CARROLL COUNTY, GEORGIA

Financial Statements and Supplementary Information
For the Year Ended June 30, 2014

And

Independent Auditor's Report

Carroll County, Georgia
For the Year Ended June 30, 2014

Table of Contents

	Page
INTRODUCTORY SECTION	
Title Page	1
Table of Contents	2
FINANCIAL SECTION	
Independent Auditor's Report	4
Required Supplementary Information:	
Management's Discussion and Analysis	7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in the Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position – Proprietary Fund	23
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	24
Statement of Cash Flows - Proprietary Fund	25
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	26
Notes to Basic Financial Statements	27
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	59

Table of Contents – Continued

Page

Other Supplementary Information:

Combining Balance Sheet – Nonmajor Governmental Funds 63

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 64

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds (2009 Issue) 65

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds (2015 Issue) 66

Agency Funds:
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds 67

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 68

Schedule of Findings and Responses 70

FINANCIAL SECTION

Garrett
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Independent Auditor's Report

The Board of Commissioners
Carroll County, Georgia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Carroll County Department of Health, the Carroll County Water Authority and the Carroll City-County Hospital Authority, which represent 96% of the assets, 87% of the net position, and 82% of the revenues of the County's component units for the year ended June 30, 2014. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Carroll County Department of Health, the Carroll County Water Authority, and the Carroll City-County Hospital Authority, is based solely on the reports 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. The financial statements of the Carroll City-County Hospital Authority were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7 through 14 and 59 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carroll County, Georgia's basic financial statements. The accompanying other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

This other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2015, on our consideration of Carroll County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carroll County, Georgia's internal control over financial reporting and compliance.

Garrett, Thomas & Tazio, P.C.

Carrollton, Georgia
January 9, 2015

As management of Carroll County, Georgia, we offer readers of Carroll County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The assets of Carroll County (the primary government) exceeded its liabilities at June 30, 2014, by $126,811,466 (net position) vs. $129,265,693 as of June 30, 2013.
- At June 30, 2014, the County's General Fund reported a total fund balance of $10,090,034, a decrease of $287,669 or 2.8% from the last fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Carroll County's basic financial statements. The County's basic financial statements comprise 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

The government-wide financial statements are designed to provide readers with a broad overview of Carroll County's finances, in a manner similar to a private-sector business. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and economic development.

The government-wide financial statements include not only Carroll County itself (known as the primary government), but also the Carroll County Department of Public Health, the Carroll County Development Authority, the Carroll County Water Authority and the Carroll City/County Hospital Authority. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

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. Carroll County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. 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 financial 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 government's near-term financing decisions. 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.

Carroll County maintains governmental funds to account for the following activities: General; Special Revenue (Sheriff's Narcotics Fund, Emergency 911, Hotel/Motel Tax, Special Tax District, County's DATE Account, Law Library, Carroll County Clerk's Cooperative Fund, Juvenile Court – Supervision Fee Fund, Jail House Store Fund and Correctional Institute Commissary Fund); Capital Projects (2009 SPLOST Fund, 2015 SPLOST Fund, and Capital Projects Fund for Public Roads); and Debt Service (2009 SPLOST Debt Service Fund and the 2015 SPLOST Debt Service Fund). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, 2009 SPLOST Fund, 2015 SPLOST Fund, 2009 SPLOST Debt Service Fund, and the 2015 SPLOST Debt Service Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Carroll County adopts an annual appropriated budget for its general, special revenue, and debt service funds. Carroll County adopts project length budgets for its capital projects funds. A budgetary comparison statement has been provided for the general fund.

Proprietary Fund. The County maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for its Solid Waste Fund activities.

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 Fund, which is considered to be a major fund of the County.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Carroll 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

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

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements on pages 63 and 64.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Carroll County, assets exceed liabilities by $126,811,466 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (78.3%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and roads); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Carroll County's net position (13.0%) represents resources that are subject to external restrictions on how they may be used. These amounts include funds set aside for debt service, unspent bond proceeds restricted for capital outlay and special purpose local option sales tax proceeds restricted for capital outlay. The remaining balance of net position ($11,041,827) represents unrestricted net position.

Carroll County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 75,726,182	$ 33,633,254	$ 4,455,365	$ 4,916,725	$ 80,181,547	$ 38,549,979
Capital assets	111,424,573	119,090,151	500,160	385,177	111,924,733	119,475,328
Total assets	187,150,755	152,723,405	4,955,525	5,301,902	192,106,280	158,025,307
Current liabilities	12,091,554	11,808,439	254,895	239,221	12,346,449	12,047,660
Long-term liabilities	51,501,333	15,208,703	1,447,032	1,503,251	52,948,365	16,711,954
Total liabilities	63,592,887	27,017,142	1,701,927	1,742,472	65,294,814	28,759,614
Net Position:						
Net investment in capital assets	98,792,005	100,909,913	500,160	385,177	99,292,165	101,295,090
Restricted	16,477,474	15,335,705	00	00	16,477,474	15,335,705
Unrestricted	8,288,389	9,460,645	2,753,438	3,174,253	11,041,827	12,634,898
Total Net Position	$ 123,557,868	$ 125,706,263	$ 3,253,598	$ 3,559,430	$ 126,811,466	$ 129,265,693

Change in Net Position. Governmental activities decreased the County's net position by $2,148,395. Business-type activities during the same period decreased net position by $305,832 for a total decrease in net position of $2,454,227. Key elements of this increase are as follows:

Carroll County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services	$ 9,968,343	$ 10,613,124	$ 2,472,127	$ 2,380,876	$ 12,440,470	$ 12,994,000
Operating grants and contributions	642,737	448,254	00	00	642,737	448,254
Capital grants and contributions	1,790,297	2,290,279	00	00	1,790,297	2,290,279
General revenues:						
Property taxes	24,046,801	23,225,083	00	00	24,046,801	23,225,083
Sales taxes	24,426,055	25,463,362	00	00	24,426,055	25,463,362
Insurance premium taxes	3,202,495	3,081,280	00	00	3,202,495	3,081,280
Other taxes	913,135	950,396	00	00	913,135	950,396
Unrestricted investment earnings	45,999	54,534	11,449	16,678	57,448	71,212
Gain (loss) on disposition of assets	00	8,487	00	00	00	8,487
Miscellaneous	376,412	371,477	00	00	376,412	371,477
Rental income	797,600	797,600	00	00	797,600	797,600
Total revenues	66,209,874	67,303,876	2,483,576	2,397,554	68,693,450	69,701,430
Expenses						
General government	6,540,463	6,665,177	00	00	6,540,463	6,665,177
Judicial	6,131,375	6,220,902	00	00	6,131,375	6,220,902
Public safety	29,426,625	30,755,508	00	00	29,426,625	30,755,508
Public works	15,529,250	13,406,111	00	00	15,529,250	13,406,111
Health and welfare	448,075	436,195	00	00	448,075	436,195
Culture and recreation	4,248,219	4,176,055	00	00	4,248,219	4,176,055
Economic development	5,043,543	2,340,756	00	00	5,043,543	2,340,756
Interest on long-term debt	990,719	641,723	00	00	990,719	641,723
Solid waste operations	00	00	2,789,408	2,676,151	2,789,408	2,676,151
Total expenses	68,358,269	64,642,427	2,789,408	2,676,151	71,147,677	67,318,578
Change in net assets	(2,148,395)	2,661,449	(305,832)	(278,597)	(2,454,227)	2,382,852
Net assets, beginning of year	125,706,263	123,244,269	3,559,430	3,838,027	129,265,693	127,082,296
Prior period adjustments	00	(199,455)	00	00	00	(199,455)
Net assets, end of year	$ 123,557,868	$ 125,706,263	$ 3,253,598	$ 3,559,430	$ 126,811,466	$ 129,265,693

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $61,732,199, an increase of $43,677,785 in comparison with the prior year. Approximately 13.1% of this total amount ($8,099,793) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted ($50,754,290), committed ($2,687,089), nonspendable ($148,905), and assigned ($42,122) to indicate that it is not available for new spending because it has already been obligated.

The general fund is the chief operating fund of Carroll County. At the end of the current fiscal year, unassigned fund balance of the general fund was $8,099,793, while total fund balance reached $10,090,034. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.58% of total general fund expenditures, while total fund balance represents 21.90% of that same amount.

The fund balance of the County's general fund decreased during the current fiscal year by $287,669.

The 2009 SPLOST Capital Projects fund accounts for the financial resources provided from the 2009 one percent Special Purpose Local Option Sales Tax. These resources must be used for various building projects and road improvements throughout the County. At the end of the 2014 fiscal year, the 2009 SPLOST Capital Projects fund had a restricted fund balance of $5,409,470, an increase of $811,019 from the prior year. This increase in fund balance is expected as revenues are collected and projects are completed. The beginning fund balance was increased by a prior period adjustment of $512,617, as described in Note 16.

The 2009 SPLOST Debt Service fund accounts for the financial resources accumulated and payments made for principal and interest on the special purpose local option sales tax general obligation bonds. At the end of the 2014 fiscal year, the 2009 SPLOST Debt Service fund had a restricted fund balance of $1,265, an increase of $515 from the prior year. This increase in fund balance is expected as debt service revenues are collected and expenditures are made or accrued.

The 2015 SPLOST Capital Projects fund accounts for the financial resources provided from the 2015 one percent Special Purpose Local Option Sales Tax. These resources must be used for various building projects and road improvements throughout the County. At the end of the 2014 fiscal year, the 2015 SPLOST Capital Projects fund had a restricted fund balance of $41,479,970, an increase of $41,479,970 from the prior year. This increase in fund balance is expected as revenues are collected and projects are completed.

The 2015 SPLOST Debt Service fund accounts for the financial resources accumulated and payments made for principal and interest on the special purpose local option sales tax general obligation bonds. At the end of the 2014 fiscal year, the 2015 SPLOST Debt Service fund had a restricted fund balance of $1,500,798, an increase of $1,500,798 from the prior year. This increase in fund balance is expected as debt service revenues are collected and expenditures are made or accrued.

General Fund Budgetary Highlights

The original budget of the general fund projected a net change in fund balance of $0. During the course of the year, the budget was amended several times to project a final net change in fund balance of $0.

Capital Asset and Debt Administration

Capital Assets. At the end of the fiscal year ending June 30, 2014, governmental activities and business-type activities had capital assets of $111,924,733 (net of accumulated depreciation) invested in land, buildings, system improvements, infrastructure, and machinery and equipment. Capital assets decreased as a result of accumulated depreciation and the disposal of obsolete machinery and equipment.

Carroll County's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	$ 12,802,369	$ 16,008,418	$ 45,838	$ 45,838	$ 12,848,207	$ 16,054,256
Construction in progress	24,850	99,800	00	00	24,850	99,800
Agricultural easements	5,064,750	5,064,750	00	00	5,064,750	5,064,750
Buildings and improvements	54,678,972	55,739,835	254,099	273,829	54,933,071	56,013,664
Machinery and equipment	12,447,733	13,676,913	200,223	65,510	12,647,956	13,742,423
Land improvements	1,693,636	1,586,779	00	00	1,693,636	1,586,779
Infrastructure	24,712,263	26,913,656	00	00	24,712,263	26,913,656
Total	$ 111,424,573	$ 119,090,151	$ 500,160	$ 385,177	$ 111,924,733	$ 119,475,328

Additional information on the County's capital assets can be found in Note 7 of this report.

