

RABUN COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2012

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RABUN COUNTY, GEORGIA
FINANCIAL REPORT
For the fiscal year ended June 30, 2012

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rabun County, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Rabun County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Rabun County Health Department, a component unit of Rabun County, Georgia, which represent 3.5 percent, 180.4 percent, and 45.4 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions on the financial statements, insofar as they relate to the amounts included for the Rabun County Health Department, are based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our 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 financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rabun County, Georgia, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2012, on our consideration of Rabun County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rabun County, Georgia's financial statements as a whole. The combining and individual fund financial statements and schedules and the state reporting section with the special purpose local option sales tax report are presented for purposes of additional analysis and are not a required part of the 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 expenditures of federal awards and the state reporting section with the special purpose local option sales tax report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Rabun County, Georgia's basic financial statements for the year ended June 30, 2011, which are not presented with the accompanying financial statements. In our report dated March 27, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rabun County, Georgia's financial statements as a whole. The combining and individual fund financial statements and schedules, related to the 2011 financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 26, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Rabun County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2012. Management's discussion and analysis (MD&A) focuses on current year activities and resulting changes, please read it in conjunction with the County's financial statements.

The following is a presentation of a discussion and analysis of the County's financial condition and performance for the year ended June 30, 2012.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements. (Pages 8-10) The government-wide financial statements provide a broad overview of Rabun County finances in a manner similar to that of private-sector businesses. The statements include:

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

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

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

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

Fund Financial Statements. (Pages 11-23) A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and

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

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

The County maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Emergency 911, and SPLOST #5, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary funds. (Pages 18-20) The County maintains three proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses a proprietary fund to account for its solid waste operation, its waste water facility, as well as the Golf Course. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste and waste water operations, which are major funds of the County. Although the Golf Course is not a major fund of the County, it is listed separately as it is the only nonmajor fund.

Fiduciary Funds. (Page 21) Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used in the government-wide financial statements.

Notes to the financial statements. (Pages 24-59) The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. Following the basic financial statements is other supplementary information, which includes combining and individual fund statements and schedules that can be found on pages 60 - 102 of this report. This report also includes two schedules (pages 12 and 14), which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Rabun County, on an entity-wide basis, had an increase in net assets during FY 2012 of \$3.34 million, of which \$3.46 million was in governmental activities and \$(0.12) million in the business-type activities. At June 30, 2012, the County had \$49.27 million invested in capital assets, net of debt and accumulated depreciation and \$10.61 million of unrestricted assets (the bulk of which is in cash, investments and accounts receivable). The table below shows the split of net assets between governmental and business-type activities for both FY 2012 and FY 2011.

RABUN COUNTY, GEORGIA'S NET ASSETS
June 30, 2012 and 2011

(\$ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Cash and investments	\$ 19,368	\$ 19,783	\$ 318	\$ 361	\$ 19,686	\$ 20,144
Other assets	2,621	2,274	195	122	2,816	2,396
Capital assets	50,815	50,094	5,917	5,562	56,732	55,656
Total assets	<u>72,804</u>	<u>72,151</u>	<u>6,430</u>	<u>6,045</u>	<u>79,234</u>	<u>78,196</u>
Current liabilities	2,798	3,679	696	569	3,494	4,248
Noncurrent Liabilities	1,648	3,576	6,774	6,398	8,422	9,974
Total liabilities	<u>4,446</u>	<u>7,255</u>	<u>7,470</u>	<u>6,967</u>	<u>11,916</u>	<u>14,222</u>
Net assets:						
Invested in capital assets, net of debt	47,246	45,605	2,022	2,046	49,268	47,651
Restricted	7,442	7,075	0	0	7,442	7,075
Unrestricted	13,669	12,216	(3,061)	(2,968)	10,608	9,248
Total net assets	<u>\$ 68,357</u>	<u>\$ 64,896</u>	<u>\$ (1,039)</u>	<u>\$ (922)</u>	<u>\$ 67,318</u>	<u>\$ 63,974</u>

RABUN COUNTY GEORGIA'S CHANGES IN NET ASSETS
FISCAL YEARS ENDED JUNE 30, 2012 and 2011

(\$ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program revenues						
Charges for services	\$ 2,355	\$ 2,236	\$ 702	\$ 986	\$ 3,057	\$ 3,222
Operating grants and contributions	1,526	1,097	0	0	1,526	1,097
Capital grants and contributions	30	84	0	0	30	84
General revenues						
Taxes	18,056	18,442	0	0	18,056	18,442
Interest	34	141	1	2	35	143
Other	172	77	0	0	172	77
Total revenues	<u>22,173</u>	<u>22,077</u>	<u>703</u>	<u>988</u>	<u>22,876</u>	<u>23,065</u>
EXPENSES						
Program Expenses:						
General Government	2,046	3,295	0	0	2,046	3,295
Judicial	994	918	0	0	994	918
Public Safety	7,969	7,218	0	0	7,969	7,218
Public Works	3,782	4,451	0	0	3,782	4,451
Health and Welfare	1,108	1,023	0	0	1,108	1,023
Culture and Recreation	1,221	1,200	0	0	1,221	1,200
Housing and Development	485	435	0	0	485	435
Interest and paying agent fees	149	265	0	0	149	265
Solid Waste	0	0	1,256	1,100	1,256	1,100
Waste Water Facility	0	0	415	476	415	476
Golf Course	0	0	232	242	232	242
Total expenses	<u>17,754</u>	<u>18,805</u>	<u>1,903</u>	<u>1,818</u>	<u>19,657</u>	<u>20,623</u>
Excess (Deficiency) before						
Transfers	4,419	3,272	(1,200)	(830)	3,219	2,442
Transfers (Out) In	<u>(1,048)</u>	<u>(1,378)</u>	<u>1,048</u>	<u>1,378</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in net assets	3,371	1,894	(152)	548	3,219	2,442
Net assets, beginning	64,896	62,957	(922)	(2,147)	63,974	60,810
Prior period adjustment	90	45	35	677	125	722
Net assets, ending	<u>\$ 68,357</u>	<u>\$ 64,896</u>	<u>\$ (1,039)</u>	<u>\$ (922)</u>	<u>\$ 67,318</u>	<u>\$ 63,974</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

Governmental revenues increased \$94 thousand from FY 2011. Taxes decreased \$349 thousand and intergovernmental revenues increased \$236 thousand.

Tax revenues consisted of \$18.1 million, of which \$3.4 million came from local SPLOST revenue in the governmental funds.

Expenditures in the governmental funds were \$21.0 million of which approximately \$1.3 million going toward the purchase or construction of capital assets.

There was a \$711 thousand decrease in governmental expenditures due mainly to an decrease of \$1.7 million in capital outlays and a \$1.8 million increase in public safety.

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

General Fund Budget Highlights

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

The budget for total revenues increased \$1.4 million:

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

\$98,000 was collected over what was budgeted in Fines and Forfeitures because we budget conservatively in all of our accounts on the unknown revenues.

The budget for total expenditures increased \$2.4 million:

Expenditures in the Fire Department increased \$626,000, increased in the Road Department \$1.5 million, increased \$354,000, all due to the cost of emergency repairs of a tornado that was declared a state wide emergency. Jail expenditures were increased due to increased inmate medical expenditures. Rabun Arena was originally budgeted \$121,000 in contingency because it was a new department . Once we adopted the budget we were able to spend more time and allocated the \$121,000 to various expenditures.

CAPITAL ASSETS & LONG TERM DEBT

Capital Assets. Rabun County's government-wide investment in capital assets at June 30, 2012 was \$83.7 million, net of \$32.9 million in accumulated depreciation. The investment, which includes land, buildings, roads, bridges, machinery and equipment, park facilities and vehicles, is covered in Note 9 on pages 42 - 44. Government-wide capital additions in FY 2012 were approximately \$3.6 million.

Major capital asset activity in 2012 was:

The County completed a major part of the renovations on the lower level of the Health Department Building. This space is being used by North GA Technical College, GA Unemployment Office, and a computer lab. Being able to offer college classes here in our own County is very beneficial to all of our taxpayers as well as the GA unemployment office especially right now with jobs being so few. The computer lab is a great benefit for those who do not or cannot

Long-term debt. At June 30, 2012, Rabun County had \$10.4 million in bonds and notes payable, capital leases, and landfill closure/postclosure care costs; this is a decrease in total of \$2.1 million from FY 2011. The reduction in debt was due to payments of \$2.5 million made to reduce long-term debt in excess of \$379 thousand of new notes payable. Additional information on the County's long-term debt can be found in Note 11 found on pages 45 - 50.

ECONOMIC FACTORS AND THE 2012 BUDGET

The economy in the County seems to be steady; for example, the un-employment rate in the County of 12.0% is in line with the State average. The County will adhere to strict budget controls for FY 2013.

Funding for the operations of the County come from three primary sources: taxes, charges for services and fines. Rabun County has been able to maintain current services without an increase in the millage rate. We have no plans of using fund balance to balance the 2013.

REQUESTS FOR INFORMATION

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

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BASIC FINANCIAL STATEMENTS

RABUN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 19,164,949	\$ 317,571	\$ 19,482,520	\$ 976,350
Certificates of deposit	103,391	0	103,391	15,945
Restricted assets				
Cash and cash equivalents	99,398	0	99,398	1,109,851
Receivables (net)				
Accounts	212,060	126,305	338,365	24,155
Intergovernmental	840,186	69,406	909,592	5,468
Taxes	515,577	0	515,577	0
Notes	0	0	0	15,782
Prepays	202,883	0	202,883	37,175
Total current assets	21,138,444	513,282	21,651,726	2,184,726
Noncurrent assets				
Capital assets				
Non-depreciable	1,946,447	1,298,811	3,245,258	1,263,423
Depreciable (net)	48,868,586	4,618,595	53,487,181	12,552,075
Other assets				
Notes receivable	0	0	0	50,537
Investment in joint venture	0	0	0	10,001
Pension asset	836,935	0	836,935	0
Debt issue costs (net)	13,106	0	13,106	455,679
Total noncurrent assets	51,665,074	5,917,406	57,582,480	14,331,715
Total assets	72,803,518	6,430,688	79,234,206	16,516,441
LIABILITIES				
Current liabilities				
Payables				
Accounts	472,929	31,736	504,665	23,527
Intergovernmental	22,592	5,024	27,616	0
Interest	7,959	509,248	517,207	0
Accrued salaries and expenses	73,479	9,442	82,921	0
Compensated absences	299,897	36,869	336,766	15,000
Capital lease payable	30,392	0	30,392	0
Notes payable	330,496	52,874	383,370	0
Bonds payable	1,560,733	0	1,560,733	0
Closure/post-closure care	0	50,744	50,744	0
Liabilities payable from restricted assets				
Payables				
Customer deposits	0	0	0	29,097
Interest	0	0	0	315,218
Total current liabilities	2,798,477	695,937	3,494,414	382,842

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

RABUN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	\$ 0	\$ 0	\$ 0	\$ 34,637
Capital lease payable	102,864	0	102,864	0
Notes payable	0	3,842,897	3,842,897	0
Bonds payable	1,545,000	0	1,545,000	15,803,025
Closure/post-closure care	0	2,930,627	2,930,627	0
Total noncurrent liabilities	1,647,864	6,773,524	8,421,388	15,837,662
Total liabilities	4,446,341	7,469,461	11,915,802	16,220,504
NET ASSETS				
Invested in capital assets, net of related debt	47,245,548	2,021,635	49,267,183	1,294,843
Restricted for:				
Judicial	72,074	0	72,074	0
Public safety	135,005	0	135,005	0
Health and welfare	99,398	0	99,398	1,500
Capital outlay	7,135,732	0	7,135,732	0
Unrestricted	13,669,420	(3,060,408)	10,609,012	(1,000,406)
Total net assets	\$ 68,357,177	\$ (1,038,773)	\$ 67,318,404	\$ 295,937

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

RABUN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General Government	\$ 2,045,715	\$ 56,890	\$ 260,918	\$ 0	\$ (1,727,907)
Judicial	993,833	60,343	6,784	0	(926,706)
Public Safety	7,968,897	1,946,266	87,991	0	(5,934,640)
Public Works	3,782,279	0	899,633	245	(2,882,401)
Health and Welfare	1,108,128	85,250	260,336	9,980	(752,562)
Culture and Recreation	1,221,048	173,373	10,454	19,871	(1,017,350)
Housing and Development	485,031	33,083	0	0	(451,948)
Interest on long-term debt	149,235	0	0	0	(149,235)
Total governmental activities	17,754,166	2,355,205	1,526,116	30,096	(13,842,749)
Business-type activities					
Solid Waste	1,255,570	396,001	0	0	(859,569)
Waste-Water Facility	415,230	206,771	0	0	(208,459)
Golf Course	232,632	99,712	0	0	(132,920)
Total business-type activities	1,903,432	702,484	0	0	(1,200,948)
Total primary government	19,657,598	3,057,689	1,526,116	30,096	(15,043,697)
Component Units					
Rabun County Library					
Culture and Recreation	363,215	19,070	76,478	0	(267,667)
Rabun County Health Department					
Health and Welfare	719,699	265,250	190,002	0	(264,447)
Rabun County Economic Development Authority					
Housing and Development	1,316,814	0	1,500	0	(1,315,314)
Rabun County Building Authority					
Housing and Development	0	0	0	0	0
Total component units	2,399,728	284,320	267,980	0	(1,847,428)
Primary Government					
	Governmental Activities	Business-Type Activities	Total	Component Units	
Change in net assets					
Net (expense) revenue	\$ (13,842,749)	\$ (1,200,948)	\$ (15,043,697)	\$ (1,847,428)	
General revenues					
Taxes					
Property	13,709,676	0	13,709,676	0	
Sales	3,389,341	0	3,389,341	0	
Insurance premium	504,053	0	504,053	0	
Other	452,845	0	452,845	0	
Interest and investment earnings	33,979	1,075	35,054	10,126	
Rental income	0	0	0	213,737	
Payments from Rabun County	0	0	0	765,872	
Miscellaneous	172,019	0	172,019	772	
Transfers	(1,048,176)	1,048,176	0	0	
Total general revenues and transfers	17,213,737	1,049,251	18,262,988	990,507	
Change in net assets	3,370,988	(151,697)	3,219,291	(856,921)	
Net assets - beginning (original)	64,896,189	(921,743)	63,974,446	1,152,858	
Prior period adjustments	90,000	34,667	124,667	0	
Net assets - beginning (restated)	64,986,189	(887,076)	64,099,113	1,152,858	
Net assets - ending	\$ 68,357,177	\$ (1,038,773)	\$ 67,318,404	\$ 295,937	

