0
Total current liabilities	3,757,985	138,819	3,896,804	41,097
Noncurrent liabilities				
Compensated absences	0	0	0	27,038
Capital leases payable	0	19,024	19,024	0
Notes payable	83,712	0	83,712	484,010
Bonds payable	5,154,956	0	5,154,956	0
Landfilll post-closure care costs	544,794	0	544,794	0
Total noncurrent liabilities	5,783,462	19,024	5,802,486	511,048
Total liabilities	9,541,447	157,843	9,699,290	552,145

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

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues - property taxes	$ 7,113,770	$ 0	$ 7,113,770	$ 0
NET POSITION				
Net investment in capital assets	35,645,939	4,382,646	40,028,585	255,400
Restricted for:				
Law library operations	57,883	0	57,883	0
Judicial activities	382,251	0	382,251	0
Public safety activities	385,567	0	385,567	0
Health and welfare activities	0	0	0	130,024
Capital outlay	1,801,536	0	1,801,536	0
Debt service	646,457	0	646,457	0
Unrestricted	4,470,128	(542,322)	3,927,806	2,253,701
Total net position	$ 43,389,761	$ 3,840,324	$ 47,230,085	$ 2,639,125

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

UNION COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 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	$ 3,858,030	$ 147,673	$ 0	$ 76,950	$ (3,633,407)
Judicial	1,477,117	118,924	415,487	0	(942,706)
Public Safety	6,181,150	1,839,832	165,872	86,993	(4,088,453)
Public Works	3,384,879	258,966	20,829	867,518	(2,237,566)
Health and Welfare	977,667	23,514	100,000	11,003	(843,150)
Culture and Recreation	283,116	0	0	0	(283,116)
Housing and Development	1,019,415	0	51,775	0	(967,640)
Interest on long-term debt	310,595	0	0	0	(310,595)
Total governmental activities	17,491,969	2,388,909	753,963	1,042,464	(13,306,633)
Business-type activities					
Golf Course	946,173	758,434	0	0	(187,739)
Meeks Park	1,452,981	349,907	0	0	(1,103,074)
Total business-type activities	2,399,154	1,108,341	0	0	(1,290,813)
Total primary government	19,891,123	3,497,250	753,963	1,042,464	(14,597,446)
Component Units					
Union County Health Department					
Health and Welfare	679,027	348,151	264,344	0	(66,532)
Development Authority of Union County					
Housing and Development	196,228	20,000	5,000	0	(171,228)
Total component units	875,255	368,151	269,344	0	(237,760)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (13,306,633)	$ (1,290,813)	$ (14,597,446)	$ (237,760)
General revenues				
Taxes				
Property	7,390,716	0	7,390,716	0
Sales	6,676,494	0	6,676,494	0
Insurance premium	1,014,734	0	1,014,734	0
Intangible	146,770	0	146,770	0
Other	530,736	0	530,736	0
Interest and investment earnings	32,600	0	32,600	335
Payments from Union County	0	0	0	287,512
Other	147,866	127,152	275,018	27,078
Transfers	(2,651,419)	2,651,419	0	0
Total general revenues and transfers	13,288,497	2,778,571	16,067,068	314,925
Change in net position	(18,136)	1,487,758	1,469,622	77,165
Net position - beginning	43,407,897	2,352,566	45,760,463	2,561,960
Net position - ending	$ 43,389,761	$ 3,840,324	$ 47,230,085	$ 2,639,125

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

UNION COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	General	SPLOST III	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and cash equivalents	$ 10,791,846	$ 1,588,728	$ 997,510	$ 13,378,084
Restricted cash and cash equivalents	0	0	646,457	646,457
Receivables (net)				
Accounts	1,157,338	0	76,073	1,233,411
Intergovernmental	27,570	127,806	58,435	213,811
Taxes	1,521,553	324,295	23,919	1,869,767
Prepaid items	67,105	0	0	67,105
Due from other funds	47,835	0	222,226	270,061
Advances to other funds	751,157	0	0	751,157
Total assets	$ 14,364,404	$ 2,040,829	$ 2,024,620	$ 18,429,853
LIABILITIES				
Payables				
Accounts	$ 665,617	$ 192,379	$ 24,824	$ 882,820
Retainages	0	27,313	0	27,313
Intergovernmental	0	19,601	0	19,601
Accrued salaries and payroll liabilities	186,280	0	11,855	198,135
Due to other funds	182,226	0	87,835	270,061
Other liabilities	1,364,986	0	0	1,364,986
Total liabilities	2,399,109	239,293	124,514	2,762,916
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - property taxes	7,113,770	0	0	7,113,770
Unavailable revenue - property taxes	382,791	0	0	382,791
Unavailable revenue - other taxes	85,976	0	0	85,976
Unavailable revenue - other	382,857	0	0	382,857
Total deferred inflows of resources	7,965,394	0	0	7,965,394
FUND BALANCES				
Nonspendable				
Prepaid items	67,105	0	0	67,105
Advances to other funds	751,157	0	0	751,157
Restricted for:				
Law library operations	0	0	57,883	57,883
Judicial activities	0	0	382,251	382,251
Public safety activities	0	0	385,567	385,567
Capital outlay	0	1,801,536	0	1,801,536
Debt service	0	0	646,457	646,457
Assigned for:				
Emergency 911 system operations	0	0	58,137	58,137
Tourism	0	0	2,392	2,392
Capital outlay	0	0	453,982	453,982
Unassigned	3,181,639	0	(86,563)	3,095,076
Total fund balances	3,999,901	1,801,536	1,900,106	7,701,543
Total liabilities, deferred inflows of resouces, and fund balances	$ 14,364,404	$ 2,040,829	$ 2,024,620	$ 18,429,853

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

UNION COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2014

Total fund balance - total governmental funds			$ 7,701,543
Amounts reported for governmental activities in the statement of net position are different because:			
Some assets are not financial resources and therefore are not reported in the funds. These are:			
Capital assets, net of accumulated depreciation			41,885,186
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			851,624
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:			
Accrued interest	$	(112,587)	
Compensated absences		(65,855)	
Contracts payable		(100,000)	
Capital leases payable		(74,658)	
Notes payable		(92,320)	
Bonds payable		(6,044,956)	
Landfill post-closure care costs		(558,216)	(7,048,592)
Net position of governmental activities			$ 43,389,761

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

UNION COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2014

	General	SPLOST III	Nonmajor Governmental Funds	Totals
REVENUES				
Taxes	$ 12,140,699	$ 3,709,114	$ 169,295	$ 16,019,108
Licenses and permits	161,124	0	0	161,124
Fines, fees and forfeitures	503,472	0	417,566	921,038
Charges for services	314,902	0	506,053	820,955
Intergovernmental	727,185	853,817	562,712	2,143,714
Interest	20,250	1,839	426	22,515
Contributions		11,864	30,919	42,783
Other	139,567	0	8,299	147,866
Total revenues	14,007,199	4,576,634	1,695,270	20,279,103
EXPENDITURES				
Current				
General Government	3,243,926	0	0	3,243,926
Judicial	1,002,751	0	485,087	1,487,838
Public Safety	5,081,362	0	793,620	5,874,982
Public Works	1,274,882	0	0	1,274,882
Health and Welfare	925,468	0	11,081	936,549
Culture and Recreation	261,077	0	0	261,077
Housing and Development	602,560	0	165,920	768,480
Capital outlay	0	3,184,514	140,468	3,324,982
Debt service	80,769	34,285	1,149,401	1,264,455
Intergovernmental	0	239,329	0	239,329
Total expenditures	12,472,795	3,458,128	2,745,577	18,676,500
Excess (deficiency) of revenues over (under) expenditures	1,534,404	1,118,506	(1,050,307)	1,602,603
Other financing sources (uses)				
Transfers in	3,204	0	1,767,446	1,770,650
Transfers out	(1,287,385)	(1,223,435)	(239,390)	(2,750,210)
Sale of capital assets	3,622	0	0	3,622
Issuance of debt	72,289	0	0	72,289
Total other financing sources (uses)	(1,208,270)	(1,223,435)	1,528,056	(903,649)
Net change in fund balance	326,134	(104,929)	477,749	698,954
Fund balances, January 1	3,673,767	1,906,465	1,422,357	7,002,589
Fund balances, December 31	$ 3,999,901	$ 1,801,536	$ 1,900,106	$ 7,701,543

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

UNION COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2014

Net change in fund balances - total governmental funds			$ 698,954
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.			
Capital outlays	$	3,199,703	
Depreciation		(2,972,902)	226,801
In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.			
Cost of assets disposed	$	(50,309)	
Related accumulated depreciation		31,482	(18,827)
Contributions 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. financial resources.			
Individual contributors			76,950
Distributions 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. financial resources.			
Business-type activities			(1,671,859)
The proceeds of debt issuance, net of premiums, discounts and issuance costs 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. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.			
Debt proceeds	$	(72,289)	
Debt principal payments		971,680	
Forgiveness of debt		100,000	
Amortization of bond premiums		11,924	
Net change in interest payable		(17,810)	993,505
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 revenue.			(342,724)
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.			
Compensated absences	$	5,642	
Landfill post-closure care costs		13,422	19,064
Change in net position of governmental activities			$ (18,136)