Long-term Debt. At the end of the current fiscal year, Carroll County had total bonded debt outstanding of $54,720,000. Of this amount, $54,720,000 comprises debt backed by the full faith and credit of the government.

Carroll County's Outstanding Debt

	2014	2013
General obligation bonds	$ 54,720,000	$ 21,610,000
Revenue bonds	00	00
Capital leases	00	00
Total	$ 54,720,000	$ 21,610,000

Carroll County's total debt increased during the current fiscal year by $33,110,000.

Additional information regarding the County's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets

- The unemployment rate for Carroll County is currently 8.6%, which is a decrease from a rate of 10.4% one year ago. The unemployment rate for the state of Georgia is 7.8%.
- In fiscal year 2015, Carroll County intends to continue to receive revenues from the Special Purpose Local Option Sales Tax (SPLOST). This money will continue to help fund the construction of new roads and bridges, paving of dirt roads, and pay for other capital improvement projects.
- Property tax, sales tax and other taxes are expected to remain consistent with that of 2014.

All of these factors were considered in preparing Carroll County's budgets for the 2015 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Carroll County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Comptroller, Carroll County, Room 207, 323 Newnan Street, Carrollton, Georgia 30117.

BASIC FINANCIAL STATEMENTS

Carroll County, Georgia
Statement of Net Position
June 30, 2014

Assets and Deferred Outflows of Resources	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities	Total	Carroll County Department of Public Health	Carroll County Development Authority	Carroll County Water Authority	Carroll City-County Hospital Authority
Assets							
Cash and cash equivalents	$ 50,807,954	$ 4,255,853	$ 55,063,807	$ 1,462,546	$ 1,586,662	$ 2,147,091	$ 830
Investments	8,897,299	00	8,897,299	00	00	00	00
Taxes receivable	1,816,984	00	1,816,984	00	00	00	00
Accounts receivable	687,232	143,462	830,694	63,246	00	1,934,041	00
Current portion of lease receivable	00	00	00	00	00	00	5,886,778
Lease receivable, net of current portion	00	00	00	00	00	00	98,633,561
Receivable, City of Carrollton	12,043,320	00	12,043,320	00	00	00	00
Due from other governments	1,208,172	00	1,208,172	00	00	00	00
Internal balances	(56,050)	56,050	00	00	00	00	00
Inventories	00	00	00	00	00	417,424	00
Prepaid expenses	321,271	00	321,271	10,138	00	244,227	00
Restricted cash and cash equivalents	00	00	00	00	00	7,293,948	00
Net pension asset	00	00	00	00	00	5,751	00
Capital assets							
Nondepreciable	17,891,969	45,838	17,937,807	00	5,426,298	12,108,011	00
Depreciable, net of accumulated depreciation	93,532,604	454,322	93,986,926	54,805	00	53,040,333	00
Total assets	187,150,755	4,955,525	192,106,280	1,590,735	7,012,960	77,190,826	104,521,169
Deferred outflows of resources	00	00	00	00	00	156,656	00
Total assets and deferred outflows of resources	187,150,755	4,955,525	192,106,280	1,590,735	7,012,960	77,347,482	104,521,169

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Statement of Net Position
June 30, 2014

	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities	Total	Carroll County Department of Public Health	Carroll County Development Authority	Carroll County Water Authority	Carroll City-County Hospital Authority
Liabilities							
Accounts payable	$ 613,747	$ 185,595	$ 799,342	$ 46,148	$ 00	$ 196,378	$ 00
Accrued liabilities	2,165,197	00	2,165,197	00	00	00	00
Due to other governments	875,154	00	875,154	00	00	00	00
Customer deposits payable	00	00	00	00	00	1,075,574	00
Notes payable due within one year	00	00	00	00	00	379,886	00
Notes payable due in more than one year	00	00	00	00	00	8,022,181	00
Bonds payable due within one year	7,205,000	00	7,205,000	00	00	1,185,000	3,570,000
Bonds payable due in more than one year	51,501,333	00	51,501,333	00	00	18,884,425	98,633,561
Compensated absences	903,318	00	903,318	119,071	00	00	00
Accrued interest payable	329,138	00	329,138	00	00	402,136	2,316,778
Landfill postclosure care costs due within one year	00	69,300	69,300	00	00	00	00
Landfill postclosure care costs due in more than one year	00	1,447,032	1,447,032	00	00	00	00
Total liabilities	63,592,887	1,701,927	65,294,814	165,219	00	30,145,580	104,520,339
Deferred inflows of resources	00	00	00	00	00	733,874	00
Total liabilities and deferred inflows of resources	00	00	00	00	00	30,879,454	00
Net Position							
Net investment in capital assets	98,792,005	500,160	99,292,165	54,805	5,426,298	40,228,168	00
Restricted for:							
Economic development	00	00	00	00	1,586,662	00	00
Debt service	8,707,063	00	8,707,063	00	00	1,565,182	00
Capital projects	5,407,624	00	5,407,624	00	00	1,748,354	00
Other	2,362,787	00	2,362,787	962,536	00	5,751	00
Unrestricted	8,288,389	2,753,438	11,041,827	408,175	00	2,920,573	830
Total net position	$123,557,868	$ 3,253,598	$126,811,466	$ 1,425,516	$ 7,012,960	$ 46,468,028	$ 830

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units: Carroll County Department of Public Health	Component Units: Carroll County Development Authority	Component Units: Carroll County Water Authority	Component Units: Carroll City-County Hospital Authority
Primary government:											
Governmental activities:											
General government	$ 6,540,463	$ 1,041,278	$ 316,962	$ 6,210	$ (5,176,013)	$ 00	$ (5,176,013)	$	$	$	$
Judicial	6,131,375	2,321,318	233,287	6,157	(3,570,613)	00	(3,570,613)				
Public safety	29,426,625	5,437,247	92,488	12,222	(23,884,668)	00	(23,884,668)				
Public works	15,529,250	327,327	00	1,509,255	(13,692,668)	00	(13,692,668)				
Health and welfare	448,075	00	00	00	(448,075)	00	(448,075)				
Culture and recreation	4,248,219	745,672	00	75,161	(3,427,386)	00	(3,427,386)				
Economic development	5,043,543	95,501	00	8,440	(4,939,602)	00	(4,939,602)				
Interest on long-term debt	990,719	00	00	172,852	(817,867)	00	(817,867)				
Total governmental activities	68,358,269	9,968,343	642,737	1,790,297	(55,956,892)	00	(55,956,892)				
Business-type activities											
Solid Waste operations	2,789,408	2,472,127	00	00	00	(317,281)	(317,281)				
Total primary government	71,147,677	12,440,470	642,737	1,790,297	(55,956,892)	(317,281)	$ (56,274,173)				
Component units:											
Carroll County Department of Public Health	1,545,779	989,032	967,167	00				410,420	00	00	00
Carroll County Development Authority	17,672	00	00	3,206,049				00	3,188,377	00	00
Carroll County Water Authority	7,229,598	8,520,643	00	36,971				00	00	1,328,016	00
Carroll City/County Hospital Authority	4,545,969	4,545,969	830	00				00	00	00	830
Total component units	$ 13,339,018	$ 14,055,644	$ 967,997	$ 3,243,020				410,420	3,188,377	1,328,016	830
General revenues:											
Property taxes					24,046,801	00	24,046,801	00	00	00	00
Sales taxes					24,426,055	00	24,426,055	00	00	00	00
Insurance premium taxes					3,202,495	00	3,202,495	00	00	00	00
Alcoholic beverage taxes					381,050	00	381,050	00	00	00	00
Other taxes					532,085	00	532,085	00	00	00	00
Investment earnings					45,999	11,449	57,448	181	3,645	36,419	00
Miscellaneous					376,412	00	376,412	00	00	00	00
Rental income					797,600	00	797,600	00	00	00	00
Gain on disposal of assets					00	00	00	00	00	9,900	00
Total general revenues					53,808,497	11,449	53,819,946	181	3,645	46,319	00
Change in net position					(2,148,395)	(305,832)	(2,454,227)	410,601	3,192,022	1,374,335	830
Net position, beginning of year					125,706,263	3,559,430	129,265,693	1,014,915	3,820,938	45,790,245	00
Prior period adjustments - Note 16					00	00	00	00	00	(696,552)	00
Net position, end of year					$123,557,868	$ 3,253,598	$126,811,466	$ 1,425,516	$ 7,012,960	$ 46,468,028	$ 830

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2014

	General	2009 Special Purpose Local Option Sales Tax	2009 SPLOST Debt Service	2015 Special Purpose Local Option Sales Tax	2015 SPLOST Debt Service	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalent	$ 11,039,585	$ 3,978,867	$ 00	$ 31,479,970	$ 1,500,798	$ 2,808,734	$ 50,807,954
Investments	00	1,361,896	7,535,403	00	00	00	8,897,299
Taxes receivable	652,598	1,160,806	00	00	00	3,580	1,816,984
Accounts receivable	174,223	00	00	00	00	513,009	687,232
Due from other governments	1,146,268	61,904	00	00	00	00	1,208,172
Due from other funds	153,068	00	00	00	00	00	153,068
Prepaid expenses	116,103	00	00	00	00	00	116,103
Advances to other governments	00	00	00	10,000,000	00	00	10,000,000
Total assets	$ 13,281,845	$ 6,563,473	$ 7,535,403	$ 41,479,970	$ 1,500,798	$ 3,325,323	$ 73,686,812
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	$ 402,690	$ 195,887	$ 00	$ 00	$ 00	$ 15,170	$ 613,747
Accrued liabilities	2,165,197	00	7,534,138	00	00	00	9,699,335
Due to other governments	00	875,154	00	00	00	00	875,154
Due to other funds	66,665	82,962	00	00	00	59,491	209,118
Total liabilities	2,634,552	1,154,003	7,534,138	00	00	74,661	11,397,354
Deferred inflows of resources	557,259	00	00	00	00	00	557,259
Total liabilities and deferred inflows of resources	3,191,811	1,154,003	7,534,138	00	00	74,661	11,954,613

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Balance Sheet - continued
Governmental Funds
For the Year Ended June 30, 2014

	General	2009 Special Purpose Local Option Sales Tax	2009 SPLOST Debt Service	2015 Special Purpose Local Option Sales Tax	2015 SPLOST Debt Service	Other Governmental Funds	Total Governmental Funds
Liabilities, Deferred Inflows of Resources and Fund Balances - continued							
Fund balances							
Nonspendable	$ 148,905	$ 00	$ 00	$ 00	$ 00	$ 00	$ 148,905
Restricted	66,912	5,409,470	1,265	41,479,970	1,500,798	2,295,875	50,754,290
Committed	1,732,302	00	00	00	00	954,787	2,687,089
Assigned	42,122	00	00	00	00	00	42,122
Unassigned	8,099,793	00	00	00	00	00	8,099,793
Total fund balances	10,090,034	5,409,470	1,265	41,479,970	1,500,798	3,250,662	61,732,199
Total liabilities, deferred inflows of resources and fund balances	$ 13,281,845	$ 6,563,473	$ 7,535,403	$ 41,479,970	$ 1,500,798	$ 3,325,323	

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	111,424,573
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	557,259
Prepaid bond insurance is not reported in the funds.	205,168
Receivable for the City's portion of Bonds Payable, Series 2008 is not reported in the funds.	2,043,320
Certain long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.	(59,609,651)
Debt service payments due within 30 days are accrued in the funds.	7,205,000
Net position of governmental activities.	$123,557,868