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

RABUN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	<u>General</u>	<u>Emergency 911</u>	<u>SPLOST #5</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 11,388,137	\$ 754,452	\$ 6,821,180	\$ 201,180	\$ 19,164,949
Certificates of deposit	103,391	0	0	0	103,391
Receivables (net)					
Accounts	134,683	77,377	0	0	212,060
Intergovernmental	833,487	0	0	6,699	840,186
Taxes	165,209	0	324,800	25,568	515,577
Prepays	202,883	0	0	0	202,883
Due from other funds	25,568	0	0	0	25,568
Restricted Assets					
Cash and cash equivalents	99,398	0	0	0	99,398
Total assets	\$ 12,952,756	\$ 831,829	\$ 7,145,980	\$ 233,447	\$ 21,164,012
LIABILITIES AND FUND BALANCES					
Liabilities					
Payables					
Accounts	\$ 58,431	\$ 403,450	\$ 10,248	\$ 800	\$ 472,929
Intergovernmental	22,426	166	0	0	22,592
Accrued salaries and expenses	67,474	6,005	0	0	73,479
Deferred revenue	120,031	0	0	0	120,031
Due to other funds	0	0	0	25,568	25,568
Total liabilities	268,362	409,621	10,248	26,368	714,599
Fund balances					
Nonspendable prepaids	202,883	0	0	0	202,883
Restricted for:					
Judicial	0	0	0	72,074	72,074
Public safety	0	0	0	135,005	135,005
Health and welfare	99,398	0	0	0	99,398
Capital outlay	0	0	7,135,732	0	7,135,732
Assigned to public safety	0	422,208	0	0	422,208
Unassigned	12,382,113	0	0	0	12,382,113
Total fund balances	12,684,394	422,208	7,135,732	207,079	20,449,413
Total liabilities and fund balances	\$ 12,952,756	\$ 831,829	\$ 7,145,980	\$ 233,447	\$ 21,164,012

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

RABUN COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
June 30, 2012

Total fund balance - total governmental funds	\$ 20,449,413
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets of \$83,714,704, net of accumulated depreciation of (\$32,899,671), and debt issue costs of \$13,106 are not financial resources and, therefore, are not reported in the funds.	50,828,139
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the fund. These are deferred property taxes.	120,031
Net pension asset is not reported in the governmental funds. This amount represents annual plan contributions in excess of pension costs.	836,935
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are capital leases payable of (\$133,256), notes payable of (\$330,496), bonds payable of (\$3,105,733), interest payable of (\$7,959) and compensated absences of (\$299,897).	<u>(3,877,341)</u>
Net assets of governmental activities	<u><u>\$ 68,357,177</u></u>

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

RABUN COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2012

	<u>General</u>	<u>Emergency 911</u>	<u>SPLOST #5</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
REVENUES					
Taxes	\$ 14,619,773	\$ 0	\$ 3,389,341	\$ 84,351	\$ 18,093,465
Licenses and permits	64,508	0	0	0	64,508
Fines, fees and forfeitures	405,626	0	0	99,838	505,464
Charges for services	1,440,646	344,587	0	0	1,785,233
Intergovernmental	1,365,916	0	0	6,784	1,372,700
Interest	31,073	2,307	19,871	844	54,095
Contributions	125,196	0	0	0	125,196
Other	172,018	0	0	0	172,018
Total revenues	18,224,756	346,894	3,409,212	191,817	22,172,679
EXPENDITURES					
Current					
General Government	1,936,041	0	0	0	1,936,041
Judicial	950,774	0	0	42,899	993,673
Public Safety	7,426,149	1,401,275	0	39,735	8,867,159
Public Works	2,781,425	0	0	0	2,781,425
Health and Welfare	1,024,365	0	0	0	1,024,365
Culture and Recreation	1,048,233	0	0	0	1,048,233
Housing and Development	398,877	0	0	84,351	483,228
Capital outlay	0	0	925,714	379,950	1,305,664
Debt service	732,294	0	1,860,638	0	2,592,932
Total expenditures	16,298,158	1,401,275	2,786,352	546,935	21,032,720
Excess (deficiency) of revenues over (under) expenditures	1,926,598	(1,054,381)	622,860	(355,118)	1,139,959
Other financing sources (uses)					
Transfers in	0	674,946	0	0	674,946
Transfers out	(1,660,515)	0	0	0	(1,660,515)
Proceeds from sale of assets	44,928	0	0	0	44,928
Total other financing sources (uses)	(1,615,587)	674,946	0	0	(940,641)
Net change in fund balance	311,011	(379,435)	622,860	(355,118)	199,318
Fund balances, July 1	12,373,383	801,643	6,512,872	562,197	20,250,095
Fund balances, June 30	\$ 12,684,394	\$ 422,208	\$ 7,135,732	\$ 207,079	\$ 20,449,413

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

RABUN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2012

Net change in fund balances - total governmental funds \$ 199,318

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$3,057,698 exceeded depreciation of (\$2,207,637) in the current period. 850,061

In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds the proceeds from the sale increase financial resources. The change in net assets differs from the change in fund balance by the cost of the assets sold of (\$140,134), net of related accumulated depreciation of \$35,058. (105,076)

Contributions of capital assets from other governments of (\$38,200) increase net assets in the statement of activities, but do not appear in the governmental funds activities, because they are not financial resources. 38,200

Distributions of capital assets to proprietary funds of (\$80,783), net of related accumulated depreciation of \$18,176 decrease net assets in the statement of activities but do not appear in the governmental funds activities, because they are not financial resources. (62,607)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable deferred revenue. (37,550)

The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which debt repayments of \$2,438,343 exceed debt proceeds of (\$0) and amortization of (\$18,723). 2,419,620

Annual employer contributions to retirement plans in excess of pension costs are not reported in the governmental funds, but result in assets in the governmental activities. 48,671

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net decrease in compensated absences \$14,996 and the net decrease in interest payable \$5,355. 20,351

Change in net assets of governmental activities \$ 3,370,988

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

RABUN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2012

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 14,545,719	\$ 14,677,044	\$ 14,619,773	\$ (57,271)
Licenses and permits	35,850	64,855	64,508	(347)
Fines, fees and forfeitures	360,000	457,790	405,626	(52,164)
Charges for services	1,299,650	1,576,963	1,440,646	(136,317)
Intergovernmental	610,000	1,186,109	1,365,916	179,807
Interest	95,000	47,000	31,073	(15,927)
Contributions	0	125,175	125,196	21
Other	32,500	236,850	172,018	(64,832)
Total revenues	16,978,719	18,371,786	18,224,756	(147,030)
EXPENDITURES				
Current				
General Government				
General Administration	2,216,595	249,109	240,455	8,654
Elections	141,184	115,559	102,954	12,605
Board of Commissioners	410,396	506,429	496,066	10,363
Tax Commissioner	293,388	307,381	289,987	17,394
Tax Assessors	287,502	345,447	317,035	28,412
Buildings and Properties	394,076	500,726	489,544	11,182
Judicial				
Clerk of Court	304,250	385,775	369,623	16,152
Probate Court	181,196	213,771	204,901	8,870
Administration of Justice	210,853	250,575	245,269	5,306
District Attorney	127,985	138,216	130,981	7,235
Public Safety				
Sheriff	1,318,658	1,687,195	1,591,950	95,245
Rabun County Jail	1,487,702	1,975,468	1,897,757	77,711
Coroner	20,399	17,380	10,300	7,080
Emergency Management Agency	39,141	53,760	51,323	2,437
Fire Department	644,262	1,270,322	1,381,979	(111,657)
County Marshal	237,692	288,270	283,084	5,186
E911 Mapping & Addressing	125,282	172,914	160,411	12,503
Drug Task Force	84,796	63,512	54,382	9,130
Emergency Medical Service	1,500,336	1,854,329	1,810,422	43,907
Boggs Mountain Animal Shelter	200,400	185,428	184,541	887
Public Works				
Roads and Bridges	1,623,738	3,153,088	2,615,781	537,307
Water and Sewer Authority	146,500	165,644	165,644	0
Health and Welfare				
Public Health	326,028	298,750	295,114	3,636
Public Welfare	63,600	63,600	37,207	26,393
Program on Aging	495,383	605,109	589,544	15,565
Court Appointed Special Advocates	7,500	7,500	7,500	0
F.A.I.T.H.	80,000	95,000	95,000	0
Culture and Recreation				
Civic Center	117,442	82,764	77,951	4,813
Recreation	529,256	612,041	562,363	49,678
Rabun Arena	0	121,084	92,795	28,289
Rabun County Library	295,542	318,321	310,624	7,697
Rabun County Historical Society	4,500	4,500	4,500	0

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

RABUN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2012

	Budget		Actual	Variance with Final Budget
	Original	Final		
Housing and Development				
Extension Service	\$ 31,600	\$ 25,095	\$ 21,366	\$ 3,729
Planning Commission	55,221	67,823	65,972	1,851
Economic Development	212,700	429,635	303,214	126,421
Soil Erosion Control	8,592	8,654	8,325	329
Total Current	<u>14,223,695</u>	<u>16,640,174</u>	<u>15,565,864</u>	<u>1,074,310</u>
Debt Service				
General Government				
General Administration	689,000	686,874	682,354	4,520
Public Works				
Roads and Bridges	71,000	71,000	49,940	21,060
Total Debt Service	<u>760,000</u>	<u>757,874</u>	<u>732,294</u>	<u>25,580</u>
Total expenditures	<u>14,983,695</u>	<u>17,398,048</u>	<u>16,298,158</u>	<u>1,099,890</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,995,024</u>	<u>973,738</u>	<u>1,926,598</u>	<u>952,860</u>
Other financing sources (uses)				
Transfers in	0	81,000	0	(81,000)
Transfers out	(1,454,880)	(1,669,445)	(1,660,515)	8,930
Sale of capital assets	10,000	0	44,928	44,928
Contingency	(550,144)	(33,043)	0	33,043
Total other financing sources (uses)	<u>(1,995,024)</u>	<u>(1,621,488)</u>	<u>(1,615,587)</u>	<u>5,901</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(647,750)	311,011	958,761
Fund balances, July 1	<u>0</u>	<u>647,750</u>	<u>12,373,383</u>	<u>11,725,633</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,684,394</u>	<u>\$ 12,684,394</u>

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

RABUN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2012

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Charges for services	\$ 310,000	\$ 346,000	\$ 344,587	\$ (1,413)
Interest	4,000	4,000	2,307	(1,693)
Total revenues	314,000	350,000	346,894	(3,106)
EXPENDITURES				
Current				
Public Safety	141,534	1,406,446	1,401,275	5,171
Excess (deficiency) of revenues over expenditures	172,466	(1,056,446)	(1,054,381)	2,065
Other financing sources (uses)				
Transfers in	674,946	674,946	674,946	0
Contingency	(181,500)	(7,500)	0	7,500
Total other financing sources (uses)	493,446	667,446	674,946	7,500
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	665,912	(389,000)	(379,435)	9,565
Fund balance, July 1	(665,912)	389,000	801,643	412,643
Fund balances, June 30	\$ 0	\$ 0	\$ 422,208	\$ 422,208

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

RABUN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2012

	Business-Type Activities			Totals
	Solid Waste	Waste-Water Facility	Golf Course	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 31,268	\$ 232,638	\$ 53,665	\$ 317,571
Receivables (net)				
Accounts	34,668	91,637	0	126,305
Intergovernmental	0	69,406	0	69,406
Total current assets	<u>65,936</u>	<u>393,681</u>	<u>53,665</u>	<u>513,282</u>
Noncurrent assets				
Capital assets				
Non-depreciable	1,106,031	172,980	19,800	1,298,811
Depreciable (net)	991,424	3,572,871	54,300	4,618,595
Total noncurrent assets	<u>2,097,455</u>	<u>3,745,851</u>	<u>74,100</u>	<u>5,917,406</u>
Total assets	<u>2,163,391</u>	<u>4,139,532</u>	<u>127,765</u>	<u>6,430,688</u>
LIABILITIES				
Current liabilities				
Payables				
Accounts	25,668	5,908	160	31,736
Intergovernmental	92	4,899	33	5,024
Interest	0	509,248	0	509,248
Accrued salaries	6,274	1,340	1,828	9,442
Compensated absences	18,452	9,079	9,338	36,869
Notes payable	0	52,874	0	52,874
Closure/post-closure care	50,744	0	0	50,744
Total current liabilities	<u>101,230</u>	<u>583,348</u>	<u>11,359</u>	<u>695,937</u>
Noncurrent liabilities				
Notes payable	0	3,842,897	0	3,842,897
Closure/post-closure care	2,930,627	0	0	2,930,627
Total noncurrent liabilities	<u>2,930,627</u>	<u>3,842,897</u>	<u>0</u>	<u>6,773,524</u>
Total liabilities	<u>3,031,857</u>	<u>4,426,245</u>	<u>11,359</u>	<u>7,469,461</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,097,455	(149,920)	74,100	2,021,635
Unrestricted	(2,965,921)	(136,793)	42,306	(3,060,408)
Total net assets	<u>\$ (868,466)</u>	<u>\$ (286,713)</u>	<u>\$ 116,406</u>	<u>\$ (1,038,773)</u>

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

RABUN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2012

	Business-Type Activities			Totals
	Solid Waste	Waste-Water Facility	Golf Course	
OPERATING REVENUES				
Charges for sales and services	\$ 396,001	\$ 206,771	\$ 99,712	\$ 702,484
Total operating revenues	<u>396,001</u>	<u>206,771</u>	<u>99,712</u>	<u>702,484</u>
OPERATING EXPENSES				
Costs of sales and services	492,425	140,720	61,527	694,672
Personal services	688,316	123,582	158,965	970,863
Depreciation	74,829	2,171	12,140	89,140
Total operating expenses	<u>1,255,570</u>	<u>266,473</u>	<u>232,632</u>	<u>1,754,675</u>
Operating income (loss)	<u>(859,569)</u>	<u>(59,702)</u>	<u>(132,920)</u>	<u>(1,052,191)</u>
Non-operating revenues (expenses)				
Interest revenue	40	840	195	1,075
Interest expense	<u>0</u>	<u>(148,757)</u>	<u>0</u>	<u>(148,757)</u>
Total non-operating revenues (expenses)	<u>40</u>	<u>(147,917)</u>	<u>195</u>	<u>(147,682)</u>
Net income before contributions and transfers	(859,529)	(207,619)	(132,725)	(1,199,873)
Capital contributions				
Capital contributions	<u>62,607</u>	<u>0</u>	<u>0</u>	<u>62,607</u>
Net income before transfers	(796,922)	(207,619)	(132,725)	(1,137,266)
Transfers				
Transfers in	<u>833,749</u>	<u>0</u>	<u>151,820</u>	<u>985,569</u>
Change in net assets	<u>36,827</u>	<u>(207,619)</u>	<u>19,095</u>	<u>(151,697)</u>
Net assets - July 1 (original)	(939,960)	(79,094)	97,311	(921,743)
Prior period adjustments	<u>34,667</u>	<u>0</u>	<u>0</u>	<u>34,667</u>
Net assets - July 1 (restated)	<u>(905,293)</u>	<u>(79,094)</u>	<u>97,311</u>	<u>(887,076)</u>
Net assets, June 30	<u><u>\$ (868,466)</u></u>	<u><u>\$ (286,713)</u></u>	<u><u>\$ 116,406</u></u>	<u><u>\$ (1,038,773)</u></u>