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

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 11,316,759	$ 12,140,699	$ 12,140,699	$ 0
Licenses and permits	130,450	161,124	161,124	0
Fines, fees and forfeitures	551,000	503,472	503,472	0
Charges for services	370,750	314,902	314,902	0
Intergovernmental	832,600	727,185	727,185	0
Interest	10,000	20,250	20,250	0
Other	806,588	139,567	139,567	0
Total revenues	14,018,147	14,007,199	14,007,199	0
EXPENDITURES				
Current				
General Government				
Executive	359,844	283,033	283,033	0
Elections	149,087	134,209	134,209	0
General administration	509,880	596,971	596,971	0
Financial administration	136,202	135,243	135,243	0
Tax Commissioner	269,471	267,912	267,912	0
Tax assessor	292,364	286,763	286,763	0
Risk management	247,000	1,254,702	1,254,702	0
General government buildings	309,940	285,093	285,093	0
Judicial				
Judicial administration	4,700	3,891	3,891	0
Superior Court	115,776	90,878	90,878	0
Clerk of superior court	254,537	223,802	223,802	0
District attorney	99,691	74,714	74,714	0
Magistrate court	193,142	180,762	180,762	0
Probate court	200,755	197,398	197,398	0
Juvenile court	74,632	162,900	162,900	0
Grand jury	2,200	297	297	0
Public defender	90,000	68,109	68,109	0
Public Safety				
Sheriff	2,099,649	2,406,466	2,406,466	0
Vice control	86,349	19,061	19,061	0
Jail operations	1,326,250	1,312,254	1,312,254	0
Fire and emergency management	996,746	974,264	974,264	0
Fire stations and buildings	0	221,775	221,775	0
Coroner	30,290	31,832	31,832	0
Animal control	140,728	115,710	115,710	0
Public Works				
Highways and streets	1,056,012	1,076,147	1,076,147	0
Solid waste	63,700	28,649	28,649	0
Public education	50,000	22,127	22,127	0
Maintenance and shop	142,144	147,959	147,959	0
Health and Welfare				
Public health administration	397,786	315,932	315,932	0
Ambulance contract	300,000	300,000	300,000	0
Intergovernmental welfare	36,900	36,900	36,900	0
Senior citizens	166,360	121,545	121,545	0
Community center	57,220	59,181	59,181	0
Transportation services	94,270	91,910	91,910	0

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

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Culture and Recreation				
Participant recreation	$ 44,600	$ 30,532	$ 30,532	$ 0
Library admission	227,150	230,545	230,545	0
Housing and Development				
Conservation	67,046	49,256	49,256	0
Agricultural	49,661	64,453	64,453	0
Building inspection	199,500	185,166	185,166	0
Planning and zoning	105,145	100,018	100,018	0
Economic development	158,600	203,667	203,667	0
Debt service				
Principal	0	72,671	72,671	0
Interest	0	8,098	8,098	0
Total expenditures	11,205,327	12,472,795	12,472,795	0
Excess (deficiency) of revenues over expenditures	2,812,820	1,534,404	1,534,404	0
Other financing sources (uses)				
Transfers in	0	3,204	3,204	0
Transfers out	(2,812,820)	(1,287,385)	(1,287,385)	0
Sale of capital assets	0	3,622	3,622	0
Issuance of debt	0	72,289	72,289	0
Total other financing sources (uses)	(2,812,820)	(1,208,270)	(1,208,270)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	326,134	326,134	0
Fund balances, January 1	0	(326,134)	3,673,767	3,999,901
Fund balances, December 31	$ 0	$ 0	$ 3,999,901	$ 3,999,901

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

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2014

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 132,634	$ 131,865	$ 264,499
Accounts receivable (net)	690	1,042	1,732
Inventories	51,133	0	51,133
Due from other funds	2,526	0	2,526
Total current assets	186,983	132,907	319,890
Noncurrent assets			
Capital assets			
Non-depreciable	1,698,911	750,216	2,449,127
Depreciable (net)	228,079	1,754,754	1,982,833
Total noncurrent assets	1,926,990	2,504,970	4,431,960
Total assets	2,113,973	2,637,877	4,751,850
LIABILITIES			
Current liabilities			
Accounts payable	23,598	48,606	72,204
Accrued salaries and payroll liabilities	9,989	10,287	20,276
Accrued expenses	1,417	2,632	4,049
Due to other funds	0	2,526	2,526
Compensated absences	7,413	3,843	11,256
Accrued interest payable	744	0	744
Capital leases payable	30,290	0	30,290
Total current liabilities	73,451	67,894	141,345
Noncurrent liabilities			
Advances from other funds	751,157	0	751,157
Capital leases payable	19,024	0	19,024
Total noncurrent liabilities	770,181	0	770,181
Total liabilities	843,632	67,894	911,526
NET POSITION			
Net investment in capital assets	1,877,676	2,504,970	4,382,646
Unrestricted	(607,335)	65,013	(542,322)
Total net position	$ 1,270,341	$ 2,569,983	$ 3,840,324

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

UNION COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2014

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
OPERATING REVENUES			
Charges for sales and services	$ 758,434	$ 349,907	$ 1,108,341
Other	4,618	122,534	127,152
Total operating revenues	763,052	472,441	1,235,493
OPERATING EXPENSES			
Costs of sales and services	491,403	754,564	1,245,967
Personal services	402,456	548,119	950,575
Depreciation	48,936	150,298	199,234
Total operating expenses	942,795	1,452,981	2,395,776
Operating income (loss)	(179,743)	(980,540)	(1,160,283)
Non-operating revenues (expenses)			
Interest expense	(3,378)	0	(3,378)
Net income (loss) before capital contributions and transfers	(183,121)	(980,540)	(1,163,661)
Capital contributions			
Contributions of capital assets from Governmental Activities	112,350	1,559,509	1,671,859
Net income (loss) before transfers	(70,771)	578,969	508,198
Transfers in (out)			
Transfers in	0	979,560	979,560
Change in net position	(70,771)	1,558,529	1,487,758
Net position, January 1	1,341,112	1,011,454	2,352,566
Net position, December 31	$ 1,270,341	$ 2,569,983	$ 3,840,324

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

UNION COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2014

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
Cash flows from operating activities:			
Receipts from customers	$ 757,744	$ 356,373	$ 1,114,117
Payments to suppliers	(494,641)	(727,058)	(1,221,699)
Payments to employees	(397,155)	(538,270)	(935,425)
Other receipts	4,618	122,534	127,152
Net cash provided (used) by operating activities	(129,434)	(786,421)	(915,855)
Cash flows from non-capital financing activities:			
Receipts from other funds	196,591	924,297	1,120,888
Payments to other funds	0	(5,407)	(5,407)
Net cash provided (used) by operating activities	196,591	918,890	1,115,481
Cash flows from capital and related financing activities:			
Receipts from other funds	0	55,263	55,263
Payments for acquisitions of capital assets	(8,570)	(110,051)	(118,621)
Interest paid	(3,378)	0	(3,378)
Principal payments - capital leases	(30,615)	0	(30,615)
Net cash provided (used) by captial and related financing activities	(42,563)	(54,788)	(97,351)
Net increase (decrease) in cash and cash equivalents	24,594	77,681	102,275
Cash and cash equivalents, January 1	108,040	54,184	162,224
Cash and cash equivalents, December 31	$ 132,634	$ 131,865	$ 264,499
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (179,743)	$ (980,540)	$ (1,160,283)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	48,936	150,298	199,234
(Increase) decrease in accounts receivable	(690)	6,466	5,776
(Increase) decrease in inventories	(4,336)	0	(4,336)
Increase (decrease) in accounts payable	1,439	27,929	29,368
Increase (decrease) in accrued salaries and payroll liabilities	1,641	10,287	11,928
Increase (decrease) in accrued expenses	(341)	(423)	(764)
Increase (decrease) in compensated absences	3,660	(438)	3,222
Total adjustments	50,309	194,119	244,428
Net cash provided (used) by operating activities	$ (129,434)	$ (786,421)	$ (915,855)

Noncash investing, capital, and financing activites:
Contributions of capital assets from government totaled $1,671,859 for the year ended December 31, 2014.

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

UNION COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2014

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 611,606
Taxes receivable, net	2,093,968
Total assets	$ 2,705,574
LIABILITIES	
Due to others	$ 611,606
Uncollected taxes	2,093,968
Total liabilities	$ 2,705,574

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

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2014

	Development Authority of Union County	Union County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 178,009	$ 515,610	$ 693,619
Receivables (net)			
Accounts	0	34,195	34,195
Intergovernmental	0	3,667	3,667
Total current assets	178,009	553,472	731,481
Noncurrent assets			
Land held for resale	1,720,379	0	1,720,379
Capital assets			
Depreciable (net)	737,316	2,094	739,410
Total noncurrent assets	2,457,695	2,094	2,459,789
Total assets	2,635,704	555,566	3,191,270
LIABILITIES			
Current liabilities			
Accounts payable	0	9,899	9,899
Accrued salaries and payroll liabilities	5,198	0	5,198
Compensated absences	0	26,000	26,000
Total current liabilities	5,198	35,899	41,097
Noncurrent liabilities			
Compensated absences	0	27,038	27,038
Notes payable	484,010	0	484,010
Total noncurrent liabilities	484,010	27,038	511,048
Total liabilities	489,208	62,937	552,145
NET POSITION			
Net investment in capital assets	253,306	2,094	255,400
Restricted for health and welfare activities	0	130,024	130,024
Unrestricted	1,893,190	360,511	2,253,701
Total net position	$ 2,146,496	$ 492,629	$ 2,639,125

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

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2014

	Development Authority of Union County	Union County Health Department	Totals
Expenses			
Health and Welfare	$ 0	$ 679,027	$ 679,027
Housing and Development	196,228	0	196,228
Total expenses	196,228	679,027	875,255
Program revenues			
Charges for services	20,000	348,151	368,151
Operating grants and contributions	5,000	264,344	269,344
Total program revenues	25,000	612,495	637,495
Net (expense) revenue	(171,228)	(66,532)	(237,760)
General revenues			
Interest	335	0	335
Payments from Union County	170,000	117,512	287,512
Rental income	21,780	0	21,780
Miscellaneous	5,298	0	5,298
Total general revenues	197,413	117,512	314,925
Change in net position	26,185	50,980	77,165
Net position - beginning	2,120,311	441,649	2,561,960
Net position - ending	$ 2,146,496	$ 492,629	$ 2,639,125

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

1. Description of Government Unit

Union County operates under a commissioner-manager form of government under which a Commissioner is elected to serve the legislative body for the County. The Commissioner is elected at large. The County provides the following services: public safety, judicial, public works, health and welfare, culture and recreation, housing and development, and general administrative services.