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General	2009 Special Purpose Local Option Sales Tax	2009 SPLOST Debt Service	2015 Special Purpose Local Option Sales Tax	2015 SPLOST Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	$ 24,162,284	$ 00	$ 00	$ 00	$ 00	$ 00	$ 24,162,284
Sales taxes	8,998,296	15,427,759	00	00	00	00	24,426,055
Insurance premium taxes	3,202,495	00	00	00	00	00	3,202,495
Other taxes	875,587	00	00	00	00	75,865	951,452
Licenses and permits	943,337	00	00	00	00	00	943,337
Intergovernmental	3,069,292	1,516,139	00	00	00	57,717	4,643,148
Charges for services	953,885	00	00	00	00	1,877,146	2,831,031
Fines and forfeitures	2,194,387	00	00	00	00	490,145	2,684,532
Reimbursements from others	159,385	00	1,873,300	00	00	00	2,032,685
Interest	39,313	28,864	171,654	18,934	1,198	6,686	266,649
Rental income	797,600	00	00	00	00	00	797,600
Other revenues	371,134	00	00	00	00	557,472	928,606
Total revenues	45,766,995	16,972,762	2,044,954	18,934	1,198	3,065,031	67,869,874
Expenditures							
Current:							
General government	5,774,972	00	00	00	00	00	5,774,972
Judicial	5,477,370	00	00	00	00	56,456	5,533,826
Public safety	24,468,012	00	00	00	00	2,711,642	27,179,654
Public works	5,798,887	00	00	00	00	00	5,798,887
Health and welfare	448,075	00	00	00	00	00	448,075
Culture and recreation	2,738,552	00	00	00	00	00	2,738,552
Economic development	1,363,817	00	00	00	00	108,760	1,472,577
Intergovernmental	00	5,356,050	00	472,500	00	00	5,828,550
Capital outlay	00	4,986,239	00	00	00	00	4,986,239
Debt service	00	00	7,863,893	509,640	629,549	00	9,003,082
Total expenditures	46,069,685	10,342,289	7,863,893	982,140	629,549	2,876,858	68,764,414
Excess (deficiency) of revenues over expenditures	(302,690)	6,630,473	(5,818,939)	(963,206)	(628,351)	188,173	(894,540)

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Statement of Revenues, Expenditures and
Changes in Fund Balances - continued
Governmental Funds
For the Year Ended June 30, 2014

	General	2009 Special Purpose Local Option Sales Tax	2009 SPLOST Debt Service	2015 Special Purpose Local Option Sales Tax	2015 SPLOST Debt Service	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses):							
Proceeds from Bond Issue	$ 00	$ 00	$ 00	$ 44,572,325	$ 00	$ 00	$ 44,572,325
Transfers in	15,021	00	5,819,454	00	2,129,149	00	7,963,624
Transfers out	00	(5,819,454)	00	(2,129,149)	00	(15,021)	(7,963,624)
Total other financing sources (uses)	15,021	(5,819,454)	5,819,454	42,443,176	2,129,149	(15,021)	44,572,325
Net change in fund balances	(287,669)	811,019	515	41,479,970	1,500,798	173,152	43,677,785
Fund balance, beginning of year	10,377,703	4,085,834	750	00	00	3,590,127	18,054,414
Prior period adjustment – Note 16	00	512,617	00	00	00	(512,617)	00
Fund balance, end of year	$ 10,090,034	$ 5,409,470	$ 1,265	$ 41,479,970	$ 1,500,798	$ 3,250,662	$ 61,732,199

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Reconciliation of the Statement of Revenues, Expenditures
and Changes in the Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2014

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

Net change in fund balances – total governmental funds	$ 43,677,785
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(4,740,110)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(2,925,468)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(153,800)
Repayment of the City's portion of Bonds Payable, Series 2008, increases the current financial resources of governmental funds, but has no effect on net position.	(1,873,300)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(36,087,462)
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(46,040)
Change in net position of governmental activities	$ (2,148,395)

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Statement of Net Position
Proprietary Fund
June 30, 2014

	Solid Waste Fund
Assets	
Current assets:	
Cash and cash equivalents	$ 4,255,853
Accounts receivable	143,462
Due from other funds	66,665
Total current assets	4,465,980
Noncurrent assets:	
Capital assets:	
Nondepreciable	45,838
Depreciable, net of accumulated depreciation	454,322
Total noncurrent assets	500,160
Total assets	$ 4,966,140
Liabilities	
Current liabilities:	
Accounts payable	$ 185,595
Due to other funds	10,615
Landfill postclosure care costs – current portion	69,300
Total current liabilities	265,510
Noncurrent liabilities:	
Landfill postclosure care costs – long-term portion	1,447,032
Total liabilities	$ 1,712,542
Net Position	
Investment in capital assets	$ 500,160
Unrestricted	2,753,438
Total net position	$ 3,253,598

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2014

	Solid Waste Fund
Operating revenues:	
Charges for services	$ 2,472,127
Operating expenses:	
Cost of sales and service	2,723,728
Depreciation	65,680
Total operating expenses	2,789,408
Operating loss	(317,281)
Nonoperating income:	
Interest income	11,449
Total nonoperating income	11,449
Change in net position	(305,832)
Net position, beginning of year	3,559,430
Net position, end of year	$ 3,253,598

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2014

	Solid Waste Fund
Cash flows from operating activities:	
Receipts from customers and users	$ 2,469,548
Payments to suppliers	(2,480,080)
Payments to employees	(279,970)
Net cash used by operating activities	(290,502)
Cash flows from investing activities:	
Purchase of property and equipment	(180,663)
Interest received	11,449
Net cash used by investing activities	(169,214)
Decrease in cash and cash equivalents	(459,716)
Cash and cash equivalents:	
Beginning of year	4,715,569
End of year	$ 4,255,853
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	$ (317,281)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	65,680
Change in assets and liabilities:	
Decrease in accounts receivable	5,518
Increase in due from other funds	(8,097)
Increase in accounts payable	15,674
Decrease in landfill postclosure care costs	(56,219)
Increase in due to other funds	4,223
Net cash used by operating activities	$ (290,502)

See accompanying notes to the basic financial statements.

Carroll County, Georgia
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Agency Funds
Assets:	
Cash	$ 3,472,100
Taxes receivable	1,801,317
Total assets	$ 5,273,417
Liabilities:	
Due to other governments	$ 2,206,667
Due to others	1,265,433
Due to others – uncollected taxes	1,801,317
Total liabilities	$ 5,273,417

See accompanying notes to the basic financial statements.

Index

Note 1. Summary of Significant Accounting Policies

Note 2. Reconciliation of Government-wide Financial Statements and Fund Financial Statements

Note 3. Fund Balances

Note 4. Legal Compliance – Budgets

Note 5. Cash and Investments

Note 6. Receivables

Note 7. Capital Assets

Note 8. Long-Term Debt

Note 9. Interfund Transactions

Note 10. Deferred Outflows/Inflows of Resources

Note 11. Pension Plans

Note 12. Risk Management

Note 13. Contingencies

Note 14. Joint Ventures

Note 15. Hotel/Motel Lodging Tax

Note 16. Prior Period Adjustments

Note 1 – Summary of Significant Accounting Policies

Carroll County, Georgia (the "County") was created by legislative act in 1826 and operates under a County Commissioners form of government, providing the following services as authorized by its charter: public safety, highways and streets, health and social services, culture-recreation, courts, correctional institute, public improvements, planning and zoning, and general administrative services.

The financial statements 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 of the County's accounting polices are described below.

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present Carroll County, Georgia (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

Discretely Presented Component Units

Carroll County Department of Public Health (the "Health Department") – The Health Department is governed by a seven-member board consisting of one member of the County Commissioners and three members as appointed by the County Commissioners. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees. The Health Department has a June 30th year-end.

Separate financial statements for the Health Department can be obtained by writing to the Carroll County Department of Public Health, 1004 Newnan Road, Carrollton, Georgia 30117.

The Carroll County Development Authority (the "Development Authority") – The Development Authority is governed by a nine-member board consisting of one member of the County Commissioners and eight members as appointed by the County Commissioners. The Development Authority functions to promote economic development in Carroll County. The Development Authority has a June 30th year-end.

Separate financial statements for the Development Authority can be obtained by writing to the Carroll County Development Authority, 323 Newnan Street, Room 207, Carrollton, Georgia 30117.

The Carroll City-County Hospital Authority ("the Hospital Authority") – The Hospital Authority is governed by a nine-member board consisting of one member of the County Commissioners and eight members as appointed by the County Commissioners. The Hospital Authority owns Tanner Medical Center which operates two hospitals within the County. The County is obligated to pay the principal and interest on the Hospital Authority's revenue anticipation certificates should there be a default in payment by levying an additional tax. The Hospital Authority has a June 30th year-end.

Note 1 – Summary of Significant Accounting Policies – continued

A. Reporting Entity - continued

Discretely Presented Component Units - continued

Separate financial statements for the Hospital Authority can be obtained by writing to the Carroll City-County Hospital Authority, 705 Dixie Street, Carrollton, Georgia 30117.

The Carroll County Water Authority (the "Water Authority") – The Water Authority is governed by a nine-member board consisting of seven members appointed by the County Commissioners. The Water Authority provides water and related services to the citizens in Carrollton and Carroll County. The County possesses the authority to review, approve and revise the Water Authority's budget. The County is obligated to pay the principal and interest on certain Water Authority debt to the Georgia Environmental Facilities Authority (GEFA 09-013, GEFA 09-014, GEFA 10-010) should there be a default by levying an additional tax. The Water Authority has a June 30th year-end.

Separate financial statements for the Water Authority can be obtained by writing to the Carroll County Water Authority, P.O. Box 739, Carrollton, Georgia 30112.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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 certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 latter are excluded from the government-wide financial statements. Major governmental funds and the enterprise fund are reported as separate columns in the fund financial statements.

Note 1 – Summary of Significant Accounting Policies – continued

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Debt service expenditures payable within 30 days are accrued.

Property taxes, sales taxes, franchise taxes, licenses, grant revenues and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **2009 Special Purpose Local Option Sales Tax Fund** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for: roads, streets, bridges and sidewalks; water facilities and equipment; public works facilities and equipment; recreation facilities and equipment; judicial center facilities and equipment; watershed and farmland protection; public transportation facilities and equipment; economic development; public safety facilities and equipment; courthouse facilities and equipment; administrative facilities and equipment; sewer facilities and equipment; solid waste facilities and equipment; ag-ed improvements and equipment; and other City projects within Carroll County.

The **2009 SPLOST Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on the General Obligation Sales Tax Bonds, Series 2008.

Note 1 – Summary of Significant Accounting Policies – continued

C. Measurement Focus, Basis of Accounting and Basis of Presentation - continued

The **2015 Special Purpose Local Option Sales Tax Fund** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for: roads, streets, bridges and sidewalks; water facilities and equipment; public works facilities and equipment; recreation facilities and equipment; judicial center equipment; historic courthouse facilities and equipment; agricultural development projects and equipment; watershed and farmland protection; public transportation facilities and equipment; economic development; public safety facilities and equipment; acquiring, constructing and equipping a County Administration Building and parking associated therewith; administrative facilities and equipment; sewer facilities and equipment; solid waste facilities and equipment; agricultural projects; greenspace acquisition; library facilities and equipment; park facilities and equipment; fire department facilities and equipment; and other City projects within Carroll County.

The **2015 SPLOST Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on the General Obligation Sales Tax Bonds, Series 2013.