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

RABUN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2012

	Business-Type Activities			Totals
	Solid Waste	Waste-Water Facility	Golf Course	
Cash flows from operating activities:				
Receipts from customers	\$ 452,988	\$ 157,667	\$ 99,712	\$ 710,367
Payments to suppliers	(514,440)	(148,147)	(61,375)	(723,962)
Payments to employees	(687,872)	(120,804)	(158,652)	(967,328)
Net cash provided (used) by operating activities	<u>(749,324)</u>	<u>(111,284)</u>	<u>(120,315)</u>	<u>(980,923)</u>
Cash flows from non-capital financing activities:				
Receipts from other funds	833,749	0	151,820	985,569
Payments to other funds	(53,247)	(28,685)	(43,234)	(125,166)
Net cash provided (used) by non-capital financing activities	<u>780,502</u>	<u>(28,685)</u>	<u>108,586</u>	<u>860,403</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	0	(382,308)	0	(382,308)
Receipts from other governments	0	0	195	195
Proceeds from notes payable	0	458,592	0	458,592
Net cash provided (used) by capital and related financing activities	<u>0</u>	<u>76,284</u>	<u>195</u>	<u>76,479</u>
Cash flows from investing activities:				
Interest received	40	840	0	880
Net increase (decrease) in cash and cash equivalents	31,218	(62,845)	(11,534)	(43,161)
Cash and cash equivalents, July 1	50	295,483	65,199	360,732
Cash and cash equivalents, June 30	<u>\$ 31,268</u>	<u>\$ 232,638</u>	<u>\$ 53,665</u>	<u>\$ 317,571</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (859,569)	\$ (59,702)	\$ (132,920)	\$ (1,052,191)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	74,829	2,171	12,140	89,140
Closure/postclosure care costs	(18,888)	0	0	(18,888)
(Increase) decrease in accounts receivable	56,987	(49,104)	0	7,883
Increase (decrease) in accounts payable	(3,219)	(8,446)	119	(11,546)
Increase (decrease) in intergovernmental payable	92	1,019	33	1,144
Increase (decrease) in accrued payroll liabilities	444	2,778	313	3,535
Total adjustments	<u>110,245</u>	<u>(51,582)</u>	<u>12,605</u>	<u>71,268</u>
Net cash provided (used) by operating activities	<u>\$ (749,324)</u>	<u>\$ (111,284)</u>	<u>\$ (120,315)</u>	<u>\$ (980,923)</u>

Noncash capital and related financing activities:

Proceeds from notes payable through intergovernmental receivables totaled \$69,406 in the Waste-Water Facility Enterprise Fund. Current year receipts from notes payable for prior year intergovernmental receivable total \$148,092.

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

RABUN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2012

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 455,536
Taxes receivable, net	<u>610,840</u>
Total assets	<u>1,066,376</u>
LIABILITIES	
Due to other agencies	<u>\$ 1,066,376</u>

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

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2012

	Rabun County Library	Rabun County Health Department	Rabun County Economic Development Authority	Rabun County Building Authority	Totals
ASSETS					
Current assets					
Cash and cash equivalents	\$ 76,339	\$ 560,206	\$ 334,240	\$ 5,565	\$ 976,350
Certificates of deposit	15,945	0	0	0	15,945
Restricted cash and cash equivalents	0	0	1,109,851	0	1,109,851
Receivables (net)					
Accounts	0	24,155	0	0	24,155
Intergovernmental	0	0	5,468	0	5,468
Notes	0	0	15,782	0	15,782
Prepays	0	0	37,175	0	37,175
Total current assets	92,284	584,361	1,502,516	5,565	2,184,726
Noncurrent assets					
Capital assets					
Non-depreciable	0	0	1,263,423	0	1,263,423
Depreciable (net)	194,035	0	12,358,040	0	12,552,075
Notes receivable	0	0	50,537	0	50,537
Investment in joint venture	0	0	10,001	0	10,001
Debt issue costs (net)	0	0	455,679	0	455,679
Total noncurrent assets	194,035	0	14,137,680	0	14,331,715
Total assets	286,319	584,361	15,640,196	5,565	16,516,441
LIABILITIES					
Current liabilities					
Accounts payable	2,959	575	19,993	0	23,527
Compensated absences	0	15,000	0	0	15,000
Liabilities payable from restricted assets					
Payables					
Customer deposits	0	0	29,097	0	29,097
Interest	0	0	315,218	0	315,218
Total current liabilities	2,959	15,575	364,308	0	382,842
Noncurrent liabilities					
Compensated absences	0	34,637	0	0	34,637
Bonds payable	0	0	15,803,025	0	15,803,025
Total noncurrent liabilities	0	34,637	15,803,025	0	15,837,662
Total liabilities	2,959	50,212	16,167,333	0	16,220,504
NET ASSETS					
Invested in capital assets, net of related debt	194,035	0	1,100,808	0	1,294,843
Restricted for health and welfare	0	1,500	0	0	1,500
Unrestricted	89,325	532,649	(1,627,945)	5,565	(1,000,406)
Total net assets	\$ 283,360	\$ 534,149	\$ (527,137)	\$ 5,565	\$ 295,937

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

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended June 30, 2012

	Rabun County Library	Rabun County Health Department	Rabun County Economic Development Authority	Rabun County Building Authority	Totals
Expenses					
Health and Welfare	\$ 0	\$ 719,699	\$ 0	\$ 0	\$ 719,699
Culture and Recreation	363,215	0	0	0	363,215
Housing and Development	0	0	1,316,814	0	1,316,814
Total expenses	<u>363,215</u>	<u>719,699</u>	<u>1,316,814</u>	<u>0</u>	<u>2,399,728</u>
Program revenues					
Charges for services	19,070	265,250	0	0	284,320
Operating grants and contributions	76,478	190,002	1,500	0	267,980
Total program revenues	<u>95,548</u>	<u>455,252</u>	<u>1,500</u>	<u>0</u>	<u>552,300</u>
Net (expense) revenue	<u>(267,667)</u>	<u>(264,447)</u>	<u>(1,315,314)</u>	<u>0</u>	<u>(1,847,428)</u>
General revenues					
Interest	448	0	9,660	18	10,126
Rental income	0	0	213,737	0	213,737
Payments from Rabun County	294,160	246,712	225,000	0	765,872
Miscellaneous	772	0	0	0	772
Total general revenues	<u>295,380</u>	<u>246,712</u>	<u>448,397</u>	<u>18</u>	<u>990,507</u>
Change in net assets	27,713	(17,735)	(866,917)	18	(856,921)
Net assets, July 1	<u>255,647</u>	<u>551,884</u>	<u>339,780</u>	<u>5,547</u>	<u>1,152,858</u>
Net assets, June 30	<u><u>\$ 283,360</u></u>	<u><u>\$ 534,149</u></u>	<u><u>\$ (527,137)</u></u>	<u><u>\$ 5,565</u></u>	<u><u>\$ 295,937</u></u>

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

1. Description of Government Unit

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

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

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

2. Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of Rabun County, Georgia, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the County are discussed below.

B. Reporting Entity

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

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

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

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

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

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

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

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements, continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The County's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type activities for the County. Fiduciary activities of the County are not included in these statements.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Accordingly, all the County's assets and liabilities, including capital assets, as well as current year infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in assets. Under 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. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities that normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Governmental Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. Fines are not susceptible to accrual because generally they are not measurable until received in cash. The County considers property taxes as available in the period for which they were levied if they are collected within 60 days subsequent to year-end. A 60-day availability period is also used for revenue recognition for all other governmental fund revenue.

The County reports the following major governmental funds:

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

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

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The County reports the following major proprietary funds:

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

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

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

Additionally, the County reports the following fund types:

Governmental Fund Types

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

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

Fiduciary Fund Types

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Component Units

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

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

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

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

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. 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.

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

E. Budgets and Budgetary Accounting

The Board of Commissioners adopts an annual budget for all governmental fund types, prior to July 1, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the Board of Commissioners when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted at a public meeting. A budget was not adopted for the Law Library Special Revenue Fund for the fiscal year ended June 30, 2012.

Each year in April, a Budget Committee consisting of the Board of Commissioners, the County Manager, and the Financial Director prepare the proposed budget. Budget requests from the various County departments are presented to this committee for consideration. Public hearings are held to discuss the proposed budget and to obtain input from the citizens of Rabun County. These hearings are publicized in the local newspaper for at least one week before the hearings, and the budget document is made available for public inspection during this time.

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting, continued

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

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

F. Cash and Investments

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

G. 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.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

I. Capital Assets

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

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

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

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

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

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

J. Compensation for Future Absences

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

K. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

L. 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.

M. Fund Balances – Governmental Funds

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

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form (e.g. inventories and prepaids) or are legally or contractually required to be maintained intact. It is the responsibility of the Chief Financial Officer/Designee to report all nonspendable funds appropriately in the County's financial statements. All amounts reported as nonspendable at June 30, 2012 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 that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation. It is the responsibility of the Chief Financial Officer/Designee to report all restricted funds appropriately in the County's financial statements.

Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision making authority, the Board of Commissioners. The Board of Commissioners may commit fund balance for specific purposes pursuant to constraints imposed by passage of a resolution. These committed amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specific use through the same type of formal action taken to establish the commitment.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

2. Summary of Significant Accounting Policies (continued)

M. Fund Balances – Governmental Funds, continued

Assigned – includes amounts that are intended to be used by the County for a specific purpose. Intent can only be expressed by the Board of Commissioners or their designee. Assigned fund balance differs from committed fund balance in that assignments do not require a resolution. An assignment of fund balance requires the majority vote of the Board however the Board has authorized the County Manager or designee to automatically assign fund balance in the following situations:

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

Unassigned – the amount of fund balance in the General Fund which is not classified as either nonspendable, restricted, committed, or assigned. It represents resources available for immediate appropriation by the Board. No use of unassigned fund balance is permitted without approval of the Board of Commissioners. The County will make every effort to use unassigned funds following purposes (listed in order of priority):

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

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

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.

Concentration of Credit Risk

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

Foreign currency risk

The County has no investments denominated in a foreign currency.

Credit Risk

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

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

3. Deposit and Investment Risk (continued)

Credit Risk, continued

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

The Georgia Fund 1 is rated AAAM by Standard & Poor's. The weighted average maturity at June 30, 2012 was 48 days. At June 30, 2012, the County's balance in Georgia Fund 1 was \$561,488.

4. Accounts Receivable

Net accounts receivable at June 30, 2012 consist of the following:

Primary Government:

Major Funds

General Fund	\$ 193,209	
Less: Allowance for Uncollectibles	<u>(58,526)</u>	\$ 134,683
Emergency 911 Special Revenue Fund		77,377
Enterprise Funds		
Solid Waste	34,668	
Waste-Water Facility	366,044	
Less: Allowance for Uncollectibles	<u>(274,407)</u>	<u>126,305</u>
Total primary government		<u>\$ 338,365</u>
Component Units		
Rabun County Health Department		<u>\$ 24,155</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2012 consist of the following:

Major Funds

General Fund

Georgia Emergency Management Agency	\$ 733,315	
Economic Development Authority	31,041	
Georgia Department of Natural Resources	10,454	
Rabun County Board of Education	27,625	
Mountain Judicial Circuit NCIS Team	20,494	
Georgia Department of Corrections	1,144	
Legacy Link	2,975	
City of Mountain City, Georgia	1,177	
City of Clayton, Georgia	2,458	
City of Dillard, Georgia	555	
City of Sky Valley, Georgia	78	
Georgia Department of Family and Children Services	419	
Social Security Administration	840	
Boggs Mountain	<u>912</u>	\$ 833,487

Enterprise Funds

Waste-Water Facility		
Georgia Environmental Facilities Authority		69,406

Nonmajor Funds

Jail Special Revenue Fund

City of Clayton, Georgia	2,963	
City of Dillard, Georgia	1,099	
City of Mountain City, Georgia	853	
City of Sky Valley, Georgia	<u>157</u>	5,072

Juvenile Case Management

Georgia Department of Corrections		1,544
Drug Abuse Treatment Education		
City of Dillard, Georgia		<u>83</u>

Total primary government \$ 909,592

Component Units

Rabun County Economic Development Authority		
Rabun County, Georgia		<u><u>\$ 5,468</u></u>

6. Property Taxes

Property tax rates are set by the Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2011, based upon the assessments of January 1, 2011, were levied on August 4, 2011, billed on August 31, 2011, and due on December 20, 2011. Tax liens may be issued 90 days after the due date.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of June 30, 2012 is as follows:

Due to/Due from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Hotel-Motel Fund	\$ <u>25,568</u>

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

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

8. Interfund Transfers

During the fiscal year ended June 30, 2012, the General Fund transferred \$833,749, \$151,820, and \$674,946 to the Solid Waste Enterprise Fund, Golf Course Enterprise Fund, and Emergency 911 Special Revenue Fund, respectively.

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

9. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2012 was as follows:

	Balance 6/30/11	Increases	Decreases	Balance 6/30/12
Governmental activities				
Non-depreciable assets				
Land	\$ 1,690,996	\$ 0	\$ 0	\$ 1,690,996
Construction in progress	2,869,841	890,540	(3,504,930)	255,451
Total non-depreciable assets	<u>4,560,837</u>	<u>890,540</u>	<u>(3,504,930)</u>	<u>1,946,447</u>
Depreciable assets				
Buildings	25,833,104	3,504,930	0	29,338,034
Machinery and equipment	4,383,093	768,338	0	5,151,431
Vehicles	7,532,752	944,185	(220,917)	8,256,020
Infrastructure	38,529,938	492,834	0	39,022,772
Total depreciable assets	<u>76,278,887</u>	<u>5,710,287</u>	<u>(220,917)</u>	<u>81,768,257</u>
Less accumulated depreciation				
Buildings	(4,978,795)	(487,479)	0	(5,466,274)
Machinery and equipment	(1,676,762)	(299,501)	0	(1,976,263)
Vehicles	(4,034,430)	(495,777)	53,235	(4,476,972)
Infrastructure	(20,055,282)	(924,880)	0	(20,980,162)
Total accumulated depreciation	<u>(30,745,269)</u>	<u>(2,207,637)</u>	<u>53,235</u>	<u>(32,899,671)</u>
Total depreciable assets, net	<u>45,533,618</u>	<u>3,502,650</u>	<u>(167,682)</u>	<u>48,868,586</u>
Governmental activities capital assets, net	<u>\$ 50,094,455</u>	<u>\$ 4,393,190</u>	<u>\$ (3,672,612)</u>	<u>\$ 50,815,033</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 1,298,811	\$ 0	\$ 0	\$ 1,298,811
Construction in progress	3,188,135	382,306	(3,570,441)	0
Total non-depreciable assets	<u>4,486,946</u>	<u>382,306</u>	<u>(3,570,441)</u>	<u>1,298,811</u>
Depreciable assets				
Buildings	697,302	3,570,442	0	4,267,744
Machinery and equipment	859,272	0	0	859,272
Vehicles	324,907	80,783	0	405,690
Total depreciable assets	<u>1,881,481</u>	<u>3,651,225</u>	<u>0</u>	<u>5,532,706</u>
Less accumulated depreciation				
Buildings	(249,046)	(16,118)	0	(265,164)
Machinery and equipment	(455,925)	(48,569)	0	(504,494)
Vehicles	(101,825)	(42,628)	0	(144,453)
Total accumulated depreciation	<u>(806,796)</u>	<u>(107,315)</u>	<u>0</u>	<u>(914,111)</u>
Total depreciable assets, net	<u>1,074,685</u>	<u>3,543,910</u>	<u>0</u>	<u>4,618,595</u>
Business-type activities capital assets, net	<u>\$ 5,561,631</u>	<u>\$ 3,926,216</u>	<u>\$ (3,570,441)</u>	<u>\$ 5,917,406</u>

Prior period adjustments have been made in the governmental and business-type activities to adjust beginning capital asset balances (See Note 13).