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 Union 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 its operational and financial relationship with the County.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of component units have been included either as blended or discretely presented component units.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the Government's operations.

The Urban Redevelopment Agency of Union County – The Authority was organized solely for the purpose of acquiring debt and financing the construction of a multi-purpose building location for use by the County, is governed by a three member board appointed by the Union County Commissioner. The assets and debt of the Urban Redevelopment Agency are reported as part of the County's assets and debt, and all activity is reported in a County debt service fund. Separate financial statements are not prepared for the Urban Redevelopment Agency. Separate financial statements are not issued.

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

The Union County Health Department – The Health Department is governed by a seven member board including the Commissioner and three members appointed by the Commissioner. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees. The Health Department has a June 30th year-end and is presented as a governmental type component unit. The Health Department's financial statements can be obtained by writing to the Union County Health Department, 67 Chase Drive, Blairsville, GA 30512.

The Development Authority of Union County – The Authority is governed by a five member board appointed by the Commissioner. The Authority is responsible for promoting economic development within Union County. The Development Authority provides a financial benefit to the County. The Authority is reported as a governmental type component unit. Separate financial statements for the Development Authority are not prepared.

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

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

As discussed earlier, the government has two 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 III (SPLOST III) Capital Projects Fund – This fund is used to account for the revenues and expenditures relating to the County's 2009 1% Special Purpose Local Option Sales Tax issues.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

The County reports the following major proprietary funds:

Golf Course Enterprise Fund – This fund is used to account for the activities of the Butternut Creek Golf Course.

Meeks Park Enterprise Fund – This fund is used to account for the activities of the County recreation department and community center.

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

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

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 by the County as an agent to be expended in accordance with the conditions of its agency capacity.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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

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

E. Measurement Focus and Basis of Accounting

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

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, Industrial Building, and Development Authority Enterprise 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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information

The County follows the following procedures in establishing budgetary data reflected in the financial statements:

1. Prior to September, County management submits to the County Commissioner a proposed operating budget for each department for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the County.
3. The budget is then adopted by the Commissioner at a public meeting.
4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be amended by formal action of the Commissioner in a regular meeting.
5. Budget amounts are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets are adopted for the General Fund, SPLOST III Fund, the special revenue funds, capital project funds, and debt service funds.
6. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, SPLOST III Fund, the special revenue funds, capital project funds, and debt service funds. All appropriations lapse at year end.

Budget amounts are as originally adopted, or as amended by the Commissioner. The supplementary budgetary appropriations made are reflected in the final budget amounts.

2. Summary of Significant Accounting Policies (continued)

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 value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts.

I. Intergovernmental Receivables

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

J. Inventories

Inventories are valued at cost on the first-in, first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

K. Prepaids

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaids. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

2. Summary of Significant Accounting Policies (continued)

L. 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. Capital assets, not including infrastructure are defined by the County as assets with a initial, individual cost of $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capita assets are recorded at estimated fair market value at the date of donation. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

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. The County has elected to capitalize all general infrastructure assets regardless of acquisition date and has used estimated historical cost to value these assets.

Major outlays for capital assets and improvements are capitalized as projects as constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

	Useful Life in Years
Land	N/A
Land Improvements	7-20
Buildings and Improvements	15-50
Infrastructure	7-50
Machinery and Equipment	3-20
Vehicles	2-15
Furniture and Fixtures	5-7

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

2. Summary of Significant Accounting Policies (continued)

M. 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 two types of items that qualify for reporting in this category. The governmental funds balance sheet and government wide statement of net position reports unearned property tax revenues as a deferred inflow of resources as the amount represents resources associated with an imposed non-exchange revenue transaction reported as a receivable before the period for which the property taxes were levied. These revenues will be recognized as an inflow of resources in the period for which they were levied. Additionally, the governmental funds report unavailable revenues from property taxes and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

N. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

2. Summary of Significant Accounting Policies (continued)

O. 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.

P. 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.

Q. Restricted Assets and Restricted Net Position

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

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

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at December 31, 2014 by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Commissioner, the County's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number.

Assigned – includes amounts that are intended to be used by the County for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent can only be expressed by the Commissioner or their designee. Assigned Fund Balance differs from Committed Fund Balance in that assignments do not require a resolution.

2. Summary of Significant Accounting Policies (continued)

R. 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. In addition, any remaining deficits in the County's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned.

For the purposes of fund balance classification, the County considers restricted amounts spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Furthermore, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, then committed amounts are spent first, followed by assigned amounts, and then unassigned amounts.

S. Net Position

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

2. Summary of Significant Accounting Policies (continued)

T. 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 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 any 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.

U. 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.

V. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

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.

Credit Risk

State of Georgia law limits investments to include certificates of deposit, prime bankers' acceptances, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The County has no investment policy that would further limit its investment choices.

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

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

3. Deposit and Investment Risk (continued)

The Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at December 31, 2014 was 51 days. At December 31, 2014, the County's balance in Georgia Fund 1 was $4,228,024.

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.

Discretely Presented Component Unit – Development Authority

Interest rate risk

The Development Authority 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.

Custodial Credit Risk

As of December 31, 2014, all of the Development Authority's deposits and investments were collateralized with the depository financial institution.

Discretely Presented Component Unit – Health Department

Interest rate risk

The Health Department 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.

Custodial Credit Risk

As of June 30, 2014, all of the Health Department's deposits and investments were collateralized with the depository financial institution.

4. Accounts Receivable

Net accounts receivable at December 31, 2014 consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 1,157,338
Enterprise Funds		
Golf Course	$ 690	
Meeks Park	1,042	1,732
Nonmajor Funds		
Special Revenue Funds		
Law Library	705	
Emergency 911	73,359	
Local Victims Assistance	1,202	
Inmate Welfare	807	76,073
Total primary government		$ 1,235,143
Component Units		
Union County Health Department		$ 34,195

5. Intergovernmental Receivables

Intergovernmental receivables at December 31, 2014 consist of the following:

Primary Government:		
Major Funds		
General Fund		
Union County Board of Education	$ 21,042	
City of Blairsville	3,110	
Enotah Judicial Circuit	1,627	
Union County Development Authority	929	
Other Governments	862	$ 27,570
SPLOST III Capital Projects Fund		
Georgia Department of Transportation		127,806
Nonmajor Funds		
Drug Abuse Special RevenueFund		
Criminal Justice Coordinating Council	57,922	
City of Blairsville	513	58,435
Total		$ 213,811
Component Units		
Union County Health Department		
Georgia Department of Public Health		$ 3,667

6. Property Taxes

Property taxes for the 2014 fiscal year were levied on October 3, 2013, with property values assessed as of January 1, 2013. Bills are payable on or before December 20, 2013, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes levied during 2014 are for fiscal year 2015. Amounts recorded as a receivable and amounts collected as of December 31, 2014 related to these taxes are recorded as unearned revenue in both the fund and government-wide financial statements.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of December 31, 2014 is as follows:

	Due from:				
	Major Funds			Nonmajor Funds	
	General	Golf Course	Meeks Park	Governmental	Total
Due to:					
Major Funds					
General	$ 0	$ 751,157	$ 0	$ 47,835	$ 798,992
Golf Course	0	0	2,526	0	2,526
Nonmajor Funds					
Governmental	182,226	0	0	40,000	222,226
Total	$ 182,226	$ 751,157	$ 2,526	$ 87,835	$ 1,023,744

The balances reported as Due to/Due from resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made. The $751,157 is reported in the General Fund as an advance to other fund and as an advance from other fund in the Golf Course Fund; this balance is not expected to be repaid within one year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

8. Interfund Transfers

A summary of interfund transfers as of December 31, 2014 is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	Meeks Park	$ 932,125
	Nonmajor Governmental	355,260
SPLOST III	Meeks Park	47,435
	Nonmajor Governmental	1,176,000
Nonmajor Governmental	General	3,204
	Nonmajor Governmental	236,186
		2,750,210
Transfers of capital assets		
Governmental Activities	Golf Course	112,350
	Meeks Park	1,559,509
		$ 4,422,069

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, 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) move capital assets between governmental activities and business-type activities.