The County reports the following major business-type fund:

The **Solid Waste Fund** accounts for the activities of the County's solid waste management operations. All activities necessary to provide such services are accounted for in the fund.

Additionally, the County reports the following fund types:

The **special revenue funds** account for revenue sources that are legally restricted or committed to expenditure for specific purposes.

The **debt service funds** account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The **capital projects funds** account for resources restricted for the acquisition or construction of specific capital projects or items.

The **agency funds** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Note 1 – Summary of Significant Accounting Policies – continued

C. Measurement Focus, Basis of Accounting and Basis of Presentation - continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise 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 nonoperating revenues and expenses.

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

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund and the following special revenue funds and debt service funds: Sheriff's Narcotics Fund, DATE Fund, Emergency Telephone System Fund, Hotel/Motel Tax Fund, Special Tax District, Law Library Fund, County Clerk's Cooperative Fund, Juvenile Court – Supervision Fee Fund, Jail House Store, Correctional Institute Commissary, the 2009 SPLOST Debt Service Fund, and the 2015 SPLOST Debt Service Fund. All annual appropriations lapse at fiscal year end. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriations, is utilized in the governmental funds. Encumbrances outstanding at year-end are included in the appropriate fund balance classification and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The County had no outstanding encumbrances at June 30, 2014.

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity within three months of the date acquired by the County.

Statutes authorize the County to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, repurchase agreements, and Georgia Fund 1 – the Local Government Investment Pool.

Cash and investments are reported at carrying amounts, which reasonably estimate fair value.

Note 1 – Summary of Significant Accounting Policies – continued

F. Short-Term Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

H. Prepaid Expenditures/Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2014, are recorded as prepaid expenditures/expenses.

I. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses.

J. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets (i.e., easements) and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Note 1 – Summary of Significant Accounting Policies – continued

J. Capital Assets – continued

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend useful lives are expensed as incurred.

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. During the fiscal year ended June 30, 2014, no amount of interest was capitalized.

The County has fully implemented the retroactive reporting of infrastructure assets and intangible assets.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives
Buildings	50 years
Machinery and equipment	5 - 15 years
Infrastructure	40 - 50 years
Land improvements	15 - 30 years

The County's intangible assets, which are included in the County's capital assets, are considered to have indefinite useful lives, and therefore are not amortized.

K. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Note 1 – Summary of Significant Accounting Policies – continued

K. Fund Equity – continued

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution or motion. The Board of Commissioners also may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution or motion, the Board of Commissioners has authorized the County's Comptroller or Commission Chairman to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

L. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds when it is expected to be liquidated with available resources.

The Health Department employs Georgia State Merit personnel and, therefore, provides employee benefits to include the accumulation of annual leave similar to the benefits provided to other State of Georgia employees.

M. Estimates

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

Note 2 – Reconciliation of Government-wide Financial Statements and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund-balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $59,609,651 difference are as follows:

Bonds payable	$ 58,706,333
Compensated absences	903,318
Net adjustment to reduce fund balance – total governmental funds to arrive at net position-governmental activities	$ 59,609,651

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $4,740,110 difference are as follows:

Capital outlay	$ 1,751,383
Depreciation expense	(6,491,493)
Net adjustment to decrease net changes in fund balance – total governmental funds to arrive at changes in net position of governmental activities	$ (4,740,110)

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $36,087,462 difference are as follows:

Proceeds from bond issue	$(44,572,325)
Increase in accrual of debt service expenditures due within 30 days	315,000
Amortization of bond premiums	1,074,695
Bond insurance costs	220,000
Amortization of prepaid bond insurance costs	(14,832)
Principal repayments Bond payable	6,890,000
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$(36,087,462)

Note 3 – Fund Balances

Detailed information regarding the County's fund balances are described below.

- Nonspendable – The following fund balances are nonspendable because they are allocated to:

General Fund:	
Resources contractually required to be maintained intact	$ 26,001
Prepaid items	116,104
Long-term receivable	6,800
Total	$ 148,905

- Restricted – The following fund balances are restricted for:

General Fund:	
Restricted by contributors	$ 66,912
Capital Projects Funds:	
2009 Special Purpose Local Option Sales Tax Fund – used to account for capital projects financed with 2009 SPLOST	$ 5,409,470
2015 Special Purpose Local Option Sales Tax Fund – used to account for capital projects financed with 2015 SPLOST	$ 41,479,970
Other Governmental Funds:	
Special revenue funds – used to account for specific revenues that are restricted to expenditure for:	
Judicial	279
Public Safety	2,295,596
Total	$ 2,295,875

Note 3 – Fund Balances - continued

Debt Service Funds:	
2009 SPLOST Debt Service – used to account for the resources accumulated and payments made for principal and interest on the General Obligation Sales Tax Bonds, Series 2008	$ 1,265
2015 SPLOST Debt Service – used to account for the resources accumulated and payments made for principal and interest on the General Obligation Sales Tax Bonds, Series 2013	$ 1,500,798

- Committed – The following balances are committed to:

General Fund:	
Resources set aside for workers compensation claims	$ 1,731,299
Resources set aside for McIntosh Reserve Park	1,003
Total	$ 1,732,302
Other Governmental Funds:	
Special revenue funds – used to account for specific revenues that are committed to expenditure for:	
Judicial	$ 547,501
Public Safety	289,579
Economic development	117,707
Total	$ 954,787

- Assigned – The following fund balances are assigned to:

General Fund:	
Resources set aside for health insurance costs	$ 30,975
Resources set aside for Carroll County Emergency Planning Committee	11,147
Total	$ 42,122

- Unassigned – The County has not formally adopted a financial policy regarding a General Fund minimum unassigned fund balance.

Note 4 – Legal Compliance – Budgets

A. Budget Procedures

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

1. Prior to January 1, the Department Heads submit to the County Chief Administrative Officer a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The proposed budgets are then submitted to the Board of Commissioners by the County Chief Administrative Officer for study.

2. Public hearings are conducted at the County Annex Building to obtain taxpayer comments.

3. Prior to July 1, the budget is legally adopted by the Board of Commissioners.

4. The County Chairman is authorized to transfer budgeted amounts between line items within a department; however, any revisions that increase salaries must be approved by the Board of Commissioners. All appropriations at year end lapse.

5. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, Sheriffs' Narcotics Fund, DATE Fund, Emergency Telephone System Fund, Hotel/Motel Tax Fund, Special Tax District, Law Library Fund, County Clerk's Cooperative Fund, Juvenile Court – Supervision Fee Fund, Jail House Store, Correctional Institute Commissary, 2009 SPLOST Debt Service Fund, and the 2015 SPLOST Debt Service Fund.

6. The budget for the General Fund and the Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) and are presented in accordance with finance-related legal and contractual provisions.

Budgeted amounts are as originally adopted on June 4, 2013, or as amended by the Board of Commissioners.

B. Excess of Expenditures over Appropriations

The following special revenue fund had actual expenditures in excess of appropriations for the year ended June 30, 2014:

Special revenue fund – Jail House Store

These over expenditures were funded by available fund balance.

Note 5 – Cash and Investments

Credit Risk

State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements, and obligations, of other political subdivisions of the State of Georgia.

As of June 30, 2014, the County held the following investments:

Investment	Fair Value
Regions/Morgan Keegan Short-term Investments	$ 8,897,299

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.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The State requires that all deposits with financial institutions be collateralized in an amount equal to 110% of uninsured deposits. As of June 30, 2014, the County's bank balances were properly insured and collateralized. As of June 30, 2014, all of the County's component unit's bank balances were properly insured and collateralized.

Note 6 – Receivables

Receivables consisted of the following at June 30, 2014:

	General	2009 SPLOST	Other Governmental Funds	Solid Waste	Total
Receivables:					
Taxes	$ 705,511	$ 1,160,806	$ 3,580	$ 00	$ 1,869,897
Accounts	174,223	00	513,009	143,462	830,694
Gross receivables	879,734	1,160,806	516,589	143,462	2,700,591
Less allowance for uncollectibles	(52,913)	00	00	00	(52,913)
Net total receivables	$ 826,821	$ 1,160,806	$ 516,589	$ 143,462	$ 2,647,678

Property taxes attached as an enforceable lien on property as of January 1, 2013. Property taxes were levied on July 31, 2013, and payable on or before December 1, 2013.

The County also has amounts receivable from the City of Carrollton totaling $12,043,320 that are further explained in Note 8.

Note 7 – Capital Assets

Capital assets activity for the County's governmental activities for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Disposals, Transfers and Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 16,008,418	$ 00	$ (3,206,049)	$ 12,802,369
Construction in progress	99,800	15,063	(90,013)	24,850
Easements	5,064,750	00	00	5,064,750
Total capital assets, not being depreciated	21,172,968	15,063	(3,296,062)	17,891,969
Capital assets, being depreciated:				
Buildings	68,583,214	277,844	00	68,861,058
Machinery and equipment	38,182,383	1,335,053	(950,644)	38,566,792
Land improvements	1,638,418	78,063	90,013	1,806,494
Infrastructure	104,236,421	415,360	00	104,651,781
Total capital assets, being depreciated	212,640,436	2,106,320	(860,631)	213,886,125
Less accumulated depreciation for:				
Buildings	(12,843,379)	(1,338,707)	00	(14,182,086)
Machinery and equipment	(24,505,470)	(2,474,814)	861,225	(26,119,059)
Land improvements	(51,639)	(61,219)	00	(112,858)
Infrastructure	(77,322,765)	(2,616,753)	00	(79,939,518)
Total accumulated depreciation	(114,723,253)	(6,491,493)	861,225	(120,353,521)
Total capital assets, being depreciated, net	97,917,183	(4,385,173)	594	93,532,604
Governmental activities capital assets, net	$ 119,090,151	$ (4,370,110)	$ (3,295,468)	$ 111,424,573

During the year ended June 30, 2014, the County conveyed the Buffalo Creek Technology Park to the Carroll County Development Authority. The cost of the land and land improvements was $3,206,049. The County developed the property for the purpose of a light industrial park.