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

9. Capital Assets (continued)

Capital asset activity for the discretely presented component units for the year ended June 30, 2012 was as follows:

	<u>Balance 6/30/11</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/12</u>
Rabun County Library				
Depreciable assets				
Furniture and equipment	\$ 191,109	\$ 6,533	\$ (550)	\$ 197,092
Books and collections	874,129	83,064	(5,767)	951,426
Total depreciable assets	<u>1,065,238</u>	<u>89,597</u>	<u>(6,317)</u>	<u>1,148,518</u>
Less accumulated depreciation				
Furniture and equipment	(123,080)	(6,714)	330	(129,464)
Books and collections	(772,509)	(58,277)	5,767	(825,019)
Total accumulated depreciation	<u>(895,589)</u>	<u>(64,991)</u>	<u>6,097</u>	<u>(954,483)</u>
Total depreciable assets, net	<u>169,649</u>	<u>24,606</u>	<u>(220)</u>	<u>194,035</u>
Rabun County Library capital assets, net	<u>\$ 169,649</u>	<u>\$ 24,606</u>	<u>\$ (220)</u>	<u>\$ 194,035</u>
Rabun County Health Department				
Depreciable assets				
Equipment	\$ 5,995	\$ 0	\$ 0	\$ 5,995
Less accumulated depreciation				
Equipment	(5,395)	(600)	0	(5,995)
Rabun County Health Department capital assets, net	<u>\$ 600</u>	<u>\$ (600)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Rabun County Economic Development Authority				
Non-depreciable assets				
Land	\$ 1,263,423	\$ 0	0	\$ 1,263,423
Construction in progress	8,117,599	4,278,158	(12,395,757)	0
Total non-depreciable assets	<u>9,381,022</u>	<u>4,278,158</u>	<u>(12,395,757)</u>	<u>1,263,423</u>
Depreciable assets				
Buildings	0	12,395,757	0	12,395,757
Furniture and fixtures	0	43,941	0	43,941
Total depreciable assets	<u>0</u>	<u>12,439,698</u>	<u>0</u>	<u>12,439,698</u>
Less accumulated depreciation				
Buildings	0	(77,473)	0	(77,473)
Furniture and fixtures	0	(4,185)	0	(4,185)
Total accumulated depreciation	<u>0</u>	<u>(81,658)</u>	<u>0</u>	<u>(81,658)</u>
Total depreciable assets, net	<u>0</u>	<u>12,358,040</u>	<u>0</u>	<u>12,358,040</u>
Rabun County Economic Development Authority capital assets, net	<u>\$ 9,381,022</u>	<u>\$ 16,636,198</u>	<u>\$ (12,395,757)</u>	<u>\$ 13,621,463</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

9. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 99,588
Judicial	3,682
Public Safety	699,147
Public Works	1,132,906
Health and Welfare	83,537
Culture and Recreation	<u>188,777</u>

Total depreciation expense for governmental activities	<u><u>\$ 2,207,637</u></u>
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Business-type activities

Solid Waste	\$ 74,829
Waste-Water Facility	2,171
Golf Course	<u>12,140</u>

Total depreciation expense for business-type activities	<u><u>\$ 89,140</u></u>
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Discretely presented component units

Rabun County Library	\$ 64,991
Rabun County Economic Development Authority	81,658
Rabun County Health Department	<u>600</u>

	<u><u>\$ 147,249</u></u>
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	Governmental Activities	Business-type Activities
Current year depreciation expense	\$ 2,207,637	\$ 89,140
Prior accumulated depreciation on assets transferred between governmental and business-type activities	0	18,175
Additions to accumulated depreciation	<u><u>\$ 2,207,637</u></u>	<u><u>\$ 107,315</u></u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

10. Capital and Operating Lease Agreements

The County has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balance of these leases at June 30, 2012 is \$133,256 for governmental activities. Assets leased under capital leases consist of equipment totaling \$264,188.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2012:

Year Ending June 30,	Governmental activities
2013	\$ 34,745
2014	18,046
2015	89,512
Total minimum lease payments	142,303
Less amounts representing interest	(9,047)
Present value of minimum lease payments	\$ 133,256

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

11. Long-Term Debt

General Obligation Bonds

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

11. Long-Term Debt (continued)

General Obligation Bonds (continued)

General obligation bonds of the governmental activities are comprised of the following individual issues at June 30, 2012:

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

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

Year Ending June 30,	Principal	Interest	Total
2013	\$ 1,480,000	\$ 63,980	\$ 1,543,980
2014	1,545,000	21,630	1,566,630
Totals	<u>\$ 3,025,000</u>	<u>\$ 85,610</u>	<u>\$ 3,110,610</u>

Revenue Bonds

Revenue bonds have been issued for governmental activities and are comprised of the following individual issue at June 30, 2012:

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

11. Long-Term Debt (continued)

Revenue Bonds (continued)

Annual debt service requirements to maturity for revenue bonds of the governmental activities are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 80,733	\$ 720	\$ 81,453

Revenue bonds have been issued for the Rabun County Economic Development Authority Component Unit and are comprised of the following individual issue at June 30, 2012:

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

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

Year Ending June 30,	Principal	Interest	Total
2013	\$ 0	630,435	\$ 630,435
2014	0	630,435	630,435
2015	350,000	626,060	976,060
2016	360,000	617,005	977,005
2017	370,000	606,775	976,775
2018 - 2022	2,055,000	2,816,464	4,871,464
2023 - 2027	2,510,000	2,352,250	4,862,250
2028 - 2032	3,055,000	1,797,350	4,852,350
2033 - 2037	3,720,000	1,121,547	4,841,547
2038 - 2041	3,555,000	300,816	3,855,816
Totals	<u>\$ 15,975,000</u>	<u>\$ 11,499,137</u>	<u>\$ 27,474,137</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

11. Long-Term Debt (continued)

Notes Payable

Governmental Activities

On December 15, 2005, the County entered into a lending agreement with Rabun County Bank for the refinance of tax anticipation notes previously issued to finance the sale of the Rabun County Hospital. At June 30, 2012, the balance of this note is \$330,496. The note requires monthly payments of \$56,863 with all unpaid principal and interest due on December 15, 2012; interest at 4.725%.

Annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 330,496	\$ 4,509	\$ 335,005

Waste-Water Facility Enterprise Fund

On January 29, 2008, the County entered into a lending agreement with the Georgia Environmental Facilities Authority (GEFA) to borrow up to \$6,415,000 for the purchase of an existing water supply and wastewater treatment facility located on the former Rabun Apparel manufacturing site. The project also consists of rehabilitation and conversion of these existing facilities, a new water treatment plant, new pipe lines, and appurtenant work such that these facilities will provide regional, municipal water supply and wastewater services. The project was completed on June 21, 2012. The note will be payable in 240 consecutive monthly installments commencing on the earlier of the project completion date or December 31, 2011. Until this time, no payments are due and interest at 4.10% will accrue. As of June 30, 2012, the total principal drawn against the note amounted to \$3,895,772 and interest of \$509,249 has been accrued.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

11. Long-Term Debt (continued)

Notes Payable (continued)

Annual debt service requirements are as follows:

Years Ending June 30,	Principal	Interest	Total
2013	\$ 52,874	\$ 66,193	\$ 119,067
2014	130,639	155,122	285,761
2015	136,097	149,664	285,761
2016	141,783	143,978	285,761
2017	147,706	138,054	285,760
2018 - 2022	836,418	592,385	1,428,803
2023 - 2027	1,026,366	402,438	1,428,804
2028 - 2032	1,259,448	169,355	1,428,803
2033	164,440	2,253	166,693
Totals	<u>\$ 3,895,771</u>	<u>\$ 1,819,442</u>	<u>\$ 5,715,213</u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

11. Long-Term Debt (continued)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the County for the fiscal year ending June 30, 2012:

	<u>Balance 6/30/2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2012</u>	<u>Due Within One Year</u>
Governmental activities					
Capital lease obligations	\$ 177,701	\$ 0	\$ 44,445	\$ 133,256	\$ 30,392
Notes payable	985,613	0	655,117	330,496	330,496
Bonds payable	4,844,514	0	1,738,781	3,105,733	1,560,733
Compensated absences	314,893	299,897	314,893	299,897	299,897
Total governmental activities	<u>\$ 6,322,721</u>	<u>\$ 299,897</u>	<u>\$ 2,753,236</u>	<u>\$ 3,869,382</u>	<u>\$ 2,221,518</u>
Business-type activities					
Notes payable	\$ 3,515,865	\$ 379,907	\$ 0	\$ 3,895,772	\$ 52,874
Landfill closure/post-closure care	3,000,259	31,856	50,744	2,981,371	50,744
Compensated absences	36,871	36,869	36,871	36,869	36,869
	<u>\$ 6,552,995</u>	<u>\$ 448,632</u>	<u>\$ 87,615</u>	<u>\$ 6,914,012</u>	<u>\$ 140,487</u>
Component Units					
Rabun County Health Department					
Compensated absences	\$ 30,943	\$ 33,544	\$ 14,850	\$ 49,637	\$ 15,000
Rabun County Economic Development Authority					
Bonds Payable	15,975,000	0	0	15,975,000	0
Unamortized bond discount	(178,117)	0	(6,142)	(171,975)	0
Total component units	<u>\$ 15,827,826</u>	<u>\$ 33,544</u>	<u>\$ 8,708</u>	<u>\$ 15,852,662</u>	<u>\$ 15,000</u>

Debt issue costs are amortized over the life of the related debt using the straight-line method. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund. The landfill post-closure care costs are paid for by the Solid Waste Fund. Compensated absences of the Rabun County Health Department are liquidated by the Rabun County Health Department.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

12. Landfill Post-Closure Care Costs

On October 8, 1993, in accordance with the provisions of the Georgia Comprehensive Solid Waste Management Act (OCGA 12-8-20), the County was issued a closure certificate for its landfill. State and federal laws and regulations require the County to perform certain maintenance and monitoring operations at the landfill site for 30 years after official closure; the County has approximately 12 years remaining. The estimated cost of all post closure care activities related to the landfill is \$2,594,488, and is reflected as a long-term liability in the Solid Waste Enterprise Fund. Because of future changes in technology, laws, or regulations, these costs may change.

During the fiscal year ended June 30, 2000, the County opened a new solid waste landfill. State and federal laws and regulations require that the County place a final cover on the landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs has a balance of \$437,628 as of June 30, 2012, which is based on 40.7% usage (filled) of the landfill. It is estimated that an additional \$638,464 will be recognized as closure and post-closure care expense between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2038).

The estimated total current cost of the landfill closure and post-closure care (\$31,857) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2012. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

13. Changes in Beginning Balances

Governmental Activities

A prior period adjustment has been made to remove accumulated depreciation on assets that were fully depreciated in previous year and should not have been fully depreciated. This adjustment increased beginning net assets by \$90,000.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

13. Changes in Beginning Balances (continued)

Business-type Activities

Solid Waste Enterprise Fund

A prior period adjustment has been made to remove accumulated depreciation on assets that were fully depreciated in the previous year and should not have been fully depreciated. This adjustment increased beginning net assets by \$34,667.

14. Defined Benefit Pension Plan

Plan Description and Contribution Information

Description

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

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

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest evenly over five years of service. Participants become eligible to retire with unreduced benefits at age 65 with 5 years of vesting service. The amount of monthly retirement benefits to be provided for each participant at their normal retirement date is equal to 1.5% of the participant's average annual compensation multiplied by the participant's total number of years of service limited to 35 years. The Plan also provides benefits in the event of death or disability. These benefit provisions and powers to amend the plan were established by a resolution executed by the County Board of Commissioners.

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

14. Defined Benefit Pension Plan (continued)

Plan Description and Contribution Information, continued

Current membership and current year payrolls are as follows:

Retirees and beneficiaries currently receiving benefits	20
Terminated vested participants entitled to but not yet receiving benefits	33
Active participants	131
Disabled participants currently receiving benefits	<u>0</u>
Total number of participants	<u><u>184</u></u>

Funding Policy

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, based on an actuarially determined rate. The current rate is 11.7% of annual covered payroll. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

Annual Pension Cost and Net Pension Obligation

The net pension obligation was computed as part of an actuarial valuation performed as of January 1, 2011. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	7.75%
Projected salary increases due to:	
Inflation	3.0%
Merit	3.5% - 6.0%
Post-retirement benefit increases	none
Life expectancy before and after retirement (Group Annuity Mortality table)	1983

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

14. Defined Benefit Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation, continued

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

Annual Pension Cost and Net Pension Obligation (continued)

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

Annual required contribution (ARC)	\$ 561,580
Interest on net pension obligation	(61,090)
Adjustment to ARC	<u>65,366</u>
Annual pension cost	565,856
Contributions made	<u>614,527</u>
Increase (decrease) in net pension obligation	(48,671)
Net pension obligation - beginning of year	<u>(788,264)</u>
Net pension obligation - end of year	<u><u>\$ (836,935)</u></u>

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

14. Defined Benefit Pension Plan (continued)

Historical Trend Information

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

Schedule of Employer Contributions

<u>Plan Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual County Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2006	\$ 375,582	\$ 458,094	122%	\$ (494,660)
12/31/2007	424,367	502,800	118%	(573,093)
12/31/2008	447,074	517,856	116%	(643,875)
12/31/2009	510,715	588,601	115%	(721,761)
12/31/2010	549,939	616,442	112%	(788,264)
12/31/2011	565,856	614,527	109%	(836,935)

Historical Trend Information (continued)

Schedule of Funding Progress

<u>Plan Year Ended</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/2006	\$ 1,408,092	\$ 3,516,993	\$ 2,108,901	40.0%	\$ 3,517,030	60.0%
12/31/2007	1,923,573	4,130,740	2,207,167	46.6%	3,924,187	56.2%
12/31/2008	2,277,476	4,673,006	2,395,530	48.7%	4,025,974	59.5%
12/31/2009	2,811,120	5,448,048	2,636,928	51.6%	4,340,888	60.7%
12/31/2010	3,352,457	5,966,639	2,614,182	56.2%	4,606,852	56.7%
12/31/2011	3,874,719	6,275,049	2,400,330	61.7%	4,809,558	49.9%

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

15. Defined Contribution Plan

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

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

Normal retirement age is 60. The plan does not provide for early retirement. During the fiscal year ended June 30, 2012, plan members made contributions to the plan of \$225,860.