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 December 31, 2014 was as follows:

	Balance 12/31/2013	Increases	Decreases	Balance 12/31/2014
Governmental activities				
Non-depreciable assets				
Land and Improvements	$ 3,980,804	$ 355,354	$ (431,721)	$ 3,904,437
Construction in progress	2,204,077	583,851	(2,135,921)	652,007
Total non-depreciable assets	6,184,881	939,205	(2,567,642)	4,556,444
Depreciable assets				
Buildings and improvements	29,837,276	1,402,628	0	31,239,904
Infrastruture	19,392,865	1,702,947	(84,446)	21,011,366
Machinery and equipment	5,327,001	160,449	(475,037)	5,012,413
Vehicles	4,423,049	498,190	(50,309)	4,870,930
Furniture and fixtures	132,433	0	0	132,433
Total depreciable assets	59,112,624	3,764,214	(609,792)	62,267,046
Less accumulated depreciation				
Buildings and improvements	(5,459,156)	(731,046)	0	(6,190,202)
Infrastructure	(9,645,813)	(1,596,418)	18,869	(11,223,362)
Machinery and equipment	(3,389,364)	(321,226)	9,631	(3,700,959)
Vehicles	(3,444,995)	(317,785)	31,482	(3,731,298)
Furniture and fixtures	(86,056)	(6,427)	0	(92,483)
Total accumulated depreciation	(22,025,384)	(2,972,902)	59,982	(24,938,304)
Total depreciable assets, net	37,087,240	791,312	(549,810)	37,328,742
Governmental activities capital assets, net	$ 43,272,121	$ 1,730,517	$ (3,117,452)	$ 41,885,186

9. Capital Assets (continued)

	Balance 12/31/2013	Increases	Decreases	Balance 12/31/2014
Business-type activities				
Non-depreciable assets				
Land and Improvements	$ 2,140,311	$ 287,686	$ 0	$ 2,427,997
Construction in progress	11,388	9,742	0	21,130
Total non-depreciable assets	2,151,699	297,428	0	2,449,127
Depreciable assets				
Land improvements	356,127	285	0	356,412
Buildings and improvements	1,206,087	1,469,338	0	2,675,425
Machinery and equipment	959,092	41,974	0	1,001,066
Vehicles	64,351	9,955	0	74,306
Total depreciable assets	2,585,657	1,521,552	0	4,107,209
Less accumulated depreciation				
Land improvements	(209,611)	(15,220)	0	(224,831)
Buildings and improvements	(889,581)	(135,476)	0	(1,025,057)
Machinery and equipment	(736,874)	(72,765)	0	(809,639)
Vehicles	(60,576)	(4,273)	0	(64,849)
Total accumulated depreciation	(1,896,642)	(227,734)	0	(2,124,376)
Total depreciable assets, net	689,015	1,293,818	0	1,982,833
Business-type activities capital assets, net	$ 2,840,714	$ 1,591,246	$ 0	$ 4,431,960

Capital asset activity for the discretely presented component units for the respective year ends was as follows:

	Balance 12/31/2013	Increases	Decreases	Balance 12/31/2014
Development Authority of Union County				
Non-depreciable assets				
Construction in progress	$ 732,345	$ 22,718	(755,063)	$ 0
Total non-depreciable assets	732,345	22,718	(755,063)	0
Depreciable assets				
Buildings	0	755,063	0	755,063
Machinery and equipment	4,221	0	0	4,221
Total depreciable assets	4,221	755,063	0	759,284
Less accumulated depreciation				
Buildings	0	(17,747)	0	(17,747)
Machinery and equipment	(4,221)	0	0	(4,221)
Total accumulated depreciation	(4,221)	(17,747)	0	(21,968)
Total depreciable assets, net	0	737,316	0	737,316
Development Authority of Union County capital assets, net	$ 732,345	$ 760,034	$ (755,063)	$ 737,316

9. Capital Assets (continued)

	Balance 6/30/13	Increases	Decreases	Balance 6/30/14
Union County Health Department				
Depreciable assets				
Equipment	$ 11,819	$ 0	$ 0	$ 11,819
Total depreciable assets	11,819	0	0	11,819
Less accumulated depreciation				
Equipment	(9,064)	(661)	0	(9,725)
Total accumulated depreciation	(9,064)	(661)	0	(9,725)
Union County Health Department capital assets, net	$ 2,755	$ (661)	$ 0	$ 2,094

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 548,517
Judicial	7,650
Public Safety	603,342
Public Works	1,748,555
Health and Welfare	18,527
Culture and Recreation	34,542
Housing and Development	11,769
Total depreciation expense for governmental activities	$ 2,972,902
Business-type activities	
Golf Course	$ 48,936
Meeks Park	150,298
Total depreciation expense for business-type activities	$ 199,234
Component units	
Development Authority of Union County	$ 17,747
Union County Health Department	661
Total depreciation expense for component units	$ 18,408

	Governmental Activities	Business-type Activities	Component Units
Current year depreciation expense	$ 2,972,902	$ 199,234	$ 18,408
Prior accumulated depreciation on assets transferred between governmental, business-type activities, and component units	0	28,500	0
Additions to accumulated depreciation	$ 2,972,902	$ 227,734	$ 18,408

10. Capital Lease Agreements

Governmental Activities

The County has entered into a lease-purchase agreement to finance the acquisition of public safety vehicles. The terms of the agreement 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 lease is for a period of three years, at an interest rate of 4.75%. The County also entered into a lease-purchase agreement to finance the acquisition of construction equipment for use in public works activities. The lease is an interest free loan for a period of two years. The balance of the leases at December 31, 2014 is $74,658 for governmental activities. As of December 31, 2014, the County had $283,643 of vehicles and equipment, with associated accumulated depreciation of $79,932 financed under the capital leases. Depreciation expense for 2014 on the leased assets totaled $41,606.

Business-Type Activities

The County has entered into three lease-purchase agreements to finance the acquisition of Golf Course equipment. The leases are for periods of four years, at interest rates of 6.98%, 6.98% and 4.25% respectively. The total balance of the leases at December 31, 2014 is $49,314 for business-type activities. As of December 31, 2014, the County had $119,437 of equipment, with associated accumulated depreciation of $53,657 financed under the capital leases. Depreciation expense for 2014 on the leased assets totaled $18,866.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2014:

Year Ending December,	Governmental Activities	Business-type Activities
2015	$ 78,070	$ 31,641
2016	0	19,347
	78,070	50,988
Less amounts representing interest	(3,412)	(1,674)
Present value of minimum lease payments	$ 74,658	$ 49,314

11. Operating Lease Agreements

Governmental Activities

The County leases copy machines and several pieces of judicial and public safety equipment under non-cancelable operating leases. Total costs for such leases for governmental activities were $27,222 for the year ended December 31, 2014. The future minimum lease payments for these governmental activities leases are as follows:

Year Ending December 31,		
2015	$	25,952
2016		22,887
2017		12,554
2018		3,660
Totals	$	65,053

Business-Type Activities

The County leases golf course equipment under non-cancelable operating leases. Total costs for such leases for business-type activities were $74,111 for the year ended December 31, 2014. The future minimum lease payments for these business-type activities leases are as follows:

Year Ending December 31,		
2015	$	74,427
2016		95,026
2017		37,896
Totals	$	207,349

11. Operating Lease Agreements (continued)

Development Authority of Union County Component Unit

The Development Authority of Union County has one vehicle under a non-cancelable operating lease. Total costs for the lease totaled $5,847 for the year ended December 31, 2014. The future minimum lease payments for the lease are as follows:

Year Ending December 31,		
2015	$	5,875
2016		5,875
2017		979
Totals	$	12,729

12. Long-Term Debt

Governmental Activities

General Obligation Bonds

During 2009, the County issued $5,000,000 of Series 2009 general obligation bonds. The 2009 Bonds were issued for the purpose of providing funds to finance the costs of various SPLOST III projects. They bear interest rates from 2.0% to 3.0% and are payable on February 1 and August 1 of each year. The 2009 bonds mature on August 1, 2015.

The County's debt service requirements to maturity on the general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2015	$ 890,000	$ 26,700	$ 916,700

12. Long-Term Debt (continued)

Governmental Activities, continued

Revenue Bonds

In November 2010, the Urban Redevelopment Agency of Union County, a blended component unit, issued $5,105,000 in revenue bonds to pay the construction costs of a multipurpose building on the golf course. The Authority will sell the multipurpose building upon completion of the project to the County pursuant to an agreement of sale for $5,105,000. The bonds are secured by the installment payments of the purchase price made by the County to the Agency. The bonds, which bear interest at rates from 4.5% to 5.0%, mature August 1, 2030.

The County's debt service requirements to maturity on the revenue bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2015	$ 0	$ 236,004	$ 236,004
2016	245,000	236,004	481,004
2017	255,000	224,979	479,979
2018	265,000	213,504	478,504
2019	280,000	201,579	481,579
2020-2024	1,600,000	805,207	2,405,207
2025-2029	2,005,000	396,839	2,401,839
2030	455,000	22,750	477,750
Totals	$ 5,105,000	$ 2,336,866	$ 7,441,866

Contracts Payable

In 1979, the County entered into an agreement to provide a maximum of $100,000 annually to the Hospital Authority of Union County (the "Authority") through 2015. The purpose of the payments is to aid in the funding of the Authority's operations. The amount may be reduced in any given year, but only by the direction of the Authority. During 2014, the Authority did not require the County to make the 2014 payment of $100,000 and this portion of the contract was forgiven by the Authority. The contract agreement does not bear interest.