Note 7 – Capital Assets – continued

Depreciation expense was charged to functions-programs of the primary government as follows:

Governmental activities:	
General government	$ 265,024
Judicial	591,054
Public safety	1,735,995
Public works	3,541,165
Culture and recreation	335,030
Economic development	23,225
Total depreciation expense – governmental activities	$ 6,491,493

Capital assets activity for the County's business-type activity for the year ended June 30, 2014 was as follows:

Business-type activity:	Beginning Balance	Additions	Disposals, Transfers and Adjustments	Ending Balance
Capital assets, not being depreciated:				
Land	$ 45,838	$ 00	$ 00	$ 45,838
Total capital assets, not being depreciated	45,838	00	00	45,838
Capital assets, being depreciated:				
Land improvements	69,614	00	00	69,614
Buildings	622,541	00	00	622,541
Equipment	466,427	180,663	(99,629)	547,461
Total capital assets being depreciated	1,158,582	180,663	(99,629)	1,239,616
Less accumulated depreciation for:				
Land improvements	(69,614)	00	00	(69,614)
Buildings	(348,712)	(19,730)	00	(368,442)
Equipment	(400,917)	(45,950)	99,629	(347,238)
Total accumulated depreciation	(819,243)	(65,680)	99,629	(785,294)
Total capital assets, being depreciated, net	339,339	114,983	00	454,322
Net capital assets	$ 385,177	$ 114,983	$ 00	$ 500,160

Note 7 – Capital Assets – continued

A summary of the changes in capital assets of the Water Authority (component unit) follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 7,414,568	$ 1,614,941	$ 00	$ 9,029,509
Construction in progress	6,793,492	1,425,427	(5,140,416)	3,078,503
Total capital assets, not being depreciated	14,208,060	3,040,368	(5,140,416)	12,108,012
Capital assets, being depreciated:				
Buildings	788,005	12,755	00	800,760
Improvements other than buildings	65,927,111	4,875,448	00	70,802,559
Machinery and equipment	143,584	5,491	00	149,075
Vehicles	132,846	149,929	(28,969)	253,806
Total capital assets, being depreciated	66,991,546	5,043,623	(28,969)	72,006,200
Less accumulated depreciation for:				
Buildings	(206,336)	(33,170)	00	(239,506)
Improvements other than buildings	(17,214,642)	(1,355,294)	00	(18,569,936)
Machinery and equipment	(69,571)	(10,203)	00	(79,774)
Vehicles	(66,296)	(39,325)	28,969	(76,652)
Total accumulated depreciation	(17,556,845)	(1,437,992)	28,969	(18,965,868)
Total capital assets, being depreciated, net	49,434,701	3,605,631	00	53,040,332
Governmental activities capital assets, net	$ 63,642,761	$ 6,645,999	$ (5,140,416)	$ 65,148,344

A summary of the changes in capital assets of the Department of Public Health (component unit) follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated:				
Machinery and equipment	$ 114,914	$ 51,863	$ 2,464	$ 164,313
Less accumulated depreciation for:	(109,421)	(2,551)	(2,464)	(109,508)
Net capital assets	$ 5,493	$ 49,312	$ 00	$ 54,805

A summary of the changes in capital assets of the Development Authority (component unit) follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land and development costs	$ 2,220,249	$ 3,206,049	$ 00	$ 5,426,298
Net capital assets	$ 2,220,249	$ 3,206,049	$ 00	$ 5,426,298

Note 8 – Long-Term Debt

A. General Obligation Bonds, Series 2008

During the year ended June 30, 2009, Carroll County, Georgia issued $40,500,000 of General Obligation Sales Tax Bonds, Series 2008. The proceeds from the bonds are to be used to fund a portion of the 2009 SPLOST Carroll County projects and City of Carrollton projects.

The bonds are direct and general obligations of the County. The principal of and interest on the Bonds are payable first from a one percent sales and use tax received by the County and the City of Carrollton. To the extent that the proceeds of the Sales and Use Tax received by the County and the City of Carrollton are insufficient to make such payments, the principal of and interest on the Bonds are payable from an ad valorem tax, unlimited as to rate or amount, which may be levied upon all taxable property within the territorial limits of the County subject to taxation for general obligation bond purposes.

The City of Carrollton received $10,619,420 from the bond proceeds. This is reflected as a receivable from the City of Carrollton because the bonds issued are a general obligation of the County. Therefore, the full amount of bonds payable is reflected in the County's liabilities. The City of Carrollton will pay 26% of the bond interest and principal each year. Interest paid by the City will be recognized as interest income on the receivable, and the County will recognize the full amount of interest expense on the Bonds. The City's portion of bond principal paid will decrease the receivable from the City, while the County will use the proceeds to pay down its bonds payable balance.

The bonds' debt service requirements to maturity, including interest varying from 3.5% to 5.0%, is as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2015	$ 7,205,000	$ 498,088	$ 7,703,088
2016	7,515,000	168,950	7,683,950
	$ 14,720,000	$ 667,038	$ 15,387,038

B. General Obligation Bonds, Series 2013

During the year ended June 30, 2014, Carroll County, Georgia issued $40,000,000 of General Obligation Sales Tax Bonds, Series 2013. The proceeds from the bonds are to be used to fund a portion of the 2015 SPLOST Carroll County projects and City of Carrollton projects.

The bonds are direct and general obligations of the County. The principal of and interest on the Bonds are payable first from a one percent sales and use tax received by the County and the City of Carrollton. To the extent that the proceeds of the Sales and Use Tax received by the County and the City of Carrollton are insufficient to make such payments, the principal of and interest on the Bonds are payable from an ad valorem tax, unlimited as to rate or amount, which may be levied upon all taxable property within the territorial limits of the County subject to taxation for general obligation bond purposes. Amounts were allocated from the bond proceeds sufficient to pay the semi-annual interest amounts for both the County and the City, for the period from issue until December 1, 2015.

Note 8 – Long-Term Debt – continued

B. General Obligation Bonds, Series 2013 – continued

The City of Carrollton received $10,472,500 from the bond proceeds. This represents 25% of the bond principal plus premium less a pro rata share of cost of issuance. The bond principal is reflected as a receivable from the City of Carrollton because the bonds issued are a general obligation of the County. Therefore, the full amount of bonds payable is reflected in the County's liabilities. The City of Carrollton will pay 25% of the bond interest and principal each year. Interest paid by the City will be recognized as interest income on the receivable, and the County will recognize the full amount of interest expense on the Bonds. The City's portion of bond principal paid will decrease the receivable from the City, while the County will use the proceeds to pay down its bonds payable balance.

The bonds' debt service requirements to maturity, including interest varying from 1.0% to 5.0%, is as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2015	$ 00	$ 1,499,600	$ 1,499,600
2016	6,335,000	1,499,600	7,834,600
2017	6,440,000	1,349,550	7,789,550
2018	6,560,000	1,156,350	7,716,350
2019	6,710,000	945,150	7,655,150
2020	6,880,000	676,750	7,556,750
2021	7,075,000	332,750	7,407,750
	$ 40,000,000	$ 7,459,750	$ 47,459,750

C. Landfill Postclosure Care Costs

Effective May 1997, the Carroll County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the sites for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately $1,516,332 over the remaining 19 year period. These costs are based on what it would cost to perform all postclosure care in 2004, adjusted for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Note 8 – Long-Term Debt – continued

D. Changes in Long-Term Liabilities

Long-term liability activity for governmental activities for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Series 2008 Bonds	$ 21,610,000	$ 00	$ (6,890,000)	$14,720,000	$ 7,205,000
Series 2013 Bonds	00	40,000,000	00	40,000,000	00
Plus unamortized premiums	488,703	4,572,325	(1,074,695)	3,986,333	00
Net bonds payable	22,098,703	44,572,325	(7,964,695)	58,706,333	7,205,000
Compensated absences	857,278	830,830	(784,790)	903,318	903,318
Governmental activity long-term liabilities	$ 22,955,981	$ 45,403,155	$(8,749,485)	$59,609,651	$ 8,108,318

For governmental activities, compensated absences are generally liquidated by the General Fund.

Long-term liability activity for business-type activities for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Landfill postclosure care costs	$ 1,572,551	$ 00	$ (56,219)	$ 1,516,332	$ 69,300

E. Component Unit Long-Term Liabilities

Water Authority:

Long-term debt activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	$ 20,575,000	$ 00	$ (1,140,000)	$19,435,000	$ 1,185,000
Unamortized premiums	671,149	00	(36,724)	634,425	00
Revenue bonds, net	21,246,149	00	(1,176,724)	20,069,425	1,185,000
Notes payable	8,699,486	00	(297,419)	8,402,067	379,886
Total long-term liabilities	$ 29,945,635	$ 00	$ (1,474,143)	$ 28,471,492	$ 1,564,886

The Water Authority (a component unit) issues bonds where the Water Authority pledges revenues derived from the acquired or constructed assets to pay debt service.

Note 8 – Long-Term Debt – continued

E. Component Unit Long-Term Liabilities – continued

Water Authority – continued

Series 2005

In December 2005, the Authority issued $17,550,000 in Series 2005 Water and Sewerage Refunding and Improvement Revenue Bonds to provide funds to advance refund the Authority's Series 1999 Water and Sewerage Revenue Bonds and finance project improvements. The Authority placed $16,988,459 in an escrow account to be used for satisfying scheduled deferred payments of interest, principal, and redemption premiums on the 1999 bond(s) maturing 2007 through 2009.

Series 2012

In July 2012, the Authority issued $9,580,000 in Water and Sewerage Refunding and Improvement Revenue Bonds, Series 2012, to provide funds to redeem all of the Authority's Series 2002 Water and Sewerage Revenue Bonds and to advance refund and defease $1,350,000 of the Authority's Series 2005, Water and Sewerage Refunding and Improvement Revenue bonds and to finance project improvements.

Advance Refunding of Debt

The Authority placed $3,195,630 in an irrevocable trust with an escrow agent to redeem all of the 2002 bond(s) maturing 2013 through 2024. The Authority placed $1,592,690 in an irrevocable trust with an escrow agent to be used for certain future debt service payments on the 2005 bond(s). As a result, the above bonds are considered to be defeased and the liability for these bonds has been removed from the Statement of Net Position.

In accordance with GASB Statement No. 23, Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities, the difference between the amount placed in escrow to repay the refunded bonds and the carrying amount of the refunded bonds is being deferred and amortized as a component of interest expense over the remaining life of the refunded bonds.

Revenue bonds outstanding at June 30, 2014 are as follows:

Issue	Original Amount	Purpose	Interest Rate	Due Date	Balance
Series 2012	$ 9,580,000	Redemption of Series 2002 Bonds, advance refunding and defeasance of $1,350,000 of Series 2005 bonds and Water Project Improvements	2.0% - 3.20%	2033	$ 9,330,000
Series 2005	$ 17,550,000	Refunding of Series 1999 Bonds and Water Project Improvements	3.60% - 5.25%	2031	$ 10,105,000
			Plus unamortized premium, net		634,425
					$ 20,069,425

Note 8 – Long-Term Debt – continued

E. Component Unit Long-Term Liabilities - continued

Water Authority - continued:

Water Authority revenue bond debt service requirements to maturity, are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2015	$ 1,185,000	$ 759,745	$ 1,944,745
2016	1,260,000	707,995	1,967,995
2017	1,295,000	650,195	1,945,195
2018	1,345,000	597,895	1,942,895
2019	1,380,000	552,495	1,932,495
2020 - 2024	6,715,000	1,819,438	8,534,438
2025 - 2029	3,245,000	830,200	4,075,200
2030 - 2033	3,010,000	250,715	3,260,715
Total	$ 19,435,000	$ 6,168,678	$ 25,603,678

The Water Authority has also incurred debt to the Georgia Environmental Facilities Authority for construction of various water projects. The Authority is required to maintain a fixed charges coverage ratio greater than 1.05% for each fiscal year until the maturity of the following notes. These notes are as follows at June 30, 2014:

Description	Origination	Interest Rate	Term	Due Date	Balance
GEFA 2003	2007	3.75%	20 years	2026	$ 1,460,868
GEFA 09-013	2010	3.00%	20 years	2031	1,954,304
GEFA 09-014	2010	3.00%	20 years	2031	1,662,315
GEFA 10-010	2011	3.00%	20 years	2031	3,324,580
					$ 8,402,067

The Water Authority's GEFA debt service requirements to maturity, are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2015	$ 379,885	$ 257,785	$ 637,670
2016	392,071	245,599	637,670
2017	404,893	232,779	637,672
2018	417,898	219,772	637,670
2019	431,405	206,267	637,672
2020 - 2024	2,375,551	812,804	3,188,355
2025 - 2029	2,402,565	413,216	2,815,781
2030 - 2031	1,597,799	93,701	1,691,500
Total	$ 8,402,067	$ 2,481,923	$ 10,883,990

Note 8 – Long-Term Debt – continued

E. Component Unit Long-Term Liabilities - continued

Hospital Authority:

A schedule of changes in the Authority's long-term debt (excluding any unamortized discounts and premiums) for 2014 follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due Within One Year
Bonds and notes payable:					
Revenue Certificates	$ 103,095,000	$ 00	$ (3,465,000)	$ 99,630,000	$ 3,570,000

A summary of long-term debt follows:

Revenue Certificates, Series 2008, bearing interest of 3.0% to 5.0%, maturing in installments of $610,000 to $1,985,000 each July 1 until 2038. The revenue certificates are collateralized by a pledge of Tanner Medical Center's gross receipts.	$ 29,905,000
Revenue Certificates, Series 2010, bearing interest of 2.0% to 5.0%, maturing in installments of $1,575,000 to $3,525,000 each July 1 until 2040. The revenue certificates are collateralized by a pledge of Tanner Medical Center's gross receipts.	$ 69,725,000
	99,630,000
Less current portion	(3,570,000)
	96,060,000
Plus unamortized premium, net	2,573,561
	$ 98,633,561

The long-term debt relates to the Revenue Anticipation Certificates, Series 2010 and 2008, issued by the Carroll City-County Hospital Authority. The lease agreement states that the payments required under the Trust Indenture and the Certificates shall be made by Tanner Medical Center, Inc. as rent.