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

16. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the fiscal year ending June 30, 2012 follows:

Lodging tax receipts	\$	84,351	
Disbursements for tourism and trade	\$	84,351	100%

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

17. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the year ended June 30, 2012, the County paid \$15,249 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, Georgia 30501.

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

18. Risk Financing Activities

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

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

18. Risk Financing Activities (continued)

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

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

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2011, the County has no losses that are probable or estimable and accordingly has not recognized any liability.

19. Commitments and Contingencies

Contingencies

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

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

RABUN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

19. Commitments and Contingencies (continued)

Commitments

The County has active construction projects as of June 30, 2012. At fiscal year end, the County's commitments with contractors are as follows:

Project	<u>Amount Spent to Date</u>	<u>Remaining Commitment</u>
Detention Center Sanitary Sewer Improvement	<u>\$ 237,659</u>	<u>\$ 33,343</u>

20. Excess of Expenditures over Appropriations in Individual Governmental Funds for which Budgets are Adopted

During the fiscal year, the County incurred material expenditures in the General Fund which were in excess of the amounts appropriated:

<u>Department</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Fire	\$ 1,270,322	\$ 1,381,979	\$ (111,657)

Rabun County Management concurs with this finding. The County Clerk/CFO continuously reviews the comparative financial statements to budget and recommends any necessary budget revisions to the Board of Commissioners. This action was taken immediately upon receipt of the comment from our auditors.

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COMBINING STATEMENTS
Nonmajor Governmental Funds

RABUN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

	Special Revenue Funds		
	Confiscated Assets	Jail	Law Library
ASSETS			
Cash and cash equivalents	\$ 8,044	\$ 121,890	\$ 36,078
Receivables (net)			
Accounts	0	0	0
Intergovernmental	0	5,071	0
Taxes	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$ 8,044</u>	<u>\$ 126,961</u>	<u>\$ 36,078</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Payables			
Accounts	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	0
Accrued salaries and expenses	0	0	0
Due to other funds	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances			
Restricted for:			
Judicial	0	0	36,078
Public safety	8,044	126,961	0
Housing and development	0	0	0
Assigned to public safety	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total fund balances	<u>8,044</u>	<u>126,961</u>	<u>36,078</u>
Total liabilities and fund balances	<u>\$ 8,044</u>	<u>\$ 126,961</u>	<u>\$ 36,078</u>

Special Revenue Funds			Capital Projects Funds	Total Nonmajor Governmental Funds
Juvenile Case Management	Drug Abuse Treatment Education	Hotel/Motel Tax	SPLOST #4	
\$ 2,869	\$ 32,299	\$ 0	\$ 0	\$ 201,180
0	0	0	0	0
1,544	84	0	0	6,699
0	0	25,568	0	25,568
<u>\$ 4,413</u>	<u>\$ 32,383</u>	<u>\$ 25,568</u>	<u>\$ 0</u>	<u>\$ 233,447</u>
\$ 800	\$ 0	\$ 0	\$ 0	\$ 800
0	0	0	0	0
0	0	0	0	0
0	0	25,568	0	25,568
<u>800</u>	<u>0</u>	<u>25,568</u>	<u>0</u>	<u>26,368</u>
3,613	32,383	0	0	72,074
0	0	0	0	135,005
0	0	0	0	0
0	0	0	0	0
<u>3,613</u>	<u>32,383</u>	<u>0</u>	<u>0</u>	<u>207,079</u>
<u>\$ 4,413</u>	<u>\$ 32,383</u>	<u>\$ 25,568</u>	<u>\$ 0</u>	<u>\$ 233,447</u>

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2012

	<u>Special Revenue Funds</u>		
	<u>Confiscated Assets</u>	<u>Jail</u>	<u>Law Library</u>
REVENUES			
Taxes	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	4,251	71,656	9,622
Charges for services	0	0	0
Intergovernmental	0	0	0
Interest	22	327	115
Total revenues	<u>4,273</u>	<u>71,983</u>	<u>9,737</u>
EXPENDITURES			
Current			
Judicial	0	0	7,094
Public safety	2,578	37,157	0
Housing and development	0	0	0
Capital outlay	0	0	0
Total expenditures	<u>2,578</u>	<u>37,157</u>	<u>7,094</u>
Excess (deficiency) of revenues over (under) expenditures	1,695	34,826	2,643
Fund balances, July 1	<u>6,349</u>	<u>92,135</u>	<u>33,435</u>
Fund balances, June 30	<u><u>\$ 8,044</u></u>	<u><u>\$ 126,961</u></u>	<u><u>\$ 36,078</u></u>

Special Revenue Funds			Capital Projects Funds	Total Nonmajor Governmental Funds
Juvenile Case Management	Drug Abuse Treatment Education	Hotel/Motel Tax	SPLOST #4	
\$ 0	\$ 0	\$ 84,351	\$ 0	\$ 84,351
0	14,309	0	0	99,838
0	0	0	0	0
6,784	0	0	0	6,784
9	126	0	245	844
<u>6,793</u>	<u>14,435</u>	<u>84,351</u>	<u>245</u>	<u>191,817</u>
6,038	29,767	0	0	42,899
0	0	0	0	39,735
0	0	84,351	0	84,351
<u>0</u>	<u>0</u>	<u>0</u>	<u>379,950</u>	<u>379,950</u>
<u>6,038</u>	<u>29,767</u>	<u>84,351</u>	<u>379,950</u>	<u>546,935</u>
755	(15,332)	0	(379,705)	(355,118)
<u>2,858</u>	<u>47,715</u>	<u>0</u>	<u>379,705</u>	<u>562,197</u>
<u>\$ 3,613</u>	<u>\$ 32,383</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 207,079</u>

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GENERAL FUND

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

**RABUN COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011**

ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 11,388,137	\$ 4,694,716
Certificates of deposit	103,391	7,172,929
Receivables (net)		
Accounts	134,683	150,672
Intergovernmental	833,487	489,380
Taxes	165,209	242,785
Interest	0	13,390
Prepays	202,883	117,256
Due from other funds	25,568	154,119
Restricted assets		
Cash and cash equivalents	<u>99,398</u>	<u>0</u>
Total assets	<u><u>\$ 12,952,756</u></u>	<u><u>\$ 13,035,247</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Payables		
Accounts	\$ 58,431	\$ 420,530
Intergovernmental	22,426	21,335
Accrued salaries and expenses	67,474	57,212
Deferred revenue	120,031	157,581
Due to other agencies	<u>0</u>	<u>5,206</u>
Total liabilities	<u>268,362</u>	<u>661,864</u>
 Fund balances		
Nonspendable prepaids	202,883	117,256
Restricted for health and welfare	99,398	0
Unassigned	<u>12,382,113</u>	<u>12,256,127</u>
Total fund balances	<u>12,684,394</u>	<u>12,373,383</u>
Total liabilities and fund balances	<u><u>\$ 12,952,756</u></u>	<u><u>\$ 13,035,247</u></u>

RABUN COUNTY, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
REVENUES		
Taxes	\$ 14,619,773	\$ 15,224,753
Licenses and permits	64,508	51,557
Fines, fees and forfeitures	405,626	471,880
Charges for services	1,440,646	1,248,790
Intergovernmental	1,365,916	1,128,308
Interest	31,073	135,813
Contributions	125,196	0
Other	172,018	77,243
Total revenues	<u>18,224,756</u>	<u>18,338,344</u>
EXPENDITURES		
Current		
General Government	1,936,041	3,180,305
Judicial	950,774	871,349
Public Safety	7,426,149	6,180,275
Public Works	2,781,425	2,470,869
Health and Welfare	1,024,365	976,141
Culture and Recreation	1,048,233	1,125,168
Housing and Development	398,877	359,120
Total Current	<u>15,565,864</u>	<u>15,163,227</u>
Debt Service		
General Government	682,354	684,676
Public Works	49,940	46,115
Total Debt Service	<u>732,294</u>	<u>730,791</u>
Total expenditures	<u>16,298,158</u>	<u>15,894,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,926,598</u>	<u>2,444,326</u>
Other financing sources (uses)		
Transfers in (out)		
Emergency 911 Fund	(674,946)	(576,627)
Solid Waste Fund	(833,749)	(1,228,529)
Golf Course Fund	(151,820)	(150,000)
Proceeds from the sale of assets	44,928	211,159
Issuance of capital leases	0	140,320
Total other financing sources (uses)	<u>(1,615,587)</u>	<u>(1,603,677)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>311,011</u>	<u>840,649</u>
Fund balances, July 1 (original)	12,373,383	11,180,473
Prior period adjustments	0	352,261
Fund balances, July 1 (restated)	<u>12,373,383</u>	<u>11,532,734</u>
Fund balances, June 30	<u><u>\$ 12,684,394</u></u>	<u><u>\$ 12,373,383</u></u>

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

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Current and prior year				
levies	\$ 13,150,719	\$ 13,107,264	\$ (43,455)	\$ 13,617,269
Motor vehicle tax	472,350	472,325	(25)	460,543
Mobile home tax	40,000	37,391	(2,609)	42,829
Cost, penalties, and interest	130,500	130,246	(254)	142,502
Total general property taxes	13,793,569	13,747,226	(46,343)	14,263,143
Real estate transfer tax	242,250	242,173	(77)	287,928
Franchise tax	22,000	22,335	335	21,734
Insurance premium tax	504,060	504,053	(7)	541,667
Alcohol excise tax	106,125	94,946	(11,179)	102,884
Occupational tax	9,040	9,040	0	7,397
Total taxes	14,677,044	14,619,773	(57,271)	15,224,753
Licenses and permits				
Alcohol licenses	31,450	31,450	0	25,050
Building permits	23,320	23,315	(5)	20,700
Other permits	10,085	9,743	(342)	5,807
Total licenses and permits	64,855	64,508	(347)	51,557
Fines, fees and forfeitures	457,790	405,626	(52,164)	471,880
Charges for Services				
Emergency medical services	859,000	783,325	(75,675)	668,243
Sheriff services	41,900	41,834	(66)	46,424
Prisoner board	313,965	299,620	(14,345)	248,674
Recreation fees	141,315	133,031	(8,284)	113,930
Senior center fees	115,408	85,250	(30,158)	73,246
Civic center fees	42,025	40,342	(1,683)	32,980
Collection commissions	18,100	13,253	(4,847)	17,299
Other charges for services	45,250	43,991	(1,259)	47,994
Total charges for services	1,576,963	1,440,646	(136,317)	1,248,790
Intergovernmental	1,186,109	1,365,916	179,807	1,128,308
Interest	47,000	31,073	(15,927)	135,813
Contributions	125,175	125,196	21	0
Other				
Rental Income	0	0	0	5,000
Miscellaneous	236,850	172,018	(64,832)	72,243
Total other	236,850	172,018	(64,832)	77,243
Total revenues	<u>\$ 18,371,786</u>	<u>\$ 18,224,756</u>	<u>\$ (147,030)</u>	<u>\$ 18,338,344</u>

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
General Administration				
Personal services	\$ 36,279	\$ 31,787	\$ 4,492	\$ 974,931
Contract services	212,830	208,668	4,162	596,865
Total General Administration	<u>249,109</u>	<u>240,455</u>	<u>8,654</u>	<u>1,571,796</u>
Elections				
Personal services	81,984	76,763	5,221	57,201
Contract services	26,575	20,404	6,171	67,249
Materials and supplies	7,000	5,787	1,213	7,335
Total Elections	<u>115,559</u>	<u>102,954</u>	<u>12,605</u>	<u>131,785</u>
Board of Commissioners				
Personal services	417,963	410,569	7,394	386,861
Contract services	80,841	78,058	2,783	46,159
Materials and supplies	7,625	7,439	186	15,740
Total Board of Commissioners	<u>506,429</u>	<u>496,066</u>	<u>10,363</u>	<u>448,760</u>
Tax Commissioner				
Personal services	242,436	235,373	7,063	241,802
Contract services	58,945	49,495	9,450	49,222
Materials and supplies	6,000	5,119	881	6,573
Total Tax Commissioner	<u>307,381</u>	<u>289,987</u>	<u>17,394</u>	<u>297,597</u>
Tax Assessors				
Personal services	309,348	282,947	26,401	288,958
Contract services	31,949	30,644	1,305	24,502
Materials and supplies	4,150	3,444	706	3,557
Total Tax Assessors	<u>345,447</u>	<u>317,035</u>	<u>28,412</u>	<u>317,017</u>
Buildings and Properties				
Personal services	256,204	251,426	4,778	208,549
Contract services	108,972	107,499	1,473	72,432
Materials and supplies	135,550	130,619	4,931	132,369
Total Buildings and Properties	<u>500,726</u>	<u>489,544</u>	<u>11,182</u>	<u>413,350</u>
Total General Government	<u>2,024,651</u>	<u>1,936,041</u>	<u>88,610</u>	<u>3,180,305</u>
Judicial				
Clerk of Court				
Personal services	286,373	281,004	5,369	246,708
Contract services	85,952	76,048	9,904	62,959
Materials and supplies	13,450	12,571	879	9,388
Total Clerk of Court	<u>385,775</u>	<u>369,623</u>	<u>16,152</u>	<u>319,055</u>