12. Long-Term Debt (continued)

Governmental Activities, continued

Contracts Payable, continued

The County's debt service requirements to maturity on the Authority contract are as follows:

Year Ending December 31,	Principal
2015	$ 100,000

Notes Payable

In 2013, the County entered into an agreement with Community and Southern Bank to finance the purchase of a rescue fire truck for one of the County's volunteer fire departments. As of December 31, 2014, the loan has a balance of $92,320. The note bears an interest rate of 2.76%.

The County's debt service requirements to maturity on the note payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2015	$ 8,608	$ 2,459	$ 11,067
2016	8,848	2,219	11,067
2017	9,095	1,972	11,067
2018	9,348	1,719	11,067
2019	9,609	1,458	11,067
2020-2024	46,812	3,129	49,941
Totals	$ 92,320	$ 12,956	$ 105,276

12. Long-Term Debt (continued)

Development Authority of Union County Component Unit

Notes Payable

In March 2011, the Development Authority of Union County entered into a note payable agreement with the OneGeorgia Authority, a department of the State of Georgia Department of Community Affairs, to finance the construction of a speculative building. The note has a draw period ending on September 30, 2016. As of December 31, 2014, the Authority has drawn the full available principal of the note of $484,010. Quarterly principal payments of $6,050 are due on January 1, April 1, July 1, and October 1 of every year, commencing at the earlier of October 1, 2016 or the time that the building is leased at a 70% occupancy rate. The note is secured by the building lessee rent payments, does not bear interest and matures on October 1, 2036.

The Authority's debt service requirements to maturity on the note payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2015	$ 0	$ 0	$ 0
2016	6,050	0	6,050
2017	24,201	0	24,201
2018	24,201	0	24,201
2019	24,201	0	24,201
2020-2024	121,005	0	121,005
2025-2029	121,005	0	121,005
2030-2034	121,005	0	121,005
2035-2036	42,342	0	42,342
Totals	$ 484,010	$ 0	$ 484,010

12. 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 year ended December 31, 2014:

	Balance 12/31/2013	Additions	Deductions	Balance 12/31/2014	Due Within One Year
Governmental activities					
Bonds payable	$ 6,860,000	$ 0	$ 865,000	$ 5,995,000	$ 890,000
Plus: Premiums	61,880	0	11,924	49,956	0
Total bonds payable	6,921,880	0	876,924	6,044,956	890,000
Contracts payable	200,000	0	100,000	100,000	100,000
Capital leases payable	177,233	0	102,575	74,658	74,658
Notes payable	24,136	72,289	4,105	92,320	8,608
Landfill post-closure care costs	571,638	0	13,422	558,216	13,422
Compensated absences	71,497	100,021	105,663	65,855	65,855
Total governmental activities	$ 7,966,384	$ 172,310	$ 1,202,689	$ 6,936,005	$ 1,152,543
Business-type activities					
Capital leases payable	$ 79,929	$ 0	$ 30,615	$ 49,314	$ 30,290
Compensated absences	8,034	21,867	18,645	11,256	11,256
Total business-type activities	$ 87,963	$ 21,867	$ 49,260	$ 60,570	$ 41,546
Component Units					
Development Authority					
Notes payable	$ 484,010	$ 0	$ 0	$ 484,010	$ 0
Health Department					
Compensated absences	48,459	30,553	25,974	53,038	26,000
Total component units	$ 532,469	$ 30,553	$ 25,974	$ 537,048	$ 26,000

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. For governmental activities, compensated absences and landfill post-closure care costs are liquidated by the General Fund. The total interest incurred and charged to expense for the year ended December 31, 2014 was $310,594 for governmental activities and $3,378 for business-type activities.

13. Landfill Post-Closure Care Costs

Effective April 8, 1994, the Union County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of December 31, 2014, the County has 9 years of monitoring remaining. Engineering studies estimate post-closure care costs of approximately $558,216 over the 9-year period. These costs are based on what it would cost to perform all post-closure care in 2014, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

14. Deficit Equity Balances

At December 31, 2014, the Local Victims Assistance Special Revenue Fund has a deficit fund balance of $2,095. This is due to the payment of services in anticipation of future fine revenues. The County plans to liquidate this deficit fund balance through future revenue recognition.

At December 31, 2014 the SPLOST IV Capital Projects Fund has a deficit fund balance of $84,468. This is due to the payment of services in anticipation of future SPLOST revenues. The County plans to liquidate this deficit fund balance through future revenue recognition

15. Defined Contribution Plan

The County participates in a deferred compensation plan, administered by GEBCorp, for employees under Internal Revenue Code section 457. The plan allows any full time employees to voluntarily defer receipt of their gross compensation, not to exceed the maximum annual contribution established by the Internal Revenue Service. The County offers to match employee contributions up to 6% of the employee's salary. The County's match is deposited into the 401(a). All amounts of compensation under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants in the deferred compensation plan.

Additionally, the County provides a single employer 401(a) defined contribution plan established and administered by the County for all full time employees. At December 31, 2014, there were 91 plan members. Employees are not required to contribute to the Plan. Employees are eligible after six months of employment and are fully vested after three years. Plan provisions and contribution requirements are established and may be amended by resolution of the County Commissioner. Separate financial statements are note issued for the Plan.

For year ended December 31, 2014, the County's contributions to the 401(a) Plan were $131,934 and the employees contributed $159,164 to the 457 Plan.

16. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the year ended December 31, 2014 follows:

Lodging Tax Receipts	$169,295	
Disbursements for trade and tourism	$152,365	90% of tax receipts

17. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the year ended December 31, 2014, the County paid $22,756 in such dues. Membership in the 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.

The County participates with Lumpkin and Towns Counties in the North Georgia Waste Management Authority. The Authority studied solid waste disposal issues, developed a plan to recycle waste paper and has leased those facilities to private entities. Union County has an ongoing financial interest and obligation for funding debt service requirements. The participating counties are annually assessed varying amounts to cover the Authority's inability to service its debt. During the year ended December 31, 2014, the County made no payments to the Authority. As of December 31, 2014, the Authority does not have any debt outstanding. A copy of the Authority's financial statements can be obtained from North Georgia Waste Management Authority, 170 Scoggins Drive, Demorest, Georgia 30535.

18. Risk Management

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents.

Medical Self-Insurance

The County provides health coverage for its employees under a plan of partial self-insurance. Under this plan, the County covers claim settlements and judgments out of its General Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

18. Risk Management (continued)

Medical Self-Insurance, continued

The County purchases commercial insurance for claims in excess of coverage provided by the County. During the year ended December 31, 2014, excess coverage was obtained for any individual claim in excess of $30,000. The County pays most of the coverage for eligible employees and their dependents. Employee contributions are used to pay claims and expenses of the plan incurred during the year.

The following describes the activity for the past three years:

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes In Estimates	Claims Paid	End of Year Claims Liability
2014	$ 243,331	$ 1,572,552	$ 941,505	$ 874,378
2013	212,371	1,111,284	1,080,324	243,331
2012	216,742	972,589	976,960	212,371

General Liability and Workers' Compensation

The County participates in the Georgia Interlocal Risk Management Agency 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 the risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, 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 agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

18. Risk Management (continued)

General Liability and Workers' Compensation, 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 workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County also carries insurance for all other risks of loss, including general liability and errors and omission coverage through a private insurance company. Settled claims have not exceeded insurance coverage in any of the past three years. There have been no significant reductions of insurance coverage from coverage in the prior year.

19. Commitments and Contingencies

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

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Law Library Fund – This fund is used to account for the revenues and related expenditures of operating the County's Law Library. The revenues collected are from legally restricted fines, as provided by State law.

Seizures Fund – This fund is used to account for funds from seizures, which are restricted by law, to be used for law enforcement activities. Funds may be used for any public safety purpose except salaries of law enforcement personnel, as restricted by State law.

Sheriff Donation Fund – This fund is used to account for contributions received from donors that are restricted for use as specified by the donor.

Emergency 911 Fund – This fund is used to account for the monthly 911 charges to help fund the cost of providing emergency 911 services. Revenues are expended for system operations and capital assets, as restricted by State law.

Local Victims Assistance Fund – This fund is used to account for the 4% fee added to Court fines restricted by State law, for the benefit of victims of crime and their families.

Jail Operations Fund – This fund is used to account for collection for penalty assessments in certain court case. Penalty assessments are restricted for construction, operation, and staffing of County correctional and detention center, as required by State law.

Inmate Welfare Fund – This fund is used to account for monies collected from inmates for purchase of supplies. The profit from these sales is used for the benefit of the general inmate population.

Drug Abuse Fund – This fund is used to account for funds collected from fines and forfeitures to be used to create and maintain a Drug Abuse Fund. Proceeds are restricted by State law for drug abuse treatment and education programs.

Juvenile Court Fund – This fund is used to account for funds from fines and forfeitures to be used for law enforcement activities. The allowable expenditures of these fines are restricted under State law.

Multiple Grant Fund – This fund is used to account for governmental grants received and the related expenditures.

Hotel/Motel Tax Fund – This fund is used to account for monies collected from the 5% lodging tax. Revenues collected are restricted by State law for the promotion of tourism.

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

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

SPLOST Debt Service Fund – This fund is used to account for the debt service expenditures of the County's various projects funded through sales tax proceeds.

Urban Redevelopment Agency Fund – This fund is used to account for various expenditures for land purchases and development projects, as well as the related financing of such projects of the Urban Redevelopment Agency.