Series 2008 Revenue Certificates were issued by the Authority for the purpose of funding the construction of a new 58,858 square foot, one-story, patient care addition to the Tanner Medical Center – Villa Rica facility and the construction, renovation and equipping of a portion of the existing Tanner Medical Center – Carrollton facility relating to certain cardiovascular services.

Series 2010 Revenue Certificates were issued by the Authority in August 2010 for the purpose of (a) financing the cost of the acquisition, construction, renovation, equipping, and installation of certain additions, extensions and improvements to the Tanner Medical Center, (b) refunding all of the Authority's then outstanding Revenue Anticipation Certificates Series 1998A, and (c) refunding all of the Authority's then outstanding Revenue Anticipation Certificates Series 2001.

Note 8 – Long-Term Debt – continued

E. Component Unit Long-Term Liabilities - continued

Hospital Authority - continued:

Under the terms of the Revenue Note Indenture, the Authority is required to maintain certain deposits with a trustee. Such deposits are included with restricted cash and investments in the balance sheet of Tanner Medical Center, Inc. The Revenue Note Indenture also places limits on the incurrence of additional borrowings and requires that Tanner Medical Center, Inc. satisfy certain measures of financial performance as long as notes are outstanding.

Debt service requirements associated with the Authority's long-term debt (excluding any unamortized discounts and premiums) follow:

Fiscal year ending June 30,	Principal	Interest	Total
2015	$ 3,570,000	$ 4,576,607	$ 8,146,607
2016	3,695,000	4,445,757	8,140,757
2017	3,840,000	4,295,057	8,135,057
2018	4,015,000	4,121,707	8,136,707
2019	4,210,000	3,923,882	8,133,882
2020-2024	17,345,000	17,187,572	34,532,572
2025-2029	21,840,000	12,598,609	34,438,609
2030-2034	15,760,000	8,312,276	24,072,276
2035-2039	20,090,000	3,926,750	24,016,750
2040-2041	5,265,000	266,625	5,531,625
Total	$ 99,630,000	$ 63,654,842	$ 163,284,842

Department of Public Health:

Long-term liability activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	$123,201	$ 28,578	$ 32,708	$ 119,071	$ 35,876

Development Authority:

Conduit Debt

The Development Authority has issued revenue bonds to provide financial assistance to local entities for economic development. The bonds are secured by the property financed and are payable solely from payments from underlying lease or funding agreements. The Development Authority is not obligated in any manner for repayment of the bonds. The Development Authority does not report these bonds as liabilities in their financial statements. In a prior year, the bonds were redeemed, and therefore, the principal amount outstanding at June 30, 2014 was $0.

Note 9 – Interfund Transactions

Interfund receivable and payable balances as of June 30, 2014 are as follows:

	Due From				
Due To	General Fund	Solid Waste	Other Governmental Funds	2009 SPLOST	Total
General Fund	$ 00	$ 10,615	$ 59,491	$ 82,962	$ 153,068
Solid Waste	66,665	00	00	00	66,665
Total	$ 66,665	$ 10,615	$ 59,491	$ 82,962	$ 219,733

Interfund receivables and payables result from timing differences related to payroll and other year end transactions which normally clear within one to two months.

Interfund transfers for the year ended June 30, 2014 consisted of the following:

	Transfer From			
Transfer To	2009 SPLOST	2015 SPLOST	Other Governmental Funds	Total
General Fund	$ 00	$ 00	$ 15,021	$ 15,021
2009 SPLOST Debt Service Fund	5,819,454	00	00	5,819,454
2015 SPLOST Debt Service Fund	00	2,129,149	00	2,129,149
Total	$ 5,819,454	$ 2,129,149	$ 15,021	$7,963,624

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute of budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 10 - Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources when applicable. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of June 30, 2014, the County had no deferred outflows of resources to report.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources when applicable. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports property taxes ($557,259) as deferred inflows of resources only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 10 - Deferred Outflows/Inflows of Resources – continued

Component Units

Water Authority:

As of June 30, 2014, the Authority had the following deferred outflows of resources to report:

Interest on refunding of bond	$ 63,947
Loss on refunding of bond	92,709
Total deferred outflows of resources	$ 156,656

The Authority reports unavailable revenue of service delivery fees of ($733,874) as deferred inflow of resources in the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 11 – Pension Plans

A. ACCG Pension Plan

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Carroll County Employees (the "Plan"), which is a defined benefit pension plan. This plan covers eligible County employees as of July 15, 1999 who made a one-time irrevocable choice to continue participating in the Plan. No employee hired after July 15, 1999 is eligible to participate in this plan.

Plan Description

The Plan provides retirement, disability and death benefits to plan members and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (the ACCG Plan), an agent multiple-employer defined benefit pension plan administered by the Government Employee Benefits Corporation of Georgia (GEBCorp). The ACCG, in its role as the Plan sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County retains the authority to amend the adoption agreement, which defines the specific operational provisions of the Plan. A separately issued financial report of the Plan may be obtained by writing GEBCORP at 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Note 11 – Pension Plans – continued

A. ACCG Pension Plan - continued

Funding Policy

The County is required to contribute an actuarially determined amount annually to the Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. The required contribution for the 2014 Plan year is $100,314. This amount represents 59.2% of covered payroll. Plan participants are not required to contribute to the Plan.

Annual Pension Cost and Net Pension Obligation

The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at January 1, 2014, was 3 years. The County's annual pension cost and net pension obligation for the pension plan for the current year are as follows:

Derivation of Net Pension Obligation:	
Annual pension cost for prior year	$ 108,598
Actual contributions to Plan for prior year	(107,054)
Change in net pension obligation	1,544
Net pension obligation (assets) as of January 1, 2013	10,656
Net pension obligation (assets) as of January 1, 2014	$ 12,200
Derivation of Annual Pension Cost:	
Annual required contribution	$ 101,378
Interest on net pension obligation	915
Amortization of net pension obligation	(994)
Annual pension cost	$ 101,299

Basis of Valuation

Current valuation date	January 1, 2014
Annual return on invested Plan assets	7.50%
Projected annual salary increases	5.0% - 7.5% based on age
Expected annual inflation	3.0%
Actuarial value of assets	Market Value
Actuarial funding method	Projected Unit Credit
Amortization method	Level Percent of Pay (Closed)

Note 11 – Pension Plan – continued

A. ACCG Pension Plan - continued

Trend Information

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
01/01/14	$ 101,299	$ N/A	N/A	$ 12,200
01/01/13	108,598	N/A	N/A	10,656
01/01/12	100,783	99,555	99%	9,428
01/01/11	97,305	96,586	99	8,709
01/01/10	81,113	81,160	100	8,756
01/01/09	80,601	41,738	52	(30,107)
01/01/08	59,820	59,686	100	(30,241)
01/01/07	74,016	72,346	98	(31,911)
01/01/06	91,322	95,085	104	(28,148)
01/01/05	116,219	129,512	111	(14,855)

Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
12/31/13	$ 2,494,008	* $ 3,167,624	$ 673,616	78.7%	$ 160,700	419.2%
12/31/12	2,410,014	* 3,285,640	875,626	73.3	185,164	472.9
12/31/11	2,566,053	* 3,313,709	747,656	77.4	264,168	283.0
12/31/10	2,713,216	* 3,298,823	585,607	82.2	269,021	217.7
12/31/09	2,822,545	* 3,354,080	531,535	84.2	253,987	209.3
12/31/08	2,878,421	3,265,435	387,014	88.1	387,259	99.9
12/31/07	3,151,082	3,321,542	170,460	94.9	436,762	39.0
12/31/06	3,112,896	3,315,350	202,454	93.9	552,748	36.6
12/31/05	2,987,507	3,421,715	434,208	87.3	650,362	66.8
12/31/04	2,795,252	3,436,006	640,754	81.4	669,187	95.8

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

Note 11 – Pension Plan – continued

B. Deferred Compensation Plan:

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The County contributes a match of up to 3% of compensation. This match is contributed to the Carroll County Money Purchase Plan. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

In accordance with GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the assets and liabilities of the County's Deferred Compensation Plan are not included within the County's financial statements.

C. Defined Contribution Plan:

All full-time employees of Carroll County who have performed at least six months of service are allowed to participate in the Carroll County Money Purchase Plan (the "Money Purchase Plan") administered by Nationwide Retirement Solutions Company. This plan is intended to qualify under the Internal Revenue Code Section 401(a). Plan provisions and contribution requirements are established and may be amended by the Carroll County Board of Commissioners. The County is required to contribute 1% of compensation for each participant with less than three years of service and 6% of compensation for each participant with three or more years of service. Participants' vesting in the Money Purchase Plan is based on years of credited service, as defined. A participant becomes 100% vested after five years of credited service. Total County contributions for the year ended June 30, 2014, were $1,269,841.

Note 12 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. The County purchases commercial insurance to cover property and professional liability claims.

The County participates in 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. Insurance coverage is a $300,000 per occurrence deductible.

As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

Note 12 – Risk Management – continued

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

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

Note 13 – Contingencies

Litigation:

The County is involved in a number of legal matters, which either have or could result in litigation. The nature of the lawsuits varies considerably. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County. The County will continue to assert its position in a defense against these claims.

Grant Contingencies:

The County has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

Note 14 – Joint Ventures

Three Rivers Regional Commission

Under Georgia law, the County, in conjunction with other cities and counties in the five county west central Georgia area, is a member of the Three Rivers Regional Commission (TRRC) and is required to pay annual dues thereto. During the year ended June 30, 2014, the County paid $111,580 in such dues. A portion of this amount was paid on behalf of the Cities and Towns within Carroll County including the following: the City of Bowdon, the City of Carrollton, the City of Mount Zion, the Town of Roopville, the City of Temple, the City of Villa Rica, and the City of Whitesburg. Membership in the TRRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional commissions in Georgia.

The TRRC Board membership includes the chief elected officials of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained from the Three Rivers Regional Commission, 120 North Hill Street, Griffin, Georgia.

Note 14 – Joint Ventures – continued

Western Area Regional Radio System Authority

Carroll County, the City of Douglasville, Haralson County, Coweta County and Heard County are members of the Western Area Regional Radio System Authority which was created to provide an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services. During the year ended June 30, 2014, the County paid $183,000 to the Authority for its annual subscription.