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
Judicial (continued)				
Probate Court				
Personal services	\$ 152,711	\$ 151,466	\$ 1,245	\$ 141,096
Contract services	52,260	45,282	6,978	44,562
Materials and supplies	8,800	8,153	647	5,516
Total Probate Court	<u>213,771</u>	<u>204,901</u>	<u>8,870</u>	<u>191,174</u>
Administration of Justice				
Personal services	35,849	32,222	3,627	36,341
Contract services	90,100	88,461	1,639	77,831
Payments to other agencies	124,626	124,586	40	127,696
Total Administration of Justice	<u>250,575</u>	<u>245,269</u>	<u>5,306</u>	<u>241,868</u>
District Attorney				
Personal services	100,452	97,393	3,059	86,410
Contract services	29,264	26,621	2,643	26,221
Materials and supplies	8,500	6,967	1,533	6,621
Total District Attorney	<u>138,216</u>	<u>130,981</u>	<u>7,235</u>	<u>119,252</u>
Total Judicial	<u>988,337</u>	<u>950,774</u>	<u>37,563</u>	<u>871,349</u>
Public Safety				
Sheriff				
Personal services	1,294,659	1,216,179	78,480	1,084,213
Contract services	101,446	99,572	1,874	92,305
Materials and supplies	189,574	175,430	14,144	139,211
Capital outlay	101,516	100,769	747	118,955
Total Sheriff	<u>1,687,195</u>	<u>1,591,950</u>	<u>95,245</u>	<u>1,434,684</u>
Rabun County Jail				
Personal services	1,062,762	1,045,386	17,376	970,207
Contract services	282,906	269,431	13,475	242,688
Materials and supplies	360,450	345,281	15,169	345,188
Capital outlay	269,350	237,659	31,691	7,258
Total Rabun County Jail	<u>1,975,468</u>	<u>1,897,757</u>	<u>77,711</u>	<u>1,565,341</u>
Coroner				
Personal services	4,503	3,293	1,210	3,261
Contract services	8,477	5,404	3,073	6,508
Materials and supplies	4,400	1,603	2,797	1,572
Capital outlay	0	0	0	6,200
Total Coroner	<u>17,380</u>	<u>10,300</u>	<u>7,080</u>	<u>17,541</u>
Emergency Management Agency				
Personal services	11,356	11,120	236	17,145
Contract services	18,664	17,312	1,352	10,633
Materials and supplies	23,740	22,891	849	16,908
Capital outlay	0	0	0	6,000
Total Emergency Management Agency	<u>53,760</u>	<u>51,323</u>	<u>2,437</u>	<u>50,686</u>

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

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
Public Safety (continued)				
Fire Department				
Personal services	\$ 244,925	\$ 227,753	\$ 17,172	\$ 208,878
Contract services	116,802	106,497	10,305	121,617
Materials and supplies	256,195	297,343	(41,148)	260,760
Capital outlay	652,400	750,386	(97,986)	233,740
Total Fire Department	<u>1,270,322</u>	<u>1,381,979</u>	<u>(111,657)</u>	<u>824,995</u>
County Marshal				
Personal services	254,700	251,497	3,203	232,093
Contract services	9,695	9,175	520	8,171
Materials and supplies	11,975	10,556	1,419	10,715
Payments to other agencies	11,900	11,856	44	13,902
Total County Marshal	<u>288,270</u>	<u>283,084</u>	<u>5,186</u>	<u>264,881</u>
E911 Mapping & Addressing				
Personal services	109,005	103,092	5,913	100,550
Contract services	7,636	6,914	722	4,798
Materials and supplies	56,273	50,405	5,868	32,158
Total E911 Mapping & Addressing	<u>172,914</u>	<u>160,411</u>	<u>12,503</u>	<u>137,506</u>
Drug Task Force				
Personal services	55,716	54,069	1,647	41,782
Contract services	314	313	1	0
Materials and supplies	7,482	0	7,482	0
Total Drug Task Force	<u>63,512</u>	<u>54,382</u>	<u>9,130</u>	<u>41,782</u>
Emergency Medical Service				
Personal services	1,517,024	1,493,596	23,428	1,354,570
Contract services	121,555	110,029	11,526	107,287
Materials and supplies	122,650	114,297	8,353	117,412
Capital outlay	93,100	92,500	600	63,190
Total Emergency Medical Service	<u>1,854,329</u>	<u>1,810,422</u>	<u>43,907</u>	<u>1,642,459</u>
Boggs Mountain Animal Shelter				
Payments to other agencies	185,428	184,541	887	200,400
Total Public Safety	<u>7,568,578</u>	<u>7,426,149</u>	<u>142,429</u>	<u>6,180,275</u>
Public Works				
Roads and Bridges				
Personal services	1,166,990	1,104,621	62,369	1,076,066
Contract services	137,033	133,078	3,955	92,114
Materials and supplies	1,711,275	1,245,429	465,846	1,006,547
Capital outlay	137,790	132,653	5,137	140,320
Total Roads and Bridges	<u>3,153,088</u>	<u>2,615,781</u>	<u>537,307</u>	<u>2,315,047</u>

**RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)**

	2012			2011
	Final Budget	Actual	Variance	Actual
Public Works, continued				
Rabun County Water and Sewer Authority				
Payments to other agencies	\$ 165,644	\$ 165,644	\$ 0	\$ 155,822
Total Public Works	3,318,732	2,781,425	537,307	2,470,869
Health and Welfare				
Public Health				
Contract services	7,527	7,447	80	3,715
Materials and supplies	2,950	2,883	67	2,286
Payments to other agencies	288,273	284,784	3,489	311,928
Total Public Health	298,750	295,114	3,636	317,929
Public Welfare				
Contract services	1,400	1,150	250	2,100
Payments to other agencies	62,200	36,057	26,143	22,644
Total Public Welfare	63,600	37,207	26,393	24,744
Program on Aging				
Personal services	292,957	282,577	10,380	242,299
Contract services	41,338	40,758	580	28,841
Materials and supplies	255,864	251,572	4,292	226,778
Capital outlay	6,500	6,187	313	39,600
Payments to other agencies	8,450	8,450	0	8,450
Total Program on Aging	605,109	589,544	15,565	545,968
Court Appointed Special Advocates				
Payments to other agencies	7,500	7,500	0	7,500
F.A.I.T.H.				
Payments to other agencies	95,000	95,000	0	80,000
Total Health and Welfare	1,069,959	1,024,365	45,594	976,141
Culture and Recreation				
Civic Center				
Personal services	21,191	20,483	708	20,192
Contract services	28,671	27,623	1,048	31,452
Materials and supplies	32,902	29,845	3,057	28,477
Total Civic Center	82,764	77,951	4,813	80,121
Recreation				
Personal services	310,267	289,826	20,441	274,697
Contract services	103,276	96,379	6,897	69,288
Materials and supplies	180,015	168,251	11,764	195,691
Capital outlay	18,483	7,907	10,576	34,375
Total Recreation	612,041	562,363	49,678	574,051

**RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)**

	2012			2011
	Final Budget	Actual	Variance	Actual
Culture and Recreation, continued				
Rabun Arena				
Personal services	\$ 51,233	\$ 45,914	\$ 5,319	\$ 36,743
Contract services	10,326	6,720	3,606	9,641
Materials and supplies	59,525	40,161	19,364	59,759
Capital outlay	0	0	0	64,752
Total Rabun Arena	<u>121,084</u>	<u>92,795</u>	<u>28,289</u>	<u>170,895</u>
Rabun County Library				
Personal services	20,109	12,481	7,628	0
Contract services	2,170	2,169	1	0
Payments to other agencies	296,042	295,974	68	295,601
Total Rabun County Library	<u>318,321</u>	<u>310,624</u>	<u>7,697</u>	<u>295,601</u>
Rabun County Historical Society				
Payments to other agencies	4,500	4,500	0	4,500
Total Culture and Recreation	<u>1,138,710</u>	<u>1,048,233</u>	<u>90,477</u>	<u>1,125,168</u>
Housing and Development				
Extension Service				
Personal services	16,211	15,206	1,005	9,985
Contract services	7,054	4,339	2,715	5,613
Materials and supplies	1,830	1,821	9	2,275
Total Extension Service	<u>25,095</u>	<u>21,366</u>	<u>3,729</u>	<u>17,873</u>
Planning Commission				
Personal services	59,491	59,010	481	54,668
Contract services	5,032	3,926	1,106	4,295
Materials and supplies	3,300	3,036	264	3,090
Total Planning Commission	<u>67,823</u>	<u>65,972</u>	<u>1,851</u>	<u>62,053</u>
Economic Development				
Payments to other agencies	429,635	303,214	126,421	270,990
Total Economic Development	<u>429,635</u>	<u>303,214</u>	<u>126,421</u>	<u>270,990</u>
Soil Erosion Control				
Personal services	7,792	7,515	277	7,757
Contract services	347	295	52	100
Materials and supplies	515	515	0	347
Total Soil Erosion Control	<u>8,654</u>	<u>8,325</u>	<u>329</u>	<u>8,204</u>
Total Housing and Development	<u>531,207</u>	<u>398,877</u>	<u>132,330</u>	<u>359,120</u>
Total Current	<u>16,640,174</u>	<u>15,565,864</u>	<u>1,074,310</u>	<u>15,163,227</u>

RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Debt Service				
General Government				
General Administration	\$ 686,874	\$ 682,354	\$ 4,520	\$ 684,676
Public Works				
Roads and Bridges	71,000	49,940	21,060	46,115
Total Debt Service	<u>757,874</u>	<u>732,294</u>	<u>25,580</u>	<u>730,791</u>
Total Expenditures	<u>\$ 17,398,048</u>	<u>\$ 16,298,158</u>	<u>\$ 1,099,890</u>	<u>\$ 15,894,018</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

RABUN COUNTY, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	<u>\$ 8,044</u>	<u>\$ 6,349</u>
 LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for public safety	<u>\$ 8,044</u>	<u>\$ 6,349</u>

RABUN COUNTY, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 4,275	\$ 4,251	\$ (24)	\$ 1,000
Interest	50	22	(28)	42
Total revenues	4,325	4,273	(52)	1,042
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	4,325	2,578	1,747	0
Total expenditures	4,325	2,578	1,747	0
Excess (deficiency) of revenues over (under) expenditures	0	1,695	1,695	1,042
Fund balances, July 1	0	6,349	6,349	5,307
Fund balances, June 30	\$ 0	\$ 8,044	\$ 8,044	\$ 6,349

**RABUN COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011**

ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 121,890	\$ 96,895
Intergovernmental receivable	5,071	2,807
Total assets	<u>\$ 126,961</u>	<u>\$ 99,702</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 0	\$ 567
Due to other funds	0	7,000
Total liabilities	0	7,567
 Fund balances		
Restricted for public safety	126,961	92,135
Total liabilities and fund balances	<u>\$ 126,961</u>	<u>\$ 99,702</u>

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

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 71,450	\$ 71,656	\$ 206	\$ 78,264
Interest	500	327	(173)	617
Total revenues	71,950	71,983	33	78,881
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	71,950	37,157	34,793	53,998
Total expenditures	71,950	37,157	34,793	53,998
Excess (deficiency) of revenues over (under) expenditures	0	34,826	34,826	24,883
Fund balances, July 1	0	92,135	92,135	67,252
Fund balances, June 30	\$ 0	\$ 126,961	\$ 126,961	\$ 92,135

**RABUN COUNTY, GEORGIA
 LAW LIBRARY SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEETS
 June 30, 2012 and 2011**

ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	<u>\$ 36,078</u>	<u>\$ 33,435</u>
 LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for judicial	<u>\$ 36,078</u>	<u>\$ 33,435</u>

RABUN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012	2011
REVENUES		
Fines, fees, and forfeitures	\$ 9,622	\$ 11,221
Interest	115	160
	9,737	11,381
EXPENDITURES		
Current		
Judicial		
Contract services	2,400	1,000
Materials and supplies	4,694	7,013
	7,094	8,013
Excess (deficiency) of revenues over (under) expenditures	2,643	3,368
Fund balances, July 1	33,435	30,067
Fund balances, June 30	\$ 36,078	\$ 33,435

RABUN COUNTY, GEORGIA
JUVENILE CASE MANAGEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 2,869	\$ 2,858
Intergovernmental receivable	<u>1,544</u>	<u>0</u>
Total assets	<u><u>\$ 4,413</u></u>	<u><u>\$ 2,858</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 800	\$ 0
 Fund balances		
Restricted for judicial	<u>3,613</u>	<u>2,858</u>
Total liabilities and fund balances	<u><u>\$ 4,413</u></u>	<u><u>\$ 2,858</u></u>

RABUN COUNTY, GEORGIA
JUVENILE CASE MANAGEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Fines, fees, and forfeitures	\$ 0	\$ 0	\$ 0	\$ 50
Intergovernmental	7,500	6,784	(716)	8,677
Interest	50	9	(41)	15
Total revenues	<u>7,550</u>	<u>6,793</u>	<u>(757)</u>	<u>8,742</u>
EXPENDITURES				
Current				
Judicial				
Contract services	7,550	6,038	1,512	9,061
Total expenditures	<u>7,550</u>	<u>6,038</u>	<u>1,512</u>	<u>9,061</u>
Excess (deficiency) of revenues over (under) expenditures	0	755	755	(319)
Fund balances, July 1	0	2,858	2,858	3,177
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 3,613</u>	<u>\$ 3,613</u>	<u>\$ 2,858</u>

RABUN COUNTY, GEORGIA
DRUG ABUSE TREATMENT EDUCATION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 32,299	\$ 48,545
Intergovernmental receivable	84	0
Total assets	<u>\$ 32,383</u>	<u>\$ 48,545</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 0	\$ 830
 Fund balances		
Restricted for judicial	<u>32,383</u>	<u>47,715</u>
Total liabilities and fund balances	<u>\$ 32,383</u>	<u>\$ 48,545</u>

RABUN COUNTY, GEORGIA
DRUG ABUSE TREATMENT EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Fines, fees, and forfeitures	\$ 19,100	\$ 14,309	\$ (4,791)	\$ 18,042
Interest	500	126	(374)	420
Other	0	0	0	125
Total revenues	<u>19,600</u>	<u>14,435</u>	<u>(5,165)</u>	<u>18,587</u>
EXPENDITURES				
Current				
Judicial				
Personal services	16,693	5,415	11,278	0
Contract services	12,807	12,807	0	16,495
Materials and supplies	11,600	11,545	55	10,637
Total expenditures	<u>41,100</u>	<u>29,767</u>	<u>11,333</u>	<u>27,132</u>
Excess (deficiency) of revenues over (under) expenditures	(21,500)	(15,332)	6,168	(8,545)
Fund balances, July 1	<u>21,500</u>	<u>47,715</u>	<u>26,215</u>	<u>56,260</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 32,383</u>	<u>\$ 32,383</u>	<u>\$ 47,715</u>

RABUN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 754,452	\$ 724,209
Accounts receivable (net)	<u>77,377</u>	<u>78,816</u>
Total assets	<u>\$ 831,829</u>	<u>\$ 803,025</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 403,450	\$ 1,382
Intergovernmental payable	166	0
Accrued salaries and expenses	<u>6,005</u>	<u>0</u>
Total liabilities	409,621	1,382
Fund balances		
Assigned to public safety	<u>422,208</u>	<u>801,643</u>
Total liabilities and fund balances	<u>\$ 831,829</u>	<u>\$ 803,025</u>

RABUN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Charges for services	\$ 346,000	\$ 344,587	\$ (1,413)	\$ 355,120
Interest	4,000	2,307	(1,693)	4,276
Total revenues	<u>350,000</u>	<u>346,894</u>	<u>(3,106)</u>	<u>359,396</u>
EXPENDITURES				
Current				
Public Safety				
Personal Services	616,162	612,241	3,921	535,253
Contract services	194,009	189,310	4,699	209,631
Materials and supplies	21,275	24,724	(3,449)	45,214
Capital outlay	575,000	575,000	0	27,292
Total expenditures	<u>1,406,446</u>	<u>1,401,275</u>	<u>5,171</u>	<u>817,390</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,056,446)</u>	<u>(1,054,381)</u>	<u>2,065</u>	<u>(457,994)</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	674,946	674,946	0	576,627
Contingency	(7,500)	0	7,500	0
Total other financing sources (uses)	<u>667,446</u>	<u>674,946</u>	<u>7,500</u>	<u>576,627</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(389,000)	(379,435)	9,565	118,633
Fund balances, July 1	<u>389,000</u>	<u>801,643</u>	<u>412,643</u>	<u>683,010</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 422,208</u></u>	<u><u>\$ 422,208</u></u>	<u><u>\$ 801,643</u></u>