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 IV Fund – This fund is used to account for the expenditures of the 2015 SPLOST.

Capital Projects Fund – This fund is used to account for the resources accumulated and used for the acquisition and construction of major capital projects.

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COMBINING STATEMENTS

Nonmajor Governmental Funds

UNION COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014

	Special Revenue						
	Law Library	**Seizures**	**Sheriff Donation**	**Emergency 911**	**Local Victims Assistance**	**Jail Operations**	**Inmate Welfare**
ASSETS							
Cash and cash equivalents	$ 57,178	$ 115,916	$ 3,271	$ 0	$ 0	$ 258,432	$ 7,141
Restricted cash and cash equivalents	0	0	0	0	0	0	0
Receivables							
Accounts	705	0	0	73,359	1,202	0	807
Intergovernmental	0	0	0	0	0	0	0
Taxes	0	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0	0
Total assets	$ 57,883	$ 115,916	$ 3,271	$ 73,359	$ 1,202	$ 258,432	$ 7,948
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 0	$ 0	$ 0	$ 0	$ 3,297	$ 0	$ 0
Accrued salaries and payroll liabilities	0	0	0	11,855	0	0	0
Due to other funds	0	0	0	3,367	0	0	0
Total liabilities	0	0	0	15,222	3,297	0	0
Fund balances							
Restricted for:							
Law library operations	57,883	0	0	0	0	0	0
Judicial activities	0	0	0	0	0	0	0
Public safety activities	0	115,916	3,271	0	0	258,432	7,948
Debt service	0	0	0	0	0	0	0
Assigned for:							
Emergency 911 system operations	0	0	0	58,137	0	0	0
Tourism	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Unassigned	0	0	0	0	(2,095)	0	0
Total fund balances	57,883	115,916	3,271	58,137	(2,095)	258,432	7,948
Total liabilities and fund balances	$ 57,883	$ 115,916	$ 3,271	$ 73,359	$ 1,202	$ 258,432	$ 7,948

Special Revenue				Debt Service		Capital Projects		
Drug Abuse	Juvenile Court	Mulitple Grant	Hotel/ Motel Tax	SPLOST Debt Service	Urban Redevelopment Agency	SPLOST IV	Capital Projects	Total Nonmajor Governmental Funds
$ 309,117	$ 14,699	$ 0	$ 0	$ 0	$ 0	$ 0	$ 231,756	$ 997,510
0	0	0	0	646,457	0	0	0	646,457
0	0	0	0	0	0	0	0	76,073
58,435	0	0	0	0	0	0	0	58,435
0	0	0	23,919	0	0	0	0	23,919
0	0	0	0	0	0	0	222,226	222,226
$ 367,552	$ 14,699	$ 0	$ 23,919	$ 646,457	$ 0	$ 0	$ 453,982	$ 2,024,620
$ 0	$ 0	$ 0	$ 21,527	$ 0	$ 0	$ 0	$ 0	$ 24,824
0	0	0	0	0	0	0	0	11,855
0	0	0	0	0	0	84,468	0	87,835
0	0	0	21,527	0	0	84,468	0	124,514
0	0	0	0	0	0	0	0	57,883
367,552	14,699	0	0	0	0	0	0	382,251
0	0	0	0	0	0	0	0	385,567
0	0	0	0	646,457	0	0	0	646,457
0	0	0	0	0	0	0	0	58,137
0	0	0	2,392	0	0	0	0	2,392
0	0	0	0	0	0	0	453,982	453,982
0	0	0	0	0	0	(84,468)	0	(86,563)
367,552	14,699	0	2,392	646,457	0	(84,468)	453,982	1,900,106
$ 367,552	$ 14,699	$ 0	$ 23,919	$ 646,457	$ 0	$ 0	$ 453,982	$ 2,024,620

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2014

	Special Revenue						
	Law Library	**Seizures**	**Sheriff Donation**	**Emergency 911**	**Local Victims Assistance**	**Jail Operations**	**Inmate Welfare**
REVENUES							
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	8,904	320,989	0	0	15,472	26,352	0
Charges for services	0	0	0	376,333	0	0	10,796
Intergovernmental	0	0	0	0	0	0	0
Interest	112	0	0	0	0	35	0
Contributions	0	17,460	5,766	0	0	0	0
Other	24	0	0	0	0	0	0
Total revenues	9,040	338,449	5,766	376,333	15,472	26,387	10,796
EXPENDITURES							
Current							
Judicial	9,798	0	0	0	18,041	0	0
Public Safety	0	226,662	2,495	548,136	0	0	3,031
Health and Welfare	0	0	0	0	0	0	0
Housing and Development	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Debt service	0	0	0	0	0	0	0
Total expenditures	9,798	226,662	2,495	548,136	18,041	0	3,031
Excess (deficiency) of revenues over (under) expenditures	(758)	111,787	3,271	(171,803)	(2,569)	26,387	7,765
Other financing sources (uses)							
Transfers in	0	0	0	173,033	0	0	183
Transfers out	0	0	0	0	(847)	(183)	0
Total other financing sources (uses)	0	0	0	173,033	(847)	(183)	183
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(758)	111,787	3,271	1,230	(3,416)	26,204	7,948
Fund balances, January 1	58,641	4,129	0	56,907	1,321	232,228	0
Fund balances, December 31	$ 57,883	$ 115,916	$ 3,271	$ 58,137	$ (2,095)	$ 258,432	$ 7,948

Special Revenue				Debt Service		Capital Projects		
Drug Abuse	Juvenile Court	Multiple Grant	Hotel/ Motel Tax	SPLOST Debt Service	Urban Redevelopment Agency	SPLOST IV	Capital Projects	Total Nonmajor Governmental Funds
$ 0	$ 0	$ 0	$ 169,295	$ 0	$ 0	$ 0	$ 0	$ 169,295
44,514	1,335	0	0	0	0	0	0	417,566
118,924	0	0	0	0	0	0	0	506,053
401,642	0	105,070	0	0	0	56,000	0	562,712
20	2	0	0	218	0	0	39	426
7,693	0	0	0	0	0	0	0	30,919
8,275	0	0	0	0	0	0	0	8,299
581,068	1,337	105,070	169,295	218	0	56,000	39	1,695,270
457,196	52	0	0	0	0	0	0	485,087
2,295	0	11,001	0	0	0	0	0	793,620
0	0	11,081	0	0	0	0	0	11,081
0	0	0	165,920	0	0	0	0	165,920
0	0	0	0	0	0	140,468	0	140,468
0	0	0	0	913,397	236,004	0	0	1,149,401
459,491	52	22,082	165,920	913,397	236,004	140,468	0	2,745,577
121,577	1,285	82,988	3,375	(913,179)	(236,004)	(84,468)	39	(1,050,307)
0	0	0	0	1,176,000	236,004	0	182,226	1,767,446
(844)	0	0	(1,512)	(236,004)	0	0	0	(239,390)
(844)	0	0	(1,512)	939,996	236,004	0	182,226	1,528,056
120,733	1,285	82,988	1,863	26,817	0	(84,468)	182,265	477,749
246,819	13,414	(82,988)	529	619,640	0	0	271,717	1,422,357
$ 367,552	$ 14,699	$ 0	$ 2,392	$ 646,457	$ 0	$ (84,468)	$ 453,982	$ 1,900,106

UNION COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 8,904	$ 8,904	$ 0
Interest	112	112	0
Other	24	24	0
Total revenues	9,040	9,040	0
EXPENDITURES			
Current			
Judicial			
Contract Service	1,175	1,175	0
Materials and supplies	8,623	8,623	0
Total expenditures	9,798	9,798	0
Excess (deficiency) of revenues over (under) expenditures	(758)	(758)	0
Fund balance, January 1	758	58,641	57,883
Fund balance, December 31	$ 0	$ 57,883	$ 57,883

UNION COUNTY, GEORGIA
SEIZURES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 320,989	$ 320,989	$ 0
Contributions	17,460	17,460	0
Total revenues	338,449	338,449	0
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	30,780	30,780	0
Capital outlay	160,789	160,789	0
Payments to others	35,093	35,093	0
Total expenditures	226,662	226,662	0
Excess (deficiency) of revenues over (under) expenditures	111,787	111,787	0
Fund balance, January 1	(111,787)	4,129	115,916
Fund balance, December 31	$ 0	$ 115,916	$ 115,916

UNION COUNTY, GEORGIA
SHERIFF DONATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Contributions	$ 5,766	$ 5,766	$ 0
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	2,495	2,495	0
Excess (deficiency) of revenues over (under) expenditures	3,271	3,271	0
Fund balance, January 1	(3,271)	0	3,271
Fund balance, December 31	$ 0	$ 3,271	$ 3,271

UNION COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 376,333	$ 376,333	$ 0
EXPENDITURES			
Current			
Public Safety			
Personal services	363,696	363,696	0
Contract services	146,526	146,526	0
Materials and supplies	37,914	37,914	0
Total expenditures	548,136	548,136	0
Excess (deficiency) of revenues over (under) expenditures	(171,803)	(171,803)	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	173,033	173,033	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,230	1,230	0
Fund balance, January 1	(1,230)	56,907	58,137
Fund balance, December 31	$ 0	$ 58,137	$ 58,137