The Act creating the Authority provides that obligations of the Authority shall not be deemed to constitute a debt of the establishing local governments nor a pledge of the faith and credit of said establishing local governments. Separate financial statements may be obtained from the Treasurer of the Authority, 323 Newnan Street, Room 207, Carrollton, Georgia 30117.

Note 15 – Hotel/Motel Lodging Tax

The County has levied a six percent lodging tax. Twenty percent and forty percent of the tax received is paid to the Carroll County Chamber of Commerce and the Carroll County Tourism Association, respectively to promote tourism within Carroll County. A summary of the transactions for the year ending June 30, 2014 follows:

Total lodging tax receipts and interest earned	$ 37,553
60% of tax receipts and interest earned owed to the Chamber and Association for June 30, 2014	$ 22,532
Tax receipts owed at June 30, 2013	3,580
Disbursements to the Chamber and Association during the year ended June 30, 2014	(22,532)
Balance of lodging tax funds on hand at June 30, 2014 and included in Hotel/Motel Tax Fund accounts payable	$ 3,580

Note 16 – Prior Period Adjustments

The 2009 SPLOST Fund balance and the Capital Projects Fund for Public Roads fund balance, at the beginning of the fiscal year, have been adjusted to account for dual SPLOST and Local Maintenance Improvement Grant projects in the SPLOST fund.

Capital Projects Fund for Public Roads	$ (512,617)
2009 SPLOST Fund	512,617
Net assets of Governmental Activities	$ 00

Note 16 – Prior Period Adjustments – continued

Component Units

Water Authority:

Beginning net position was adjusted to reflect an adjustment in the prior period.

Carroll County Water Authority
Restatement of Net Position

Net Position as of June 30, 2013	$ 45,790,245
Deletions*	(696,552)
Restated Net Position – June 30, 2013	$ 45,093,693

* Prior period adjustment for change in accounting principle: In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, Items Previously Reported as Assets and Liabilities, the Authority is required to change its accounting treatment of service availability fees. Governmental Accounting Standards Board (GASB) Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions, requires that, under the modified accrual basis of accounting, that revenue is recognized when levied, but have not met time requirements, collected within 60 days of the end of the accounting cycle, is unavailable as a financial resource to be used to satisfy current obligations and should be reported as deferred revenue. Therefore, in conjunction with the implementation of GASB Statement No. 65, the restatement as shown above was required to the beginning net position of the Business Type Activities to properly defer the availability of service availability fees recorded in previous accounting cycles until future periods when the time requirements are met.

During 2013, significant amounts of the Carroll County Water Authority's water and sewer bonds were in-substance defeased through the issuance of advance refunding bonds. In accordance with GASB Statement No. 23, Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities, the difference between the amount placed in escrow to repay the refunded bonds and the carrying amount of the refunded bonds is being deferred and amortized as a component of interest expense over the remaining life of the refunded bonds. Therefore, in conjunction with the implementation of GASB Statement No. 23, deferred outflows has been restated to reflect the excess in the escrow account over the refund bond balance of $133,572 as of June 30, 2013.

REQUIRED SUPPLEMENTARY INFORMATION

Carroll County, Georgia
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 23,979,106	$ 24,384,341	$ 24,162,284	$ (222,057)
Sales taxes	10,596,335	10,596,335	8,998,296	(1,598,039)
Insurance premium taxes	3,090,000	3,170,000	3,202,495	32,495
Other taxes	810,220	810,220	875,587	65,367
Licenses and permits	908,500	908,500	943,337	34,837
Intergovernmental	3,380,903	3,518,595	3,069,292	(449,303)
Charges for services	1,324,000	1,324,253	953,885	(370,368)
Fines and forfeitures	2,721,300	2,721,300	2,194,387	(526,913)
Reimbursements from other agencies	213,328	213,328	159,385	(53,943)
Interest	60,025	60,025	39,313	(20,712)
Rental income	722,600	797,600	797,600	00
Other revenues	780,500	897,193	371,134	(526,059)
Total revenues	48,586,817	49,401,690	45,766,995	(3,634,695)
Expenditures:				
Current:				
General government:				
County Attorney	175,000	175,000	163,142	11,858
County Commission	1,170,489	1,185,489	1,155,818	29,671
Elections	360,261	360,261	273,651	86,610
General administration	2,495,810	2,362,770	2,263,611	99,159
Information technology services	165,656	165,756	159,644	6,112
Property tax appraisal	1,012,907	1,012,907	883,434	129,473
Tax Commissioner	884,909	935,689	875,672	60,017
Total general government	6,265,032	6,197,872	5,774,972	422,900
Judicial:				
District Attorney	806,256	856,256	856,254	2
Juvenile Court	777,933	768,933	636,853	132,080
Magistrate Court	586,452	573,905	541,863	32,042
Probate Court	395,132	395,132	374,517	20,615
Clerk of Courts	1,052,453	1,052,453	990,537	61,916
Solicitor of State Court	409,100	423,200	388,645	34,555
Superior Court	618,550	618,550	519,309	99,241
Public Defender	836,938	836,938	831,356	5,582
State Court	353,545	353,545	328,036	25,509
CASA	10,000	10,000	10,000	00
Total judicial	5,846,359	5,888,912	5,477,370	411,542

See accompanying notes to the required supplementary information.

Carroll County, Georgia
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Expenditures (continued):				
Current (continued):				
Public safety:				
800 MgH telecommunications system	$ 183,000	$ 183,000	$ 183,000	$ 00
Coroner	83,725	83,725	71,472	12,253
Animal control	747,162	767,162	716,479	50,683
Ambulance service	837,000	837,000	837,000	00
Emergency management	149,342	168,142	151,173	16,969
Fire department	7,407,088	7,480,519	6,860,232	620,287
Correctional Institute	2,713,442	2,733,942	2,600,564	133,378
Sheriff	13,218,776	13,522,697	13,048,092	474,605
Total public safety	25,339,535	25,776,187	24,468,012	1,308,175
Public works:				
Public works department	3,797,773	4,246,528	3,684,866	561,662
Solid waste disposal and recycling	2,263,000	2,263,000	2,114,021	148,979
Total public works	6,060,773	6,509,528	5,798,887	710,641
Health and Welfare:				
Community services	300,000	300,000	300,000	00
Welfare	127,195	127,195	123,075	4,120
West Georgia Mental Health Center	25,000	25,000	25,000	00
Total health and welfare	452,195	452,195	448,075	4,120
Cultural and Recreation:				
Recreation department	1,862,667	1,862,840	1,676,646	186,194
Parks	965,786	977,786	816,906	160,880
Libraries	245,000	245,000	245,000	00
Total recreation	3,073,453	3,085,626	2,738,552	347,074
Economic development:				
Community development	1,549,470	1,491,370	1,363,817	127,553
Total economic development	1,549,470	1,491,370	1,363,817	127,553

See accompanying notes to the required supplementary information.

Carroll County, Georgia
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Total expenditures	$ 48,586,817	$ 49,401,690	$ 46,069,685	$ 3,332,005
Excess (deficiency) of revenues over expenditures	00	00	(302,690)	(302,690)
Other financing sources (uses):				
Transfers in	00	00	15,021	15,021
Total other financing sources (uses)	00	00	15,021	15,021
Net change in fund balance	00	00	(287,669)	(287,669)
Fund balance, beginning of year	10,377,703	10,377,703	10,377,703	00
Fund balance, end of year	$ 10,377,703	$ 10,377,703	$ 10,090,034	$ (287,669)

See accompanying notes to the required supplementary information.

Annual budgets are prepared for the general fund, special revenue funds, and debt service funds, based on requests made by various department heads. The budgets include proposed expenditures and the means of financing them. Prior to budgets being legally enacted through passage of an ordinance, public hearings are held to obtain taxpayer comments. The budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP). The County uses an encumbrance system which records commitments related to unperformed contracts for goods and services. The County had no outstanding encumbrances at June 30, 2014.

OTHER SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

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

Sheriff's Narcotics Fund is used to account for cash received either as a result of a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

Emergency Telephone System Fund is used to account for the County's emergency communications operations by providing an open channel between citizens and public safety providers.

Hotel/Motel Tax Fund is used to account for funds collected from the hotel/motel tax and disbursed to other agencies for the promotion of tourism.

Special Tax District Fund is used to account for the additional tax monies paid by citizens who wish to have street lights and erosion control provided by the County.

DATE Fund is used to account for funds restricted for County DATE projects.

Law Library Fund is used to account for the resources received from the various courts of Carroll County and disbursements for the support of a centralized law library.

Carroll County Clerk's Cooperative Fund is used to account for a state grant to help with the costs of indexing deed records.

Juvenile Court – Supervision Fee Fund is used to account for the supervision fees received relating to the operation of the Juvenile Court.

Jail House Store Fund is used to account for the proceeds of the jail inmate commissary sales.

Correctional Institute Commissary Fund is used to account for proceeds of correctional institute inmate commissary sales.

Capital Projects Funds

The **Capital Projects Fund for Public Roads** is used to account for capital projects for public roads financed by the Georgia Department of Transportation Local Maintenance and Improvement Grant (LMIG).

Carroll County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds											
	Sheriff's Narcotics	Emergency Telephone System	Hotel/ Motel Tax	Special Tax District	DATE Account	Law Library	Clerk's Cooperative	Juvenile Court-Supervision Fee	Jail House Store	Correctional Institute Commissary	Capital Projects Fund for Public Roads	Total Nonmajor Governmental Funds
Assets												
Cash and cash equivalents	$ 503,778	$ 1,352,711	$ 00	$ 120,042	$ 113,634	$ 279	$ 348,483	$ 193,479	$ 162,630	$ 13,698	$ 00	$ 2,808,734
Taxes receivable	00	00	3,580	00	00	00	00	00	00	00	00	3,580
Accounts receivables	00	495,326	00	733	11,411	00	5,539	00	00	00	00	513,009
Total assets	$ 503,778	$ 1,848,037	$ 3,580	$ 120,775	$ 125,045	$ 279	354,022	$ 193,479	$ 162,630	$ 13,698	$ 00	$ 3,325,323
Liabilities and Fund Balances												
Liabilities:												
Accounts payable	$ 00	$ 1,778	$ 2,148	$ 3,068	$ 176	$ 00	$ 00	$ 00	$ 8,000	$ 00	$ 00	$ 15,170
Due to other funds	00	54,441	1,432	00	00	00	00	00	3,618	00	00	59,491
Total liabilities	00	56,219	3,580	3,068	176	00	00	00	11,618	00	00	74,661
Fund Balances:												
Fund balance - Restricted	503,778	1,791,818	00	00	00	279	00	00	00	00	00	2,295,875
Fund balance – Committed	00	00	00	117,707	124,869	00	354,022	193,479	151,012	13,698	00	954,787
Total fund balances	503,778	1,791,818	00	117,707	124,869	279	354,022	193,479	151,012	13,698	00	3,250,662
Total liabilities and fund balances	$ 503,778	$ 1,848,037	$ 3,580	$ 120,775	$ 125,045	$ 279	$ 354,022	$ 193,479	$ 162,630	$ 13,698	$ 00	$ 3,325,323