RABUN COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Taxes receivable	\$ 25,568	\$ 21,953
Total assets	<u>\$ 25,568</u>	<u>\$ 21,953</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	\$ 25,568	\$ 21,953
 Fund balances		
Restricted for housing and development	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 25,568</u>	<u>\$ 21,953</u>

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

(With comparative actual amounts for the fiscal year ended June 30, 2011)

	<u>2012</u>			<u>2011</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Taxes	\$ 106,500	\$ 84,351	\$ (22,149)	\$ 78,242
Total revenues	<u>106,500</u>	<u>84,351</u>	<u>(22,149)</u>	<u>78,242</u>
EXPENDITURES				
Current				
Housing and Development				
Tourism				
Rabun County Convention and Visitors Bureau	<u>106,500</u>	<u>84,351</u>	<u>22,149</u>	<u>78,242</u>
Total expenditures	<u>106,500</u>	<u>84,351</u>	<u>22,149</u>	<u>78,242</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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CAPITAL PROJECTS FUNDS

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

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

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

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #4
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	<u>\$ 0</u>	<u>\$ 445,198</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 0	\$ 65,493
Fund balances		
Restricted for capital outlay	<u>0</u>	<u>379,705</u>
Total liabilities and fund balances	<u>\$ 0</u>	<u>\$ 445,198</u>

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #4
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2012 and 2011

REVENUES	<u>2012</u>	<u>2011</u>
Interest	\$ 245	\$ 10,517
Total revenues	<u>245</u>	<u>10,517</u>
 EXPENDITURES		
Capital outlay		
Public Works		
Roads and Bridges	<u>379,950</u>	<u>1,386,344</u>
Total expenditures	<u>379,950</u>	<u>1,386,344</u>
Excess (deficiency) of revenues over (under) expenditures	(379,705)	(1,375,827)
Fund balances, July 1	<u>379,705</u>	<u>1,755,532</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 379,705</u></u>

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 6,821,180	\$ 4,729,294
Investments	0	310,489
Taxes receivable	324,800	300,858
Restricted cash and cash equivalents	0	1,518,858
	<u>0</u>	<u>1,518,858</u>
Total assets	<u>\$ 7,145,980</u>	<u>\$ 6,859,499</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 10,248	\$ 311,335
Retainage payable	0	35,292
	<u>0</u>	<u>35,292</u>
Total liabilities	10,248	346,627
Fund balances		
Restricted for capital outlay	7,135,732	6,512,872
	<u>7,135,732</u>	<u>6,512,872</u>
Total liabilities and fund balances	<u>\$ 7,145,980</u>	<u>\$ 6,859,499</u>

RABUN COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX #5
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2012 and 2011

REVENUES	<u>2012</u>	<u>2011</u>
Taxes	\$ 3,389,341	\$ 3,139,344
Interest	19,871	33,716
	<hr/>	<hr/>
Total revenues	<u>3,409,212</u>	<u>3,173,060</u>
EXPENDITURES		
Capital Outlay		
Judicial		
Courthouse	0	4,286
Public Safety		
Fire Department	124,134	1,740
Public Works		
Roads and Bridges	166,489	0
Health and Welfare		
Public Health	471,080	410,004
Culture and Recreation		
Rabun Arena	164,011	1,241,414
Debt Service	<u>1,860,638</u>	<u>1,845,165</u>
	<hr/>	<hr/>
Total expenditures	<u>2,786,352</u>	<u>3,502,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>622,860</u>	<u>(329,549)</u>
Fund balances, July 1 (original)	6,512,872	7,092,421
Prior period adjustments	<u>0</u>	<u>(250,000)</u>
Fund balances, July 1 (restated)	<u>6,512,872</u>	<u>6,842,421</u>
Fund balances, June 30	<u><u>\$ 7,135,732</u></u>	<u><u>\$ 6,512,872</u></u>

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ENTERPRISE FUNDS

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

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

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

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

RABUN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2012 and 2011

ASSETS

	2012	2011
Current assets		
Cash and cash equivalents	\$ 31,268	\$ 50
Accounts receivable (net)	34,668	91,655
Total current assets	65,936	91,705
Capital assets		
Land and land improvements	1,106,031	1,106,031
Buildings	577,300	577,300
Machinery and equipment	720,855	720,855
Vehicles	396,491	315,708
Accumulated depreciation	(703,222)	(610,217)
Total capital assets (net of accumulated depreciation)	2,097,455	2,109,677
Total assets	2,163,391	2,201,382

LIABILITIES

Current liabilities		
Accounts payable	25,668	28,887
Intergovernmental payable	92	0
Accrued salaries and other payroll liabilities	6,274	4,039
Compensated absences	18,452	20,243
Due to other funds	0	53,247
Closure/post-closure care	50,744	60,548
Total current liabilities	101,230	166,964
Noncurrent liabilities		
Closure/post-closure care	2,930,627	2,939,711
Total liabilities	3,031,857	3,106,675

NET ASSETS

Invested in capital assets	2,097,455	2,109,677
Unrestricted	(2,965,921)	(3,014,970)
Total net assets	\$ (868,466)	\$ (905,293)

RABUN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2012 and 2011

OPERATING REVENUES	<u>2012</u>	<u>2011</u>
Charges for sales and services	\$ 396,001	\$ 471,737
Total operating revenues	<u>396,001</u>	<u>471,737</u>
OPERATING EXPENSES		
Costs of sales and services	492,425	395,648
Personal services	688,316	633,307
Depreciation	74,829	72,213
Total operating expenses	<u>1,255,570</u>	<u>1,101,168</u>
Operating income (loss)	(859,569)	(629,431)
Non-operating revenues (expenses)		
Interest revenue	<u>40</u>	<u>0</u>
Net income (loss) before capital contributions and transfers	(859,529)	(629,431)
Capital contributions		
Capital contributions	<u>62,607</u>	<u>0</u>
Net income (loss) before transfers	(796,922)	(629,431)
Transfers in (out)		
General fund	<u>833,749</u>	<u>1,228,529</u>
Change in net assets	<u>36,827</u>	<u>599,098</u>
Net assets, July 1 (original)	(905,293)	(2,217,074)
Prior period adjustments	<u>0</u>	<u>712,683</u>
Net assets, July 1 (restated)	<u>(905,293)</u>	<u>(1,504,391)</u>
Net assets, June 30	<u><u>\$ (868,466)</u></u>	<u><u>\$ (905,293)</u></u>

RABUN COUNTY, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Receipts from customers	\$ 452,988	\$ 411,769
Payments to suppliers	(514,440)	(456,284)
Payments to employees	<u>(687,872)</u>	<u>(655,200)</u>
Net cash provided (used) by operating activities	<u>(749,324)</u>	<u>(699,715)</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	833,749	1,281,776
Payments to other funds	<u>(53,247)</u>	<u>0</u>
Net cash provided (used) by non-capital financing activities	<u>780,502</u>	<u>1,281,776</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>0</u>	<u>(582,061)</u>
Cash flows from investing activities:		
Interest received	<u>40</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	31,218	0
Cash and cash equivalents, July 1	<u>50</u>	<u>50</u>
Cash and cash equivalents, June 30	<u><u>\$ 31,268</u></u>	<u><u>\$ 50</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (859,569)</u>	<u>\$ (628,097)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	74,829	70,879
Closure/post-closure care costs	(18,888)	(37,769)
(Increase) decrease in accounts receivable	56,987	(59,968)
Increase (decrease) in accounts payable	(3,219)	(22,867)
Increase (decrease) in intergovernmental payable	92	0
Increase (decrease) in accrued payroll liabilities	<u>444</u>	<u>(21,893)</u>
Total adjustments	<u>110,245</u>	<u>(71,618)</u>
Net cash provided (used) by operating activities	<u><u>\$ (749,324)</u></u>	<u><u>\$ (699,715)</u></u>

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2012 and 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current assets		
Cash and cash equivalents	\$ 232,638	\$ 295,483
Receivables (net)		
Accounts	91,637	42,533
Intergovernmental	69,406	148,092
	<u>393,681</u>	<u>486,108</u>
Total current assets		
Capital assets		
Land and land improvements	172,980	172,980
Buildings	3,570,442	0
Construction in progress	0	3,188,135
Vehicles	9,199	9,199
Accumulated depreciation	(6,770)	(4,600)
	<u>3,745,851</u>	<u>3,365,714</u>
Total capital assets (net of accumulated depreciation)		
Total assets	<u>4,139,532</u>	<u>3,851,822</u>
 LIABILITIES		
Current liabilities		
Payables		
Accounts	5,908	14,354
Intergovernmental	4,899	3,880
Interest	509,248	360,491
Accrued salaries and other payroll liabilities	1,340	733
Compensated absences	9,079	6,908
Due to other funds	0	28,685
Notes payable	52,874	57,711
	<u>583,348</u>	<u>472,762</u>
Total current liabilities		
Noncurrent liabilities		
Notes payable	3,842,897	3,458,154
	<u>4,426,245</u>	<u>3,930,916</u>
Total liabilities		
 NET ASSETS		
Invested in capital assets, net of related debt	(149,920)	(150,151)
Unrestricted	(136,793)	71,057
	<u>(286,713)</u>	<u>71,057</u>
Total net assets	<u>\$ (286,713)</u>	<u>\$ (79,094)</u>

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2012 and 2011

OPERATING REVENUES	<u>2012</u>	<u>2011</u>
Charges for sales and services	\$ 206,771	\$ 406,934
Total operating revenues	<u>206,771</u>	<u>406,934</u>
 OPERATING EXPENSES		
Costs of sales and services	140,720	232,427
Personal services	123,582	104,753
Depreciation	2,171	1,840
Total operating expenses	<u>266,473</u>	<u>339,020</u>
Operating income (loss)	<u>(59,702)</u>	<u>67,914</u>
 Non-operating revenues (expenses)		
Interest revenue	840	1,839
Interest expense	<u>(148,757)</u>	<u>(137,680)</u>
Total non-operating revenues (expenses)	<u>(147,917)</u>	<u>(135,841)</u>
Change in net assets	(207,619)	(67,927)
Net assets, July 1	<u>(79,094)</u>	<u>(11,167)</u>
Net assets, June 30	<u><u>\$ (286,713)</u></u>	<u><u>\$ (79,094)</u></u>

RABUN COUNTY, GEORGIA
WASTE-WATER FACILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Receipts from customers	\$ 157,667	\$ 364,401
Payments to suppliers	(148,147)	(214,193)
Payments to employees	(120,804)	(108,665)
	<u>(111,284)</u>	<u>41,543</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Receipts from other funds	0	28,685
Payments to other funds	(28,685)	0
	<u>(28,685)</u>	<u>28,685</u>
Net cash provided (used) by non-capital financing activities		
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(382,308)	(684,542)
Proceeds from notes payable	458,592	617,073
	<u>76,284</u>	<u>(67,469)</u>
Net cash provided (used) by capital and related financing activities		
Cash flows from investing activities:		
Interest received	840	1,839
	<u>840</u>	<u>1,839</u>
Net increase (decrease) in cash and cash equivalents	(62,845)	4,598
Cash and cash equivalents, July 1	295,483	290,885
	<u>295,483</u>	<u>290,885</u>
Cash and cash equivalents, June 30	<u>\$ 232,638</u>	<u>\$ 295,483</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (59,702)	\$ 67,914
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	2,171	1,840
(Increase) decrease in accounts receivable	(49,104)	(42,533)
Increase (decrease) in accounts payable	(8,446)	14,354
Increase (decrease) in intergovernmental payable	1,019	3,880
Increase (decrease) in accrued payroll liabilities	2,778	(3,912)
	<u>(51,582)</u>	<u>(26,371)</u>
Total adjustments		
Net cash provided (used) by operating activities	<u>\$ (111,284)</u>	<u>\$ 41,543</u>

Noncash capital and related financing activities:

Proceeds from notes payable through intergovernmental receivables totaled \$69,406 and \$148,092 for the fiscal years ended June 30, 2012 and 2011, respectively.

**RABUN COUNTY, GEORGIA
GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2012 and 2011**

ASSETS

	2012	2011
Current assets		
Cash and cash equivalents	\$ 53,665	\$ 65,199
Capital assets		
Land and land improvements	19,800	19,800
Buildings	120,002	120,002
Machinery and equipment	138,417	138,417
Accumulated depreciation	(204,119)	(191,979)
Total capital assets (net of accumulated depreciation)	74,100	86,240
Total assets	127,765	151,439

LIABILITIES

Current liabilities		
Accounts payable	160	41
Intergovernmental payable	33	0
Accrued salaries and other payroll liabilities	1,828	1,133
Compensated absences	9,338	9,720
Due to other funds	0	43,234
Total current liabilities	11,359	54,128

NET ASSETS

Invested in capital assets	74,100	86,240
Unrestricted	42,306	11,071
Total net assets	\$ 116,406	\$ 97,311

RABUN COUNTY, GEORGIA
GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2012 and 2011

OPERATING REVENUES	<u>2012</u>	<u>2011</u>
Charges for sales and services	\$ 99,712	\$ 107,677
Total operating revenues	<u>99,712</u>	<u>107,677</u>
 OPERATING EXPENSES		
Costs of sales and services	61,527	67,662
Personal services	158,965	159,502
Depreciation	<u>12,140</u>	<u>14,656</u>
Total operating expenses	<u>232,632</u>	<u>241,820</u>
Operating income (loss)	(132,920)	(134,143)
Non-operating revenues (expenses)		
Interest revenue	<u>195</u>	<u>0</u>
Net income (loss) before transfers	(132,725)	(134,143)
Transfer in (out)		
General Fund	<u>151,820</u>	<u>150,000</u>
Change in net assets	19,095	15,857
Net assets, July 1	<u>97,311</u>	<u>81,454</u>
Net assets, June 30	<u><u>\$ 116,406</u></u>	<u><u>\$ 97,311</u></u>