UNION COUNTY, GEORGIA
LOCAL VICTIMS ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 15,472	$ 15,472	$ 0
EXPENDITURES			
Current			
Judicial			
Payments to others	18,041	18,041	0
Excess (deficiency) of revenues over (under) expenditures	(2,569)	(2,569)	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	(847)	(847)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,416)	(3,416)	0
Fund balance, January 1	3,416	1,321	(2,095)
Fund balances, December 31	$ 0	$ (2,095)	$ (2,095)

UNION COUNTY, GEORGIA
JAIL OPERATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 26,352	$ 26,352	$ 0
Interest	35	35	0
Total revenues	26,387	26,387	0
EXPENDITURES			
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	26,387	26,387	0
Other financing sources (uses)			
Transfers in (out)			
Inmate Welfare Fund	(183)	(183)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	26,204	26,204	0
Fund balance, January 1	(26,204)	232,228	258,432
Fund balance, December 31	$ 0	$ 258,432	$ 258,432

UNION COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 10,796	$ 10,796	$ 0
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	3,031	3,031	0
Excess (deficiency) of revenues over (under) expenditures	7,765	7,765	0
Other financing sources (uses)			
Transfers in (out)			
Inmate Welfare Fund	183	183	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	7,948	7,948	0
Fund balance, January 1	(7,948)	0	7,948
Fund balance, December 31	$ 0	$ 7,948	$ 7,948

UNION COUNTY, GEORGIA
DRUG ABUSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 44,514	$ 44,514	$ 0
Charges for services	118,924	118,924	0
Intergovernmental	401,642	401,642	0
Interest	20	20	0
Contributions	7,693	7,693	0
Other	8,275	8,275	0
Total revenues	581,068	581,068	0
EXPENDITURES			
Current			
Judicial			
Contract services	451,892	451,892	0
Materials and supplies	5,304	5,304	0
Public Safety			
Materials and supplies	2,295	2,295	0
Total expenditures	459,491	459,491	0
Excess (deficiency) of revenues over (under) expenditures	121,577	121,577	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	(844)	(844)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	120,733	120,733	0
Fund balance, January 1	(120,733)	246,819	367,552
Fund balance, December 31	$ 0	$ 367,552	$ 367,552

UNION COUNTY, GEORGIA
JUVENILE COURT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 1,335	$ 1,335	$ 0
Interest	2	2	0
Total revenues	1,337	1,337	0
EXPENDITURES			
Current			
Judicial			
Contract services	52	52	0
Total expenditures	52	52	0
Excess (deficiency) of revenues over (under) expenditures	1,285	1,285	0
Fund balance, January 1	(1,285)	13,414	14,699
Fund balance, December 31	$ 0	$ 14,699	$ 14,699

UNION COUNTY, GEORGIA
MULTIPLE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 105,070	$ 105,070	$ 0
Total revenues	105,070	105,070	0
EXPENDITURES			
Current			
Public Safety			
Material and supplies	3,003	3,003	0
Capital outlay	7,998	7,998	0
Health and Welfare			
Contract services	11,081	11,081	0
Total expenditures	22,082	22,082	0
Excess (deficiency) of revenues over (under) expenditures	82,988	82,988	0
Fund balance, January 1	(82,988)	(82,988)	0
Fund balance, December 31	$ 0	$ 0	$ 0

UNION COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 169,295	$ 169,295	$ 0
EXPENDITURES			
Current			
Housing and Development			
Contract services	13,555	13,555	0
Payments to others	152,365	152,365	0
Total expenditures	165,920	165,920	0
Excess (deficiency) of revenues over (under) expenditures	3,375	3,375	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	(1,512)	(1,512)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,863	1,863	0
Fund balance, January 1	(1,863)	529	2,392
Fund balances, December 31	$ 0	$ 2,392	$ 2,392

UNION COUNTY, GEORGIA
SPLOST DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUE			
Interest	$ 218	$ 218	$ 0
EXPENDITURES			
Debt Service			
Principal	865,000	865,000	0
Interest	48,397	48,397	0
Total expenditures	913,397	913,397	0
Excess (deficiency) of revenues over (under) expenditures	(913,179)	(913,179)	0
Other financing sources (uses)			
Transfers in (out)			
SPLOST III Fund	1,176,000	1,176,000	0
Urban Redevelopment Agency Fund	(236,004)	(236,004)	0
Total other financing sources (uses)	939,996	939,996	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	26,817	26,817	0
Fund balances, January 1	(26,817)	619,640	646,457
Fund balances, December 31	$ 0	$ 646,457	$ 646,457

UNION COUNTY, GEORGIA
URBAN REDEVELOPMENT AGENCY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014

	Final Budget	Actual	Variance
REVENUE			
Total revenues	$ 0	$ 0	$ 0
EXPENDITURES			
Debt Service			
Interest	236,004	236,004	0
Total expenditures	236,004	236,004	0
Excess (deficiency) of revenues over (under) expenditures	(236,004)	(236,004)	0
Other financing sources (uses)			
Transfers in (out)			
SPLOST III Fund	236,004	236,004	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balances, January 1	0	0	0
Fund balances, December 31	$ 0	$ 0	$ 0

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.

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

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

UNION COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
December 31, 2014

	Tax Commissioner	Sheriff
ASSETS		
Cash and cash equivalents	$ 246,803	$ 20,624
Taxes receivable, net	2,093,968	0
Total assets	$ 2,340,771	$ 20,624
LIABILITIES		
Due to others	$ 246,803	$ 20,624
Uncollected taxes	2,093,968	0
Total liabilities	$ 2,340,771	$ 20,624

Clerk of Courts	Probate Court	Magistrate Court	Totals
$ 316,254	$ 23,358	$ 4,567	$ 611,606
0	0	0	2,093,968
$ 316,254	$ 23,358	$ 4,567	$ 2,705,574
$ 316,254	$ 23,358	$ 4,567	$ 611,606
0	0	0	2,093,968
$ 316,254	$ 23,358	$ 4,567	$ 2,705,574

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UNION COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended December 31, 2014

	Balance January 1	Additions	Deletions	Balance December 31
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 3,385,310	$ 26,739,997	$ 29,878,504	$ 246,803
Taxes receivable, net	2,604,625	20,364,556	20,875,213	2,093,968
Total	$ 5,989,935	$ 47,104,553	$ 50,753,717	$ 2,340,771
LIABILITIES				
Due to others	$ 3,385,310	$ 26,739,997	$ 29,878,504	$ 246,803
Uncollected taxes	2,604,625	20,364,556	20,875,213	2,093,968
Total	$ 5,989,935	$ 47,104,553	$ 50,753,717	$ 2,340,771
SHERIFF				
ASSETS				
Cash and cash equivalents	$ 5,358	$ 225,063	$ 209,797	$ 20,624
LIABILITIES				
Due to others	$ 5,358	$ 225,063	$ 209,797	$ 20,624
CLERK OF COURTS				
ASSETS				
Cash and cash equivalents	$ 271,854	$ 1,214,664	$ 1,170,264	$ 316,254
LIABILITIES				
Due to others	$ 271,854	$ 1,214,664	$ 1,170,264	$ 316,254
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 20,526	$ 310,405	$ 307,573	$ 23,358
LIABILITIES				
Due to others	$ 20,526	$ 310,405	$ 307,573	$ 23,358
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 8,425	$ 113,492	$ 117,350	$ 4,567
LIABILITIES				
Due to others	$ 8,425	$ 113,492	$ 117,350	$ 4,567
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 3,691,473	$ 28,603,621	$ 31,683,488	$ 611,606
Taxes receivable, net	2,604,625	20,364,556	20,875,213	2,093,968
Total	$ 6,296,098	$ 48,968,177	$ 52,558,701	$ 2,705,574
LIABILITIES				
Due to others	$ 3,691,473	$ 28,603,621	$ 31,683,488	$ 611,606
Uncollected taxes	2,604,625	20,364,556	20,875,213	2,093,968
Total	$ 6,296,098	$ 48,968,177	$ 52,558,701	$ 2,705,574

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SINGLE AUDIT SECTION

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

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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 Commissioner
Union 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 Union County, Georgia, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Union County, Georgia's basic financial statements and have issued our report thereon dated June 29, 2015. Our report includes a reference to other auditors who audited the financial statements of the Union County Health Department, as described in our report on Union 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 Union 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 Union County's internal control. Accordingly, we do not express an opinion on the effectiveness of Union County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 14-8, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Union County, Georgia's financial statements are free of 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 14-9.

Union County, Georgia's Responses to Findings

Union County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Union County'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

This report is intended 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 Union County, Georgia's internal control over 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
June 29, 2015

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

Honorable Commissioner
Union County, Georgia

Report on Compliance for Each Major Federal Program

We have audited Union 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 Bartow County's major federal programs for the year ended December 31, 2014. Union County'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 each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Union County, Georgia's major 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 Union 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 Union County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, Union County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control over Compliance

Management of Union 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 Union 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 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 Union 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
June 29, 2015

UNION COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
Department of Agriculture			
Schools and Roads - Grants to States	10.665	N/A	$ 77,767
Passed through the Georgia Association of Conservation District Supervisors, Incorporated:			
Environmental Quality Incentives Program	10.912	GACD S-02-12-012	23,141
		GACD S-02-14-008	4,962
			28,103
Total Department of Agriculture			105,870
Department of Housing and Urban Development			
Passed through the Georgia Department of Community Affairs:			
Community Development Block Grants	14.218	12p-y-144-1-5449	94,069
Department of Interior			
Payments in Lieu of Taxes	15.226	N/A	171,965
Department of Transportation			
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction	20.205	Project # 0009729	350,000
Formula Grants for Other Than Urbanized Areas	20.509	T004703	10,504
		T005064	10,326
			20,830
Passed through the Georgia Governor's Office of Highway Safety:			
State and Community Highway Safety	20.600	GA-2014-000-00426	7,998
Total Department of Transportation			378,828
Department of Homeland Security			
Passed through the Georgia Emergency Management Agency (GEMA):			
Emergency Management Performance Grants	97.042	OEM13	13,533
		OEM14	13,648
Total Department of Homeland Security			27,181
Total Federal Awards			$ 777,913

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

UNION COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2014

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Union County, Georgia, under programs for the federal government for the year ended December 31, 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.