Carroll County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds											
	Sheriff's Narcotics	Emergency Telephone System	Hotel/ Motel Tax	Special Tax District	DATE Account	Law Library	Clerk's Cooperative	Juvenile Court-Supervision Fee	Jail House Store	Correctional Institute Commissary	Capital Projects fund for Public Roads	Total Nonmajor Governmental Funds
Revenues:												
Other taxes	$ 00	$ 00	$ 37,548	$ 38,317	$ 00	$ 00	$ 00	$ 00	$ 00	$ 00	$ 00	$ 75,865
Intergovernmental	00	00	00	00	00	00	57,717	00	00	00	00	57,717
Charges for services	00	1,869,923	00	00	00	00	00	7,223	00	00	00	1,877,146
Fines and forfeitures	356,004	00	00	00	109,587	24,554	00	00	00	00	00	490,145
Interest income	1,435	3,782	5	308	231	20	807	00	71	27	00	6,686
Other revenues	7,473	00	00	00	00	00	00	00	503,307	46,692	00	557,472
Total revenues	364,912	1,873,705	37,553	38,625	109,818	24,574	58,524	7,223	503,378	46,719	00	3,065,031
Expenditures:												
Current:												
Judicial	00	00	00	00	00	45,706	5,449	5,301	00	00	00	56,456
Public safety	474,302	1,844,748	00	00	00	00	00	00	354,547	38,045	00	2,711,642
Economic development	00	00	22,532	38,945	47,283	00	00	00	00	00	00	108,760
Debt service	00	00	00	00	00	00	00	00	00	00	00	00
Capital outlay	00	00	00	00	00	00	00	00	00	00	00	00
Total expenditures	474,302	1,844,748	22,532	38,945	47,283	45,706	5,449	5,301	354,547	38,045	00	2,876,858
Excess (deficiency) of revenues over (under) expenditures	(109,390)	28,957	15,021	(320)	62,535	(21,132)	53,075	1,922	148,831	8,674	00	188,173
Other financing sources (uses):												
Transfers in	00	00	00	00	00	00	00	00	00	00	00	00
Transfers out	00	00	(15,021)	00	00	00	00	00	00	00	00	(15,021)
Total other financing sources (uses)	00	00	(15,021)	00	00	00	00	00	00	00	00	(15,021)
Net change in fund balances	(109,390)	28,957	00	(320)	62,535	(21,132)	53,075	1,922	148,831	8,674	00	173,152
Fund balances, beginning of year	613,168	1,762,861	00	118,027	62,334	21,411	300,947	191,557	2,181	5,024	512,617	3,590,127
Prior period adjustment–Note 16	00	00	00	00	00	00	00	00	00	00	(512,617)	(512,617)
Fund balances, end of year	$ 503,778	$ 1,791,818	$ 00	$ 117,707	$ 124,869	$ 279	$ 354,022	$ 193,479	$ 151,012	$ 13,698	$ 00	$ 3,250,662

Carroll County, Georgia
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds
2009 Issue
June 30, 2014

Project	Original Estimated Cost	Current Estimated Cost	SPLOST Expenditures Prior Years	SPLOST Expenditures Current Year	Expenditures From Other Sources Prior Years	Expenditures From Other Sources Current Year	Total
Roads, streets, bridges and sidewalks	$ 20,500,000	$ 20,500,000	$ 13,790,447	$ 2,428,006	$ 8,506,512	$ 1,324,720	$ 26,049,685
Water facilities and equipment	9,500,000	9,500,000	1,410	00	00	00	1,410
Public works facilities and equipment	7,000,000	7,000,000	7,734,281	16,034	00	00	7,750,315
Recreation facilities and equipment	7,000,000	7,000,000	2,864,073	87,384	258,876	69,003	3,279,336
Judicial center facilities and equipment	6,000,000	6,000,000	13,669,498	235	500,000	00	14,169,733
Watershed and farmland protection	5,900,000	5,900,000	00	00	00	00	00
Public transportation facilities and equipment	3,500,000	3,500,000	26,938	00	00	00	26,938
Economic development	2,800,000	2,800,000	1,659,542	00	00	00	1,659,542
Public safety facilities and equipment	2,500,000	2,500,000	2,156,571	686,596	2,795	00	2,845,962
Courthouse facilities and equipment	1,000,000	1,000,000	2,605,025	148,540	00	00	2,753,565
Administrative facilities and equipment	500,000	500,000	808,583	223,221	24,218	00	1,056,022
Sewer facilities and equipment	500,000	500,000	00	00	00	00	00
Solid waste facilities and equipment	500,000	500,000	00	00	00	00	00
Ag-Ed improvements and equipment	128,705	128,705	74,212	2,500	00	00	76,712
	67,328,705	67,328,705	45,390,580	3,592,516	9,292,401	1,393,723	59,669,220
Cities							
Bowdon projects	1,908,712	1,908,712	1,215,034	285,471	00	00	1,500,505
Bremen projects	24,988	24,988	13,135	3,086	00	00	16,221
Carrollton projects	21,026,585	21,026,585	13,385,086	3,144,810	00	00	16,529,896
Mount Zion projects	1,454,119	1,454,119	926,054	217,575	00	00	1,143,629
Roopville projects	190,295	190,295	118,219	27,776	00	00	145,995
Temple projects	3,892,388	3,892,388	2,476,044	581,743	00	00	3,057,787
Villa Rica projects	6,759,300	6,759,300	4,301,880	1,010,720	00	00	5,312,600
Whitesburg projects	563,195	563,195	361,226	84,869	00	00	446,095
	35,819,582	35,819,582	22,796,678	5,356,050	00	00	28,152,728
	$ 103,148,287	$ 103,148,287	$ 68,187,258	$ 8,948,566	$ 9,292,401	$ 1,393,723	$ 87,821,948

Prior years' expenditures from other sources have been restated to include amounts from Local Maintenance Improvement Grant (LMIG) funds, for dual SPLOST and LMIG projects.

Carroll County, Georgia
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds
2015 Issue
June 30, 2014

Project	Original Estimated Cost	Current Estimated Cost	SPLOST Expenditures Prior Years	SPLOST Expenditures Current Year	Expenditures From Other Sources Prior Years	Expenditures From Other Sources Current Year	Total
Roads, streets, bridges and sidewalks			$ 00	$ 00	$ 00	$ 00	$ 00
Water facilities and equipment			00	00	00	00	00
Public works facilities and equipment			00	00	00	00	00
Recreation facilities and equipment			00	00	00	00	00
Judicial center equipment			00	00	00	00	00
Historic Courthouse facilities and equipment			00	00	00	00	00
Agricultural development projects and equipment			00	00	00	00	00
Watershed and farmland protection			00	00	00	00	00
Public transportation facilities and equipment			00	00	00	00	00
Economic development			00	00	00	00	00
Public safety facilities and equipment			00	00	00	00	00
County Administration building and parking			00	00	00	00	00
Administrative facilities and equipment			00	00	00	00	00
Sewer facilities and equipment			00	00	00	00	00
Solid waste facilities and equipment			00	00	00	00	00
Agricultural projects; greenspace acquisition			00	00	00	00	00
Library facilities and equipment			00	00	00	00	00
Park facilities and equipment			00	00	00	00	00
Fire department activities and equipment			00	00	00	00	00
	$ 59,894,400	$ 59,894,400	$ 00	$ 00	$ 00	$ 00	$ 00
Cities							
Bowdon projects	$ 1,776,000	$ 1,776,000	$ 00	$ 00	$ 00	$ 00	$ 00
Bremen projects	38,400	38,400	00	00	00	00	00
Carrollton projects	21,187,200	21,187,200	00	472,500	00	00	472,500
Mount Zion projects	1,468,800	1,468,800	00	00	00	00	00
Roopville projects	192,000	192,000	00	00	00	00	00
Temple projects	3,667,200	3,667,200	00	00	00	00	00
Villa Rica projects	7,267,200	7,267,200	00	00	00	00	00
Whitesburg projects	508,800	508,800	00	00	00	00	00
	36,105,600	36,105,600	00	472,500	00	00	472,500
	$ 96,000,000	$ 96,000,000	$ 00	$ 472,500	$ 00	$ 00	$ 472,500

The 2015 SPLOST referendum was passed with a total project cost estimated at $96,000,000. Estimated cost for individual county projects was not specified in the referendum, therefore are not provided for above.

Agency Funds

Tax Commissioner – This fund is used to account for all real, personal and intangible taxes collected and forwarded to the County and other government units.

Sheriff – This fund is used to account for collection of fees, proceeds from judicial sales, and cash bonds, which are disbursed to other agencies, the County, and individuals.

Jail Inmate Fund – This fund accounts for jail inmate funds while in custody, and for the purchase of items from the Jail Commissary and related activities on behalf of inmates and the correctional institute.

Correctional Institute Inmate Fund – This fund is used to account for inmate funds held while in custody and for purchase of items from the Correctional Institute Commissary and related activities on behalf of the inmates.

The following agency funds are used to account for fines, fees and other moneys collected by the courts and remitted to other parties in accordance with court orders and state law:

Magistrate Court
Clerk of Court
Probate Court
Juvenile Court

Carroll County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2014

	Tax Commissioner	Sheriff	Inmate Jail Fund	Correctional Institute Inmate Fund	Magistrate Court	Clerk of Court	Probate Court	Juvenile Court	Totals
Assets									
Cash	$ 2,466,074	$ 485,492	$ 200,542	$ 11,199	$ 59,844	$ 227,252	$ 8,574	$ 13,123	$ 3,472,100
Taxes receivable	1,801,317	00	00	00	00	00	00	00	1,801,317
Total assets	$ 4,267,391	$ 485,492	$ 200,542	$ 11,199	$ 59,844	$ 227,252	$ 8,574	$ 13,123	$ 5,273,417
Liabilities									
Due to other governments	$ 1,469,705	$ 478,934	$ 86,416	$ 00	$ 10,821	$ 151,442	$ 8,574	$ 775	$ 2,206,667
Due to others	996,369	6,558	114,126	11,199	49,023	75,810	00	12,348	1,265,433
Uncollected taxes	1,801,317	00	00	00	00	00	00	00	1,801,317
Total liabilities	$ 4,267,391	$ 485,492	$ 200,542	$ 11,199	$ 59,844	$ 227,252	$ 8,574	$ 13,123	$ 5,273,417

COMPLIANCE SECTION

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

Garrett
Thomas &
Fazio, P.C.

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

The Board of Commissioners
Carroll County, Georgia

We have audited, 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, 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 Carroll County, Georgia (the County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 9, 2015. Our report includes a reference to other auditors who audited the financial statements of the Carroll County Department of Health, Carroll County Water Authority, and the Carroll City-County Hospital Authority as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Carroll City-County Hospital Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carroll County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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The Board of Commissioners
Carroll County, Georgia

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2014-1, that we consider to be a significant deficiency.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Carroll County, Georgia, in a separate letter dated January 9, 2015.

Carroll County's Response to Findings

Carroll County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Garrett, Thomas & Tazio, P.C.

Carrollton, Georgia
January 9, 2015

Findings:

2014-1 Segregation of Duties (Repeat Finding)

Criteria: Segregation of duties is a key internal control whereby the authorization, custody, record keeping, and reconciling duties are separated among several persons.

Condition: There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments, component units, and constitutional offices of the County.

Effect: The possibility that errors or irregularities could occur and not be detected on a timely basis in the normal course of business.

Cause: Limited number of personnel within each office to perform all of the required duties.

Recommendation: We recommend that segregation of duties be implemented to the extent practical and accounting records be reviewed by responsible officials on a regular basis.

Response: We concur with the recommendation. The County Administration will work to continually improve and implement as many procedures as possible to improve internal controls in this area.