RABUN COUNTY, GEORGIA
GOLF COURSE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Receipts from customers	\$ 99,712	\$ 107,677
Payments to suppliers	(61,375)	(67,621)
Payments to employees	<u>(158,652)</u>	<u>(161,519)</u>
Net cash provided (used) by operating activities	<u>(120,315)</u>	<u>(121,463)</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	151,820	193,234
Payments to other funds	<u>(43,234)</u>	<u>0</u>
Net cash provided (used) by non-capital financing activities	<u>108,586</u>	<u>193,234</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	0	(7,499)
Receipts from other governments	<u>195</u>	<u>0</u>
Net cash provided (used) by capital and related financing activities	<u>195</u>	<u>(7,499)</u>
Net increase (decrease) in cash and cash equivalents	(11,534)	64,272
Cash and cash equivalents, July 1	<u>65,199</u>	<u>927</u>
Cash and cash equivalents, June 30	<u><u>\$ 53,665</u></u>	<u><u>\$ 65,199</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (132,920)</u>	<u>\$ (134,143)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	12,140	14,656
Increase (decrease) in accounts payable	119	41
Increase (decrease) in intergovernmental payable	33	0
Increase (decrease) in accrued payroll liabilities	<u>313</u>	<u>(2,017)</u>
Total adjustments	<u>12,605</u>	<u>12,680</u>
Net cash provided (used) by operating activities	<u><u>\$ (120,315)</u></u>	<u><u>\$ (121,463)</u></u>

AGENCY FUNDS

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

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

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

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

**RABUN COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 June 30, 2012**

	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>
ASSETS		
Cash	\$ 278,728	\$ 138,828
Taxes receivable, net	<u>610,840</u>	<u>0</u>
Total assets	<u>\$ 889,568</u>	<u>\$ 138,828</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other agencies	<u>\$ 889,568</u>	<u>\$ 138,828</u>

<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Sheriff Department</u>	<u>Totals</u>
\$ 26,064 <u>0</u>	\$ 33 <u>0</u>	\$ 11,883 <u>0</u>	\$ 455,536 <u>610,840</u>
<u>\$ 26,064</u>	<u>\$ 33</u>	<u>\$ 11,883</u>	<u>\$ 1,066,376</u>
 <u>\$ 26,064</u>	 <u>\$ 33</u>	 <u>\$ 11,883</u>	 <u>\$ 1,066,376</u>

RABUN COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2012

	Balance July 1	Additions	Deletions	Balance June 30
TAX COMMISSIONER				
ASSETS				
Cash	\$ 296,281	\$ 30,594,923	\$ 30,612,476	\$ 278,728
Taxes receivable, net	878,914	610,840	878,914	610,840
Total	<u>\$ 1,175,195</u>	<u>\$ 31,205,763</u>	<u>\$ 31,491,390</u>	<u>\$ 889,568</u>
LIABILITIES				
Due to other agencies	<u>\$ 1,175,195</u>	<u>\$ 31,205,763</u>	<u>\$ 31,491,390</u>	<u>\$ 889,568</u>
CLERK OF SUPERIOR COURT				
ASSETS				
Cash	\$ 520,558	\$ 1,041,286	\$ 1,423,016	\$ 138,828
Accounts receivable, net	603,203	0	603,203	0
Total	<u>\$ 1,123,761</u>	<u>\$ 1,041,286</u>	<u>\$ 2,026,219</u>	<u>\$ 138,828</u>
LIABILITIES				
Due to other agencies	<u>\$ 1,123,761</u>	<u>\$ 1,041,286</u>	<u>\$ 2,026,219</u>	<u>\$ 138,828</u>
PROBATE COURT				
ASSETS				
Cash	\$ 25,491	\$ 427,442	\$ 426,869	\$ 26,064
LIABILITIES				
Due to other agencies	<u>\$ 25,491</u>	<u>\$ 427,442</u>	<u>\$ 426,869</u>	<u>\$ 26,064</u>
MAGISTRATE COURT				
ASSETS				
Cash	\$ 8,012	\$ 159,102	\$ 167,081	\$ 33
LIABILITIES				
Due to other agencies	<u>\$ 8,012</u>	<u>\$ 159,102</u>	<u>\$ 167,081</u>	<u>\$ 33</u>
SHERIFF DEPARTMENT				
ASSETS				
Cash	\$ 8,837	\$ 76,396	\$ 73,350	\$ 11,883
LIABILITIES				
Due to other agencies	<u>\$ 8,837</u>	<u>\$ 76,396</u>	<u>\$ 73,350</u>	<u>\$ 11,883</u>
TOTALS				
ASSETS				
Cash	\$ 859,179	\$ 32,299,149	\$ 32,702,792	\$ 455,536
Accounts receivable, net	603,203	0	603,203	0
Taxes receivable, net	878,914	610,840	878,914	610,840
Total	<u>\$ 2,341,296</u>	<u>\$ 32,909,989</u>	<u>\$ 34,184,909</u>	<u>\$ 1,066,376</u>
LIABILITIES				
Due to other agencies	<u>\$ 2,341,296</u>	<u>\$ 32,909,989</u>	<u>\$ 34,184,909</u>	<u>\$ 1,066,376</u>

SINGLE AUDIT SECTION

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Rabun County, Georgia, as of and for the year ended June 30, 2012, which collectively comprise Rabun County, Georgia's basic financial statements and have issued our report thereon dated November 26, 2012. We did not audit the financial statements of the Rabun County Health Department, a component unit of Rabun County, Georgia. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Rabun County Health Department, is based on the report of the other auditors. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. 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.

Internal Control over Financial Reporting

Management of Rabun County, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Rabun County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rabun County Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Rabun County, Georgia's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as comments 12-1 through 12-2 that we consider to be material weaknesses in internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as comments 12-3 through 12-5 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Rabun County'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 and 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 comment 12-6.

Rabun County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Rabun County, Georgia's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 26, 2012

Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited Rabun County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Rabun County, Georgia's major federal programs for the year ended June 30, 2012. Rabun County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Rabun County, Georgia's management. Our responsibility is to express an opinion on Rabun County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Rabun County, Georgia'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. Our audit does not provide a legal determination on Rabun County, Georgia's compliance with those requirements.

In our opinion, Rabun County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

Management of Rabun County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Rabun County, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rabun County, Georgia'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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 26, 2012

RABUN COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2012

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Number</u>	<u>Expenditures</u>
<u>Department of Agriculture</u>			
Passed through the Georgia Office of the State Treasury: Schools and Roads - Grants to States	10.665	FY2012	<u>\$ 98,806</u>
<u>Department of Justice</u>			
Passed through the Criminal Justice Coordinating Council: Juvenile Accountability Block Grants	16.523	JB-08ST-0002 JB-09ST-0004	1,580 <u>4,804</u> 6,384
Bulletproof Vest Partnership Program	16.607	N/A	<u>1,972</u>
Total Department of Justice			<u>8,356</u>
<u>Department of Transportation</u>			
Passed through the Georgia Department of Natural Resources: Recreational Trails Program	20.219	NRT 08(16)	10,454
Passed through the Georgia Department of Transportation: Formula Grants for Other Than Urbanized Areas	20.509	GA-18-X032	70,841
Passed through the Georgia Office of Highway Safety Highway Planning and Construction	20.600	GA-2012-000-00519	<u>9,980</u>
Total Department of Transportation			<u>91,275</u>
<u>Department of Health and Human Services</u>			
Passed through Legacy Link, Inc.: Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	FY2011 & FY2012	13,418
Passed through Legacy Link, Inc.: Social Services Block Grant	93.667	FY2011 & FY2012	<u>14,765</u>
Total Department of Health and Human Services			<u>28,183</u>

RABUN COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2012

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Number</u>	<u>Expenditures</u>
<u>Department of Homeland Security</u>			
Passed through the Georgia Emergency Management Agency:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-04-GA- 1973-State-0009(8)	\$ 706,612
State Homeland Security Program (SHSP)	97.044	2010-SS-T0-0034	<u>25,226</u>
Total Department of Homeland Security			<u>731,838</u>
Total Federal Awards			<u><u>\$ 958,458</u></u>

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

RABUN COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2012

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards is a summary of the expenditures relating to the County's federal award programs. The schedule is prepared on the accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Summary of Significant Accounting Policies

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

RABUN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
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:	Unqualified
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:	
97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

RABUN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

Comment 12-1

Condition: The fiscal year 2011 financial statements were restated for the Governmental Activities and Solid Waste Enterprise Fund due to previously recorded accumulated depreciation on capital assets that should not have been fully depreciated.

Criteria: Generally accepted accounting principles require that accruals be properly calculated and recorded.

Effect: Failure to properly apply generally accepted accounting principles led to financial statements that were materially misstated.

Recommendation: Management should verify that all assets are correctly calculated and recorded in accordance with governmental accounting standards.

Management Response: Management concurs with this finding. The County Clerk/CFO will review all year-end accruals to ensure they are properly calculated and recorded. This action was taken immediately upon receipt of the comment from our auditors.

Comment 12-2

Condition: Material receivable and payable adjustments were necessary during the audit to provide accurate financial reporting.

Criteria: Generally accepted accounting principles require that accruals be properly calculated and recorded.

Effect: Failure to properly apply generally accepted accounting principles led to financial statements that were materially misstated.

Recommendation: We recommend management review their procedures for recording receivable and payable accruals at year-end.

Management Response: Management concurs with this finding. The County Clerk/CFO will review all year-end accruals to ensure they are properly calculated and recorded. This action was taken immediately upon receipt of the comment from our auditors.

RABUN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings, continued

Comment 12-3

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

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

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

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

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

Comment 12-4

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

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

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

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

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

RABUN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings, continued

Comment 12-5

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

Criteria: Proper internal controls require adequate segregation of duties in control over voided transactions.

Effect: Since the same employee is receipting and voiding transactions, failure by management to approve voided transactions exposes the County to a greater risk of loss due to fraud.

Recommendation: Management at the Landfill should review and approve all voided transactions and maintain proper supporting documentation with evidence of their approval.

Management Response: Management concurs with this finding. Management has advised the Department Head to implement the recommendation to ensure that adequate segregation of duties exists. This action was taken immediately upon receipt of the comment from our auditors.

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

Comment 12-6

Condition: Although the General Fund was under budget as a whole, one General Fund department experienced a material excess of expenditures over appropriations. Also during the fiscal year, a budget was not adopted for the Law Library Special Revenue Fund.

Criteria: State law requires that the budget at the legal level of control not be over-expended.

Effect: Failure to maintain expenditures within the balanced budget for these funds will place the County in violation of state law.

Recommendation: Budgets should be adopted for the General Fund and all Special Revenue Funds. The budgets should be reviewed regularly for compliance. This will assist management with budgetary decisions throughout the fiscal year.

Management Response: Management concurs with this finding. The County Clerk/Finance Director will be reviewing the comparative financial statements to budget and recommending any necessary budget revisions to the Board of Commissioners. This action was taken immediately upon receipt of the comment from our auditors.

RABUN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

2. Financial Statement Findings and Responses (continued)

B. Prior Year Audit Findings Follow-Ups

Comment 11-1

Condition: The fiscal year 2010 financial statements were restated for the General Fund due to previously unrecorded prepaids, a prior year amount incorrectly recorded as payable, incorrectly calculated deferred tax revenue, and previously unrecorded capital asset additions and dispositions. Restatements were also made in the Landfill Enterprise Fund due to an error in the calculation of the landfill closure and post-closure care liability and previously unrecorded capital asset additions.

Not Corrected – See Comment 12-1

Comment 11-2

Condition: Material receivable and payable adjustments were necessary during the audit to provide accurate financial reporting.

Not Corrected – See Comment 12-2

Comment 11-3

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

Not Corrected – See Comment 12-3

Comment 11-4

Condition: A transaction for a new capital lease was not recorded. The lease proceeds did not come to the County and went directly to the vendor.

Corrected

Comment 11-5

Condition: While performing audit procedures at the Clerk of Courts Office, we noted that support for deleted and voided transactions are not being retained by management.

Corrected

RABUN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

2. Financial Statement Findings and Responses (continued)

B. Prior Year Audit Findings Follow-Ups, continued

Comment 11-6

Condition: While performing audit procedures at the Tax Commissioner's Office, we noted that tax account adjustments do not have evidence of proper authorization.

Corrected

Comment 11-7

Condition: While performing audit procedures at the Tax Commissioner's Office, we noted that tag and title back-outs are not being reviewed by someone other than the employee making the back-out.

Corrected

Comment 11-8

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

Not Corrected – See Comment 12-4

Comment 11-9

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

Not Corrected – See Comment 12-5

Comment 11-10

Condition: While performing audit procedures at the Landfill, we noted that customer account adjustments do not have any supporting documentation retained to explain the reason for the adjustment and to show proper review and authorization.

Corrected

Comment 11-11

Condition: Although the General Fund was under budget as a whole, four General Fund departments experienced a material excess of expenditures over appropriations. Also during the fiscal year, the Hotel/Motel Tax Special Revenue Funds experienced a material excess of expenditures over appropriations and a budget was not adopted for the Law Library Special Revenue Fund.

Not Corrected – See Comment 12-6

RABUN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

3. Federal Award Findings and Questioned Costs

A. Material Noncompliance

None reported.

B. Significant Deficiencies

None reported

C. Prior Year Audit Findings Follow-Ups

None reported

STATE REPORTING SECTION

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

RABUN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2012

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>SPLOST # 4</u>					
Roads, Streets and Bridges	\$ 6,750,000	\$ 6,750,000	\$ 3,174,774	\$ 379,950	\$ 3,554,724
County Jail	4,000,000	4,000,000	6,655,408	0	6,655,408
Recreational Facilities	4,000,000	4,000,000	4,162,566	0	4,162,566
County Administration	1,000,000	1,000,000	1,095,213	0	1,095,213
Fire Fighting Equipment	250,000	250,000	250,000	0	250,000
Total	<u>\$ 16,000,000</u>	<u>\$ 16,000,000</u>	<u>\$ 15,337,961</u>	<u>\$ 379,950</u>	<u>\$ 15,717,911</u>
<u>SPLOST # 5</u>					
Roads, Streets and Bridges	\$ 7,541,850	\$ 7,541,850	\$ 0	\$ 166,489	\$ 166,489
Hospital Building	3,500,000	3,500,000	2,349,137	512,701	2,861,838
Multipurpose Arena	1,500,000	1,500,000	2,716,857	212,148	2,929,005
Health Department	1,000,000	1,000,000	860,318	15,243	875,561
Fire Fighting Equipment	1,000,000	1,000,000	2,362	124,134	126,496
Courthouse	900,000	900,000	951,359	16,856	968,215
City of Clayton	2,058,000	2,058,000	2,058,000	0	2,058,000
City of Dillard	450,000	450,000	450,000	0	450,000
City of Sky Valley	450,000	450,000	450,000	0	450,000
Mountain City	300,000	300,000	300,000	0	300,000
City of Tiger	300,000	300,000	300,000	0	300,000
City of Tallulah Falls	150,000	150,000	150,000	0	150,000
Total	<u>\$ 19,149,850</u>	<u>\$ 19,149,850</u>	<u>\$ 10,588,033</u>	<u>\$ 1,047,571</u>	<u>\$ 11,635,604</u>
Current year SPLOST #5 Expenditures				\$ 1,047,571	
Debt proceeds expended				1,738,781	
Total expenditures of the SPLOST #5 Capital Projects Fund				<u>\$ 2,786,352</u>	

* 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.