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?	Yes

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
20.205	Highway Planning and Construction

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: While performing audit procedures at the Clerk of Court, we noted that there is no evidence of approval or supporting documentation for voided transactions.

Criteria: Proper internal controls require that all voided transactions are properly approved.

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

Recommendation: Supporting documentation with evidence of approval should be retained at the Clerk's office.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. Action was taken immediately upon receipt of this comment and management has offered to provide assistance in implementing this recommendation.

Comment 14-2

Condition: While performing audit procedures at the Clerk of Court, we noted instances where deposits were not made timely. Receipts were held for more than seven days before depositing in 15 of 40 (38%) receipts tested.

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's assets to a greater risk of loss due to fraud.

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

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. Action was taken immediately upon receipt of this comment and management has offered to provide assistance in implementing this recommendation.

Comment 14-3

Condition: While performing audit procedures at the Probate Court, we noted that there is no approval process or original supporting documentation for voided transactions.

Criteria: Proper internal controls require that all voided transactions are properly approved and supported with appropriate documentation.

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

Recommendation: Supporting documentation with evidence of approval should be retained at the Court's office.

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings, continued

Comment 14-3, continued

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. Action was taken immediately upon receipt of this comment and management has offered to provide assistance in implementing this recommendation.

Comment 14-4

Condition: While performing audit procedures on receipts for marriage licenses and firearm permits at the Probate Court, we noted instances where deposits were not made timely. We noted 18 of 30 (60%) receipts tested were held for more than seven days before depositing.

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 has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. Action was taken immediately upon receipt of this comment and management has offered to provide assistance in implementing this recommendation.

Comment 14-5

Condition: While performing audit procedures at Tax Commissioner's Office, we noted that tag and title back-outs had no evidence of approval.

Criteria: Proper internal controls require that all transactions be properly approved.

Effect: Failure to maintain an appropriate approval process for tag and title back-outs subjects the assets of the County to greater risk of misappropriation.

Recommendation: All tag and title back-outs should have evidence of approval by management.

Management Response: A copy of this finding was provided to the appropriate Elected Official and they concur with this finding. Additional controls were implemented immediately upon receipt of the comment from the auditor.

Comment 14-6

Condition: While performing audit procedures on credit cards at the Community Center, we noted instances where supporting documentation was not attached to the credit card transactions. While approval was evident, supporting documentation was not attached to the credit card statement in 5/10 (50%) transactions tested. All transactions tested were approved and appeared appropriate.

Criteria: Proper internal controls require that supporting documentation be maintained for credit card transactions.

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings, continued

Comment 14-6, continued

Effect: Failure to maintain supporting documentation for credit card transactions exposes the County to a greater risk of loss due to fraud.

Recommendation: Every credit card transaction should have supporting documentation.

Management Response: A copy of this finding was provided to the appropriate Department Head and they concur with this finding. Purchase requisition forms, email confirmation and/or the actual receipt will be attached to all credit card statements. This action was taken immediately upon receipt of this comment from our auditors.

Comment 14-7

Condition: While performing audit procedures on credit cards at the Golf Course, we noted instances where supporting documentation was not attached to the credit card transactions. While approval was evident, supporting documentation was not attached to the credit card statement in 4/10 (40%) transactions tested. All transactions tested were approved and appeared appropriate.

Criteria: Proper internal controls require that supporting documentation be maintained for credit card transactions.

Effect: Failure to maintain supporting documentation for credit card transactions exposes the County to a greater risk of loss due to fraud.

Recommendation: Every credit card transaction should have supporting documentation.

Management Response: A copy of this finding was provided to the appropriate Department Head and they concur with this finding. Purchase requisition forms, email confirmation and/or the actual receipt will be attached to all credit card statements. This action was taken immediately upon receipt of this comment from our auditors.

Comment 14-8

Condition: During audit procedures on journal entries, we noted that journal entries originated by the Finance Director did not have evidence of approval. All journal entries reviewed during audit procedures appeared appropriate.

Criteria: Proper segregation of duties requires that the duties of authorizing and recording adjustments to the general ledger be performed by different employees.

Effect: Failure to properly segregate the duties of authorizing and recording adjustments to the general ledger exposes the County to a greater risk of loss due to fraud.

Recommendation: In order to provide adequate segregation of duties, someone other than the person recording the adjustments should review and document approval of the adjustments.

Management Response: Management concurs with this finding. The County will segregate duties of the journal entry process. This action was taken immediately upon receipt of the comment from our auditors.

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings, continued

Comment 14-9

Condition: While performing audit procedures at Clerk of Court, we noted that monthly payouts to other agencies were not made in a timely manner.

Criteria: State of Georgia Code requires that all courts payout monies due to others in a timely manner.

Effect: Failure to make required payouts of monies being held by the Court will place the County in violation of state law.

Recommendation: As required by the State of Georgia, payouts to agencies should be made on a timely basis.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. Action was taken immediately upon receipt of this comment and management has offered to provide assistance in implementing this recommendation.

B. Prior Year Audit Findings Follow-Ups

Comment 2013-001

Condition: During testing of the County's expenditures/expenses and related liabilities adjustments were required to correct errors found in the reporting.

Corrected

Comment 2013-002

Condition: During the testing of the County's long-term liabilities it was noted two capital leases and a note payable were not property reported in the County's general ledger as of the year ended December 31, 2013.

Corrected

Comment 2013-003

Condition: Internal controls were not sufficient to track and timely remit cash collections by the Tax Commissioner, Clerk of Courts, Probate Court and Sheriff Office to the County; thus they were either unable to identify the proper parties to whom liabilities were owed or had insufficient cash to pay their outstanding liabilities as of December 31, 2013.

Not Corrected

Comment 2013-004

Condition: The limited number of employees involved in various offices and the resulting overlapping of duties causes segregation of duties to be difficult.

Not Corrected

3. Federal Award Findings and Questioned Costs

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

STATE REPORTING SECTION

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

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2014

	Estimated Cost *		Expenditures		
			Prior	Current	
Project	Original	Current	Years	Year	Total
2009 SPLOST					
Administration Costs	$ 630,000	$ 500,000	$ 290,130	$ 66,497	$ 356,627
Roads & Bridges	11,760,000	5,587,341	4,155,700	1,334,285	5,489,985
Jail Renovation & Expansion	1,960,000	87,490	63,504	0	63,504
Administrative Annex Renovations	490,000	500,000	0	23,796	23,796
Park & Recreation Facilities	5,047,000	4,296,789	3,262,093	832,643	4,094,736
Library Renovation, Expansion & Books	882,000	937,479	937,479	0	937,479
Public Safety Facilities, Vehicles & Equipment	2,009,000	2,509,759	2,503,809	61,856	2,565,665
Solid Waste Transfer Station	833,000	287,101	0	47,787	47,787
Farmers Market Facilities	784,000	1,199,860	1,193,461	0	1,193,461
Civic Center Renovation & Expansion	245,000	250,000	249,858	0	249,858
Multi-use Building for Economic Development, Community Center & Golf Course Shop	3,430,000	2,000,000	1,173,958	248,507	1,422,465
Historic Facilities Renovations	1,323,000	529,091	444,881	35,574	480,455
Animal Control Facilities	147,000	150,000	148,785	0	148,785
City of Blairsville Facilities	1,960,000	1,286,438	992,007	239,329	1,231,336
Total	$ 31,500,000	$ 20,121,348	$ 15,415,665	$ 2,890,274	$ 18,305,939
Principal payments on lease				34,009	
Transfers to Debt Service Funds, for sinking fund requirements				891,599	
Expenditures financed through intergovernmental revenues				853,817	
Expenditures financed through contributions				11,864	
Total SPLOST III Fund Expenditures and Transfers Out				$ 4,681,563	

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2014

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2015 SPLOST					
Acquisition of Union County Community Center	$ 5,500,000	$ 5,500,000	$ 0	$ 0	$ 0
Administrative Facilities Upgrades, Improvements, Equipment & Vehicles	1,000,000	1,000,000	0	40,803	40,803
Library Upgrades, Improvements, & Equipment	100,000	100,000	0	0	0
Public Safety Facilities, Vehicles & Equipment	1,000,000	1,000,000	0	40,000	40,000
Roads, Streets & Bridges	6,000,000	6,000,000	0	0	0
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	3,400,000	3,400,000	0	3,665	3,665
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	0	0	0
Economic Development Facilities & Land Acquisition	300,000	300,000	0	0	0
City of Blairsville	1,500,000	1,500,000	0	0	0
Total	$ 19,000,000	$ 19,000,000	$ 0	$ 84,468	$ 84,468
Expenditures financed through intergovernmental revenues				56,000	
Total SPLOST IV Fund Expenditures				$ 140,468	

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

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